



Action Alert

DATE: Monday December 21, 2009

The state government's revenues in November were \$439 million less than projected in the 2009-10 budget, the Department of Finance (DOF) reported yesterday. Earlier estimates had put revenues almost up to projections, which had led to hope that the state's financial decline might have leveled off. Those hopes now have dimmed somewhat. The Legislative Analyst's Office last month estimated the combined 2009-10 and 2010 budget gap at almost \$21 billion. It's clear that, without significant revenue increases, health and human services programs will face budget cuts probably even more severe than they suffered this year.

We've learned that the Department of Finance (DOF) asked every state General Fund agency, including DDS, to run 2010-11 budget drills including what they would cut under various circumstances. The circumstances are cuts of various percentages up to 25%. We don't know what Department of Developmental Services told the DOF it would cut under any of the various circumstances. But when we met with DDS Director Terri Delgadillo last week, we left with a sense that serious dramatic cuts are being considered in the DDS budget. The Governor's Budget, which the governor will propose to the Legislature no later than January 10, will include the department-by-department cuts that DOF selects -- unless the governor himself overrules DOF, which is extremely unlikely.

One piece of relatively good news is that, as of now, the Legislature intends to follow the normal budget process for 2009-10, beginning with hearings in the Assembly and Senate budget subcommittees. If that decision sticks, and the whole budget doesn't go immediately to the full Budget Conference Committee like this year, it would be somewhat good news for department with developmental disabilities. The subcommittee members would be able to pay more attention to the DDS budget than the full conference committee did this year and, whether or not we are able to turn back any of the governor's proposed dollar cuts, we might be able to influence how the cuts are made and mitigate some of their damage in the "trailer bill" that follows the budget every year. This year, we hit a brick wall in the full Budget Conference Committee on both the dollar cuts and the implementing language in the "trailer bill."

I hope all our chapters in districts represented by the budget subcommittee members will ask for meetings with their representatives personally, either in their district offices now or in their Capitol offices during the Arc's conference in Sacramento February 19-22. Please call this week if possible to ask for the appointments. They are: Senators Mark Leno, Elaine Alquist and Roy Ashburn, and Assembly Members Jerry Hill, Jim

Beall, Julia Brownley, Hector De La Torre, Noreen Evans, Bill Emmerson, Edward Hernandez, Brian Nestande and Jim Nielsen.

If you're not sure who your Senate or Assembly representatives are, or how to ask for an appointment, please call me – this week, if you can.

The other relatively good news is that our bill to try to mitigate some of the damage of the 2009-10 budget, Assembly Bill 1260 by Assembly Member Jared Huffman, is still alive. We're coordinating strategy on AB 1260 – and some other ideas -- with our allies in the DD community. And finally, we're also discussing overall budget strategy with the other health and human services advocacy groups.