



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
Pages: 1
RE: **State Budget Update #9 – Assembly Votes on Budget**

48 days into the 2008-09 fiscal year, the Assembly has voted on a budget. Following several hours of partisan debate, as expected the proposed budget package failed on a 45-30 party-line vote, with present Democrats voting for (Assembly member Parra abstained) and present Republicans against (Assembly member Aghazarian abstained). Republicans called the move a cynical budget drill that would impose tax increases that would further harm the economy and the Democrats indicated that the Republicans requested a vote on the budget and that's exactly what they got. Democrats further challenged Republicans that if they do not support the budget package as proposed, then they should present an acceptable budget proposal of their own. The action follows a party-line vote in the Assembly Budget Committee late Friday to defeat the Assembly Republican's recently proposed constitutional amendment, ACA 19. ACA 19 would impose a strict spending cap requiring voter approval in November and the Assembly Republicans have demanded its passage as part of any budget deal.

The budget package that was voted on is based on the Budget Conference Committee Report (AB 1781) with a few tweaks included in a companion bill (SB 1072) including a modified revenue package, adding a lottery securitization proposal, and "budget reform" by strengthening the rainy day provisions of Proposition 58.

As presented on the Assembly Floor, the budget package closes the \$15.2 billion deficit through a combination of cuts (61 percent) and new revenues (39 percent). ***The budget package presented on the Assembly floor does not include some of the additional cuts to human services that have been discussed in recent days in Food Stamps, In-Home Supportive Services, and Medi-Cal. However, human services programs remain at great risk and additional cuts continue to be discussed in the context of a final budget deal.***

We will send further updates as negotiations continue.