

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS  
ACTION AGENDA SUMMARY

DEPT: Health Services Agency *1103*

BOARD AGENDA # B-12

Urgent  Routine

AGENDA DATE March 30, 2010

CEO Concurs with Recommendation YES  NO   
(Information Attached)

4/5 Vote Required YES  NO

SUBJECT:

Approval to Rescind the Reduction to the Income Limits at which Patient Cost Sharing Applies and the Increase in Patient Cost Sharing Specifically for Major Restorative Dental Services in the Medically Indigent Adult program and Reinstate the Respective Policy that Existed Prior to the Board of Supervisor Action on September 1, 2009

STAFF RECOMMENDATIONS:

1. Approve the rescission of the reduction to the Income Limits at which patient cost sharing applies in the Medically Indigent Adult program effective April 1, 2010 and reinstate the respective policy which existed prior to the Board's action on September 1, 2009.
2. Approve the rescission of the increase in patient cost sharing specifically for major restorative dental services in the Medically Indigent Adult program effective April 1, 2010 and reinstate the respective policy which existed prior to the Board's action on September 1, 2009.
3. Authorize the Health Services Agency Managing Director to fulfill the operational activities associated with the implementation of the above recommendations.

FISCAL IMPACT:

The Medically Indigent Adult (MIA) program represents the majority of the Health Services Agency's Indigent Health Care Program budget. The approved budget for Fiscal Year 2009-2010 for the Indigent Health Care Program is \$14,751,711 which does not include an estimated expense for the financial impact of the recommended changes. Those costs will be based on the actual applicants, enrollment and

(Continued on page 2)

BOARD ACTION AS FOLLOWS:

No. 2010-172

On motion of Supervisor Chiesa, Seconded by Supervisor Monteith

and approved by the following vote,

Ayes: Supervisors: O'Brien, Chiesa, Monteith, DeMartini, and Chairman Grover

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

1) X Approved as recommended

2) \_\_\_\_\_ Denied

3) \_\_\_\_\_ Approved as amended

4) \_\_\_\_\_ Other:

MOTION:

*Christine Ferraro*

ATTEST: CHRISTINE FERRARO TALLMAN, Clerk

File No.

Approval to Rescind the Reduction to the Income Limits at which Patient Cost Sharing Applies and the Increase in Patient Cost Sharing Specifically for Major Restorative Dental Services in the Medically Indigent Adult program and Reinstate the Respective Policy that Existed Prior to the Board of Supervisor Action on September 1, 2009  
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**FISCAL IMPACT (Continued):**

utilization of covered services under the Medically Indigent Adult program during the remainder of the fiscal year. By analyzing recent actual utilization and cost information of services provided to MIA program enrollees in addition to payment behaviors, it is preliminarily estimated that the annualized increased cost related to the recommended changes could be significant, perhaps as high as approximately \$500,000. The extent of the unfunded fiscal exposure of this policy change is unknown and additional work and experience will be required to fully understand this liability to the County. There is no additional external funding available to offset these costs. The Health Services Agency will continue to work with the Chief Executive Office and County Counsel to identify strategies to manage the indigent healthcare mandate and as indicated will return to the Board of Supervisors with additional recommendations relative to the program rules, cost and funding.

**DISCUSSION:**

Under Welfare and Institutions Code Section 17000, the County is required to provide or arrange for the provision of medical care services for the Medically Indigent Adult residents of the County. Under the law, the scope of benefits and eligibility guidelines are established at the discretion of each county's Board of Supervisors.

Due to decreasing MIA program funding coupled with rising enrollment, staff recommended policy changes in order to produce decreased program expenditures and avoid deficit spending. The Board of Supervisors conducted a public hearing on September 1, 2009, at which time the staff recommendations were considered and approved. Those changes were put into effect for new applicants on October 1, 2009 and for existing "enrollees" upon their renewal dates and were more closely aligned with the State's Medi-Cal eligibility guidelines and with many other counties' indigent coverage programs.

The Western Center on Law and Poverty has challenged individual county's policies, specifically regarding consideration to an individual's ability to pay for medical care. The Western Center on Law and Poverty successfully sued San Diego County. The Court compelled San Diego County to use local cost of living factors to determine indigent status and an individual's ability to pay a share of medical costs. San Diego County conducted a cost of living study and the point at which an individual shares in a portion of their medical care costs is now set at 165% of the Federal Poverty Limit (FPL). A similar suit was brought against Fresno County recently. Fresno County's Board of Supervisors adopted new policies on February 23, 2010 based upon a cost of living study, and the level at which an individual is subject to cost sharing is at 114% of the Federal Poverty Limit.

Approval to Rescind the Reduction to the Income Limits at which Patient Cost Sharing Applies and the Increase in Patient Cost Sharing Specifically for Major Restorative Dental Services in the Medically Indigent Adult program and Reinstate the Respective Policy that Existed Prior to the Board of Supervisor Action on September 1, 2009  
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**Eligibility and Cost Sharing**

The following table 1 summarizes the recommendations regarding copays, share of cost and the dental specific share of cost.

**Table 1**

<b>Policies</b>	<b>Policy Prior to September 1, 2010 Change and March 1, 2010 Proposed Policy</b>	<b>Current Policy</b>
FPL or Income Level at which copays apply	50% to 129% of FPL	\$300 - \$599 (currently equivalent to 33% - 65%)
FPL or Income Level at which Share of Cost applies	125% - 200% of FPL	\$600 - \$1,205 (currently equivalent to 66% - 200%)
Cost Sharing for Major Restorative Dental Benefits	No dental benefit specific Share of Cost - Income driven Share of Cost applied.	50% cost sharing for all income levels

A financial assessment determines whether a qualified applicant is subject to a financial responsibility of either copayments or monthly share of cost, based on monthly income. Prior to the September 2009 policy decision, MIA enrollees who had income of less than 50% of the FPG qualify with the County bearing 100% of the enrollee's medical care cost (for covered services). Enrollees with income between 50% and 130% of FPG were subject to copayments for care provided, and enrollees with income above 130% of FPG had a share of cost approximately equal to the amount of excess income above the 130% FPG amount. As a point of reference, 50% of FPG is \$451, 130% of FPG is \$1,173. The share of cost works similar to a health insurance deductible but on a monthly basis during months in which care is provided to the enrollee. For every dollar that the enrollee's income exceeds 125% of the FPG, the enrollee was responsible for that amount of his/her monthly medical care costs, and the MIA program was responsible for costs above the enrollee's share of cost. *Note: The formula to determine the actual monthly amount of share of cost begins at 125% of FPG to apply cost sharing on a fair basis. If the share of cost were calculated beginning at 130% of*

FPG, an enrollee with income just over 130% of FPG would incur less than an enrollee with income just below the 130% amount who is subject to copayments for each service provided. The upper limit of share of cost is equal to the 200% of FPG, which is also the ceiling for eligibility. The policy change resulting from the September 1, 2009 public hearing, lowered the monthly income level at which the minimal copayments would apply to \$300, and lower the monthly income level at which share of cost would apply to \$600. These figures were applied to a family size of one, while higher varying limits applied by family size, as reflected in Attachment A. This share of cost level and methodology is equivalent to the "Maintenance Need Level" applied by the State of California for determining share of cost under the Medi-Cal program.

Prior to the September 2009 change, 69% of MIA enrollees had income levels which did not require cost sharing. Based on the September 2009 policy change, it was projected that 61% of MIA enrollees would continue to be exempt from a financial responsibility of either copayments or monthly share of cost – see Table 2. Most enrollees that were subject to the small copayments (\$3 to \$25 depending on type of service) instead became subject to the higher share of cost responsibility, ranging from \$45 to \$574. Enrollees that previously had a share of cost ranging from \$45 to \$677 had a share of cost ranging from \$575 to \$1,205.

**Table 2 - MIA enrollees by financial responsibility – Current and Proposed Policy**

Pre-September 2009 Policy Results and March 30, 2010 Recommended Policy Estimates		September 2009 Policy – Estimated Results	
Monthly Income	% of Enrollees	Monthly Income	% of Enrollees
No Financial Responsibility (0 – 49% of FPG – Income) <i>Currently 50% FPG = \$451</i>	69%	No Financial Responsibility (0 - \$299)	61%
Eligible with Copay (50 – 129% FPG – Income) <i>Currently 130% FPG = \$1,173</i>	23%	Eligible with Copay (\$300 - \$599)	11%
Eligible with Share of Cost (130 – 200% of FPG - Income) <i>Currently 200% of FPG is \$1,805</i>	7%	Eligible with Share of Cost (\$600 – 200% of FPG)	28%

Although the share of cost policy change made by the Board of Supervisors in September 2009 is consistent with the State of California’s Medi-Cal policy, and based on a recent staff-conducted survey, is consistent with the policies applied by the majority of counties, the pending legal challenge is prompting these recommendations to return to the previous cost-sharing policy.

Approval to Rescind the Reduction to the Income Limits at which Patient Cost Sharing Applies and the Increase in Patient Cost Sharing Specifically for Major Restorative Dental Services in the Medically Indigent Adult program and Reinstate the Respective Policy that Existed Prior to the Board of Supervisor Action on September 1, 2009  
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### Dental Related Change

The September 1, 2009 board action imposed a 50% benefit limit specific to major restorative dental services, such as but not limited to dentures, temporary and permanent crowns and root canals. Staff had previously recommended that for major restorative dental services, the MIA program would pay 50% of the cost, and the enrollee would pay for 50% of the cost, based on MIA's contracted reimbursement rates. The current staff recommendation is to eliminate this dental specific cost sharing policy, and revert to the income driven share of cost policy that applies to all other covered services regardless of whether dental or medical, as had been applied prior to the September 2009 policy change.

### Other Administrative Changes

Based on the Western Center on Law and Poverty complaint, County Counsel reviewed a Health Services Agency administrative policy of requiring, except in urgent medical need cases, applicable copays and share of cost prior to rendering care. The Agency had implemented that administrative practice several years ago after an analysis which showed that post-service date billing resulted in 95% uncollected account balances. Effective February 1, 2010, the Agency modified that policy to continue to request the payment from patients at the time of service, but to refrain from withholding care in the event the patient was unable or refused to pay. The Agency will continue to make diligent effort to collect outstanding balances through payment plans and liens, however has serious concern regarding the direct financial impact of this change.

### Next Steps

These policy recommendations are directly prompted by the pending legal challenge and are not based on operational projections of revenue and expense. Agency staff will continue to work with County Counsel, the County Chief Executive Office, other counties and the County Health Executives Association of California to identify reasonable and legally appropriate initiatives to provide for the medical care needs of the indigent population while seeking to achieve financially sustainable operations. The Health Services Agency will conduct, possibly with some external assistance, a cost of living study with the intent to return to the Board of Supervisors with additional recommendations.

### **POLICY ISSUE:**

Approval of this item supports the Board of Supervisors' priorities of *A healthy community* and *Efficient delivery of public services* by considering changes which seek to avoid further legal challenge and cost while providing for the medical needs of our county's indigent population.

Approval to Rescind the Reduction to the Income Limits at which Patient Cost Sharing Applies and the Increase in Patient Cost Sharing Specifically for Major Restorative Dental Services in the Medically Indigent Adult program and Reinststate the Respective Policy that Existed Prior to the Board of Supervisor Action on September 1, 2009  
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**STAFFING IMPACT:**

There is no staffing impact associated with this proposal.

**DEPARTMENT CONTACT:**

Mary Ann Lee, Director. Phone: 558-7163

Attachment A – Income Related Eligibility Policy – Current and Proposed

MIA Income Eligibility Policy	MIA Enrollment	Current Policy and No Change Proposed	Pre-September 2009 Policy and March 30, 2010 Proposed Policy Change				Current Policy as approved on September 1, 2009			
			Family Size - Family Budget Unit	Distribution by Family Size	Income Limit for Eligibility = 200% of FPG	Income Level with No Patient Cost Sharing (0 - 49% of FPG)	Copayment Income Range 50% FPG - 130% FPG	Share of Cost Income Limit = 130% FPG	Monthly Share of Cost Range	Income Level with No Patient Cost Sharing
1 Person	90.8%	\$1,805	\$0 - \$450	\$451 - \$1,173	\$1,173	\$45 - \$676	\$0 - \$299	\$300 - \$599	\$600	\$45 - \$1205
2 Persons	8.7%	\$2,428	\$0 - \$606	\$607 - \$1,578	\$1,578	\$64 - \$911	\$0 - \$475	\$476 - \$749	\$750	\$64 - \$1494
3 Persons	<1%	\$3,052	\$0 - \$762	\$763 - \$1,984	\$1,984	\$76 - \$1145	\$0 - \$572	\$573 - \$933	\$934	\$76 - \$2118
4 Persons	<1%	\$3,675	\$0 - \$918	\$919 - \$2,389	\$2,389	\$92 - \$1378	\$0 - \$663	\$664 - \$1,099	\$1,100	\$92 - \$2575
5 Persons	<1%	\$4,298	\$0 - \$1,074	\$1,075 - \$2,794	\$2,794	\$107 - \$1612	\$0 - \$749	\$750 - \$1,258	\$1,259	\$107 - \$3039
6 Persons	<1%	\$4,922	\$0 - \$1,229	\$1,230 - \$3,199	\$3,199	\$123 - \$1846	\$0 - \$827	\$828 - \$1,416	\$1,417	\$123 - \$3505
7 Persons	0	\$5,545	\$0 - \$1,385	\$1,386 - \$3,604	\$3,604	\$139 - \$2079	\$0 - \$902	\$903 - \$1,549	\$1,550	\$139 - \$3995
8 Persons	0	\$6,168	\$0 - \$1,541	\$1,542 - \$4,009	\$4,009	\$154 - \$2313	\$0 - \$966	\$967 - \$1,691	\$1,692	\$154 - \$4476
9 Persons	0	\$6,792	\$0 - \$1,697	\$1,698 - \$4,415	\$4,415	\$170 - \$2547	\$0 - \$1,041	\$1,042 - \$1,824	\$1,825	\$170 - \$4967
10 Persons	0	\$7,415	\$0 - \$1,853	\$1,854 - \$4,820	\$4,820	\$185 - \$2780	\$0 - \$1,108	\$1,109 - \$1,958	\$1,959	\$185 - \$5456
Each Added Person		\$623			\$406				\$14	



B-12

3701 Wilshire Boulevard, Suite 208  
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TELEPHONE: 213-487-7211  
FAX: 213-487-0242

## FAX TRANSMISSION

**TO:** Deputy Counsel Wm. Dean Wright  
Stanislaus County Counsel

**FAX NUMBER:** (209) 525-4473

**DATE:** March 29, 2010

**FROM:** Abbi Coursolle (Marilyn)

**RE:** Proposed Interim Return to Pre-September 2009 MIA Policy

**Number of Pages Including Cover Sheet:** 59 total pages (faxed in two parts)

Document is being faxed in two parts. Exhibit B (27 pages) will immediately follow this fax. The same cover page will be attached, with notation EXHIBIT B ONLY.

BOARD OF SUPERVISORS  
2010 MAR 29 P 3:59

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**WESTERN CENTER ON LAW & POVERTY**

March 29, 2010

**BY FAX - (209) 525-4410**  
**AND U.S. MAIL**

Stanislaus County Board of Supervisors  
Board of Supervisors, Stanislaus County  
1010 - 10th Street, Suite 6500  
Modesto, CA 95354

Re: Proposed Interim Return to Pre-September 2009 MIA Policy

Dear Supervisors,

On behalf of Leslie Cook and other individual clients, we submit this statement and the accompanying exhibits into the record of the March 30, 2010 Board meeting on agenda item 12.

Starting September 1, 2009, Stanislaus County's Medically Indigent Adults (MIA) program only provides free care to applicants with monthly incomes up to \$300; applicants with incomes of \$300-\$599 care must pay copays; those whose income is \$600 to \$1805 must pay a share-of-cost to receive care; those whose incomes exceed \$1805 are ineligible for any care. Agenda item 12 would rescind the current policy and return to the standards in place prior to September, under which eligible applicants with incomes under \$450 received free care; applicants with incomes of \$451 to \$1165 paid copayments; while those whose incomes ranged from \$1166 to \$1805 paid a share-of-cost; and those whose incomes exceeded \$1805 were ineligible for care.

We wrote a letter to this Board in January, urging the Board to take immediate action to correct illegal practices in MIA that denied care or assessed co-payments and/or a Share of Cost to persons who lacked the ability to pay the fees or the costs of their own care in part or in full. At our request, pending negotiations into adoption of a lawful policy, County Counsel agreed to propose that your Board revert to the MIA financial eligibility scheme in place before September 2009, and to maintain that former standard as an interim measure while it addressed the larger issues raised by our letter.

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[www.wclp.org](http://www.wclp.org)

Stanislaus County Board of Supervisors  
Board of Supervisors, Stanislaus County  
March 29, 2010  
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At the outset, we urge the Board to adopt the proposed amended eligibility criteria immediately as an interim step, while the County determines appropriate financial eligibility to meet its mandate to "consider an individual's ability to pay all or a part of their subsistence medical care" in its MIA program. *Alford v. County of San Diego*, 151 Cal.App.4th 16, 32 (2007) (emphasis in original).

By approving this proposal, the Board will restore the MIA eligibility criteria that were in place prior to the Board's adoption of new eligibility policies in September, 2009. These prior criteria are a vast improvement over the current eligibility policies. Yet even the eligibility policies before the Board today still violates Welfare and Institutions Code §17000, two decisions of the California Supreme Court in *Hunt v. Superior Court*, 21 Cal.4th 984 (1999) and *County of San Diego v. State of California*, 15 Cal.4th 68 (1997), and the more recent appellate decision in *Alford v. County of San Diego*, 151 Cal. App. 4th 16 (2007). To be valid, a financial eligibility standard must be based upon applicants' ability to pay for the costs of medical care and other necessities of life.

Although the eligibility policies before the Board today will ensure that fewer applicants are excluded from MIA because they cannot afford to pay the associated costs while paying for their other life necessities, these policies [summarize] do not reflect the cost of subsistence level living in the County. By way of comparison, in 2007 the California Budget Project estimated that a single individual in Stanislaus County would require \$2018 per month to meet basic needs; in 2008, the Insight Center for Community Economic Development Estimated that a single individual in Stanislaus County would require \$1825 per month to meet basic needs. These reports are attached as Exhibits A and B, respectively, to this letter.

While the Board should adopt these policies as an interim measure, state law requires the County to maintain eligibility standards that account for Stanislaus County residents' ability to pay for their subsistence level medical care,. Therefore, we urge the Board of Supervisors to adopt the proposed income eligibility policy solely as interim relief. In that way, fewer people who are lawfully entitled to health care services will go without until the County brings its policies into compliance with state law; and Stanislaus County residents, like Ms. Cook, may be able to access health care more readily than under the scheme of drastically unaffordable co-payments and Share of Cost in place now.

At the same time, we also ask that the Board of Supervisors instruct the Health Services Agency to complete an analysis of subsistence level costs in the County and report back to the Board no later than June 1, 2010. We also ask the Board to commit to revisiting MIA eligibility upon the completion of the Health Service Agency's analysis. Finally, we ask the Board to instruct the Health Service

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Agency to track the cases of people who do or have applied for MIA and are or have been denied, assessed co-payments, or assigned a Share of Cost on the grounds that their incomes exceed the eligibility levels

Thank you for your consideration.

Sincerely,



Abbi Coursolle  
Western Center on Law & Poverty

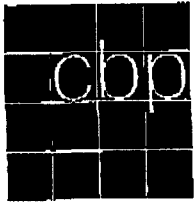
Andrea DeTellis  
California Rural Legal Assistance

Attachments

cc: Deputy Counsel Wm. Dean Wright,  
Stanislaus County Counsel  
**BY FAX - (209) 525-4473**

# EXHIBIT A

# EXHIBIT A



CALIFORNIA BUDGET PROJECT

# MAKING ENDS MEET:

How Much Does It Cost  
to Raise a Family in California?

October 2007

A Publication of the California Budget Project

## Acknowledgments

This report updates and expands upon previous editions of the California Budget Project's (CBP) *Making Ends Meet: How Much Does It Cost to Raise a Family in California?* The CBP wishes to thank the Michigan League for Human Services, whose *Economic Self-Sufficiency: A Michigan Benchmark* served as a model for this report. Michael Shevely updated this report with the assistance of David Carroll and Jean Ross. The CBP wishes to thank Carlise King of the Child Care Resource & Referral Network for assistance with the child care cost data.

The CBP also wishes to thank the foundations and individuals who provide general operating support for our work.

## California Budget Project

The CBP was founded in 1994 to provide Californians with a source of timely, objective, and accessible expertise on state fiscal and economic policy issues. The CBP engages in independent fiscal and policy analysis and public education with the goal of improving public policies affecting the economic and social well-being of low- and middle-income Californians. Support for the CBP comes from foundation grants, publications, and individual contributions.

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## INTRODUCTION

For many Californians, just making ends meet is a struggle. Many families live paycheck to paycheck, juggling rent or a mortgage payment with child care, food, and emergencies such as unexpected car repairs. During the past decade, welfare reform has focused attention on the challenges involved with moving families off welfare and into the workforce. Yet far less attention has focused on whether the jobs that are available provide sufficient income to support a family, or on the economic challenges facing many working families as they attempt to make ends meet.

This report attempts to estimate the amount families and single adults need to earn in order to achieve a modest standard of living without assistance from public programs.<sup>1</sup> In developing these estimates, the California Budget Project (CBP) hopes to provide a benchmark for assessing the adequacy of current employment opportunities and public policies that address the economic challenges facing many working families.

Researchers and policymakers typically use the federal poverty line as the benchmark to judge economic well-being.<sup>2</sup> For most purposes, the poverty line is an obsolete measure that fails to take into account the reality of modern families. For example, the poverty line does not take into account the cost of child care in determining what constitutes a family's basic needs.

Moreover, as a national standard, the poverty line does not reflect California's high cost of living. This report takes an alternate approach. It starts from the ground up, building a basic family budget based on the cost of housing, food, child care, and other essentials needed to support a family without public or private assistance. The standard of living envisioned is more than a "bare bones" existence, yet covers only basic expenses, allowing little to no room for "extras" such as college savings, vacations, or emergencies.

Specifically, this report estimates typical costs of housing and utilities, child care, transportation, food, health coverage, payroll and income taxes, and miscellaneous expenses for four hypothetical families: a single adult, a single working parent with two children, a two-parent family with two children and one working parent, and two working parents with two children. Because housing and other costs vary throughout California, this report provides basic family budgets for 10 regions within the state. While the report includes an overall state estimate (Figure 1), housing and other costs vary sufficiently that the regional estimates are more meaningful. Finally, this report translates the basic family budget into the hourly wage needed by each of the four family types based on a 40-hour workweek and year-round employment.



### Figure 1: Basic Family Budgets - Statewide

Figure 1a: Monthly Budget for a Single Adult  
Total = \$2,361

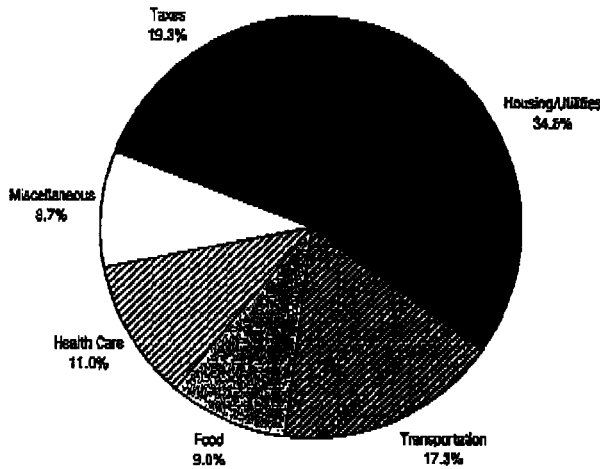


Figure 1b: Monthly Budget for a Single Parent Family  
Total = \$4,978

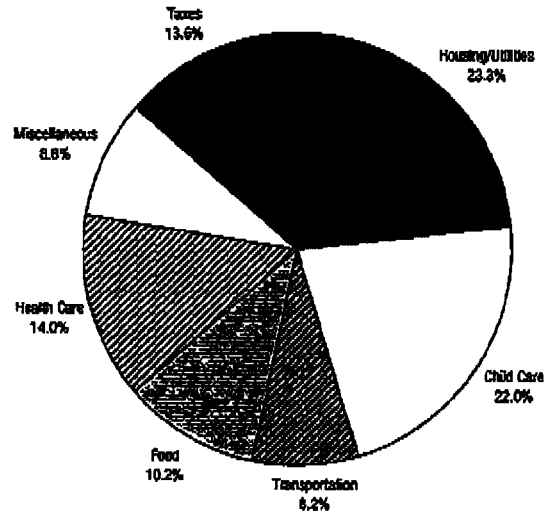


Figure 1c: Monthly Budget for a Two Parent Family with One Working Parent  
Total = \$4,199

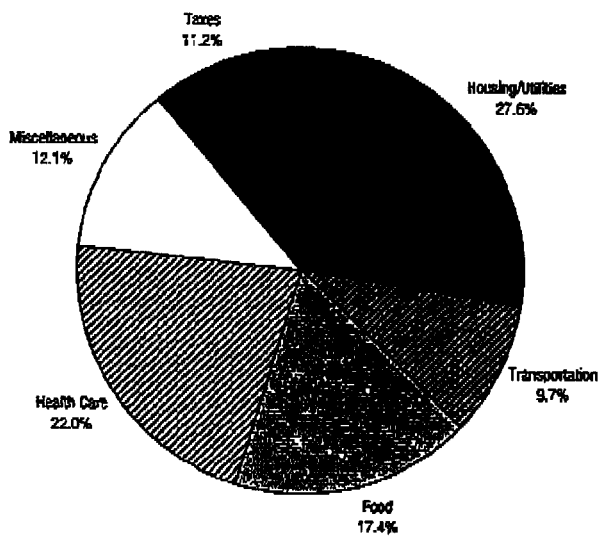
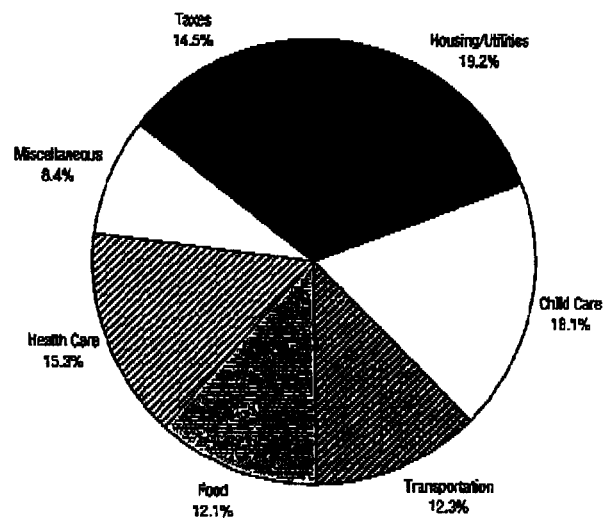


Figure 1d: Monthly Budget for a Two Working Parent Family  
Total = \$6,029



## HOW MUCH DOES IT COST TO SUPPORT A FAMILY?

In order to support a modest standard of living, this report estimates that:

- A single adult needs an annual income of \$28,336, equivalent to an hourly wage of \$13.62. Regional estimates range from \$23,815 to \$30,262 (\$11.45 to \$14.55 per hour).
- A single-parent family needs an annual income of \$59,732, equivalent to an hourly wage of \$28.72. Regional estimates range from \$49,672 to \$65,864 (\$23.88 to \$31.67 per hour).
- A two-parent family with one employed parent needs an annual income of \$50,383, equivalent to an hourly wage of \$24.22. Regional estimates range from \$44,448 to \$54,815 (\$21.37 to \$26.35 per hour).
- A family with two working parents needs an annual income of \$72,343, equivalent to each parent working full-time for an hourly wage of \$17.39. Regional estimates range from \$62,624 to \$77,069 (\$15.05 to \$18.53 per hour for each parent).

The hourly wage needed to earn the basic family budget for families with children is two to four times the state's minimum wage (\$7.50 per hour).<sup>3</sup> The hourly wage required by single parents and the employed parent in a two-parent family with one working parent also exceeds the 2006 median hourly wage (\$17.42) for California workers – the hourly wage earned by the worker exactly at the middle of the earnings distribution (Table 1). Moreover, the hourly wage standard estimated in this report assumes full-time employment for 40 hours per week, 52 weeks per year and does not allow for any unpaid days off during a year. Part-time or part-year workers would need higher hourly wages to earn the same annual income. A single parent must earn almost as much as the two working parents in order to pay for child care, while realizing only modest savings for food, health care, and other household expenses. On the other hand, a two-parent family in which only one parent works can live on less, since one parent can stay home with the children.

It is important to note what is *not* included in the basic family budget. For example, these estimates assume that families rent, rather than own, their homes and live in housing that many would consider overcrowded for a three- or four-person household. For many families, homeownership remains a dream, particularly in many of California's urban communities, which are among the most costly housing markets in the country. The basic family budgets assume that families use home-based child care, rather than more expensive center-based care, and that health coverage is purchased privately

with no assistance from an employer. Finally, these estimates allow very little to no room for savings toward retirement or a child's college education.

Table 1: How Do Basic Family Budgets Compare?

	Hourly Wage	Annual Income
Basic Family Budget for a Single Adult	\$13.62	\$28,336
Basic Family Budget for a Single Parent Family	\$28.72	\$59,732
Basic Family Budget for a Two Parent Family with One Working Parent	\$24.22	\$50,383
Basic Family Budget for a Two Parent Family with Two Working Parents*	\$17.39	\$72,343
2007 California Minimum Hourly Wage**	\$7.50	\$15,600
2006 Median Hourly Wage***	\$17.42	\$36,234
2006 Poverty Line for a Family of 3****	\$7.81	\$16,242
2006 Poverty Line for a Family of 4****	\$9.83	\$20,444

\* Hourly wage is the amount each parent must earn. Annual income is the sum of both parents' earnings assuming full-time, full-year work.

\*\* Annual income assumes 40-hour workweek, 52 weeks per year.

\*\*\* Hourly wage assumes 40-hour workweek, 52 weeks per year.

Note: California's minimum wage will increase to \$8.00 per hour on January 1, 2008.

Many Californians support their families on less than the standard estimated in this report. Some can live on less because they receive health coverage from their jobs or are able to leave their children with family or friends while at work, or because they cut costs to make ends meet. Others, including many working families, rely on public programs such as food stamps, subsidized child care, Medi-Cal, or Healthy Families in order to make ends meet; others rely on private charities or go into debt because their incomes are insufficient to pay for basic needs. The CBP's basic family budget provides an estimate of the income needed to meet basic needs without assistance.

## Conclusion

This report illustrates the difficulties that families face in meeting basic living expenses. The basic family budgets presented in this report all require incomes much higher than those provided by minimum wage work and, in many cases, more than the median wage. The disparity between the wages available from work and the cost of raising a family provides an important foundation for policy deliberations. Public policies can help families move toward self-sufficiency by boosting incomes or by providing help with access to necessities, such as child care and health coverage.

Public policies also can target public dollars, such as job training and economic development programs, toward higher-wage jobs and industries that pay their workers a sufficient income to make ends meet.

# METHODOLOGY

This report presents a basic family budget for four family types: a single adult, a single-parent family with two children, a two-parent family with one working parent and two children, and a two-working-parent family with two children. The basic family budgets presented in this report are estimates. Families' actual expenditures vary based on their individual circumstances, needs, and financial resources. Wherever possible, this report is based on actual costs or generally accepted standards, such as Fair Market Rents for the cost of housing. Specific data sources and the methodology used to calculate the basic family budgets are described below.

## Regions

This report divides California into 10 regions consisting of counties with similar costs of living (Table 2). These regions are based on regions identified by California's Employment Development Department and the California Economic Strategy Panel, with modest modifications.<sup>4</sup> The basic family budget for each region is based on the average of the costs of the items comprising the basic family budget for the counties, weighted by each county's population. The overall state average is a weighted average of the living costs throughout California.

Table 2: California Counties by Region

Region	Counties in Region
Region I	Del Norte, Humboldt, Lake, Lassen, Mendocino, Modoc, Plumas, Sierra, Siskiyou, Trinity
Region II	Butte, Colusa, Glenn, Shasta, Sutter, Tehama, Yuba
Region III	El Dorado, Nevada, Placer, Sacramento, Yolo
Region IV	Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Santa Cruz, Solano, Sonoma
Region V	Fresno, Kern, Kings, Madera, Merced, San Joaquin, Stanislaus, Tulare
Region VI	Alpine, Amador, Calaveras, Inyo, Mariposa, Mono, Tuolumne
Region VII	Monterey, San Benito, San Luis Obispo, Santa Barbara
Region VIII	Los Angeles
Region IX	Orange, Riverside, San Bernardino, Ventura
Region X	Imperial, San Diego

## Housing and Utilities

The cost of housing and utilities presented in this report are based on 2007 Fair Market Rents (FMRs).<sup>5</sup> FMRs are published annually by the US Department of Housing and Urban Development (HUD) and provide an estimate of the cost of shelter and utilities, excluding telephone service, in a given area. FMRs represent the 40th percentile of rents paid by the recent movers in the area, meaning that the cost of 40 percent of the rental housing in an area is lower than the FMR and 60 percent is higher. For 2007, HUD set FMR values at the 50th percentile in some metropolitan areas where affordable housing can be difficult to obtain.<sup>6</sup> In this report, the FMRs for each county were weighted by population and then averaged to obtain a regional estimate of housing costs. Those seeking housing may not be able to locate units at the rents shown in this report, particularly in parts of the state where housing markets are tight.

Many families' housing costs exceed those presented in this report. For the state as a whole, this report estimates that rent and utilities account for 34.8 percent of a single adult's basic budget, 23.3 percent of a single-parent family's budget, 27.6 percent of the budget for a two-parent family with one working parent, and 19.2 percent of a two-working-parent family's budget. This report assumes that a single adult rents a studio unit, while single- and two-parent families rent two-bedroom apartments. This assumption follows the guidelines established by HUD for Section 8 housing, which requires one bedroom for every two occupants to sleep in.<sup>7</sup> Living in a two-bedroom apartment would require children, including older children of the opposite sex, to share a bedroom. However, the cost differential between two- and three-bedroom housing is significant and the cost of a larger unit would be prohibitive for many families struggling to make ends meet. On average, a one-bedroom apartment costs \$131 per month (\$1,573 per year) more than a studio unit and a three-bedroom unit costs \$456 per month (\$5,469 per year) more than a two-bedroom unit.<sup>8</sup> In many parts of the state, the cost of larger rental units is significantly higher (Appendix A lists FMRs for studio, one-, two- and three-bedroom units). In reality, many families spend a much larger share of their incomes on housing. In 2006, more than half (54.6 percent) of all California's renter households spent 30 percent or more of their incomes on rent.<sup>9</sup>

This report assumes that families rent, rather than own, their homes. For many families, homeownership remains a dream and California's homeownership rate, at 58.4 percent, was the second lowest among the 50 states in 2006.<sup>10</sup> The income needed to purchase the median-priced home varies significantly according to the region and the amount of the down payment a family is

**Table 3: Median Household Income Compared to Median Home Prices in California**

County	August 2007 Median Home Price	2006 Median Household Income	Income Needed to Purchase Median-Priced Home (20% Down Payment)*	Gap Between Median Income and Income Needed	Income Needed to Purchase Median-Priced Home (5% Down Payment)*	Gap Between Median Income and Income Needed
Fresno	\$274,250	\$42,732	\$58,203	\$13,471	\$66,741	\$24,009
Los Angeles	\$549,000	\$51,315	\$112,509	\$61,194	\$133,605	\$82,290
Riverside	\$390,000	\$53,508	\$79,925	\$26,417	\$94,910	\$41,402
Sacramento	\$312,250	\$53,930	\$63,991	\$10,061	\$75,989	\$22,059
San Bernardino	\$360,000	\$52,941	\$73,777	\$20,836	\$87,610	\$34,669
San Diego	\$470,000	\$59,591	\$96,319	\$36,728	\$114,379	\$54,788
Santa Clara	\$700,000	\$80,838	\$143,454	\$62,616	\$170,352	\$89,514

\* Assumes a 30-year conventional fixed-rate mortgage with a 6.63 percent interest rate.  
 Source: CBP analysis of DataQuick Information Systems, US Census Bureau, and Federal Reserve System data

able to afford (Table 3). Assuming a down payment of 5 percent, the affordability gap for Santa Clara County is nearly \$90,000.<sup>11</sup> The gap for Los Angeles County – \$82,290 – exceeds the median household income in the county. Moreover, for many families, saving for a down payment constitutes the most significant barrier to ownership. While it may be possible to buy a house with a minimal down payment, a smaller down payment means a higher mortgage payment.<sup>12</sup> In Fresno and Sacramento counties, for example, a 20 percent down payment narrows the affordability gap for the median-priced home to less than \$15,000.

The added costs of homeownership also can make affording a home difficult. In Los Angeles County, the cost of a mortgage payment compared to the rent on a three-bedroom apartment would require a family to forgo \$1,109 in other basic necessities each month or earn more to cover the difference (Table 4). In addition, homeowners face added costs for property taxes, insurance, and maintenance.

### Child Care

This report assumes that each family, other than the single adult, has two children, one requiring full-time care and another requiring after-school care. Child care costs are based on monthly estimates for full-time infant care and part-time care for school-age children in 2004-2005, adjusted for inflation using the Consumer Price Index for child care.<sup>13</sup> This report assumes that care is provided in licensed family child care homes, rather than in licensed child care centers. Family-based child care typically costs less than that provided in a licensed center. Families with more or younger children will have higher child care costs, while those with fewer or older children will have lower costs. In some instances, neighbors or family members may provide child care at little or no cost, reducing the amount

families spend for child care. In addition, some parents leave older children home alone due to the high cost of child care.

This report estimates the cost of child care using the weighted average of the costs within each region. For the state as a whole, child care consumes 22.0 percent of a single-parent family's basic budget and 18.1 percent of a two-working-parent family's basic budget. This report assumes that the non-working parent in two-parent families with one working parent provides child care and that these families do not pay for additional care.

### Transportation

Transportation costs vary widely for families depending on factors such as commute distances, whether the family owns a car, and whether the family has access to and uses public transportation. The estimate for transportation costs used in this report is based on the California Energy Commission's 2002 California Vehicle Survey. The transportation estimate represents the average commute to and from work. The amount of miles for errands and other non-commute driving averaged across the state is based on the 1995 Driver Diary Study, also conducted by the California Energy Commission. The estimates do not account for the long commutes and family vacations that are the norm for many California families. Transportation costs are based on the 2007

**Table 4: Cost of Purchasing a Home Versus Renting in Los Angeles County**

Monthly Mortgage Payment for Median-Priced Home of \$549,000 (20% Down Payment)	Monthly Rent for a Three-Bedroom Apartment (Fair Market Rent)	Additional Monthly Cost of Mortgage Payment Compared to Renting
\$2,813	\$1,704	\$1,109

Source: CBP analysis of DataQuick Information Systems, US Department of Housing and Urban Development, and Federal Reserve System data

Internal Revenue Service (IRS) mileage allowance of 48.5 cents per mile.<sup>14</sup> However, Californians typically pay more for gas than does the rest of the country, which is not reflected in the national IRS rate. In August 2007, regular gas prices in California were 4.2 cents per gallon higher than the national average.<sup>15</sup>

The average round-trip commute distance varies from 19.6 miles in Region 1 to 44.3 miles in Region 6. The basic family budget assumes single adults, single parents, and two-parent families with one worker drive 843 miles per month on average. This estimate reflects 798 miles per month in home-to-work driving and errands as well as 45 miles per month of weekend driving at a cost of \$409 per month. The estimate assumes that families with two working parents require two vehicles, with the second driver traveling only from home to work with no errand or weekend driving. This is equivalent to an additional 685 miles per month at a cost of \$332 per month.

The overwhelming majority of commuters in California travel to work by car rather than bus. Even in San Francisco, where public transit is readily accessible, 40.7 percent of workers drove alone to work in 2006 (Table 5).<sup>16</sup> While public transportation may be less expensive, it may not be convenient or reliable. Only 7.3 percent of California workers who earned less than \$25,000 commuted by public transportation in 2006.<sup>17</sup> In rural areas, transit service may be nonexistent, infrequent, or may not serve needed destinations. In addition, the extra stop needed to pick up or drop off a child from day care, shop for groceries, and run other errands makes it difficult for many parents to use public transportation.

Transportation accounts for 17.3 percent of a single adult's budget, 8.2 percent of a single-parent family's budget, 9.7 percent of the budget for a two-parent family with one working parent, and 12.3 percent of a two-working-parent family's budget.

### Food

The basic family budget estimates the cost of food consumed both at home and away from home. The estimate for food consumed at home is based on the June 2006 US Department of Agriculture (USDA) Low Cost Food Plan.<sup>18</sup> Estimates include the cost of food for a single adult and for a single-parent and two-parent family, each with two children. For food costs, the report assumes that the adults in the family are between the ages of 20 and 50 and that one child is under the age of 2 and one child is between the ages of 6 and 8. The estimated cost of food consumed away from home was calculated using the 2005 Consumer Expenditure Survey (CES), adjusted for inflation using the Consumer Price Index (\$7.07 per week for single adults, \$21.22 per week for single-parent families, \$28.30 per week for two-parent families). Conservatively, the basic family budget's

estimate for food away from home is half of the amount reported for families in the second fifth (quintile) of the income distribution in the CES.<sup>19</sup> Food consumed away from home includes lunches purchased out or the occasional family meal eaten in a restaurant. Food costs are assumed to be the same throughout the state.

This report estimates that food comprises 9.0 percent of a single adult's budget, 10.2 percent of a single-parent family's budget, 17.4 percent of the budget for a two-parent family with one working parent, and 12.1 percent of a two-working-parent family's budget.

### Health Care

This report assumes that families purchase private individual health coverage. The cost of health coverage is based on Kaiser Permanente's \$500 deductible plan or Blue Cross of California's HMO Saver plan where Kaiser Permanente coverage is unavailable.<sup>20</sup> Those with a family member who has a significant illness or other health condition, if they are able to obtain coverage, may pay substantially higher premiums. Out-of-pocket expenses for families in counties with Kaiser Permanente coverage include the cost of office visits until families meet their plan's deductible. These expenses also include \$20 copayments

Table 5: Monthly Work Commute Transportation Costs

	Public Transit	Drive Alone
<b>How Do Californians Commute? (2006)</b>		
San Francisco	30.3%	40.7%
Yuba County	0.3%	80.3%
<b>How Much Does it Cost to Commute by Public Transit? (2007)</b>		
Butte County (Butte Regional Transit)	\$50	
Fresno County (Fresno Area Express)	\$70	
Los Angeles County (Metropolitan Transportation Authority)	\$86	
San Diego County (Metropolitan Transit System)	\$114	
San Francisco Bay Area (Bay Area Rapid Transit)	\$201	
<b>How Much Does it Cost to Commute by Car? (2007)</b>		
Cost of driving 685 miles per month at the 2007 IRS reimbursement rate of 48.5 cents per mile		\$332

Note: Commuting costs are for monthly passes for one adult and one school-aged child, except for BART, which does not have monthly passes. Commuting costs for BART are based on 21 days of travel between San Leandro and San Francisco and include applicable discounts. Driving costs do not include the cost of parking. Source: US Census Bureau, Butte County Association of Governments, City of Fresno, Los Angeles County Metropolitan Transportation Authority, Metropolitan Transit System, Bay Area Rapid Transit, and Internal Revenue Service

for office visits after deductibles are met and \$10 copayments for generic prescription drugs. Out-of-pocket costs for Blue Cross coverage are based on \$10 copayments for both office visits and generic prescription drugs.

The basic family budget's estimate for out-of-pocket costs is conservative. These estimates do not take into account the cost of dental or vision coverage, which can add substantially to families' annual health care costs. Out-of-pocket estimates also do not include emergency room visits; surgery; lab tests; ambulance services; hospitalization; or brand name prescription drugs, which are more expensive and often subject to a separate deductible.

Although the basic family budgets in this report assume that families buy private health coverage, many families have job-based coverage. More than half (54.3 percent) of non-elderly Californians, including half (50.3 percent) of California's children, had coverage through their own job, that of a spouse, or that of a parent for all of 2005.<sup>21</sup> While many families have job-based health coverage, most employers that provide health coverage require employees to pay a portion of the cost. In 2006, California workers paid, on average, \$235 per month, or 23.8 percent of the cost of job-based family coverage (Table 6).<sup>22</sup> This amount is considerably less than the premium costs included in the basic family budgets, which are \$832 per month for a two-parent family.

California had the sixth-highest percentage of persons lacking health coverage in the nation in 2005-06.<sup>23</sup> Moreover, low-income families are less likely to be insured than higher-income families. The lower a family's income, the less likely they are to have job-based health coverage. One-fifth (20.3 percent) of non-elderly Californians in families with incomes between 100 and 199 percent of the poverty line lacked health coverage for all of 2005.<sup>24</sup> Less than three in 10 (28.0 percent) had job-based coverage for the full year.<sup>25</sup> In contrast, just 4.5 percent of non-elderly Californians with incomes at or above 300 percent of the poverty line were uninsured for all of 2005. Only 5.5 percent of non-elderly Californians were covered by privately purchased health coverage for all of 2005.<sup>26</sup> Many families remain uninsured due to the high cost of privately purchased coverage.

This report assumes that families do not receive assistance from public programs. However, some two-parent families with one working parent with incomes described in this report would be eligible for the Healthy Families Program, a health insurance program subsidized by the state and federal governments for children in low-income families. For example, the basic family budget for a two-parent family with one working parent in Los Angeles County is \$51,035, which is below the income limit for Healthy Families (\$51,625 for a family of four in 2007).<sup>27</sup> Enrollment in Healthy Families would greatly reduce the costs of health care and thus the income needed for this family (Table 7).

Table 6: Insured Californians Pay a Significant Share of Their Health Costs

Basic family budget estimate of monthly premium payment for family coverage (employee, spouse, and dependents)	\$832
Average monthly employee contribution for job-based family coverage	\$235
Average monthly employer contribution for family coverage	\$753

Source: CBP analysis of Kaiser Permanente and Blue Cross plan-rates and California HealthCare Foundation

In 2005, approximately three in five uninsured children (58.6 percent) were eligible for Healthy Families or Medi-Cal.<sup>28</sup>

The estimated cost of health care is the weighted average of the cost for counties within each region. Statewide average health care costs consume 11.0 percent of a single adult's budget, 14.0 percent of a single-parent family's budget, 22.0 percent of the budget for a two-parent family with one working parent, and 15.3 percent of a two-working-parent family's budget.

## Miscellaneous

The miscellaneous category includes expenditures on clothing and services, education, reading, personal care, housekeeping supplies, and basic telephone service. The estimates for telephone service do not include long distance calls (Table 8). The "clothing and services" component of this category includes dry cleaning and diaper service or disposable diapers, a major expense for families with infants and toddlers. Clothing accounts for between 3.6 and 6.0 percent of the total monthly budget for the family types in this report. This estimate represents the amount spent by families as measured by the 2005 Consumer Expenditure Survey (CES), adjusted for inflation using the Consumer Price Index. The "education and reading" component includes items such as books and newspapers. This report assumes that families spend half of

Table 7: Families' Health Coverage Costs Are Lower if Children Are Enrolled in Healthy Families in Los Angeles County

	Basic Family Budget for a Two Parent (One Working) Family	Two Parents (One Working) Purchasing Private Coverage with Two Children Enrolled in Healthy Families
Health Care Costs	\$861	\$506
Monthly Income	\$4,253	\$3,774
Annual Income	\$51,035	\$45,291
Annual Savings		\$5,744

Note: The Healthy Families estimate is based on Kaiser Permanente premiums for spouses in Los Angeles County, monthly premiums of \$30 per month to cover both children, and \$5 copayments for the children's doctor visits and prescription drugs.

Item	Single Adult	Single Parent Family	Two Parent Family
Clothing and Services	\$86	\$214	\$250
Education and Reading	\$26	\$61	\$71
Personal Care	\$29	\$55	\$64
Housekeeping Supplies	\$28	\$60	\$74
Phone	\$26	\$26	\$26
Other	\$11	\$21	\$21
Total	\$206	\$437	\$506

Source: US Bureau of Labor Statistics

what a typical family spends on education and reading according to the CES. "Personal care" includes goods such as toothpaste and hair care products. "Housekeeping supplies" include laundry and cleaning supplies, other household products, postage, and stationery. "Other" includes items such as charitable contributions, birthday presents, renter's insurance, and emergencies, but does not make allowances for "big-ticket" items or significant savings. The cost of miscellaneous expenses is assumed to be constant throughout the state. The CBP's basic family budget makes no provision for entertainment, although the 2005 CES estimates that a three-person family spends \$218 per month and a four-person family spends \$263 per month on entertainment, such as movie rentals, toys, and television.

Based on the averages determined in this report, miscellaneous costs consume 8.7 percent of a single adult's budget, 8.8 percent of a single-parent family's budget, 12.1 percent of the budget for a two-parent family with one working parent, and 8.4 percent of a two-working-parent family's budget.

## Taxes

This report estimates the federal and state income and payroll (Social Security, Medicare, and State Disability Insurance) taxes paid by each family based on the income needed to cover the costs of the remainder of the basic family budget (Table 9). Payroll taxes are based on 2007 rates, while state and federal income taxes are based on 2006 rates because 2007 tax tables and related information were not available at the time the report was prepared. The estimate for state and federal income taxes assumes that families do not itemize their deductions, but do claim the state renter's tax credit, state personal and dependent tax credits, and the federal personal and dependent tax exemptions for which they are eligible. The estimates also assume that single working parents and two-working-parent families claim federal and state child and dependent care tax credits.

Most of the families presented in this report qualify for the state renter's tax credit. Married couples and heads of household with gross incomes of \$64,544 or less in 2006 were eligible for a \$120 credit and single adults with incomes of \$32,272 or less in 2006 were eligible for a \$60 credit.

None of the families described in this report qualify for the federal Earned Income Tax Credit (EITC), a refundable tax credit for low-income families with earnings from work. For example, the EITC was available in 2006 to two-parent families with incomes of less than \$38,348 if they had more than one qualifying child and to single adults with incomes of less than \$12,120 if they did not have qualifying children.<sup>29</sup>

	Annual Income	State Income Taxes*	Federal Income Taxes**	Medicare	Social Security	State Disability Insurance	Total Taxes
Single Adult	\$28,336	\$469	\$2,605	\$411	\$1,757	\$227	\$5,469
Single Parent Family	\$59,732	\$364	\$2,728	\$866	\$3,703	\$478	\$8,140
Two Parent Family (One Working)	\$50,383	\$110	\$1,278	\$731	\$3,124	\$403	\$5,645
Two Parent Family (Both Working)	\$72,343	\$1,020	\$3,371	\$1,049	\$4,485	\$579	\$10,504

\* Includes state renter's credit. Also includes child care credit for single parent and two working parent families.

\*\* Includes federal child and dependent care credit for single parent and two working parent families.

Note: Numbers may not total due to rounding.



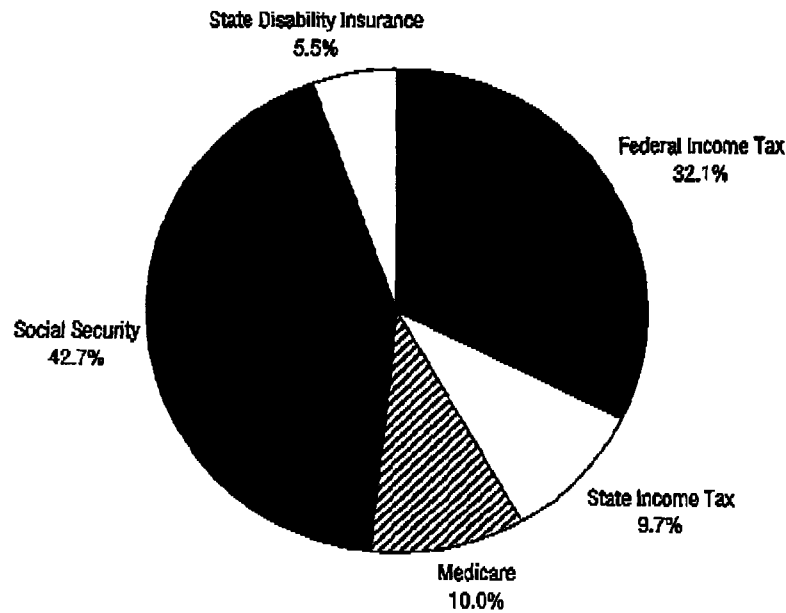
Income and payroll taxes account for 19.3 percent of a single adult's budget, 13.6 percent of a single-parent family's budget, 11.2 percent of the budget for a two-parent family with one working parent, and 14.5 percent of a two-working-parent family's budget. For two-working-parent families, payroll taxes account for more than half of taxes owed (Figure 2). Many of the families presented in this report pay very little in state income taxes. Single-parent families in three of the 10 regions owed no state income taxes and in one region two-parent families with one working parent owed no state income taxes. All of the single adults and two-working-parent families in this report owed state income taxes.

California has very high tax thresholds, particularly for families with children.<sup>30</sup> A two-parent family with two children claiming the renter's tax credit did not owe California income taxes in 2006 unless their income exceeded \$47,671. A single parent

with two children did not owe 2006 state income taxes unless his or her income exceeded \$45,371. In contrast, the tax threshold was \$14,261 for single adults claiming the renter's tax credit in 2006. The low state income tax liability for most families with children results from increases in the state's dependent tax credit enacted in 1997 and 1998.

For families in regions where the cost of living is high, the percentage of their incomes going toward taxes is significantly higher than that of families living in areas where the cost of living is relatively low. For example, a two-working-parent family in Region IV (the San Francisco Bay Area) pays \$11,926 in taxes per year, while a two-working-parent family in Region V (San Joaquin Valley) pays \$7,414 in taxes per year. Families in high cost-of-living regions paid more in taxes due to the higher incomes needed to purchase other necessities.

**Figure 2: Payroll Taxes Account for More Than Half of the Taxes Paid by California Families with Two Working Parents**



## ENDNOTES

- <sup>1</sup> Previous CBP reports have profiled California families who live below 200 percent of the poverty line despite significant work effort. See, for example, California Budget Project, *A Generation of Widening Inequality: The State of Working California, 1979 to 2006* (August 2007).
- <sup>2</sup> In this report, the "federal poverty line" refers to the US Census Bureau's poverty thresholds, which are the federal government's official statistical definition of poverty, vary by family size, and are adjusted annually for inflation. The poverty line for a family of three with two children was \$18,242 in 2006, the most recent year for which data are available.
- <sup>3</sup> California's minimum wage will increase to \$8.00 per hour on January 1, 2008.
- <sup>4</sup> The California Economic Strategy Panel, *Collaborating to Succeed in the New Economy Findings of the Regional Economic Development Survey* (May 2000), downloaded from <http://www.labor.ca.gov/panel/pdf/regionaleconomicdevsurvey.pdf> on October 1, 2007 and Employment Development Department, *Occupational Outlook Reports* (2003), downloaded from <http://www.calmis.ca.gov/htmlfile/ocois/ooi.htm> on July 18, 2005.
- <sup>5</sup> US Department of Housing and Urban Development data, downloaded from <http://www.huduser.org/datasets/fmr.html> on October 3, 2006.
- <sup>6</sup> US Department of Housing and Urban Development data, downloaded from <http://www.huduser.org/datasets/fmr.html> on October 3, 2006.
- <sup>7</sup> US Department of Housing and Urban Development, *Housing Choice Voucher Program Guidebook*, p. 10-8, downloaded from <http://www.hud.gov/offices/piu/programs/hcv/forms/guidebook.cfm> on May 31, 2005.
- <sup>8</sup> Rents are the weighted average of FMRs by county weighted by population.
- <sup>9</sup> CBP analysis of US Census Bureau, American Community Survey data.
- <sup>10</sup> CBP analysis of US Census Bureau, American Community Survey data.
- <sup>11</sup> The affordability gap measures the difference between a county's median household income in 2006 and the income needed to purchase the median-priced home in August 2007.
- <sup>12</sup> The smaller the down payment, the higher the principal that must be paid off; moreover, loans with less than a 20 percent down payment typically require mortgage insurance, which adds to the monthly cost of housing.
- <sup>13</sup> Child care costs are from ORC Macro, *2004-2005 Regional Market Rate (RMR) Survey of California Child Care Providers* (no date), submitted to the California Department of Education.
- <sup>14</sup> The IRS reimbursement rate reflects the cost of gasoline, oil, tires, repairs, insurance, depreciation, and related expenses.
- <sup>15</sup> California Energy Commission, *Weekly Transportation Fuels Trend*, downloaded from <http://www.energy.ca.gov/gasoline> on August 31, 2007.
- <sup>16</sup> CBP analysis of US Census Bureau, American Community Survey data.
- <sup>17</sup> CBP analysis of US Census Bureau, American Community Survey data.
- <sup>18</sup> US Department of Agriculture, *Official USDA Food Plans: Cost of Food at Home at Four Levels, U.S. Average, June 2006* (July 2006), downloaded from <http://www.cnpp.usda.gov/Publications/FoodPlans/2006/CostofFoodJun06.pdf> on April 11, 2007.
- <sup>19</sup> Household income for the second quintile in the 2005 CES ranges from \$17,579 to \$33,380.
- <sup>20</sup> This report assumes that counties in which less than 50 percent of the population has access to Kaiser Permanente are served by Blue Cross of California's HMO Saver plan. The Kaiser Permanente coverage includes a \$500 deductible for individuals and a \$1,000 deductible for families. Office visits under the HMO Saver plan are not subject to a deductible. Kaiser Permanente office fees were downloaded on June 29, 2007 from [http://prospectivemembers.kaiserpermanente.org/kpweb/pdf/cal/nocal\\_fees\\_prospmember.pdf](http://prospectivemembers.kaiserpermanente.org/kpweb/pdf/cal/nocal_fees_prospmember.pdf) for northern California and from [http://prospectivemembers.kaiserpermanente.org/kpweb/pdf/cal/socal\\_fees\\_prospmember.pdf](http://prospectivemembers.kaiserpermanente.org/kpweb/pdf/cal/socal_fees_prospmember.pdf) for southern California. Average office visits and drugs prescribed per visit were obtained from Esther Hing, M.P.H., Donald K. Cherry, M.S., and David A. Woodwell, B.A., "National Ambulatory Medical Care Survey: 2004 Summary," *Advance Data From Vital and Health Statistics* 374 (June 23, 2006), pp. 1-38.
- <sup>21</sup> E. Richard Brown, PhD, et al., *The State of Health Insurance in California: Findings from the 2005 California Health Interview Survey* (UCLA Center for Health Policy Research: July 2007), p. 2, downloaded from [http://www.healthpolicy.ucla.edu/pubs/files/SHIC\\_RT\\_071107.pdf](http://www.healthpolicy.ucla.edu/pubs/files/SHIC_RT_071107.pdf) on July 17, 2007.
- <sup>22</sup> California HealthCare Foundation and Center for Studying Health System Change, *California Employer Health Benefits Survey* (November 2006), downloaded from <http://www.chcf.org/documents/insurance/EmployerBenefitsSurvey06.pdf> on July 17, 2007.
- <sup>23</sup> US Census Bureau data, downloaded from [http://www.census.gov/hhes/www/hlthins/hlthin06/percent\\_uninsured\\_state.xls](http://www.census.gov/hhes/www/hlthins/hlthin06/percent_uninsured_state.xls) on September 5, 2007.
- <sup>24</sup> UCLA Center for Health Policy Research, California Health Interview Survey data, downloaded from <http://www.chis.ucla.edu/main/default.asp> on July 17, 2007. In 2005, the federal poverty threshold was \$9,973 for one person, \$15,735 for a three-person family with two children, and \$19,806 for a four-person family with two children.
- <sup>25</sup> CBP analysis of E. Richard Brown, PhD, et al., *The State of Health Insurance in California: Findings from the 2005 California Health Interview Survey* (UCLA Center for Health Policy Research: July 2007), pp. 13-14, downloaded from [http://www.healthpolicy.ucla.edu/pubs/files/SHIC\\_RT\\_072807.pdf](http://www.healthpolicy.ucla.edu/pubs/files/SHIC_RT_072807.pdf) on September 14, 2007.
- <sup>26</sup> E. Richard Brown, PhD, et al., *The State of Health Insurance in California: Findings from the 2005 California Health Interview Survey* (UCLA Center for Health Policy Research: July 2007), p. 9, downloaded from [http://www.healthpolicy.ucla.edu/pubs/files/SHIC\\_RT\\_072807.pdf](http://www.healthpolicy.ucla.edu/pubs/files/SHIC_RT_072807.pdf) on September 14, 2007.
- <sup>27</sup> The poverty guidelines are a simplified version of the US Census Bureau's poverty thresholds and are used to help determine eligibility for certain programs. The US Department of Health and Human Services updates the poverty guidelines each year.
- <sup>28</sup> E. Richard Brown, PhD, et al., *The State of Health Insurance in California: Findings from the 2005 California Health Interview Survey* (UCLA Center for Health Policy Research: July 2007), p. 65, downloaded from [http://www.healthpolicy.ucla.edu/pubs/files/SHIC\\_RT\\_072807.pdf](http://www.healthpolicy.ucla.edu/pubs/files/SHIC_RT_072807.pdf) on September 14, 2007.
- <sup>29</sup> Assumes two-parent families file income taxes jointly.
- <sup>30</sup> A tax threshold is the income level at which a family begins to have an income tax liability.

Appendix A: 2007 California Fair Market Rents

County	Studio	One-Bedroom Unit	Two-Bedroom Unit	Three-Bedroom Unit
Alameda	\$874	\$1,055	\$1,250	\$1,695
Alpine	\$516	\$579	\$738	\$1,052
Amador	\$556	\$652	\$855	\$1,242
Butte	\$489	\$582	\$702	\$990
Calaveras	\$567	\$567	\$682	\$994
Colusa	\$518	\$520	\$676	\$873
Contra Costa	\$874	\$1,055	\$1,250	\$1,695
Del Norte	\$507	\$513	\$664	\$967
El Dorado	\$715	\$813	\$992	\$1,431
Fresno	\$558	\$615	\$726	\$1,056
Glenn	\$443	\$454	\$598	\$778
Humboldt	\$471	\$551	\$725	\$1,040
Imperial	\$488	\$551	\$680	\$936
Inyo	\$465	\$488	\$634	\$924
Kern	\$503	\$542	\$646	\$933
Kings	\$512	\$545	\$633	\$923
Lake	\$465	\$545	\$710	\$1,029
Lassen	\$453	\$631	\$698	\$1,015
Los Angeles	\$843	\$1,016	\$1,268	\$1,704
Madera	\$513	\$539	\$687	\$999
Marin	\$1,008	\$1,239	\$1,551	\$2,071
Mariposa	\$516	\$579	\$738	\$1,052
Mendocino	\$520	\$641	\$779	\$1,063
Merced	\$474	\$641	\$657	\$937
Modoc	\$449	\$496	\$649	\$925
Mono	\$606	\$730	\$832	\$1,277
Monterey	\$656	\$963	\$1,106	\$1,583
Napa	\$764	\$856	\$1,112	\$1,538
Nevada	\$582	\$680	\$895	\$1,294
Orange*	\$1,103	\$1,238	\$1,485	\$2,125
Placer	\$715	\$813	\$982	\$1,431
Plumas	\$461	\$540	\$711	\$1,037
Riverside	\$765	\$835	\$974	\$1,383
Sacramento	\$715	\$813	\$992	\$1,431
San Benito	\$619	\$838	\$932	\$1,321
San Bernardino*	\$765	\$835	\$974	\$1,383
San Diego*	\$870	\$893	\$1,205	\$1,757
San Francisco	\$1,008	\$1,239	\$1,551	\$2,071
San Joaquin	\$623	\$710	\$876	\$1,203
San Luis Obispo	\$663	\$784	\$955	\$1,391
San Mateo	\$1,008	\$1,239	\$1,551	\$2,071
Santa Barbara	\$656	\$956	\$1,073	\$1,413
Santa Clara	\$822	\$1,068	\$1,284	\$1,846
Santa Cruz	\$883	\$1,042	\$1,359	\$1,956
Shasta	\$480	\$559	\$680	\$992
Sierra	\$545	\$636	\$839	\$1,189
Siskiyou	\$402	\$482	\$617	\$878
Solano	\$808	\$969	\$997	\$1,398
Sonoma	\$758	\$923	\$1,165	\$1,653
Stanislaus	\$584	\$645	\$760	\$1,090
Sutter	\$452	\$510	\$627	\$912
Tehama	\$421	\$479	\$625	\$908
Trinity	\$457	\$479	\$629	\$853
Tulare	\$498	\$556	\$647	\$925
Tuolumne	\$501	\$598	\$770	\$1,054
Ventura	\$1,047	\$1,156	\$1,471	\$2,108
Yolo	\$703	\$744	\$910	\$1,326
Yuba	\$452	\$510	\$627	\$912

\* FMR is set at 50th percentile rather than 40th percentile.

**MAKING ENDS MEET:  
BASIC FAMILY BUDGETS**

## STATEWIDE

	<u>Basic Family Wage*</u>
Single Adult	\$13.62
Single Parent Family	\$28.72
Two Parent Family (One Working)	\$24.22
Two Working Parent Family	\$17.39

## Expenses Per Month and as a Percentage of Income

	<u>Single Adult</u>	<u>Single Parent Family</u>	<u>Two Parent Family (One Working)</u>	<u>Two Working Parent Family</u>
Housing/Utilities	\$821 34.8%	\$1,160 23.3%	\$1,160 27.6%	\$1,160 19.2%
Child Care	\$0 0.0%	\$1,093 22.0%	\$0 0.0%	\$1,093 18.1%
Transportation	\$409 17.3%	\$409 8.2%	\$409 9.7%	\$741 12.3%
Food	\$211 9.0%	\$507 10.2%	\$731 17.4%	\$731 12.1%
Health Care	\$259 11.0%	\$695 14.0%	\$922 22.0%	\$922 15.3%
Miscellaneous	\$206 8.7%	\$437 8.8%	\$506 12.1%	\$506 8.4%
Taxes	\$456 19.3%	\$678 13.6%	\$470 11.2%	\$875 14.5%
<b>MONTHLY TOTAL</b>	<b>\$2,361</b>	<b>\$4,978</b>	<b>\$4,199</b>	<b>\$6,029</b>
<b>ANNUAL TOTAL</b>	<b>\$28,336</b>	<b>\$59,732</b>	<b>\$50,383</b>	<b>\$72,343</b>

\* Hourly. Assumes 40 hours/week, 52 weeks/year of work. Two working parent wage is the hourly wage for each individual parent working full-time.

Note: Numbers and percentages may not total due to rounding.

## REGION I

Del Norte, Humboldt, Lake, Lassen, Mendocino,  
Modoc, Plumas, Sierra, Siskiyou, Trinity

	<u>Basic Family Wage*</u>
Single Adult	\$11.45
Single Parent Family	\$24.19
Two Parent Family (One Working)	\$23.19
Two Working Parent Family	\$15.38

### Expenses Per Month and as a Percentage of Income

	<u>Single Adult</u>	<u>Single Parent Family</u>	<u>Two Parent Family (One Working)</u>	<u>Two Working Parent Family</u>
Housing/Utilities	\$473 23.8%	\$712 17.0%	\$712 17.7%	\$712 13.4%
Child Care	\$0 0.0%	\$876 20.9%	\$0 0.0%	\$876 16.4%
Transportation	\$282 14.2%	\$282 6.7%	\$282 7.0%	\$488 9.2%
Food	\$211 10.6%	\$507 12.1%	\$731 18.2%	\$731 13.7%
Health Care	\$460 23.2%	\$947 22.6%	\$1,367 34.0%	\$1,367 25.6%
Miscellaneous	\$206 10.4%	\$437 10.4%	\$506 12.6%	\$506 9.5%
Taxes	\$352 17.7%	\$432 10.3%	\$421 10.5%	\$651 12.2%
<b>MONTHLY TOTAL</b>	<b>\$1,985</b>	<b>\$4,193</b>	<b>\$4,020</b>	<b>\$5,330</b>
<b>ANNUAL TOTAL</b>	<b>\$23,815</b>	<b>\$50,318</b>	<b>\$48,236</b>	<b>\$63,964</b>

\* Hourly. Assumes 40 hours/week, 52 weeks/year of work. Two working parent wage is the hourly wage for each individual parent working full-time.

Note: Numbers and percentages may not total due to rounding.

## REGION II

Butte, Colusa, Glenn, Shasta, Sutter, Tehama, Yuba

	<u>Basic Family Wage*</u>
Single Adult	\$12.12
Single Parent Family	\$24.39
Two Parent Family (One Working)	\$23.51
Two Working Parent Family	\$15.87

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### Expenses Per Month and as a Percentage of Income

	<u>Single Adult</u>	<u>Single Parent Family</u>	<u>Two Parent Family (One Working)</u>	<u>Two Working Parent Family</u>
Housing/Utilities	\$470 22.4%	\$666 15.7%	\$666 16.3%	\$666 12.1%
Child Care	\$0 0.0%	\$860 20.3%	\$0 0.0%	\$860 15.6%
Transportation	\$369 17.6%	\$369 8.7%	\$369 9.1%	\$661 12.0%
Food	\$211 10.1%	\$507 12.0%	\$731 17.9%	\$731 13.3%
Health Care	\$460 21.9%	\$947 22.4%	\$1,367 33.5%	\$1,367 24.8%
Miscellaneous	\$206 9.8%	\$437 10.3%	\$506 12.4%	\$506 9.2%
Taxes	\$384 18.3%	\$443 10.5%	\$437 10.7%	\$711 12.9%
<b>MONTHLY TOTAL</b>	<b>\$2,100</b>	<b>\$4,228</b>	<b>\$4,075</b>	<b>\$5,502</b>
<b>ANNUAL TOTAL</b>	<b>\$25,204</b>	<b>\$50,734</b>	<b>\$48,902</b>	<b>\$66,025</b>

\* Hourly. Assumes 40 hours/week, 52 weeks/year of work. Two working parent wage is the hourly wage for each individual parent working full-time.

Note: Numbers and percentages may not total due to rounding.

## REGION III

El Dorado, Nevada, Placer, Sacramento, Yolo

	<u>Basic Family Wage*</u>
Single Adult	\$12.77
Single Parent Family	\$27.21
Two Parent Family (One Working)	\$23.03
Two Working Parent Family	\$16.66

### Expenses Per Month and as a Percentage of Income

	<u>Single Adult</u>	<u>Single Parent Family</u>	<u>Two Parent Family (One Working)</u>	<u>Two Working Parent Family</u>
Housing/Utilities	\$708 32.0%	\$980 20.8%	\$980 24.6%	\$980 17.0%
Child Care	\$0 0.0%	\$1,073 22.7%	\$0 0.0%	\$1,073 18.6%
Transportation	\$409 18.5%	\$409 8.7%	\$409 10.2%	\$741 12.8%
Food	\$211 9.5%	\$507 10.7%	\$731 18.3%	\$731 12.7%
Health Care	\$264 12.0%	\$724 15.4%	\$952 23.8%	\$952 16.5%
Miscellaneous	\$206 9.3%	\$437 9.3%	\$506 12.7%	\$506 8.8%
Taxes	\$415 18.7%	\$586 12.4%	\$414 10.4%	\$792 13.7%
<b>MONTHLY TOTAL</b>	<b>\$2,213</b>	<b>\$4,716</b>	<b>\$3,993</b>	<b>\$5,776</b>
<b>ANNUAL TOTAL</b>	<b>\$26,560</b>	<b>\$56,587</b>	<b>\$47,912</b>	<b>\$69,306</b>

\* Hourly. Assumes 40 hours/week, 52 weeks/year of work. Two working parent wage is the hourly wage for each individual parent working full-time.

Note: Numbers and percentages may not total due to rounding.



## REGION IV

Alameda, Contra Costa, Marin, Napa, San Francisco,  
San Mateo, Santa Clara, Santa Cruz, Solano, Sonoma

### Basic Family Wage\*

Single Adult	\$14.25
Single Parent Family	\$31.67
Two Parent Family (One Working)	\$25.52
Two Working Parent Family	\$18.53

### Expenses Per Month and as a Percentage of Income

	<u>Single Adult</u>	<u>Single Parent Family</u>	<u>Two Parent Family (One Working)</u>	<u>Two Working Parent Family</u>
Housing/Utilities	\$905 36.6%	\$1,312 23.9%	\$1,312 29.7%	\$1,312 20.4%
Child Care	\$0 0.0%	\$1,216 22.1%	\$0 0.0%	\$1,216 18.9%
Transportation	\$399 16.2%	\$399 7.3%	\$399 9.0%	\$721 11.2%
Food	\$211 8.6%	\$507 9.2%	\$731 16.5%	\$731 11.4%
Health Care	\$261 10.6%	\$718 13.1%	\$943 21.3%	\$943 14.7%
Miscellaneous	\$206 8.3%	\$437 8.0%	\$506 11.5%	\$506 7.9%
Taxes	\$488 19.7%	\$900 16.4%	\$532 12.0%	\$994 15.5%
<b>MONTHLY TOTAL</b>	<b>\$2,469</b>	<b>\$5,489</b>	<b>\$4,423</b>	<b>\$6,422</b>
<b>ANNUAL TOTAL</b>	<b>\$29,633</b>	<b>\$65,864</b>	<b>\$53,075</b>	<b>\$77,069</b>

\* Hourly. Assumes 40 hours/week, 52 weeks/year of work. Two working parent wage is the hourly wage for each individual parent working full-time.

Note: Numbers and percentages may not total due to rounding.

## REGION V

Fresno, Kern, Kings, Madera, Merced, San Joaquin, Stanislaus, Tulare

### Basic Family Wage\*

Single Adult	\$11.64
Single Parent Family	\$23.88
Two Parent Family (One Working)	\$21.37
Two Working Parent Family	\$15.05

### Expenses Per Month and as a Percentage of Income

	<u>Single Adult</u>	<u>Single Parent Family</u>	<u>Two Parent Family (One Working)</u>	<u>Two Working Parent Family</u>
Housing/Utilities	\$546 27.1%	\$722 17.4%	\$722 19.5%	\$722 13.8%
Child Care	\$0 0.0%	\$912 22.0%	\$0 0.0%	\$912 17.5%
Transportation	\$407 20.2%	\$407 9.8%	\$407 11.0%	\$736 14.1%
Food	\$211 10.5%	\$507 12.2%	\$731 19.7%	\$731 14.0%
Health Care	\$287 14.2%	\$739 17.8%	\$993 26.8%	\$993 19.0%
Miscellaneous	\$206 10.2%	\$437 10.5%	\$506 13.7%	\$506 9.7%
Taxes	\$361 17.9%	\$416 10.1%	\$345 9.3%	\$618 11.8%
<b>MONTHLY TOTAL</b>	<b>\$2,018</b>	<b>\$4,139</b>	<b>\$3,704</b>	<b>\$5,219</b>
<b>ANNUAL TOTAL</b>	<b>\$24,211</b>	<b>\$49,672</b>	<b>\$44,448</b>	<b>\$62,624</b>

\* Hourly. Assumes 40 hours/week, 52 weeks/year of work. Two working parent wage is the hourly wage for each individual parent working full-time.

Note: Numbers and percentages may not total due to rounding.

## REGION VI

Alpine, Amador, Calaveras, Inyo, Mariposa, Mono, Tuolumne

	<u>Basic Family Wage*</u>
Single Adult	\$14.23
Single Parent Family	\$27.41
Two Parent Family (One Working)	\$26.35
Two Working Parent Family	\$18.27

### Expenses Per Month and as a Percentage of Income

	<u>Single Adult</u>	<u>Single Parent Family</u>	<u>Two Parent Family (One Working)</u>	<u>Two Working Parent Family</u>
<b>Housing/Utilities</b>	<b>\$533</b> 21.6%	<b>\$762</b> 16.0%	<b>\$762</b> 16.7%	<b>\$762</b> 12.0%
<b>Child Care</b>	<b>\$0</b> 0.0%	<b>\$906</b> 19.1%	<b>\$0</b> 0.0%	<b>\$906</b> 14.3%
<b>Transportation</b>	<b>\$542</b> 22.0%	<b>\$542</b> 11.4%	<b>\$542</b> 11.9%	<b>\$1,008</b> 15.9%
<b>Food</b>	<b>\$211</b> 8.6%	<b>\$507</b> 10.7%	<b>\$731</b> 16.0%	<b>\$731</b> 11.5%
<b>Health Care</b>	<b>\$486</b> 19.7%	<b>\$1,001</b> 21.1%	<b>\$1,455</b> 31.9%	<b>\$1,455</b> 23.0%
<b>Miscellaneous</b>	<b>\$206</b> 8.3%	<b>\$437</b> 9.2%	<b>\$506</b> 11.1%	<b>\$506</b> 8.0%
<b>Taxes</b>	<b>\$486</b> 19.7%	<b>\$597</b> 12.6%	<b>\$572</b> 12.5%	<b>\$966</b> 15.3%
<b>MONTHLY TOTAL</b>	<b>\$2,466</b>	<b>\$4,752</b>	<b>\$4,568</b>	<b>\$6,334</b>
<b>ANNUAL TOTAL</b>	<b>\$29,589</b>	<b>\$57,023</b>	<b>\$54,815</b>	<b>\$76,009</b>

\* Hourly. Assumes 40 hours/week, 52 weeks/year of work. Two working parent wage is the hourly wage for each individual parent working full-time.

Note: Numbers and percentages may not total due to rounding.

## REGION VII

### Monterey, San Benito, San Luis Obispo, Santa Barbara

	<u>Basic Family Wage*</u>
Single Adult	\$14.50
Single Parent Family	\$28.85
Two Parent Family (One Working)	\$25.64
Two Working Parent Family	\$17.85

### Expenses Per Month and as a Percentage of Income

	<u>Single Adult</u>	<u>Single Parent Family</u>	<u>Two Parent Family (One Working)</u>	<u>Two Working Parent Family</u>
Housing/Utilities	\$801 31.9%	\$1,051 21.0%	\$1,051 23.7%	\$1,051 17.0%
Child Care	\$0 0.0%	\$1,054 21.1%	\$0 0.0%	\$1,054 17.0%
Transportation	\$383 15.2%	\$383 7.7%	\$383 8.6%	\$689 11.1%
Food	\$211 8.4%	\$507 10.1%	\$731 16.4%	\$731 11.8%
Health Care	\$411 16.4%	\$881 17.6%	\$1,234 27.8%	\$1,234 19.9%
Miscellaneous	\$206 8.2%	\$437 8.7%	\$506 11.4%	\$506 8.2%
Taxes	\$500 19.9%	\$688 13.8%	\$538 12.1%	\$923 14.9%
<b>MONTHLY TOTAL</b>	<b>\$2,513</b>	<b>\$5,001</b>	<b>\$4,444</b>	<b>\$6,189</b>
<b>ANNUAL TOTAL</b>	<b>\$30,152</b>	<b>\$60,014</b>	<b>\$53,327</b>	<b>\$74,269</b>

\* Hourly. Assumes 40 hours/week, 52 weeks/year of work. Two working parent wage is the hourly wage for each individual parent working full-time.

Note: Numbers and percentages may not total due to rounding.

## REGION VIII

### Los Angeles

	<u>Basic Family Wage*</u>
Single Adult	\$13.52
Single Parent Family	\$30.00
Two Parent Family (One Working)	\$24.54
Two Working Parent Family	\$17.80

### Expenses Per Month and as a Percentage of Income

	<u>Single Adult</u>	<u>Single Parent Family</u>	<u>Two Parent Family (One Working)</u>	<u>Two Working Parent Family</u>
Housing/Utilities	\$843 36.0%	\$1,269 24.4%	\$1,269 29.8%	\$1,269 20.6%
Child Care	\$0 0.0%	\$1,163 22.4%	\$0 0.0%	\$1,163 18.8%
Transportation	\$400 17.1%	\$400 7.7%	\$400 9.4%	\$723 11.7%
Food	\$211 9.0%	\$507 9.7%	\$731 17.2%	\$731 11.8%
Health Care	\$233 9.9%	\$654 12.6%	\$861 20.3%	\$861 14.0%
Miscellaneous	\$206 8.8%	\$437 8.4%	\$506 11.9%	\$506 8.2%
Taxes	\$451 19.2%	\$770 14.8%	\$485 11.4%	\$917 14.9%
<b>MONTHLY TOTAL</b>	<b>\$2,344</b>	<b>\$5,199</b>	<b>\$4,253</b>	<b>\$6,170</b>
<b>ANNUAL TOTAL</b>	<b>\$28,126</b>	<b>\$62,393</b>	<b>\$51,035</b>	<b>\$74,044</b>

\* Hourly. Assumes 40 hours/week, 52 weeks/year of work. Two working parent wage is the hourly wage for each individual parent working full-time.

Note: Numbers and percentages may not total due to rounding.

## REGION IX

Orange, Riverside, San Bernardino, Ventura

	<u>Basic Family Wage*</u>
Single Adult	\$14.55
Single Parent Family	\$28.79
Two Parent Family (One Working)	\$24.47
Two Working Parent Family	\$17.48

### Expenses Per Month and as a Percentage of Income

	<u>Single Adult</u>	<u>Single Parent Family</u>	<u>Two Parent Family (One Working)</u>	<u>Two Working Parent Family</u>
Housing/Utilities	\$925 36.7%	\$1,224 24.5%	\$1,224 28.8%	\$1,224 20.2%
Child Care	\$0 0.0%	\$1,046 21.0%	\$0 0.0%	\$1,046 17.3%
Transportation	\$446 17.7%	\$446 8.9%	\$446 10.5%	\$814 13.4%
Food	\$211 8.4%	\$507 10.2%	\$731 17.2%	\$731 12.1%
Health Care	\$231 9.2%	\$648 13.0%	\$853 20.1%	\$853 14.1%
Miscellaneous	\$206 8.2%	\$437 8.8%	\$506 11.9%	\$506 8.4%
Taxes	\$503 19.9%	\$683 13.7%	\$482 11.4%	\$884 14.6%
<b>MONTHLY TOTAL</b>	<b>\$2,522</b>	<b>\$4,990</b>	<b>\$4,242</b>	<b>\$6,058</b>
<b>ANNUAL TOTAL</b>	<b>\$30,262</b>	<b>\$59,875</b>	<b>\$50,905</b>	<b>\$72,696</b>

\* Hourly. Assumes 40 hours/week, 52 weeks/year of work. Two working parent wage is the hourly wage for each individual parent working full-time.

Note: Numbers and percentages may not total due to rounding.

# REGION X

## Imperial, San Diego

	<u>Basic Family Wage*</u>
Single Adult	\$13.56
Single Parent Family	\$28.08
Two Parent Family (One Working)	\$23.62
Two Working Parent Family	\$16.98

### Expenses Per Month and as a Percentage of Income

	<u>Single Adult</u>	<u>Single Parent Family</u>	<u>Two Parent Family (One Working)</u>	<u>Two Working Parent Family</u>
Housing/Utilities	\$850 36.2%	\$1,177 24.2%	\$1,177 28.8%	\$1,177 20.0%
Child Care	\$0 0.0%	\$1,077 22.1%	\$0 0.0%	\$1,077 18.3%
Transportation	\$400 17.0%	\$400 8.2%	\$400 9.8%	\$724 12.3%
Food	\$211 9.0%	\$507 10.4%	\$731 17.8%	\$731 12.4%
Health Care	\$230 9.8%	\$636 13.1%	\$838 20.5%	\$838 14.2%
Miscellaneous	\$206 8.8%	\$437 9.0%	\$506 12.4%	\$506 8.6%
Taxes	\$452 19.2%	\$633 13.0%	\$442 10.8%	\$834 14.2%
<b>MONTHLY TOTAL</b>	<b>\$2,350</b>	<b>\$4,868</b>	<b>\$4,094</b>	<b>\$5,887</b>
<b>ANNUAL TOTAL</b>	<b>\$28,198</b>	<b>\$58,412</b>	<b>\$49,134</b>	<b>\$70,648</b>

\* Hourly. Assumes 40 hours/week, 52 weeks/year of work. Two working parent wage is the hourly wage for each individual parent working full-time.

Note: Numbers and percentages may not total due to rounding.



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## FAX TRANSMISSION

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**TO:** Deputy Counsel Wm. Dean Wright  
Stanislaus County Counsel

**FAX NUMBER:** (209) 525-4473

**DATE:** March 29, 2010

**FROM:** Abbi Coursole (Marilyn)

**RE:** Proposed Interim Return to Pre-September 2009 MIA Policy

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EXHIBIT B ONLY.

BOARD OF SUPERVISORS  
2010 MAR 29 P 3:59

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# EXHIBIT B

# EXHIBIT B

## The Self-Sufficiency Standard for Stanislaus County, CA 2008

	One Adult	One Adult, One Child				One Adult, Two Children
Monthly Costs	Adult	Adult + Infant	Adult + preschooler	Adult + schoolage	Adult + teenager	Adult + Infant + Infant
<b>Housing</b>	734	864	864	864	864	864
<b>Child Care</b>	0	612	652	330	0	1224
<b>Food</b>	294	432	445	523	555	567
<b>Transportation</b>	256	262	262	262	255	262
<b>Health Care</b>	104	258	257	263	278	270
<b>Miscellaneous</b>	139	243	248	224	195	319
<b>Taxes</b>	299	426	444	355	303	570
<b>Earned Income Tax Credit (-)</b>	0	0	0	-19	-77	0
<b>Child Care Tax Credit (-)</b>	0	-60	-60	-65	0	-100
<b>Child Tax Credit (-)</b>	0	-83	-83	-83	-83	-167
<b>Self-Sufficiency Wage</b>						
<b>Hourly</b>	\$10.37	\$16.78	\$17.21	\$16.08	\$13.01	\$21.64
<b>Monthly</b>	\$1,825	\$2,953	\$3,029	\$2,654	\$2,291	\$3,809
<b>Annual</b>	\$21,895	\$35,434	\$36,350	\$31,850	\$27,486	\$45,705

## The Self-Sufficiency Standard for Stanislaus County, CA 2008

### One Adult, Two Children (continued)

Monthly Costs	Adult + Infant + preschooler	Adult + infant + schoolage	Adult + Infant + teenager	Adult + preschooler + preschooler	Adult + preschooler + schoolage	Adult + preschooler + teenager
Housing	864	864	864	864	864	864
Child Care	1264	942	612	1305	983	652
Food	580	654	685	593	667	698
Transportation	262	262	262	262	262	262
Health Care	269	278	291	269	275	290
Miscellaneous	324	300	271	329	305	277
Taxes	591	501	443	612	520	462
Earned Income Tax Credit (-)	0	0	0	0	0	0
Child Care Tax Credit (-)	-100	-105	-58	-100	-100	-55
Child Tax Credit (-)	-167	-167	-167	-167	-167	-167
<b>Self-Sufficiency Wage</b>						
Hourly	\$22.09	\$20.04	\$18.20	\$22.54	\$20.51	\$18.65
Monthly	\$3,888	\$3,527	\$3,203	\$3,967	\$3,609	\$3,283
Annual	\$46,659	\$42,323	\$38,431	\$47,604	\$43,308	\$39,392

## The Self-Sufficiency Standard for Stanislaus County, CA 2008

	<i>One Adult, Two Children (continued)</i>			<i>One Adult, Three Children</i>		
<b>Monthly Costs</b>	Adult + schoolage + schoolage	Adult + schoolage + teenager	Adult + teenager + teenager	Adult + infant + infant + infant +	Adult + infant + infant + preschooler	Adult + infant + infant + schoolage +
<b>Housing</b>	864	864	864	1239	1239	1239
<b>Child Care</b>	680	330	0	1836	1876	1554
<b>Food</b>	741	772	802	688	700	771
<b>Transportation</b>	262	262	255	262	262	262
<b>Health Care</b>	281	296	311	283	282	288
<b>Miscellaneous</b>	281	252	223	431	436	411
<b>Taxes</b>	420	357	295	958	1014	861
<b>Earned Income Tax Credit (-)</b>	0	-65	-151	0	0	0
<b>Child Care Tax Credit (-)</b>	-115	-63	0	-100	-100	-100
<b>Child Tax Credit (-)</b>	-167	-167	-167	-250	-250	-250
<b>Self-Sufficiency Wage</b>						
<b>Hourly</b>	\$18.34	\$16.13	\$13.83	\$30.37	\$31.02	\$28.61
<b>Monthly</b>	\$3,228	\$2,839	\$2,433	\$6,345	\$6,459	\$5,036
<b>Annual</b>	\$38,733	\$34,066	\$29,200	\$64,143	\$65,511	\$60,431

## *The Self-Sufficiency Standard for Stanislaus County, CA 2008*

### One Adult, Three Children (continued)

Monthly Costs	Adult + Infant + Infant + teenager	Adult + Infant + preschooler + preschooler	Adult + infant + preschooler + schoolage	Adult + Infant + preschooler + teenager	Adult + infant + schoolage + schoolage	Adult + infant + schoolage + teenager
Housing	1239	1239	1239	1239	1239	1239
Child Care	1224	1917	1595	1264	1272	942
Food	800	712	783	812	854	882
Transportation	262	262	262	262	262	262
Health Care	303	281	288	302	294	309
Miscellaneous	383	441	417	388	392	363
Taxes	726	1054	887	749	768	638
Earned Income Tax Credit (-)	0	0	0	0	0	0
Child Care Tax Credit (-)	-100	-100	-100	-100	-100	-100
Child Tax Credit (-)	-250	-250	-250	-250	-250	-250
<b>Self-Sufficiency Wage</b>						
Hourly	\$26.05	\$31.57	\$29.09	\$28.51	\$26.87	\$24.35
Monthly	\$4,586	\$5,556	\$5,119	\$4,666	\$4,730	\$4,285
Annual	\$55,028	\$66,671	\$61,428	\$55,997	\$56,756	\$51,426

## *The Self-Sufficiency Standard for Stanislaus County, CA 2008*

### One Adult, Three Children (continued)

Monthly Costs	Adult + Infant + teenager + teenager	Adult + preschooler + preschooler + preschooler	Adult + preschooler + preschooler + schoolage	Adult + preschooler + preschooler + teenager	Adult + preschooler + schoolage + schoolage	Adult + preschooler + schoolage + teenager
Housing	1239	1239	1239	1239	1239	1239
Child Care	612	1957	1635	1305	1313	983
Food	911	724	795	824	866	895
Transportation	262	262	262	262	262	262
Health Care	324	281	287	302	293	308
Miscellaneous	335	446	422	393	397	369
Taxes	582	1096	913	771	791	662
Earned Income Tax Credit (-)	0	0	0	0	0	0
Child Care Tax Credit (-)	-50	-100	-100	-100	-100	-100
Child Tax Credit (-)	-250	-250	-250	-250	-250	-250
<b>Self-Sufficiency Wage</b>						
Hourly	\$22.52	\$32.13	\$29.56	\$26.96	\$27.33	\$24.81
Monthly	\$3,964	\$5,655	\$5,202	\$4,745	\$4,810	\$4,366
Annual	\$47,569	\$67,862	\$62,426	\$56,941	\$57,722	\$52,395

## The Self-Sufficiency Standard for Stanislaus County, CA 2008

<i>One Adult, Three Children (continued)</i>						<i>One Adult, Four Children</i>
<b>Monthly Costs</b>	Adult + preschooler + teenager + teenager	Adult + schoolage + schoolage + schoolage	Adult + schoolage + schoolage + teenager	Adult + schoolage + teenager + teenager	Adult + teenager + teenager + teenager	Adult + infant + infant + presch + presch
<b>Housing</b>	1239	1239	1239	1239	1239	1239
<b>Child Care</b>	652	990	660	330	0	2529
<b>Food</b>	924	936	965	994	1023	817
<b>Transportation</b>	262	262	262	262	255	262
<b>Health Care</b>	323	299	314	329	344	294
<b>Miscellaneous</b>	340	373	344	315	286	514
<b>Taxes</b>	599	680	570	520	466	1431
<b>Earned Income Tax Credit (-)</b>	0	0	0	0	0	0
<b>Child Care Tax Credit (-)</b>	-50	-100	-100	-50	0	-100
<b>Child Tax Credit (-)</b>	-250	-250	-250	-250	-250	-333
<b>Self-Sufficiency Wage</b>						
Hourly	\$22.95	\$25.17	\$22.75	\$20.96	\$19.11	\$37.79
Monthly	\$4,038	\$4,429	\$4,004	\$3,690	\$3,364	\$6,652
Annual	\$48,460	\$53,154	\$48,050	\$44,276	\$40,367	\$79,821

## The Self-Sufficiency Standard for Stanislaus County, CA 2008

### One Adult, Four Children (continued)

Monthly Costs	Adult + Infant + Infant + presch + school	Adult + Infant + presch + presch + school	Adult + Infant + presch + school + school	Adult + presch + school + school + teen	Adult + presch + school + teen + teen	Adult + school + school + teen + teen
<b>Housing</b>	1239	1239	1239	1239	1239	1239
<b>Child Care</b>	2207	2247	1925	1313	983	660
<b>Food</b>	884	895	963	1069	1096	1163
<b>Transportation</b>	262	262	262	262	262	262
<b>Health Care</b>	300	299	306	326	341	347
<b>Miscellaneous</b>	489	494	469	421	392	367
<b>Taxes</b>	1230	1272	1055	773	648	566
<b>Earned Income Tax Credit (-)</b>	0	0	0	0	0	0
<b>Child Care Tax Credit (-)</b>	-100	-100	-100	-100	-100	-100
<b>Child Tax Credit (-)</b>	-333	-333	-333	-333	-333	-333
<b>Self-Sufficiency Wage</b>						
Hourly	\$35.09	\$35.65	\$32.87	\$28.23	\$25.72	\$23.70
Monthly	\$6,177	\$6,275	\$5,784	\$4,869	\$4,527	\$4,171
Annual	\$74,121	\$75,298	\$69,412	\$59,624	\$54,324	\$50,055



## The Self-Sufficiency Standard for Stanislaus County, CA 2008

	<i>One Adult, Four Children (continued)</i>	<i>One Adult, Five Children</i>				
	All other 1 adult + 4 child families (average)	Adult + 2 infant + 2 presch + school	Adult + infant + 2 presch + 2 school	Adult + 2 presch + 3 school	Adult + 2 presch + 2 school + teen	Adult + presch + 2 school + 2 teen
<b>Monthly Costs</b>						
Housing	1239	1431	1431	1431	1431	1431
Child Care	1695	2859	2577	2295	1965	1313
Food	984	1036	1114	1193	1221	1315
Transportation	262	262	262	262	262	262
Health Care	316	312	317	323	338	359
Miscellaneous	450	590	570	550	522	468
Taxes	927	1817	1658	1498	1266	885
Earned Income Tax Credit (-)	0	0	0	0	0	0
Child Care Tax Credit (-)	-100	-100	-100	-100	-100	-100
Child Tax Credit (-)	-333	-417	-417	-417	-417	-417
<b>Self-Sufficiency Wage</b>						
Hourly	\$30.90	\$44.26	\$42.12	\$39.98	\$36.86	\$31.34
Monthly	\$6,439	\$7,789	\$7,413	\$7,036	\$6,487	\$5,515
Annual	\$66,262	\$93,473	\$88,950	\$84,428	\$77,843	\$66,184

## The Self-Sufficiency Standard for Stanislaus County, CA 2008

	One Adult, Five Children (continued)			One Adult, Six Children	One Adult, Seven Children	One Adult, Eight Children
	Adult + 3 school + 2 teen	Adult + 2 school + 3 teen	Adult + 5 child families (average)	Adult + 6 child families (average)	Adult + 7 child families (average)	Adult + 8 child families (minimum)
<b>Monthly Costs</b>						
Housing	1431	1431	1431	1431	1646	1646
Child Care	990	660	1809	2411	3014	3617
Food	1382	1410	1239	1556	1874	2191
Transportation	262	262	262	262	262	262
Health Care	365	380	342	374	407	439
Miscellaneous	443	414	508	603	720	815
Taxes	748	641	1157	1700	2474	3017
Earned Income Tax Credit (-)	0	0	0	0	0	0
Child Care Tax Credit (-)	-100	-100	-100	-100	-100	-100
Child Tax Credit (-)	-417	-417	-417	-500	-583	-667
<b>Self-Sufficiency Wage</b>						
Hourly	\$29.01	\$26.60	\$35.40	\$43.97	\$55.19	\$63.75
Monthly	\$5,105	\$4,681	\$6,231	\$7,738	\$9,713	\$11,220
Annual	\$61,264	\$56,178	\$74,769	\$92,855	\$116,559	\$134,645

## The Self-Sufficiency Standard for Stanislaus County, CA 2008

	Two Adults	Two Adults, One Child				Two Adults, Two Children
Monthly Costs	2 Adults	2 Adults + infant	2 Adults + preschooler	2 Adults + schoolage	2 Adults + teenager	2 Adults + infant + infant
Housing	734	864	864	864	864	864
Child Care	0	612	652	330	0	1224
Food	580	708	721	796	828	822
Transportation	494	500	500	500	494	500
Health Care	302	315	314	321	336	327
Miscellaneous	211	300	305	281	252	374
Taxes	346	520	542	438	388	653
Earned Income Tax Credit (-)	0	0	0	0	0	0
Child Care Tax Credit (-)	0	-50	-50	-55	0	-100
Child Tax Credit (-)	0	-83	-83	-83	-83	-167
<b>Self-Sufficiency Wage</b>						
Hourly	\$7.58	\$10.47	\$10.70	\$9.63	\$8.74	\$12.78
	<i>per adult</i>	<i>per adult</i>	<i>per adult</i>	<i>per adult</i>	<i>per adult</i>	<i>per adult</i>
Monthly	\$2,668	\$3,687	\$3,766	\$3,391	\$3,076	\$4,498
Annual	\$32,012	\$44,240	\$45,194	\$40,694	\$36,914	\$53,982

## The Self-Sufficiency Standard for Stanislaus County, CA 2008

### Two Adults, Two Children (continued)

Monthly Costs	2 Adults + Infant + preschooler	2 Adults + Infant + schoolage	2 Adults + Infant + teenager	2 Adults + preschooler + preschooler	2 Adults + preschooler + schoolage	2 Adults + preschooler + teenager
<b>Housing</b>	864	864	864	864	864	864
<b>Child Care</b>	1264	942	612	1305	983	652
<b>Food</b>	834	905	934	847	917	946
<b>Transportation</b>	500	500	500	500	500	500
<b>Health Care</b>	327	333	348	326	332	347
<b>Miscellaneous</b>	379	354	326	384	360	331
<b>Taxes</b>	675	574	509	696	595	526
<b>Earned Income Tax Credit (-)</b>	0	0	0	0	0	0
<b>Child Care Tax Credit (-)</b>	-100	-100	-50	-100	-100	-50
<b>Child Tax Credit (-)</b>	-167	-167	-167	-167	-167	-167
<b>Self-Sufficiency Wage</b>						
Hourly	\$13.00	\$11.95	\$11.01	\$13.23	\$12.17	\$11.23
	<i>per adult</i>	<i>per adult</i>	<i>per adult</i>	<i>per adult</i>	<i>per adult</i>	<i>per adult</i>
Monthly	\$4,577	\$4,206	\$3,877	\$4,656	\$4,285	\$3,951
Annual	\$54,925	\$50,477	\$46,522	\$55,868	\$51,421	\$47,417

## The Self-Sufficiency Standard for Stanislaus County, CA 2008

	<i>Two Adults, Two Children (continued)</i>			<i>Two Adults, Three Children</i>		
<b>Monthly Costs</b>	<b>2 Adults + schoolage + schoolage</b>	<b>2 Adults + schoolage + teenager</b>	<b>2 Adults + teenager + teenager</b>	<b>2 Adults + infant + infant + Infant</b>	<b>2 Adults + infant + infant + preschooler</b>	<b>2 Adults + infant + infant + schoolage</b>
<b>Housing</b>	864	864	864	1239	1239	1239
<b>Child Care</b>	660	330	0	1836	1876	1554
<b>Food</b>	988	1017	1046	921	933	1000
<b>Transportation</b>	500	500	494	500	500	500
<b>Health Care</b>	339	354	369	340	339	346
<b>Miscellaneous</b>	335	307	277	484	489	464
<b>Taxes</b>	497	443	392	1041	1064	939
<b>Earned Income Tax Credit (-)</b>	0	0	-11	0	0	0
<b>Child Care Tax Credit (-)</b>	-100	-50	0	-100	-100	-100
<b>Child Tax Credit (-)</b>	-167	-167	-167	-250	-250	-250
<b>Self-Sufficiency Wage</b>						
<b>Hourly</b>	\$11.13	\$10.22	\$9.27	\$17.08	\$17.30	\$16.17
	<i>per adult</i>	<i>per adult</i>	<i>per adult</i>	<i>per adult</i>	<i>per adult</i>	<i>per adult</i>
<b>Monthly</b>	\$3,917	\$3,598	\$3,265	\$6,011	\$6,091	\$5,692
<b>Annual</b>	\$47,001	\$43,181	\$39,175	\$72,132	\$73,090	\$68,301

## The Self-Sufficiency Standard for Stanislaus County, CA 2008

### Two Adults, Three Children (continued)

Monthly Costs	2 Adults + infant + Infant + teenager	2 Adults + infant + preschooler + preschooler	2 Adults + infant + preschooler + schoolager	2 Adults + infant + preschooler + teenager	2 Adults + infant + schoolage + schoolage	2 Adults + infant + schoolage + teenager
<b>Housing</b>	1239	1239	1239	1239	1239	1239
<b>Child Care</b>	1224	1917	1595	1264	1272	942
<b>Food</b>	1027	945	1012	1039	1079	1106
<b>Transportation</b>	500	500	500	500	500	500
<b>Health Care</b>	360	339	345	360	351	366
<b>Miscellaneous</b>	435	494	469	440	444	415
<b>Taxes</b>	795	1087	982	818	849	705
<b>Earned Income Tax Credit (-)</b>	0	0	0	0	0	0
<b>Child Care Tax Credit (-)</b>	-100	-100	-100	-100	-100	-100
<b>Child Tax Credit (-)</b>	-250	-250	-250	-250	-250	-250
<b>Self-Sufficiency Wage</b>						
<b>Hourly</b>	\$14.86	\$17.53	\$16.40	\$15.09	\$16.30	\$13.99
	<i>per adult</i>	<i>per adult</i>	<i>per adult</i>	<i>per adult</i>	<i>per adult</i>	<i>per adult</i>
<b>Monthly</b>	\$5,231	\$6,171	\$5,772	\$5,311	\$6,385	\$4,925
<b>Annual</b>	\$62,776	\$74,048	\$69,259	\$63,733	\$64,622	\$59,096

## The Self-Sufficiency Standard for Stanislaus County, CA 2008

### Two Adults, Three Children (continued)

Monthly Costs	2 Adults + infant + teenager + teenager	2 Adults + preschooler + preschooler + preschooler	2 Adults + preschooler + preschooler + schoolage	2 Adults + preschooler + preschooler + teenager	2 Adults + preschooler + schoolage + schoolage	2 Adults + preschooler + schoolage + teenager
Housing	1239	1239	1239	1239	1239	1239
Child Care	612	1957	1635	1306	1313	983
Food	1134	956	1023	1051	1090	1118
Transportation	500	500	500	500	500	500
Health Care	381	338	344	359	350	365
Miscellaneous	387	499	474	445	449	421
Taxes	631	1110	998	855	873	729
Earned Income Tax Credit (-)	0	0	0	0	0	0
Child Care Tax Credit (-)	-50	-100	-100	-100	-100	-100
Child Tax Credit (-)	-250	-250	-250	-250	-250	-250
<b>Self-Sufficiency Wage</b>						
Hourly	\$13.02	\$17.76	\$16.88	\$15.38	\$15.53	\$14.22
	<i>per adult</i>	<i>per adult</i>	<i>per adult</i>	<i>per adult</i>	<i>per adult</i>	<i>per adult</i>
Monthly	\$4,584	\$6,251	\$5,864	\$5,405	\$5,465	\$5,004
Annual	\$55,008	\$75,006	\$70,369	\$64,860	\$66,580	\$60,054

## The Self-Sufficiency Standard for Stanislaus County, CA 2008

<i>Two Adults, Three Children (continued)</i>						<i>Two Adults, Four Children</i>
<b>Monthly Costs</b>	<b>2 Adults + preschooler + teenager + teenager</b>	<b>2 Adults + schoolage + schoolage + schoolage</b>	<b>2 Adults + schoolage + schoolage + teenager</b>	<b>2 Adults + schoolage + teenager + teenager</b>	<b>2 Adults + teenager + teenager + teenager</b>	<b>2 Adults + infant + Infant + presch + presch</b>
<b>Housing</b>	1239	1239	1239	1239	1239	1239
<b>Child Care</b>	652	990	660	330	0	2529
<b>Food</b>	1145	1158	1185	1212	1240	1085
<b>Transportation</b>	500	500	500	500	494	500
<b>Health Care</b>	380	357	372	387	402	351
<b>Miscellaneous</b>	392	424	396	367	337	570
<b>Taxes</b>	652	746	621	565	510	1326
<b>Earned Income Tax Credit (-)</b>	0	0	0	0	0	0
<b>Child Care Tax Credit (-)</b>	-50	-100	-100	-50	0	-100
<b>Child Tax Credit (-)</b>	-250	-250	-250	-250	-250	-333
<b>Self-Sufficiency Wage</b>						
<b>Hourly</b>	<b>\$13.24</b>	<b>\$14.39</b>	<b>\$13.13</b>	<b>\$12.22</b>	<b>\$11.28</b>	<b>\$20.36</b>
	<i>per adult</i>	<i>per adult</i>	<i>per adult</i>	<i>per adult</i>	<i>per adult</i>	<i>per adult</i>
<b>Monthly</b>	<b>\$4,662</b>	<b>\$5,064</b>	<b>\$4,623</b>	<b>\$4,300</b>	<b>\$3,972</b>	<b>\$7,167</b>
<b>Annual</b>	<b>\$55,940</b>	<b>\$60,774</b>	<b>\$55,471</b>	<b>\$51,600</b>	<b>\$47,666</b>	<b>\$86,003</b>



## The Self-Sufficiency Standard for Stanislaus County, CA 2008

### Two Adults, Four Children (continued)

Monthly Costs	2 Adults + Infant + Infant + presch + school	2 Adults + infant + presch + presch + school	2 Adults + Infant + presch + presch + school	2 Adults + presch + school + school + teen	2 Adults + presch + school + school + teen	2 Adults + school + school + teen + teen
<b>Housing</b>	1239	1239	1239	1239	1239	1239
<b>Child Care</b>	2207	2247	1925	1313	983	660
<b>Food</b>	1152	1163	1231	1337	1364	1431
<b>Transportation</b>	500	500	500	500	500	500
<b>Health Care</b>	357	357	363	383	398	405
<b>Miscellaneous</b>	546	551	526	477	448	424
<b>Taxes</b>	1202	1228	1104	871	727	627
<b>Earned Income Tax Credit (-)</b>	0	0	0	0	0	0
<b>Child Care Tax Credit (-)</b>	-100	-100	-100	-100	-100	-100
<b>Child Tax Credit (-)</b>	-333	-333	-333	-333	-333	-333
<b>Self-Sufficiency Wage</b>						
Hourly	\$19.23	\$19.46	\$18.33	\$16.16	\$14.85	\$13.79
	<i>per adult</i>	<i>per adult</i>	<i>per adult</i>	<i>per adult</i>	<i>per adult</i>	<i>per adult</i>
Monthly	\$6,769	\$6,851	\$6,454	\$5,687	\$5,226	\$4,853
Annual	\$81,232	\$82,217	\$77,446	\$68,243	\$62,717	\$58,233

## The Self-Sufficiency Standard for Stanislaus County, CA 2008

		Two Adults, Five Children				
		2 Adults + 2 Infant + 2 presch + school	2 Adults + Infant + 2 presch + 2 school	2 Adults + 2 presch + 3 school	2 Adults + 2 presch + 2 school + teen	2 Adults + presch + 2 school + 2 teen
<b>Two Adults, Four Children (continued)</b>						
<b>All other 2 adults + 4 child families (average)</b>						
<b>Monthly Costs</b>						
Housing	1239	1431	1431	1431	1431	1431
Child Care	1695	2859	2677	2295	1965	1313
Food	1252	1235	1310	1384	1410	1500
Transportation	500	500	500	500	500	500
Health Care	374	369	375	380	395	417
Miscellaneous	506	639	619	599	570	516
Taxes	1013	1536	1433	1333	1190	930
Earned Income Tax Credit (-)	0	0	0	0	0	0
Child Care Tax Credit (-)	-100	-100	-100	-100	-100	-100
Child Tax Credit (-)	-333	-417	-417	-417	-417	-417
<b>Self-Sufficiency Wage</b>						
Hourly	\$17.46	\$22.88	\$21.96	\$21.04	\$19.73	\$17.30
	<i>per adult</i>	<i>per 2 adults</i>	<i>per 2 adults</i>	<i>per 2 adults</i>	<i>per 2 adults</i>	<i>per 2 adults</i>
Monthly	\$6,146	\$8,063	\$7,729	\$7,407	\$6,945	\$6,080
Annual	\$73,742	\$96,636	\$92,746	\$88,881	\$83,342	\$73,082

## The Self-Sufficiency Standard for Stanislaus County, CA 2008

	<i>Two Adults, Five Children (continued)</i>			<i>Two Adults, Six Children</i>	<i>Two Adults, Seven Children</i>	<i>Two Adults, Eight Children</i>
<b>Monthly Costs</b>	<b>2 Adults + 3 school + 2 teen</b>	<b>2 Adults + 2 school + 3 teen</b>	<b>2 Adults + 5 child families (average)</b>	<b>2 Adults + 6 child families (average)</b>	<b>2 Adults + 7 child families (average)</b>	<b>2 Adults + 8 child families (maximum)</b>
Housing	1431	1431	1431	1431	1646	1646
Child Care	990	660	1809	2411	3014	3617
Food	1563	1589	1427	1745	2062	2380
Transportation	500	500	500	500	500	500
Health Care	423	438	400	432	464	497
Miscellaneous	491	462	557	652	769	864
Taxes	804	673	1122	1462	2162	2704
Earned Income Tax Credit (-)	0	0	0	0	0	0
Child Care Tax Credit (-)	-100	-100	-100	-100	-100	-100
Child Tax Credit (-)	-417	-417	-417	-500	-583	-667
<b>Self-Sufficiency Wage</b>						
Hourly	\$16.15	\$14.88	\$19.12	\$22.82	\$28.22	\$32.50
	<i>per 2 adults</i>	<i>per 2 adults</i>	<i>per 2 adults</i>	<i>per 2 adults</i>	<i>per 2 adults</i>	<i>per 2 adults</i>
Monthly	\$5,686	\$5,237	\$6,729	\$8,033	\$9,934	\$11,441
Annual	\$68,227	\$62,841	\$80,750	\$96,400	\$119,207	\$137,294

## The Self-Sufficiency Standard for Stanislaus County, CA 2008

	Three Adults		Three Adults, One Child			Three Adults, Two Children
	3 Adults	3 Adults + Infant	3 Adults + preschool	3 Adults + school	3 Adults + teen	3 Adults + infant + infant
<b>Monthly Costs</b>						
Housing	864	1239	1239	1239	1239	1239
Child Care	0	612	652	330	0	1224
Food	811	920	932	1003	1032	1014
Transportation	494	500	500	500	494	500
Health Care	360	372	372	378	393	385
Miscellaneous	253	364	370	345	318	436
Taxes	439	728	747	647	574	882
Earned Income Tax Credit (-)	0	0	0	0	0	0
Child Care Tax Credit (-)	0	-50	-50	-50	0	-100
Child Tax Credit (-)	0	-83	-83	-83	-83	-167
<b>Self-Sufficiency Wage</b>						
Hourly	\$9.16	\$13.07	\$13.29	\$12.24	\$11.26	\$15.38
	<i>per 2 adults</i>	<i>per 2 adults</i>	<i>per 2 adults</i>	<i>per 2 adults</i>	<i>per 2 adults</i>	<i>per 2 adults</i>
Monthly	\$3,221	\$4,601	\$4,679	\$4,309	\$3,964	\$5,414
Annual	\$38,648	\$55,209	\$56,152	\$51,705	\$47,574	\$64,973

## The Self-Sufficiency Standard for Stanislaus County, CA 2008

*Three Adults, Two Children (continued)*

	3 Adults + Infant + presch	3 Adults + Infant + school	3 Adults + Infant + teen	3 Adults + presch + presch	3 Adults + presch + school	3 Adults + presch + teen
<b>Monthly Costs</b>						
Housing	1239	1239	1239	1239	1239	1239
Child Care	1264	942	612	1305	983	652
Food	1026	1093	1120	1037	1105	1132
Transportation	500	500	500	500	500	500
Health Care	384	390	405	384	390	405
Miscellaneous	441	416	388	447	422	393
Taxes	906	779	699	929	802	723
Earned Income Tax Credit (-)	0	0	0	0	0	0
Child Care Tax Credit (-)	-100	-100	-50	-100	-100	-50
Child Tax Credit (-)	-167	-167	-167	-167	-167	-167
<b>Self-Sufficiency Wage</b>						
Hourly	\$15.61	\$14.47	\$13.49	\$15.84	\$14.70	\$13.71
	<i>per 2 adults</i>	<i>per 2 adults</i>	<i>per 2 adults</i>	<i>per 2 adults</i>	<i>per 2 adults</i>	<i>per 2 adults</i>
Monthly	\$5,494	\$5,094	\$4,747	\$5,574	\$5,174	\$4,827
Annual	\$65,931	\$61,125	\$56,970	\$66,889	\$62,083	\$57,928

## The Self-Sufficiency Standard for Stanislaus County, CA 2008

	<i>Three Adults, Two Children (continued)</i>			<i>Three Adults, Three Children</i>		
	3 Adults + school + school	3 Adults + school + teen	3 Adults + teen + teen	3 Adults + infant + infant + infant	3 Adults + infant + infant + presch	3 Adults + infant + infant + school
<b>Monthly Costs</b>						
Housing	1239	1239	1239	1431	1431	1431
Child Care	660	330	0	1836	1876	1554
Food	1172	1199	1227	1154	1166	1233
Transportation	500	500	494	500	500	500
Health Care	396	411	426	397	397	403
Miscellaneous	397	368	339	532	537	512
Taxes	690	619	546	1208	1234	1110
Earned Income Tax Credit (-)	0	0	0	0	0	0
Child Care Tax Credit (-)	-100	-50	0	-100	-100	-100
Child Tax Credit (-)	-167	-167	-167	-250	-250	-250
<b>Self-Sufficiency Wage</b>						
Hourly	\$13.60	\$12.64	\$11.66	\$19.06	\$19.29	\$18.16
	<i>per 2 adults</i>	<i>per 2 adults</i>	<i>per 2 adults</i>	<i>per 2 adults</i>	<i>per 2 adults</i>	<i>per 2 adults</i>
Monthly	\$4,787	\$4,460	\$4,103	\$6,709	\$6,791	\$6,394
Annual	\$57,445	\$53,395	\$49,238	\$80,609	\$81,494	\$76,723

## The Self-Sufficiency Standard for Stanislaus County, CA 2008

### Three Adults, Three Children (continued)

Monthly Costs	3 Adults + Infant + Infant + teen	3 Adults + Infant + presch + presch	3 Adults + infant + presch + school	3 Adults + Infant + presch + teen	3 Adults + Infant + school + school	3 Adults + infant + school + teen
<b>Housing</b>	1431	1431	1431	1431	1431	1431
<b>Child Care</b>	1224	1917	1595	1264	1272	942
<b>Food</b>	1260	1178	1245	1272	1312	1339
<b>Transportation</b>	500	500	500	500	500	500
<b>Health Care</b>	418	396	402	417	408	423
<b>Miscellaneous</b>	483	542	517	489	492	464
<b>Taxes</b>	980	1259	1136	1003	1021	878
<b>Earned Income Tax Credit (-)</b>	0	0	0	0	0	0
<b>Child Care Tax Credit (-)</b>	-100	-100	-100	-100	-100	-100
<b>Child Tax Credit (-)</b>	-250	-250	-250	-250	-250	-250
<b>Self-Sufficiency Wage</b>						
Hourly	\$16.89	\$19.53	\$18.40	\$17.12	\$17.29	\$15.99
	<i>per 2 adults</i>	<i>per 2 adults</i>	<i>per 2 adults</i>	<i>per 2 adults</i>	<i>per 2 adults</i>	<i>per 2 adults</i>
Monthly	\$5,947	\$6,873	\$6,476	\$6,027	\$6,087	\$5,628
Annual	\$71,363	\$82,480	\$77,709	\$72,321	\$73,041	\$67,532

## The Self-Sufficiency Standard for Stanislaus County, CA 2008

### Three Adults, Three Children (continued)

Monthly Costs	3 Adults + Infant + teen + teen	3 Adults + presch + presch + presch	3 Adults + presch + presch + school	3 Adults + presch + presch + teen	3 Adults + presch + school + school	3 Adults + presch + school + teen
Housing	1431	1431	1431	1431	1431	1431
Child Care	612	1957	1635	1305	1313	983
Food	1367	1189	1256	1284	1323	1351
Transportation	500	500	500	500	500	500
Health Care	438	395	402	417	408	423
Miscellaneous	435	547	522	494	498	469
Taxes	784	1285	1161	1026	1044	901
Earned Income Tax Credit (-)	0	0	0	0	0	0
Child Care Tax Credit (-)	-50	-100	-100	-100	-100	-100
Child Tax Credit (-)	-250	-250	-250	-250	-250	-250
<b>Self-Sufficiency Wage</b>						
Hourly	\$14.96	\$19.76	\$18.63	\$17.35	\$17.52	\$16.21
	<i>per 2 adults</i>	<i>per 2 adults</i>	<i>per 2 adults</i>	<i>per 2 adults</i>	<i>per 2 adults</i>	<i>per 2 adults</i>
Monthly	\$5,267	\$6,955	\$6,558	\$6,107	\$6,167	\$5,708
Annual	\$63,209	\$83,466	\$78,695	\$73,279	\$73,999	\$68,490



## The Self-Sufficiency Standard for Stanislaus County, CA 2008

	<i>Three Adults, Three Children (continued)</i>					<i>Three Adults, Four Children</i>
<b>Monthly Costs</b>	3 Adults + presch + teen + teen	3 Adults + school + school + school	3 Adults + school + school + teen	3 Adults + school + teen + teen	3 Adults + teen + teen + teen	3 Adults + infant + infant + presch + presch
Housing	1431	1431	1431	1431	1431	1431
Child Care	652	990	660	330	0	2529
Food	1378	1390	1418	1445	1473	1248
Transportation	500	500	500	500	494	500
Health Care	438	414	429	444	459	408
Miscellaneous	440	473	444	415	386	612
Taxes	807	919	775	695	617	1470
Earned Income Tax Credit (-)	0	0	0	0	0	0
Child Care Tax Credit (-)	-50	-100	-100	-50	0	-100
Child Tax Credit (-)	-250	-250	-250	-250	-250	-333
<b>Self-Sufficiency Wage</b>						
Hourly	\$16.19	\$16.39	\$15.08	\$14.09	\$13.10	\$22.06
	<i>per 2 adults</i>	<i>per 2 adults</i>	<i>per 2 adults</i>	<i>per 2 adults</i>	<i>per 2 adults</i>	<i>per 2 adults</i>
Monthly	\$6,347	\$5,768	\$5,307	\$4,961	\$4,610	\$7,765
Annual	\$64,167	\$69,210	\$63,685	\$59,530	\$55,314	\$93,181

## The Self-Sufficiency Standard for Stanislaus County, CA 2008

*Three Adults, Four Children (continued)*

Monthly Costs	3 Adults + Infant + Infant + presch + school	3 Adults + Infant + presch + presch + school	3 Adults + Infant + presch + school + school	3 Adults + presch + school + school + teen	3 Adults + presch + school + teen + teen	3 Adults + school + school + teen + teen
<b>Housing</b>	1431	1431	1431	1431	1431	1431
<b>Child Care</b>	2207	2247	1925	1313	983	660
<b>Food</b>	1312	1323	1386	1487	1513	1577
<b>Transportation</b>	500	500	500	500	500	500
<b>Health Care</b>	415	414	420	441	456	462
<b>Miscellaneous</b>	586	592	566	517	488	463
<b>Taxes</b>	1344	1369	1244	1004	861	747
<b>Earned Income Tax Credit (-)</b>	0	0	0	0	0	0
<b>Child Care Tax Credit (-)</b>	-100	-100	-100	-100	-100	-100
<b>Child Tax Credit (-)</b>	-333	-333	-333	-333	-333	-333
<b>Self-Sufficiency Wage</b>						
<b>Hourly</b>	\$20.91	\$21.14	\$20.00	\$17.79	\$16.47	\$15.36
	<i>per 2 adults</i>	<i>per 2 adults</i>	<i>per 2 adults</i>	<i>per 2 adults</i>	<i>per 2 adults</i>	<i>per 2 adults</i>
<b>Monthly</b>	\$7,362	\$7,443	\$7,040	\$6,260	\$5,799	\$6,407
<b>Annual</b>	\$88,342	\$89,316	\$84,477	\$76,124	\$69,688	\$84,885

## The Self-Sufficiency Standard for Stanislaus County, CA 2008

	<i>Three Adults, Four Children (continued)</i>	<i>Three Adults, Five Children</i>	<i>Four Adults</i>	<i>Four Adults, One Child</i>	<i>Four Adults, Two Children</i>	<i>Four Adults, Three Children</i>
<b>Monthly Costs</b>	All other 3 adults + 4 child families (average)	All other 3 adults 5 +child families (minimum)	4 Adults	All other 4 adults + 1 kid families (average)	All other 4 adults + 2 kid families (average)	All other 4 adults + 3 kid families (minimum)
<b>Housing</b>	1431	1646	864	1431	1431	1646
<b>Child Care</b>	1695	2260	0	399	797	1196
<b>Food</b>	1407	1800	1055	1191	1380	1487
<b>Transportation</b>	500	500	494	500	500	500
<b>Health Care</b>	431	455	417	436	455	474
<b>Miscellaneous</b>	546	666	283	396	456	530
<b>Taxes</b>	1145	1663	504	804	914	1139
<b>Earned Income Tax Credit (-)</b>	0	0	0	0	0	0
<b>Child Care Tax Credit (-)</b>	-100	-100	0	-50	-100	-100
<b>Child Tax Credit (-)</b>	-333	-417	0	-83	-167	-250
<b>Self-Sufficiency Wage</b>						
Hourly	\$19.10	\$24.07	\$10.27	\$14.27	\$16.10	\$18.81
	<i>per 2 adults</i>	<i>per 2 adults</i>	<i>per 2 adults</i>	<i>per 2 adults</i>	<i>per 2 adults</i>	<i>per 2 adults</i>
Monthly	\$6,722	\$8,473	\$3,617	\$5,024	\$5,668	\$6,622
Annual	\$80,659	\$101,674	\$43,399	\$60,286	\$68,012	\$79,463



# Health Services Agency

## Medically Indigent Adult Program Policy Recommendations March 30, 2010

PowerPoint  
Presentation

# Legal Challenge

Western Center on Law and Poverty - threatened lawsuit

- Challenged the administrative policy whereby the County was requiring all or some of the patients share of cost prior to rendering service
- Challenged the methodology used to set Patient Cost Sharing Income levels
- Challenged upper limit to eligibility

# Medically Indigent Adult Program

- County Obligation under Section 17000 of the Welfare and Institutions Code
- County Board of Supervisors has discretion to establish the Eligibility Standards and Scope of Benefits, *however*

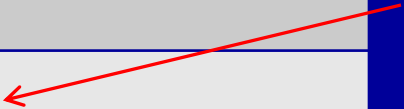
***Court has prescribed mechanism for determining ability to pay a share of the medical costs***

## Background: Board Approved Policy Changes Fall 2009

- Reduction to Income Levels for Patient Cost Sharing  
(moved additional cost responsibility to patient from County)
- Effort to Achieve a Balanced Budget while preserving as much access to care as possible
- County Expenditures/Exposures Outpacing Funding
  - Enrollment Growth
  - Utilization Growth

Cost Sharing Type	MIA Policy Pre-Sept 1, 2009	MIA Policy Current
Copayment  Copays = \$3 - \$25 per service	Incomes 50% - 129% FPL	Incomes \$300 - \$599
Monthly Share of Cost	Incomes 125 - 200% FPL	Incomes \$600 - \$1,805
Specific Share of Cost for Major Restorative Dental Benefits	Above policy applied	50% patient responsibility regardless of income level

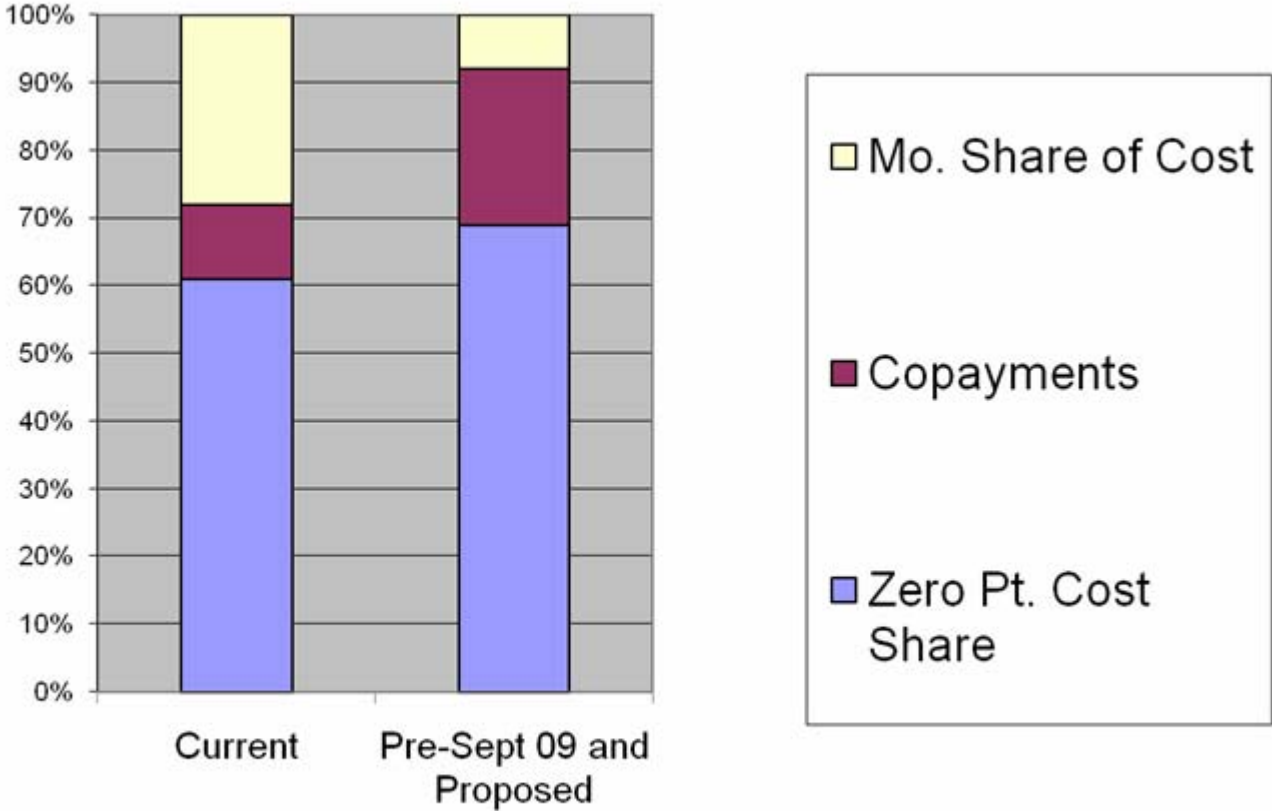
*Consistent with State Medi-Cal*



*State Medi-Cal eliminated adult dental benefits*



# Enrollment Mix based on Degree of Patient Cost Sharing



# Administrative Actions/Considerations

- Modified payment collection policy effective Feb 1, 2010
- Make Recommendation to Board to Reinstate Previous Cost Sharing Policy effective April 1, 2010
- Conduct Cost of Living Study
- Consider other means to appropriately manage costs
- Project Financial Impacts
- Consider legal or legislative opportunities or solutions
- Return to the Board of Supervisors within approx. 6 months with additional recommendations

## Recommendations for April 1, 2010 Effective Date

- Rescind the September 1, 2009 policy decision and reinstate the pre-September 2009 policy on Income Limits for Patient Cost Sharing
- Rescind Specific Major Restorative Dental Services Cost Sharing Policy and reinstate pre-September 2009 policy
- Authorize the operational activities to implement