



# BUDGET ACTION BULLETIN

CALIFORNIA STATE ASSOCIATION OF COUNTIES

## Revisions to the 2009-10 State Budget Week of July 27, 2009

July 27, 2009

TO: CSAC Board of Directors  
County Administrative Officers  
CSAC Corporate Associates

FROM: Paul McIntosh, CSAC Executive Director  
Jim Wiltshire, CSAC Deputy Executive Director  
Jean Kinney Hurst, CSAC Legislative Representative

RE: **Budget Action Bulletin #7**

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Over a long and difficult nearly two-day long budget session, the Legislature approved a 27-bill package that revises the 2009-10 spending plan enacted in February. Notably, the budget does not include several of the major elements negotiated among legislative leadership and the Governor in Big Five meetings, leaving the state's fiscal position unclear.

This Budget Action Bulletin outlines the provisions of the 2009-10 state budget revisions as approved by the Legislature. (One thing to make clear: the majority of budget trailer bills were introduced and voted on in the Fourth Extraordinary Session. Measures that received majority vote approval, assuming that the Governor signs them, have an effective date of 90 days post-adjournment of the extraordinary session. The Assembly and Senate adjourned the Fourth Extraordinary Session on July 24, 2009. Urgency measures, those that received a 2/3 vote, will take effect immediately upon the Governor's signature.) As a result of the complex maneuvering that occurred in the wee hours of the morning, a number of components of the package are in question. We are doing our best to attempt to find clarity in some of these provisions; however it is very likely that clean-up legislation will be required in August to resolve some of these issues. Please don't hesitate to contact us if we can offer assistance in resolving your questions.

When the Senate finally convened on Thursday evening, July 23, it appeared that final votes on budget bills were inevitable. However, as the hours waned, Republican and Democratic caucuses continued, and it became clear that, in many instances, bill language was not in final draft form, activity in the Capitol hallways increased, and efforts to influence the package were renewed.

Focusing on the local government components of the package, the \$1.7 billion "take" of local gas tax subventions (also known as the "HUTA take") stalled in the Senate with a vote of 20-20. This occurred even after an additional bill was included in the package to change the HUTA

“take” to a loan, with a 10-year repayment of \$200 million annually. With some half-jokingly calling for Lieutenant Governor John Garamendi to come to the Capitol to cast the deciding vote, the complications involved with a certain congressional race made that seem unlikely. Eventually, one Senator put up a vote on the HUTA take-turned-loan and the bill was moved to the Assembly.

An additional change in the Senate included an amendment to the redevelopment agencies extension/securitization proposal, which contained a trigger that would have *turned off* the HUTA take and the Proposition 1A securitization; the amendment added the \$1.7 billion shift from redevelopment agencies to the items that would have been *triggered off*. The Senate also approved this measure, ABX4 27, which was then moved to the Assembly. Additionally, ABX4 26, the measure that included the \$1.7 billion shift from redevelopment agencies was amended to be a majority vote bill.

Once these controversial measures had arrived in the Assembly, the legislative give-and-take was not over. In an effort to secure votes (according to some, votes were needed on the Proposition 1A suspension; others claim votes were needed for the Proposition 98 maintenance factor measure), the two HUTA measures, the “take” and the loan repayment measure, were moved to the Inactive File. The Assembly adjourned without considering the redevelopment extension/securitization proposal measure, thus essentially eliminating the “trigger” components of that measure. Finally, the Assembly defeated the \$100 million Tranquillon Ridge oil drilling project.

When all voting was completed on the afternoon of Friday, July 24, the Legislature sent a budget revision package to the Governor that was about \$1.1 billion short of the deal agreed to by the Big Five. The Governor is set to sign the package of bills tomorrow (July 28) and is likely to use his line-item veto authority to adjust spending to accommodate the Assembly’s changes. CSAC will report out the Governor’s actions as soon as they are available.

#### **BUDGET AGGREGATES**

The package of bills the Legislature thought they would be passing purported to create \$24 billion in budget savings, including a \$921 million reserve. However, that package changed so significantly before passage and no one can now claim that the Legislature’s actions late last week closed the entire budget gap; even the Governor’s line-item vetoes—likely substantial—might not do that.

Given this, and given that the state’s revenues are still faltering, and that some major pieces of this budget face imminent litigation, many observers expect another budget brannigan before the year is up. If they manage to pass new balancing acts before the scheduled end of this year’s session in mid-September, the state will have enacted four budgets or major budget revisions in the space of twelve months.

With no new revenue as part of the deal, and resistance to cutting entire programs, about a third of the package as passed relies either on local money (Proposition 1A and redevelopment), one-time gimmicks (like moving state workers’ payday from June 30, 2010, one day to July 1), and some borrowing. Legislative leaders and the Governor all seem sure that investors will

believe this budget is sufficiently credible to allow the Treasurer to sell enough intra-year debt for the state to manage its cash flow and stop issuing IOUs, at least for the time being.

### **Building a Deficit**

	\$ in Billions
Starting Reserve	\$2.0
Reduced May Revision Revenues	-12.3
Increased May Revision Expenditures	-3.1
Loss of Special Election Solutions	-5.8
<b>May Revision Projected Shortfall</b>	<b>-19.2</b>
Less \$3 billion in Projected Revenue Loss	-3.1
Less \$536 million Net 2008-09 Loss	-0.5
Lost 2008-09 RDA Cut	-0.4
<b>Projected Budget Shortfall</b>	<b>-23.1</b>

## **STATEWIDE ISSUES**

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### **PROPOSITION 98**

The total combined cut to Proposition 98 for 2008-09 and 2009-10 now totals \$5.7 billion, \$1.7 billion of which is a payment deferral to 2010-11, and \$1.6 billion of which is 2008-09 funding that hasn't been sent to local agencies yet. In addition, \$450 million of federal funds will be used to backfill cuts instead of fulfill their intended purpose.

One of the most contentious parts of the entire package of budget amendments relates to whether or not the Legislature's actions last fiscal year (2008-09) created a "maintenance factor" under the terms of Proposition 98. In the end, one of the bills, ABX4 3, certifies that the maintenance factor owed in 2008-09 was \$11.2 billion.

Under Proposition 98, the state must repay this money and raise the education-funding floor as if the money they had appropriated it from the beginning. However, this repayment requirement does not begin until state revenues rise. School advocates don't expect this to happen for years due to the temporary tax increases running out and the large, future corporate tax cuts recently enacted.

### **BOARDS AND COMMISSIONS**

The budget abolishes and reorganizes a few state bureaus and boards aside from the California Integrated Waste Management Board, which is covered later in this BAB. These other affected

entities deal with naturopathic medicine, pest control, home appliances and furnishings, insulation, and geologists.

#### **STATE CASHFLOW AND PAYMENT DEFERRALS**

To deal with their cashflow problem, the Legislature approved several payment deferrals in addition to those they passed in February.

Schools share in the deferral pains. Local K-12 agencies will receive only five percent of their state payments in July and August, then nine percent in all subsequent months. These agencies won't see almost \$680 million in April 2010 and \$1 billion in June 2010 until August of the following fiscal year. Furthermore, the state will delay a billion dollars of payments from October to December 2009 and another billion from November 2009 to January 2010, with hardship exceptions.

Higher education also takes deferral hits in addition to those they received in February. UC sees an additional \$750 million deferred from July through September 2009; the state will repay a third of that in October 2009, and the other half-billion between April and June 2010. CSU sees \$290 million in payments moved from July to October 2009. Community colleges see an additional \$115 million deferred from April through June 2009 until July 2010, for a total of \$703 million (when combined with previously planned delays).

Lastly, the Legislature changed rules about state agencies' fees for past due collections, attempting to focus staff on larger receivables, and loosened rules that trigger the state needing to pay penalties on late payments it makes.

Explanations of the Proposition 42 and HUTA payment delays are located in the Housing, Land Use & Transportation section of this BAB.

#### **SELLING PART OF SCIF**

The budget deal authorizes the Director of Finance, in consultation with the State Treasurer, to sell part of the State Compensation Insurance Fund (SCIF) by January 10, 2012, with the intent of raising \$1 billion.

#### **SURPLUS PROPERTY**

The budget gives the Department of General Services (DGS) broad authorization to lease out most types of state property if it's not immediately needed. It also authorizes the sale of the Orange County Fairgrounds and the sale or long-term lease of 17 other properties. These 17 properties may not be sold at less than fair market value—as the state often does when selling property to local agencies—and are exempt from CEQA requirements if leased “as is” or subject to CEQA through local land use restrictions.

#### **STATE PROCUREMENT**

The budget also tightens requirements that some state procurement contracts have related to disabled veteran participation in the businesses receiving the contracts. The deal also gives DGS

more flexibility on awarding IT procurement contracts and on how much of the contract price to withhold until final delivery.

### **STATE CASH MANAGEMENT**

Part of the budget deal will expand the market for California's debt instruments by allowing various state entities to buy them. Specifically, it gives the Lottery Commission and the State Compensation Insurance Fund permission to invest in state-issued general obligation bonds, RANs, and RAWs. It also clarifies that the Treasurer may invest the state's surplus money in IOUs (registered warrants) as well as bonds and notes. Further, the Treasurer will now have permission to invest state funds in Negotiable Order or Withdrawal (NOW) Accounts.

### **TAX WITHHOLDING**

The budget amendments change personal income and corporate tax withholding schedules. Employers will now have to withhold 10% more than they did before of employees' paychecks for personal income tax purposes, with conforming changes to stock options and bonuses.

For corporations and people with non-wage incomes, withholdings also rise. Current requires payments to the state of 30 percent of estimated annual tax liability in the first two quarters and 20 percent in the third and fourth quarters (through last year, most taxpayers had to send four quarterly payments of 25 percent each). Under the terms of the budget amendments, the second quarter payment will increase to 40 percent, the third quarter payment would lapse, and the fourth quarter payment in December would increase to 30 percent of annual tax liability.

The deal also requires businesses to withhold seven percent of reportable, non-wage compensation like gambling winnings and other forms of income if the IRS determines a condition for withholding exists, generally conforming California to federal rules.

The independent contractor withholding that the Governor and Legislature at one time considered was not a part of the final agreement.

### **STATE EMPLOYEES**

State employees will continue three unpaid furlough days per month with many state offices closed on alternating Fridays.

The deal also permanently moves the day state workers are paid for the pay period ending June 30 from that day to July 1 (the next fiscal year), for savings that are essentially one-time in nature.

### **THE CAPITOL**

Also, in the interest of putting their fiscal house in order, the Governor and Legislature are willing to let their actual house decay a little. By suspending Capitol repairs, the General Fund will save \$5 million.

## WHAT'S BEEN HAPPENING

### ADMINISTRATION OF JUSTICE

In the Administration of Justice (AOJ) area, a few last-minute restorations took two problematic budget proposals off the table. The budget package passed last week **rejects both** (1) the proposal to charge state and local agencies for the use of Department of Justice (DOJ) forensic lab services and (2) the \$20 million reduction to the DOJ's Bureau of Narcotics Enforcement, which would have affected local multiagency gang/drug task forces.

As detailed below, most of the justice-related changes are contained within the judiciary/public safety trailer bill (SBX4 13). As for policy changes related to achieving a \$1.2 billion unallocated reduction to the Department of Corrections and Rehabilitation (CDCR), the Legislature put off the detailed policy discussion until it returns in August. The budget package contains only an unallocated cut to CDCR, but does not specify the means by which the corrections agency might achieve it.

### MONTHLY COURT CLOSURES/JUDICIAL BRANCH

The judiciary/public safety trailer bill (SBX4 13) gives the Judicial Council the authority to close the courts one day per month as a cost-cutting means to help absorb the various reductions to the judicial branch budget. The monthly closure day will be treated as a court holiday for purposes of various deadlines defined in statute. The Judicial Council is scheduled to meet on July 29 presumably to exercise its court-closure authority. It is widely believed that the third Wednesday of the month will be the day selected for the monthly statewide court closure, but that decision will only be finalized following Judicial Council discussion and action.

The court closure will affect court security contracts between the sheriff and local court. Specifically, the trailer bill requires good faith negotiation of any court security Memorandum of Understanding (MOU) to reduce the compensation due the sheriff for the provision of court security services by 4.62 percent (equivalent to 12 monthly closure days). A similar provision applies the reduction in those counties in which an MOU has not been executed. The court closure provisions are operative only through the end of the fiscal year. As part of the court closure agreement, court employees will be "held harmless" for purposes of retirement benefits meaning they will not lose any service credit due to the furlough. For those counties and courts in a joint contract with the California Public Employees' Retirement System (CalPERS), CalPERS may require additional administrative steps to implement this "hold harmless" provision. To the extent that your county reports payroll data to CalPERS for the court, your county may be affected.

In addition, SBX4 13 also increases the court security fee by \$10 (from \$20 to \$30) for a period of two years, with the proceeds helping bridge the shortfall in the court security funding line item.

Other items of note within the judiciary/public safety trailer bill:

- A transfer not to exceed \$25 million in funds from the Immediate and Critical Needs Account (established pursuant to [SB 1407, Perata](#) (2008)) of the State Court Facilities Construction

Fund to the Trial Court Trust Fund. (This action will help offset other reductions to the courts' overall budget.)

- Other increases to court fees, including a \$10 increase in various post judgment fees and a \$5 increase in the uniform filing fee.
- Required public disclosure, when requested, of an array of contract, salary, and expenditure information relating to the courts' budgets — both at the statewide level (Administrative Office of the Courts (AOC)) and at the local trial court level.
- Additional budget reporting requirements from the Judicial Council to the Legislature.
- Expanded use of electronic reporting for the purpose of monitoring judicial officer performance.
- Cap on rates that the state corrections agency is authorized to pay a provider of hospital, physician, or ambulance services.
- Conversion of the annual Youthful Offender Block Grant (YOBG) allocation (funds counties receive pursuant to [SB 81, 2007](#) to serve and supervise the transferred juvenile offender population) to quarterly allocations, to be paid in four equal installments in September, December, March and June of each fiscal year.
- Expanded reporting requirements for the YOBG.

#### **COURT SECURITY**

In addition to the impact on court security contacts contemplated by the court closure proposal, counties also should be aware that the judiciary/public safety trailer bill also contains two notable policy changes that affect court security budgeting. First, SBX4 13 limits, for purposes of court security funding, the cost of services to the **average** cost of salary and benefits for court security officers (based on equivalent classifications within the individual county) rather than actual costs. Secondly, the trailer bill also excludes the cost of retiree health benefits from the definition of "benefits" used in the context of allowable court security costs. For several years, the Legislature has contemplated these policy changes, but, until now, has not acted on them.

#### **REDUCTIONS TO CDCR**

AB X4 1 applies an unallocated reduction of nearly \$800 million to the California Department of Corrections and Rehabilitation's (CDCR) budget in 2009-10. This reduction is in addition to the unallocated reduction of \$400 million the Governor imposed while exercising his line-item veto at the time of the initial signing of the 2009-10 budget in February. Taken together, these two reductions bring CDCR's total cut for 2009-10 to roughly \$1.2 billion. As indicated above, the Legislature took no specific action in the budget to direct CDCR as to how to achieve a savings of this size. Over the last many months, a range of cost-savings proposals has been put on the table by various sources, from parole reforms and sentencing/credit earning changes to the reduction of property crime thresholds and conversion of wobblers to misdemeanors. To view the proposed policy changes the Administration is advocating, please refer to the first two documents posted under "Budget Update" on the CSAC AOJ [page](#). It is anticipated that many of these policy options remain open for discussion when the Legislature returns in August.

## BYRNE-JAG FEDERAL STIMULUS FUNDING

AB X4 1 contains language directing the California Emergency Management Agency (CalEMA) to distribute \$135 million in Byrne-JAG federal stimulus funding. The measure outlines the specific programs and funding levels, as summarized below:

- **Adult Probation Services** – CalEMA is directed to distribute \$45 million proportionately to all county probation departments that submit a qualifying application based on each county’s population of adults aged 18 to 25 years. These funds are the intended to serve as “seed money” to get the probation incentive funding program, which will be established pursuant to [SB 678 \(Leno and Benoit\)](#), up and running. The AOC is to receive \$424,000 off the top of the overall allocation for the provision of technical assistance to recipient county probation departments.
- **Offender Treatment Program (OTP)** – To offset reductions to the OTP and the elimination of Proposition 36 funding, \$45 million in Byrne JAG funds will be added to the OTP and used to provide substance abuse treatment to criminal offenders in a drug court setting. CalEMA is to provide \$600,000 through an interagency agreement with the State Department of Alcohol and Drug Programs (DADP) to administer the OTP funds.
- **Anti-Drug Abuse (ADA) Enforcement Program** – \$ 19.75 million dedicated to support multijurisdictional drug task forces that combat mid-level drug sales, manufacturing, and distribution at the local level.
- **Reentry Courts** – The Judicial Council is to receive \$10 million to create, in partnership with CDCR, collaborative reentry courts with enhanced supervision and services for parole violators.
- **California Multijurisdictional Methamphetamine Enforcement Teams (Cal-MMET) Program** – \$4.5 million in funding to combat mid-to-high level methamphetamine manufacturing and drug trafficking organizations.
- **Human Trafficking Task Forces** – \$3.75 million in funding to increase coordination among law enforcement agencies, district attorneys, victim services groups, and others to improve or increase training in human trafficking cases and investigation and prosecution of such cases.
- **Firearm Trafficking Programs** – \$3.3 million to increase coordination among state, federal and local law enforcement agencies in California’s border region.
- **Regional Anti-Gang Intelligence-Led Policing Program** – \$2.1 million to establish a statewide network of anti-gang coordinators among law enforcement agencies and community anti-gang efforts to support intelligence-led policing focused on gang violence.
- **Victim Information and Notification Everyday (VINE) Program** – \$1.5 million to improve victims’ access to offender information.
- **California District Attorneys Association (CDA) Training Program** – \$150,000 for training related to the aforementioned ADA Enforcement Program’s multijurisdictional drug task forces.

It is important to note that the federal stimulus Byrne-JAG funds are one-time allocations, and recipient county programs receiving have three years to expend the funds. Further, there will be additional reporting requirements for these funds per the American Recovery and Reinvestment Act (ARRA).

## **OTHER NOTABLES**

We should also note that the revised 2009-10 budget does not make any changes to the public safety VLF increment dedicated to local public safety programs. (See a jointly published CSAC-CPOC-CSSA document [here](#) for further information on the funding structure established in February 2009.) VLF revenue is down considerably, and counties are now working through various implementation issues as funding transitions to a VLF funding base for such programs as Citizens' Option to Public Safety (COPS), the Juvenile Justice Crime Prevention Act (JJCPA), and booking fee replacement revenue, to name a few. Based on information from state finance officials, it is expected that a supplemental 4<sup>th</sup> quarter payment for 2008-09 may come in August from late VLF payments, which should help offset the lower-than-anticipated funding levels.

Counties should also be aware of another proposal that surfaced in the days leading up to the budget agreement. Proposed for inclusion in the transportation trailer bill that would have codified the two-year take of the local gas tax funds (ABX4 30), a provision would have given counties for the 2009-10 and 2010-11 the authority to loan "any available funds" in the county recorder's modernization fund (Government Code Section 27361(c)) to the county road fund in an amount not to exceed the local gas tax diverted to the state. Of course, because the Assembly did not approve ABX4 30, the recorder loan language also now is obsolete.

## **AGRICULTURE AND NATURAL RESOURCES**

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### **WILLIAMSON ACT**

The final budget package includes an additional one year 20 percent reduction to Williamson Act subvention funding, leaving a total of \$27.7 million in the program.

### **EMERGENCY RESPONSE INITIATIVE/SRA FEE**

The Emergency Response Initiative (ERI) and State Responsibility Area (SRA) Fee proposals were not included in the final budget package. The ERI proposal would have included a 4.8 percent surcharge on all residential and commercial property insurance statewide for the purposes of funding fire prevention and forestry activities. Additionally, the budget package did not include the SRA fee, which would have charged a \$30 to 50 fee on structures located within the State Responsibility Areas.

### **STATE PARKS FEES**

The final budget spared the closure of the majority of California's state parks, as previously proposed. Instead, the Department of Parks and Recreation took an \$8 million cut, which will result in some park closures. Decisions as to which parks will close have not yet been made.

### **CALIFORNIA INTEGRATED WASTE MANAGEMENT BOARD**

As part of the final budget package, the Legislature approved the dismantling of the California Integrated Waste Management Board (CIWMB). In its place, the Legislature approved the creation of the Department of Natural Resources, Recycling and Recovery within the Natural

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Resources Agency. Duties and responsibilities of the CIWMB will be transferred to the new department, as well as the management of the Bottle Bill recycling program.

#### **ENERGY EFFICIENCY AND CONSERVATION BLOCK GRANTS**

Language included in ABX4 11, the resources trailer bill, provides counties with the necessary legislative fix to the Energy Efficiency and Conservation Block Grant Program (EECBG). The bill includes needed clarifying language related to EECBG eligibility, allowing all counties not eligible for the large city/county EECBG program to be eligible for the small city/county program administered by the California Energy Commission. The bill also contains language that expressly allows cities and counties to use EECBG funding for the purpose of climate change planning.

#### **GOVERNMENT FINANCE AND OPERATIONS**

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##### **PROPOSITION 1A**

The budget package approved by the Assembly includes two measures related to the suspension of Proposition 1A, ABX4 14 and ABX4 15. ABX4 14 suspends the Proposition 1A protection of local property tax revenues, thereby authorizing a “loan” of local revenues to the state. The measure also provides that the Governor’s proclamation calling the Legislature into special session due to a fiscal emergency meets the requirements of the Constitution under Proposition 1A. ABX4 14 is an urgency statute, taking effect immediately upon the Governor’s signature.

ABX4 15 outlines the repayment provisions for Proposition 1A, as well as authorizes securitization of the Proposition 1A receivable. The statutory provisions mirror those of the Vehicle License Fee (VLF) securitization of 2003. A joint powers authority (JPA) of no fewer than 100 local agency members is authorized to purchase the Proposition 1A receivable and issue bonds with the receivable pledged as payment. This provision will enable local agencies to receive cash upfront instead of waiting for the state’s repayment. As of this writing, we understand that the California Statewide Communities Development Authority (CSCDA) would be the issuer of bonds, as it meets the statutory requirements.

The terms and conditions of the JPA’s bond issuance must be approved by the Director of Finance and the Treasurer. The aggregate principal amount of the bonds may not exceed \$2.25 billion (to include principal, plus credit enhancements and cost of issuance) and the interest rate is capped at 8%. The state covenants that it will not take any action that would materially adversely affect the interest of the bond holders or otherwise impair the security of the bonds.

ABX4 15 also authorizes a county to borrow its Proposition 1A amount from its redevelopment agency with repayment required within three years.

The amount shifted from each local agency equals 8% of the total amount of ad valorem property tax revenue that was apportioned to the local agency for the 2008-09 fiscal year. The statute explicitly includes amounts that were transferred for the VLF Swap and Triple Flip.

For those communities experiencing extreme fiscal hardship, upon written request, the Director of Finance may decrease the reduction amount. Extreme fiscal hardship may include: whether the community is in bankruptcy proceedings or that the reduction would likely cause the local

agency to seek bankruptcy protection; or whether the requesting local agency has available reserves and whether the reduction would impair the ability of the local agency to provide a basic level of core services. If the Director of Finance decreases a local agency's reduction as a result of hardship, the amount of the decrease will be allocated proportionately among other local agencies within the county, not to exceed more than 10 percent of the total reduction amounts for all local agencies within the county.

Two or more local agencies are able to reallocate their reduction amongst themselves.

These amounts are then transferred to a Supplemental Revenue Augmentation Fund (SRAF) and will be allocated to the county office of education, which will then transfer them to the Controller to reimburse the state for costs of providing health care, trial court, correctional, or other state-funded services and costs until the funds are exhausted. The funds are required to be used to reimburse costs within the county only. Any remaining funds are held over to fund state costs in the following fiscal year. Some funds will be transferred to Educational Revenue Augmentation Funds (ERAF), but will only be transferred in amounts that allow the state to continue to meet its federal Maintenance of Effort (MOE) requirement to draw down federal stimulus funds for schools.

ABX4 15 provides that the state will pay principal amounts of the bonds on the date of maturity, periodic interest (if applicable), and accrued interest. There is also the option for a local agency to not securitize its repayment, but instead receive repayment from the state within the three year period at an interest rate set by the Director of Finance at a rate higher than the Pooled Money Investment Account (PMIA) rate but capped at 6%.

The repayment is continuously appropriated in the General Fund, with authorization for the Controller to make the repayment by June 30, 2013. The repayment is a priority payment behind obligations to schools and general obligation bonds. If the state has not fully reimbursed local agencies by June 30, 2013, local agencies or the bond issuer may seek a writ of mandamus to compel the Controller to fully pay the amounts the state is obligated to pay. The petition for writ of mandamus has priority and preference in setting and review and may be filed in the California Supreme Court.

Please note that there are a number of provisions that require clean-up legislation in order to ensure timely issuance of bonds. Since the redevelopment extension/securitization measure did not pass, many of the dates in ABX4 15 will likely need to change. We will keep counties posted as to the progress of clean-up legislation.

#### **REDEVELOPMENT**

As reported earlier, the budget includes \$1.7 billion in total shifts from redevelopment agencies, plus, an additional one-year, \$350 million SRAF shift from redevelopment agencies in 2010-11. Counties will recall that the California Redevelopment Association (CRA) sued the state over the 2008-09 \$350 million ERAF shift and won in Superior Court; the language in ABX4 26 attempts to address the issues raised in that decision. In this instance, county auditors will calculate the

amount of funds shifted from each redevelopment agency to schools in a manner proportionate to its statewide share of tax increment. These funds will then be allocated to a K-12 school district or county office of education located partially or entirely within any project area of the redevelopment agency in proportion to the average daily attendance of each school district. The auditor must then reduce the allocation of property taxes to the school district in an amount equal to the amount transferred from redevelopment agencies and deposit those funds in the SRAF. The SRAF will then be allocated to fund state costs as outlined in the ABX4 15 (the Proposition 1A suspension).

The \$350 million shift scheduled for 2010-11 is drafted to work in the same manner.

Redevelopment agencies may extend their time limits for plan effectiveness and for receipt of tax increment revenues by one year after they meet their payment obligation for 2009-10.

During the 2009-10 fiscal year, the agency is not required to allocate funds to its low- and moderate-income housing fund and must pay back its fund by June 30, 2015. If it does not fully repay its low- and moderate-income housing fund by that time, its set-aside requirement for low- and moderate-income housing increases from 20% to 25%.

It is widely anticipated that the CRA will challenge this statute in court. We urge counties that are interested in participating in such litigation or learning more about it to visit the CRA [website](#) or call them at 916-448-8760.

#### **STATE MANDATES**

As previously reported, the budget agreement decreases funding for state mandates from \$142 million to about \$76.4 million. A list of all mandates funded in the February budget deal and their disposition in the current set of budget amendments is included as an attachment to this BAB.

#### **USE TAX COMPLIANCE**

The budget amendments add \$9.6 million to the Board of Equalization's budget to register businesses that do not require a seller's license and have receipts over \$100,000 per year. Their intent is to increase use tax compliance to the tune of \$26 million for the General Fund in 2009-10, \$122 million in 2010-11, and more in future years. These businesses will have to file annual use tax returns by April 15 of each year. This program will also increase use tax revenue for many local agencies.

#### **BOE TAX ADMINISTRATION COSTS**

The budget deal rejects a request from the Board of Equalization (BOE) to reallocate \$6.4 million sales tax administrative costs from local governments to the state's General Fund. The BOE requested the change to align the distribution of administrative costs with revenue benefits, just as counties do in allocating property tax administrative costs. The budget deal includes an exception to the usual method for allocating these costs because "there was no actual increase in costs."

## **SPECIAL ELECTION REIMBURSEMENT**

The budget deal does not include a repayment of counties' cost to run the May 19 special election. A comprehensive survey conducted by elections officials show a statewide cost of just over \$68 million.

## **CALIFORNIA STATE MEDIATION AND CONCILIATION SERVICE**

AB X4 12 authorizes the Director of the Department of Industrial Relations to seek and collect reimbursement from private and public sector employers, labor unions, and employee organizations for election, arbitration, and training and facilitation services provided by the California State Mediation & Conciliation Service (SMCS). The bill requires the Director to adopt regulations to implement this provision. SMCS currently provides their services to cities and counties for free, including administering elections and other disputes on elections, mediating impasses, and providing training. Some county Employer-Employee Relations Resolutions may require the parties to use SCMS.

## **CALPERS-SPONSORED PREFERRED PROVIDER ORGANIZATION HEALTH PLANS**

AB 4X 12 authorizes the Board of Administration of the California Public Employees' Retirement System (CalPERS) to use reserves to reduce the premiums charged in self-funded health benefit plans. According to CalPERS, self-funded Preferred Provider Organization (PPO) health plans have generated funds beyond what is required for their reserves. In consideration of the unique economic climate, CalPERS proposes to offset employer and subscriber premium payments with the excess reserves. This proposal will provide relief to employers and employees in these health plans. This trailer bill will replace the similar provisions found in Assembly Bill 399 by Assembly Member Julia Brownley.

## **HEALTH AND HUMAN SERVICES**

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The 2009-10 revised budget includes significant changes to the safety net, most notably to the CalWORKs program. The Administration pushed very hard for cuts and policy changes that will result in people being unable to access health and social services programs. It is unclear what the long-term ramifications of these changes will be on counties and communities, although children, families and seniors will have fewer services available and, in some cases, may be unable to access services.

The trailer bills with the vast majority of health and human services provisions include the following:

- ABX4 4: Human Services Omnibus trailer bill
- ABX4 5: Health Omnibus trailer bill
- ABX4 6: Medi-Cal Managed Care changes
- ABX4 7: Centralized Eligibility proposal
- ABX4 8: CalWORKs changes
- ABX4 19: In-Home Supportive Services (IHSS) fraud initiative

# ACTION

## CALWORKS

The Governor sought significant changes to the CalWORKs program during the recent budget negotiations, and was successful in securing \$528 million in cuts and/or anticipated savings, with many of the scored savings slated to be realized in the out years. Though the Governor originally sought to abolish the entire CalWORKs program in May, the reform proposals as voted on by the Legislature represent significant and wholesale changes in the way the program is administered and will ultimately result in fewer grants to needy Californians.

ABX4 4 is the omnibus human services trailer bill and includes some of the CalWORKs provisions. Additional changes to CalWORKs, including sanctions, self-sufficiency reviews and the COLA changes, are in ABX4 8.

**County Single Allocation Cut.** Of the \$528 million in cuts to the CalWORKs program, \$375 million come from a straight cut to county Single Allocation funding. Counties use this funding to administer the program, including providing employment and child care services, and to meet local needs. A cut of this magnitude guts each county's ability to meet its obligation to assist CalWORKs program participants on the road to self sufficiency. This cut represents 71 percent of the total reduction to the program and is effective in the current fiscal year.

ABX4 4 provides some flexibility in determining how to prioritize resources and services. The measure provides exemptions from work for parents with children age 12 to 23 months or two or more children under age six. The trailer bill language sunsets this provision on July 1, 2011. ABX4 4 also includes language to increase county flexibility to transfer funds from the mental health and substance abuse accounts to the single allocation if needed.

**COLA Elimination.** The Governor pushed for, and got, the elimination of automatic cost of living adjustments (COLAs) for CalWORKs grants.

ABX4 8 did not include any of the Governor's proposals to eliminate the safety net and child-only programs or an across-the-board grant reduction.

**Time Limit Changes.** ABX4 8 reduces length of time an adult recipient who fails to meet work participation requirements may collect continuous CalWORKs benefits from 60 months to 48 months. However, after a 12-month "time out" from the program, that recipient may receive CalWORKs grants for an additional 12 months before being permanently sanctioned due to a failure to meet work participation requirements. These changes will take effect on July 1, 2011 and represent a significant administrative and fiscal challenge for counties.

**Increased Sanctions.** The language in ABX4 8 directs counties to perform interventions for families that are in danger of incurring sanctions through a failure to meet work requirements, and, if the adult recipient is still unable to meet work requirements, reduces the family grant by 25 percent and, after nine months of noncompliance, 50 percent of the total grant. Also, families that have received aid for more than 60 months through California's safety net program will see a 25 percent cut to the child portion of the grant. These changes will take effect on July 1, 2011.

**Semi-Annual Self Sufficiency Reviews.** Requires self-sufficiency reviews to be conducted six months after a determination of eligibility for recipients not in compliance with work requirements and after each annual redetermination if work requirements continue to not be met. Counties would also be required to conduct an intensive assessment of families entering the safety net. If the recipient fails to attend the review, the county shall reduce the recipient's benefits by 60 percent after 30 calendar days, unless the participant has complied or provided good cause. These changes will take effect on July 1, 2011 and carry with them significant administrative costs.

Further, ABX4 8 also requires counties, by January 1, 2013, to provide the Department of Social Services with an evaluation of the implementation of the requirement regarding semi-annual self-sufficiency reviews and requires the Department to send those evaluations to the Legislature.

**Child Care.** The package restores child care services for CalWORKs families and families transitioning off of CalWORKs, and does not increase family fees. It also retains funding for ROC/P and Adult Education CalWORKs services. However, the Extended Day Care (Latchkey) program is eliminated, although funding is provided until the start of the 2009-10 school year. The package also keeps Regional Market Reimbursement rates at 2005 levels, and only provides reimbursement up to a maximum of the 85<sup>th</sup> percentile. Finally, the budget deal directs \$10 million in federal American Recovery and Reinvestment Act (ARRA) stimulus funds to hold program levels constant for this fiscal year and increase child care slots in the voucher program when possible.

#### **PRIVATIZING ELIGIBILITY**

The final budget package included the Governor's proposal to privatize eligibility for CalWORKs, Medi-Cal, and the Supplemental Nutrition Assistance Program (SNAP, formerly known as the federal Food Stamp program). Embodied in ABX4 7, the Governor's plan is to develop a centralized statewide eligibility and enrollment determination process for these programs.

The state Department of Health Care Services and Department of Social Services are tasked with developing a comprehensive plan for such a system, including cost benefit analysis, benefits and drawbacks of procuring a new statewide process, an assessment of risks that includes other states' experiences, and budget. However, the departments must first convene a stakeholder steering committee, of which CSAC is a named member, to review all of the above. After this process is completed the departments' comprehensive plan shall be submitted to the fiscal and applicable policy committees of the Legislature at least 45 days prior to a request for an appropriation. The departments cannot proceed with the procurement activities without legislative approval and an appropriation.

This proposal is strongly opposed by CSAC, county affiliates, and other stakeholders, based on evidence from other states (Texas and Indiana) that such efforts are likely to fail and often harm clients. CSAC will participate in the stakeholder process and continue to make our concerns with the overall proposal known.

## **IN-HOME SUPPORTIVE SERVICES (IHSS)**

Two bills contain major provisions related to the In Home Supportive Services (IHSS) program: ABX4 9 and ABX4 19. Many of the provisions either were written to address perceived fraud or contain cuts that, taken in total, are estimated to add up to \$211 million. However, counties note that the centerpiece fraud initiatives are costly to implement, difficult to administer, and create no long-term net savings.

**Fraud Provisions.** The fraud provisions as contained in ABX4 19 include criminal background checks for all IHSS providers (and which the provider must pay for) fingerprinting requirements for both providers AND recipients, and more strict timesheet standards

Counties are required to deny or terminate providers who have been convicted of specified offenses, including:

- Conviction for, or incarceration following a conviction for, fraud against a government health care or supportive services program, including Medicare, Medicaid, or services provided under Title V, Title XX, or Title XXI of the federal Social Security Act,
- Child abuse (Section 273a of the Penal Code),
- Elder and dependent adult abuse (Section 368 of the Penal Code), or
- Similar violations in another jurisdiction.

Though ABX4 19 is not entirely clear on who bears the costs of the fingerprinting requirement, it appears providers are required to pay for their background checks and that these checks must be completed for current providers by July 1, 2010. The requirement on fingerprinting recipients is effective April 1, 2010 for new applicants and at the time of the next reassessment for existing consumers after April 1. There is also language in the measure requiring the state DSS to seek federal financial participation.

The measure also provides \$10 million for local home visits, but places additional duties on county workers to conduct unannounced visits for certain high-risk cases and complete additional fraud-detection training.

The fraud proposal also includes changes to time sheets. ABX4 19 establishes a civil penalty for time-sheet fraud and requires both the provider and recipient to sign time sheets. Additionally, providers and recipients will be required to place a fingerprint on the time sheets. The measure also requires in-person verification of employment documents by a county worker.

**Other Savings.** Additionally, there are several major program changes:

- **Eliminate IHSS Services Entirely.** ABX4 4 eliminates all IHSS services for recipients with Functional Index (FI) scores below 2, effective September 1, 2009. Recipients with paramedical services, protective services, and recipients receiving 120 or more overall hours per month would be exempted.
- **Eliminates Domestic Services.** ABX4 4 eliminates IHSS domestic and related services for recipients with FI rankings below 4. Recipients with paramedical services, protective

services, and recipients receiving 120 or more overall hours per month would be exempted. This is also effective on September 1, 2009. Combined, the two proposals to eliminate and reduce services to contain costs generate savings of \$53.2 million General Fund.

- **Share of Cost.** Increases the share of cost by 50 percent for IHSS recipients receiving a state buyout effective September 1, 2009. This proposal saves \$20 million General Fund in 2009-10 and \$24 million in 2010-11.
- **Public Authorities.** The budget reduces Public Authority administration rates by 20 percent for a General Fund savings on \$4.6 million.

## **MEDI-CAL**

**Medi-Cal Savings.** The budget includes an unallocated cut of \$323.2 million General Fund to the Medi-Cal program. The Medi-Cal provisions of the budget are contained in ABX4 5.

**Governor’s Federal Medi-Cal Flexibility and Stabilization.** The budget package includes \$1 billion General Fund savings assumption from the Medi-Cal program. The Committee adopted budget bill language to provide for the state to obtain federal funds owed to California, including but not limited to: (1) disability insurance benefits which resulted in state expenditures instead of federal Medicare expenditures; (2) the retroactive payment of Medicare Part B premiums dues to systemic errors by the Social Security Administration; (3) adjustments to formulas that penalize California, such as the Medicare Part D “clawback”; and (4) receipt of federal funds due to California under various existing Medi-Cal waiver programs.

The \$1 billion in savings comes from the following assumptions: receiving \$700 million owed to the state from disability insurance expenditures, receiving \$75 million in Medicare Part D clawback, and receiving over \$400 million from other waivers.

**Medi-Cal Managed Care.** The budget package also includes a stand alone measure, ABX4 6, to require the Department of Health Care Services to submit a waiver to the federal government to implement mandatory enrollment of seniors or persons with disabilities in Medi-Cal managed care OR a medical home model.

The bill also contains a provision authorizing the Department of Health Care Services to maximize federal funds by claiming federal reimbursement for programs that receive realignment funds, including the County Medical Services Program; expenditures in programs funded by the Mental Health Services Act; and other public expenditures and state-only funded programs.

**Hospitals.** The budget reduces the Distressed Hospital Fund by \$23 million General Fund. Additionally, it reduces payments to private hospitals by \$23.9 million General Fund to reflect a ten percent reduction in disproportionate share hospital funding.

**Drug Medi-Cal.** The budget reduces Drug Medi-Cal rates by 10 percent. This provision was originally proposed in the May Revision, and nets the state \$8.8 million in General Fund savings.

The budget package adopts several Medi-Cal pharmacy reforms included in the May Revision for an estimated savings of \$109 million General Fund.

**Long-Term Care.** The budget expands long-term care fees for \$18 million in revenue and reduces long-term care rates for a savings of nearly \$76 million General Fund. The final package did not adopt the May Revision proposal to eliminate Adult Day Health Care benefits, but it does institute a temporary 3-day cap, minimum standard on medical necessity, and some anti-fraud measures for approximately \$25 million in General Fund savings.

**Community Clinics.** The bill reduces General Fund support for community clinic programs by 30 percent, including Rural Health Services (\$2.2 million); Seasonal Migratory Worker Program (\$1.9 million); Indian Health Program (\$1.5 million); and Expanded Access to Primary Care Program (\$4.5 million General Fund and \$3.9 million Proposition 98 funds).

#### **HEALTHY FAMILIES PROGRAM**

The Healthy Families Program (HFP) is slated for \$124 million in cuts, with no changes to eligibility in the final legislation. Officials at the Managed Risk Medical Insurance Board (MRMIB), which administers the HFP, having already instituted a waiting list on July 17, are expected to close enrollment for the remainder of the fiscal year. Furthermore, the shortfall in funding may require MRMIB to disenroll eligible children at their annual renewal dates, a move that would essentially dismantle the program.

ABX4 5 does contain language to allow outside sources of funding for HFP, and the state First 5 Commission may also meet in the coming week to authorize a transfer of funds that would at least stave off disenrollment for children aged 5 and under. This move would be similar to the combined efforts of the state and individual county First 5 Commissions undertaken to support the HFP earlier this year.

MRMIB is slated to meet to discuss the above measures July 30.

The HFP currently serves 900,000 children statewide, with about 400,000 expected to join the waiting list over the course of the 2009-10 fiscal year. Created in 1997, the program offers low-cost health insurance for children aged 0-18 in families earning up to 250 percent of the federal poverty level.

#### **SUPPLEMENTAL SECURITY INCOME/STATE SUPPLEMENTARY PAYMENT (SSI/SSP)**

The package adopts the Governor's proposal to reduce SSI/SSP grants for couples to the federal minimum of \$1,047, and reduces grants for individuals by \$5 per month to \$845 for a savings of \$155 million annually. This provision would take effect on October 1.

Further, the Governor pushed for, and got, the elimination of automatic cost of living adjustments for SSI/SSP grants.

## **AID FOR IMMIGRANTS**

ABX4 4 allows preserves the Cash Assistance Program for Immigrants (CAPI) and the California Food Assistance Program. However, under the bill, CAPI grants are aligned with those in SSI/SSP for a General Fund reduction of \$1 million.

## **PROPOSITION 36/OFFENDER TREATMENT PROGRAM (OTP)**

The budget package eliminates all \$90 million in General Fund support for Proposition 36 Substance Abuse and Crime Prevention Act programs, but maintains \$18 million General Fund for the Offender Treatment Program. The budget includes \$45 million of Edward Byrne Memorial Justice Assistance Grant program funding provided through the ARRA for the Offender Treatment Program. This is a one-time fund source. Therefore, \$63 million is available in 2009-10 for the Offender Treatment Program.

## **CHILD WELFARE SERVICES**

The budget packages does not include the May Revision proposal to reduce Child Welfare Services funding by \$70 million or reduce the Supplemental Clothing Allowance and Specialized Care Increment rates, but it does make a number of cuts and changes to related programs, including:

- Reduces rates for Group Homes, Foster Family Agencies, and Seriously Emotionally Disturbed programs by 10 percent for savings of \$26.6 million General Fund (before federal stimulus funds are taken into account).
- Adopts a one-time \$5 million General Fund cut to the Transitional Housing Program – Plus (THP-Plus).
- Reforms the Adoption Assistance Program to tie benefit levels to need, rather than increase grants based on age. This proposal is estimated to save the state \$900,000 General Fund.

## **HEALTH**

**AIDS/HIV Program.** The budget rejects the May Revision Proposal to eliminate all General Fund support for the AIDS Drug Assistance Program and other Office of AIDS Programs by \$80 million, but reduces these programs by \$35 million.

**Immunizations.** The budget eliminates \$18 million General Fund for the Immunization Program on a one-time basis.

**Aid to Infants and Mother (AIM).** This program takes a \$4.9 million reduction in Proposition 99 funding.

**Maternal and Child Health.** The budget rejects the May Revision proposal to eliminate all General Fund support for Maternal, Child, and Adolescent Health (MCAH) programs but does implement the following reductions:

- \$900,000 from the Black Infant Health Program

# ACTION

- \$1.75 million from the Adolescent Family Life Program
- \$2.1 million from local County Maternal and Child Health Grants
- \$3.5 million from MCAH state support

**Poison Control.** Reduces funding for the California Poison Control System by 50 percent to \$2.95 million. This program had been proposed for elimination in the May Revision.

**Managed Risk Medical Insurance Program (MRMIP).** The budget reduces \$6.6 million in Proposition 99 funding for the MRMIP program.

**Aging.** The budget approves smaller reductions than proposed in the May Revision for the Linkages Program, cutting \$2.5 million General Fund from a local assistance budget of \$6 million, and cuts \$1.2 million General Fund from Alzheimer’s Day Care Resource Centers.

## MENTAL HEALTH

Most of the mental health provisions, since they are cuts, are contained in the revised 2009-10 budget bill, AB4X 1.

- **Early Periodic Screening Diagnosis and Treatment (EPSDT) Program.** The budget package includes the Administration's proposal for EPSDT funding 2009-10. The total amount of adjustment approved for EPSDT funds is \$364.8 million (with an additional \$674.1 million expected for federal reimbursements), which overall reflects a reduction over the current year of \$14.6 million.
- **Prior Year Cost Settlement for EPSDT.** The defers funding a deficiency that the state owes counties for cost report settlements in the amount of \$15.8 million for 2006-07. The budget package, defers payment of the deficiency to 2010-11.
- **Medi-Cal Managed Care.** The budget essentially cuts in half (from \$225 million to \$113.4 million) the allocation to counties for the Medi-Cal Managed Care program.
- **Defer \$52 Million in AB 3632 Mandate Payment to Counties.** The budget package includes a deferral of \$52 million of the \$104 million that is in the approved 2009-10 budget to pay counties for past mandate claims (2006-07 and 2007-08).
- **Proposition 63 Funding.** The budget defers \$300 million in Proposition 63 funding to counties during the 2009-10 fiscal year.

## CHILD SUPPORT

AB4X 4 calls for a new \$25 administrative fee on child support collections to increase the speed and efficiency of child support enforcement efforts. The language in the bill is hopeful at best, promising to incur no state or county costs due to the projection of increased collections and welfare recoupment funded by the fee. This provision would be implemented by October 1, 2010.

The language also specifies that 100 percent of the new funds must be used by a local child support agency to maintain staffing levels in order to stabilize child support collections. Once collected, the funds will be distributed based on two performance measures: Collections on

Current Support and Cases with Collections in Arrears. Finally, custodial parties must collect at least \$500 annually for the \$25 administrative fee to kick in.

## **HOUSING, LAND USE AND TRANSPORTATION**

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### **HIGHWAY USERS TAX ACCOUNT**

While revisions to the 2009-10 state budget ultimately did not take the local share of the gas tax, also known as the Highway User Tax Account (HUTA), monthly payments are being deferred from July through December 2009 to be repaid at an unspecified date in the future sometime after January 10, 2010 (contained in AB 4X 16). While it has yet to be confirmed with the State Controller's Office (SCO), CSAC interprets budget trailer bill language to mean that monthly HUTA payments will not be made starting this July 31<sup>st</sup>. Also, CSAC has already made inquiries with the SCO to learn of their plans for paying back this deferral to cities and counties. We will update you as we learn more.

### **PROPOSITION 42**

The 2009-10 state budget defers the first two quarterly payments of Proposition 42 (the October 2009 and January 2010 payments) to cities and counties until May 2010. These deferrals total \$288 million dollars, \$144 million of which is a direct hit to counties. At this point in time, cities and counties are slated to receive their third and fourth quarterly payments on schedule (April and July 2010). Please note that this action is a deferral and not a loan, thus the Proposition 1A protections for Proposition 42 funds are not triggered and the State will not pay back the funds with interest.

### **PROPOSITION 1B LOCAL STREETS AND ROADS ACCOUNT**

The remaining \$700 million in Proposition 1B Local Streets and Roads (LSR) monies were appropriated in the 2009-10 budget revisions with approximately \$442 million for counties (see attached chart for a county by county breakdown of remaining Proposition 1B funds). The budget trailer bill provides cities and counties the ability to backfill the Proposition 42 deferrals with LSR funds during the period of the deferral as long as Proposition 1B is made whole upon repayment by the State.

The budget trailer bill package did not provide this same authority for cities and counties to backfill the HUTA deferrals with LSR funds so we will seek clean-up language to address this when the Legislature returns in August.

Furthermore, trailer bill language added a number of new requirements in order for counties to access the 2009-10 Proposition 1B appropriation. A city, county, or city and county must meet the following requirements:

- Shall have received its full allocation for 2007–08.
- Shall have submitted annual reporting information to the State for 2007–08.
- Shall agree that 2009-10 funds received will be used for projects that are not currently fully funded with a dedicated funding source or sources.

# ACTION

- Shall agree to encumber the funds before July 1, 2010.
- Shall report to the Department of Finance the total balance of unencumbered funds in the road fund.
- Shall certify that the total balance of unobligated or unencumbered funds in the road fund is no more than the sum balance of three months of anticipated apportionments from the Highway Users Tax Account in the Transportation Tax Fund and from the Transportation Investment Fund.
- Any of the funds that are not allocated by July 1, 2010, shall revert to the Local Streets and Road Improvement, Congestion Relief, and Traffic Safety Account of 2006 to be appropriated in future years.

### WHAT YOU SHOULD DO

Take a break and prepare yourself for another round of severe cuts when new revenue estimates are prepared and lawsuits decided, perhaps as early as August.

### WHAT'S GOING TO HAPPEN NEXT

The Governor will sign the budget package tomorrow. We will report to you the details of any line-item vetoes as soon as that information becomes available.

## STAY TUNED FOR THE NEXT BUDGET ACTION BULLETIN!

*If you would like to receive the Budget Action Bulletin electronically, please e-mail  
Amanda Yang, CSAC Legislative Assistant, at [ayang@counties.org](mailto:ayang@counties.org).  
We're happy to accommodate you!*

## 2009-10 Revised Budget Budget and Trailer Bill List

Bill #	Description
	<b>4th Extraordinary Session</b>
AB 1	Changes to 2009-10 Budget
AB 2	Education / Higher Education
AB 3	Education: 2008-09 Reversion, Certification
AB 4	Human Services
AB 5	Health
AB 6	Medi-Cal Managed Care
AB 7	Centralized Eligibility
AB 8	CalWORKs Policy, IHSS Fraud, COLA Changes
AB 9	Developmental Disabilities
AB 10	Transportation
AB 11	Resources
AB 12	General Government
SB 13	Public Safety / Judicial
AB 14	Proposition 1A Suspension
AB 15	Proposition 1A Payback
SB 16	Cash Deferrals
AB 17	Revenues #1
AB 18	Revenues #2
AB 20	Boards—Consolidations and Eliminations
AB 21	Procurement
AB 22	Asset Management
AB 25	Cash Management
AB 26	RDA Shift
	<b>Regular Session</b>
SB 63	Integrated Waste Management Board
SB 90	Supplemental Appropriations for 2007-08 and 2008-09