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CWDA

June 16, 2015

To: All County Social Service Directors and Fiscal Officers

From: CWDA Staff

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RE: State Budget Update #6 – Governor and Legislative Leaders Reach Budget Deal

The Governor and Legislative leadership announced this afternoon that they have reached agreement on the 2015-16 budget. The 2015-16 budget assumes the Governor's lower GF revenue estimates, rather than the higher LAO GF revenue estimates that were used in the budget that came out of the Budget Conference Committee. We are still awaiting many of the details, but what we have heard so far is a mix of good and bad news:

The EITC as proposed in the May Revision is included in the final budget agreement, which is good news.

The CalWORKs Housing Support Program augmentation is \$15 million, rather than \$30 million. Although this is not as high as we had hoped, it is good news and will allow us to expand the program. We will have to try again next year to build on this year's increase.

Foster parent and relative recruitment, retention, and support is funded at \$15 million GF, rather than \$25 million GF. It is not clear whether this is only partial year funding or an annual amount.

There is one-time GF to restore the 7 percent reduction to service hours in IHSS. Continuation of this restoration in 2016-17 and beyond is contingent on adoption of the MCO tax or some other revenue source to support it.

The repeal of the MFG is not included in the final budget agreement, which is a huge disappointment.

We will send out a more detailed update when we have more information.

Here is a link to the Governor's Office [press release](#) announcing the budget agreement, which provides a summary of the major elements. The Governor also called two Special Sessions of the Legislature, one to deal with California highway infrastructure and the other to address the expiration of the MCO tax at the end of 2015-16.