



CWDA

July 20, 2007

To: All County Social Service Directors and Fiscal Officers
From: CWDA Staff
Pages: 2
RE: State Budget Update #8 – Assembly Approves Budget Deal

Directors:

Late last night (early this morning), The Assembly passed a budget and related trailer bills, and then adjourned for their summer recess. The Senate has not acted on the deal, and media reports yesterday quoted Senate Pro Tem as declaring a budget impasse in his house. The Senate is scheduled to meet today, and it is unclear whether they will get the necessary Republican votes (2) to pass the budget. Republicans in the Senate have been calling for more “across-the-board” cuts to all programs and agencies. We will keep you apprised of the fate of Senate action. Please be advised that any amendments the Senate may wish to make to the Assembly deal would require an Assembly “concurrence” vote, which is not possible since the Assembly is in recess (unless the Speaker calls the Assembly back, which is possible but unusual).

The Assembly budget bill and trailer bills were voted upon in mock-up form. While they are not in print, some are available on line. The Assembly Budget Act is contained in both SB 77 (the main budget bill) and SB 78 (containing last minute amendments to the trailer bill). The social services trailer bill is SB 84, and the health trailer bill is SB 83.

Major changes from the conference committee version of the budget (which is summarized in our budget actions chart), and other major items of interest are as follows:

CalWORKs

- No proposal for semi-annual reporting.
- Includes trailer bill language requiring CDSS to develop, by October 1, options for the Legislature for increasing CalWORKs welfare-to-work participation, including “ways to structure the CalWORKs grant in order to maximize full-time work and promote family stability.”
- Shifts \$84 million of the \$88 million TANF Reserve to the General Fund. Includes allows Department of Finance to approve providing access to transfer funds from the General Fund for unanticipated CalWORKs costs.
- The CalWORKs grant COLA is suspended.

SSI-SSP

- The budget delays the SSP COLA permanently from January to June, for a savings of \$125 million.

Child Welfare Services and Foster Care

- Includes the 5 percent rate increase for group homes and foster family homes.
- Includes language negotiated with CWDA regarding cost-sharing for foster care overpayments.
- Includes language to establish a “flat rate” for foster children and AAP recipients who are clients of Regional Centers, including a provision for an “exception” process” by which recipients could qualify for up to \$1,000 above the flat rate.
- Does not include language to codify the SB 2030 standards.
- Reduced the THP Plus budgeted amount by \$10 million. However, the budget still includes language for current year claims to be reimbursed with budget year funding. The amount of funding provided is somewhat less than our projection of need, though not by a significant amount.

CODB and Hardware Replacement

- Does not include language requiring the resumption of CODB.
- Does include the funding for workstation replacement and Help Desk.

APS and IHSS

- Does include the \$12 million augmentation to the APS Program.
- Includes the funding for the “triggered” maximum state participation in wages and benefits to \$12.10 per Hour.

Next Steps

As we indicated in our e-mail yesterday, **it is critical that every county, and as many of your partners as possible, immediately write and fax the Governor urging him to sustain funding for APS and workstation replacement.** Copies of our letters to the Governor were attached to yesterday’s e-mail.

As more details emerge, we will let you know. As usual, we will be sending a comprehensive summary of the budget when it is final. Please feel free to contact us if you have any questions