

**MOTION BY SUPERVISORS MARK RIDLEY-THOMAS
AND GLORIA MOLINA**

May 18, 2010

Impact of Governor’s FY 2010-11 May Budget Revision on County

Contracted Services

Last week, Governor Schwarzenegger released his FY 2010-11 May Budget Revision, which projects an overall \$19.1 billion deficit comprised of budget shortfalls of \$7.7 billion in FY 2009-10 and \$10.2 billion in FY 2010-11, with a year-end reserve of \$1.2 billion.

The May Revision does not propose any significant revenue solutions. The Governor’s revised budget package contains program eliminations and major reductions primarily to Health and Social Services Programs.

The May Revision proposes \$12.4 billion in cuts which would affect various critical programs serving vulnerable Los Angeles County residents, including:

Social Services

- Elimination of the CalWORKS program which aids low-income children and

- More -

MOTION

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their parents;

- Deep cuts in the In-Home Supportive Services Program, which aids seniors and persons with disabilities so they can live safely in their homes rather than expensive institutions;

- Elimination of the Cash Assistance Program which helps elderly and disabled legal immigrants;

Mental Health

- Deep cuts in Mental Health Realignment funds estimated to result in a County loss of \$195 million;

- Reduction in the AB 3632 Program which provides mental health services to children;

Health

- More than half a billion dollars cut in Medi-Cal, the program that provides health care coverage to low-income seniors, persons with disabilities, pregnant women, children and their families; and

Child Care

- Elimination of need-based, subsidized child care and development programs that enable parents to work.

The Board of Supervisors needs a clearer understanding of how these significant state-level health and social service cuts could impact the County's related health and

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social service programs. The County could face severe shortfalls and gaps in funding for safety-net programs, and must make informed decisions in allocating limited resources to areas of greatest need. The County currently provides health and social service programs through a complex combination of direct provision of services by County employees, and contracting to entities in the private sector. In some areas, contracting may be more cost-effective while in others, direct provision of services may be more cost-effective. A cost/benefit analysis of whether currently contracted services should be brought in-house would provide the Board with critical information during Budget deliberations.

WE THEREFORE MOVE, THAT THE BOARD OF SUPERVISORS:

Direct the Chief Executive Officer to report back to the Board within 30 days with the following information:

- A comprehensive list of all County health, mental health, and social services currently provided through contractors, which would be impacted by the Governor's May Budget Revision.
- An analysis of bringing the contracted services in-house should the Governor's May Budget Revision be implemented that would include but not be limited to cost/benefit and mitigation of potential reductions in force.

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