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IN RESPONSE TO GOVERNOR'S PLANNED BUDGET CUTS, SUPERVISORS RIDLEY-THOMAS AND MOLINA CALL FOR ANALYSIS OF COUNTY CONTRACTED SERVICES

LOS ANGELES – Insisting that a cost/benefit analysis of bringing County-contracted services in-house is needed to provide the Board with critical information during its June Budget deliberations, Supervisors Mark Ridley-Thomas and Gloria Molina today pushed for a clearer understanding of how state-level health and social service cuts could impact health and social service programs serving vulnerable County residents.

Last week, Governor Arnold Schwarzenegger released his 2010-11 May Budget Revision, which projects an overall \$19.1 billion state deficit.

“The Governor’s May Revision does not propose any significant revenue solutions,” Supervisor Ridley-Thomas said. “The 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 County residents, including the following:

Social Services

- CalWORKS program which aids low-income children and their parents;
- In-Home Supportive Services Program, which aids seniors and persons with disabilities so they can live safely in their homes rather than expensive institutions;
- Cash Assistance Program which helps elderly and disabled legal immigrants;

Mental Health

- Mental Health Realignment funds estimated to result in a County loss of \$195.0 million;
- AB 3632, Program which provides mental health services to children;

Health

- Medi-Cal, which provides health care coverage to low-income seniors, persons with disabilities, pregnant women, children and their families

Child Care

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

“The County could face severe shortfalls and gaps in funding for safety-net programs, and we must make wise decisions in allocating limited resources to areas of greatest need,” the Supervisor said.

The County currently provides health and social service programs through a complex combination of direct provision of services by county employees, and contracting. In some areas, contracting may be more cost-effective, while in others, direct provision of services may be more cost-effective.

The Board directed the County’s Chief Executive Officer to report back 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;
- A cost/benefit analysis of bringing the contracted services in-house should the Governor’s May Budget Revision be implemented.

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