



COUNTY WELFARE DIRECTORS ASSOCIATION OF CALIFORNIA
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CWDA

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To: All County Social Service Directors and Fiscal Officers

From: CWDA Staff

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RE: State Budget Update #4 – Legislature Approves Mid-year Cuts

The Legislature has approved a final package of mid-year cuts. The 6-bill legislative package was approved ahead of the Feb. 23 deadline for legislative action to respond to the Governor's declaration of a fiscal emergency. The bills are headed to the Governor's desk and he is expected to sign them within the next few days. The cuts include those summarized in Budget Update #3 with the exception of the yacht sales tax loophole that failed in the Assembly due to Republican opposition. Also included is a \$1.8 million GF reduction in the current year to EPSDT to reduce the cost per client through the creation of a central administrative unit responsible for oversight including improving claiming procedures and providing technical assistance to counties. It is not clear to what extent the budget language would give the Department of Mental Health the authority to implement the 6-month reauthorization for day treatment services. We'll send further information as it becomes available.

The bills were approved by a two-thirds majority vote so will take effect immediately upon the Governor's signature.

There is agreement among Legislative leadership to exempt counties with populations of 40,000 or less from the payment delays and include uncodified language specifying a payment date for the Medi-Cal, mental health managed care, and EPSDT advanced payment delays.

Bills sent to the Governor:

2007-08 Budget Act amendments – AB 3X 3
Education Trailer Bill – AB 3X 4
Health Trailer Bill – AB 3X 5
Human Services Trailer Bill – AB 3X 6
Transportation Trailer Bill – AB 3X 7
General Government Trailer Bill – AB 3X 8