



CWDA

COUNTY WELFARE DIRECTORS ASSOCIATION OF CALIFORNIA
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To: All County Social Service Directors and Fiscal Officers

From: CWDA Staff

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RE: State Budget Update #7 – Budget Conference Committee Completes Action

The Budget Conference Committee has completed its work reconciling the differences between the Senate and Assembly versions of the budget. The Conference Committee met briefly on Friday, took swift action on remaining open items, and quickly approved the Conference Report on a 4-2 vote, with Republicans voting against. As part of the final actions, the Conference Committee approved the transfer of \$339 million in transit funding to reduce the state's debt obligations.

Almost immediately following the adoption of the Conference Report, both Democrats and Republicans held their own press conferences. The Democrats presented the budget as equally balanced to the May Revision, including a \$2 billion reserve. The Republicans, in contrast, indicated opposition to the Democratic version of the budget as well as the Governor's May Revision citing concern that both would allow expenditures greater than revenues received in FY 2007-08, thus relying on carry over funds from the current year. The Republicans are seeking an additional \$1 billion in cuts. The Democrats have responded that carryover funds from FY 2006-07 are available and it is not imprudent to use those funds to balance the budget. The Democrats challenged the Republicans to present the specific cuts to the budget they would like.

The Conference Committee did take favorable actions on a number of human services issues of interest. However, a two-thirds majority vote is needed to approve the budget, so negotiation between the Democrats and Republicans will be necessary to garner the required support. We will need to be vigilant about the protection of our priorities as the Conference Committee actions are not a done deal yet.

Attached is a comprehensive summary of the status of human services issues of interest.

We'll send further details as they emerge.