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May 17, 2007

To: The Honorable Elaine Alquist
Chairman, Senate Budget Subcommittee No. 3

Honorable Members, Senate Budget Subcommittee No. 3

From: Casey Kaneko, Executive Director
Urban Counties Caucus

Kelly Brooks, Legislative Representative
California State Association of Counties

Frank J. Mecca, Executive Director
County Welfare Directors Association

Re: **FUNDING FOR COUNTY HUMAN SERVICES PROGRAMS – ADOPT
PLACEHOLDER TRAILER BILL LANGUAGE TO RESTORE THE
PROCESS OF BUDGETING BASED ON REASONABLE CURRENT
COSTS**

The California State Association of Counties (CSAC), the Urban Counties Caucus (UCC), and the County Welfare Directors Association (CWDA) urge the adoption of placeholder trailer bill language that would restore the process of budgeting human services programs based on reasonable current costs.

The May Revision proposes a new methodology for funding county costs to administer human services programs. The methodology would be implemented beginning 2008-09 and includes annual adjustments to county funding equivalent to the salary and benefit increases provided to state employees in Bargaining Unit 1. Further, it would institute a county share in federal Child Welfare Services penalties linked to performance on federal outcome measures, establish performance and accountability measures for the In-Home Supportive Services program, and make funding subject to annual appropriation.

We are pleased that the May Revision includes a proposal to fund cost-of-doing-business increases, recognizing the critical importance of this issue. Counties must be fairly funded for the efficient and effective delivery of human services in order to meet accountability and performance measures and to avoid federal penalties. We welcome the Administration's proposal as a positive step towards restoring the process of appropriately funding counties so they can administer human services programs on behalf of the state. However, we do have concerns that indexing the increases to state employee raises may have no relationship to actual costs. Further,

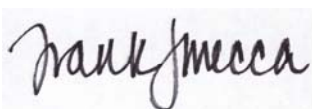
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we fear that instituting performance standards and giving counties a share in penalties without first ensuring reasonable and predictable funding reflective of county programmatic responsibilities is problematic.

Therefore, we urge the adoption of placeholder trailer bill language to restore the process of budgeting human services programs based on reasonable current costs.

Thank you for your consideration of this request.

Sincerely,



Frank Mecca
Executive Director
CWDA



Kelly Brooks
Legislative Representative
CSAC



Casey Kaneko
Executive Director
UCC

cc: Eileen Cubanski, Consultant, Senate Budget Committee
Diane Cummins, Office of The Honorable Don Perata
Chantele Denny, Consultant, Senate Republican Fiscal Office
Scott Carney, Health and Human Services Agency
Jennifer Kent, Health and Human Services Agency
Ana Matosantos, Office of the Governor
Cliff Allenby, Director, Department of Social Services
Patricia Huston, Department of Social Services
Michael Wilkening, Department of Finance
Todd Bland, Legislative Analyst's Office
County Caucus