

X INFORMATION

TAB SECTION: 2

\_\_\_ ACTION REQUIRED

DATE OF MEETING: 10/28/10

PREPARED BY: Lowder

DATE MATERIAL PREPARED: 10/14/10

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**AGENDA ITEM:** Update on Approved State Budget for Fiscal Year (FY) 2010/11

**ENCLOSURES:** None

**OTHER MATERIAL RELATED TO ITEM:** Handouts will be distributed at the meeting. The entire FY 2010/11 State Budget and budget summary can be found at the Department of Finance website: <http://www.dof.ca.gov/>

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## **ISSUE**

The third priority identified in the 2010 Mental Health Services Oversight and Accountability Commission (MHSOAC) Work Plan is to address the period of financial volatility from 2010 through 2014. As part of this priority the Mental Health Funding and Policy Committee is directed to advise the Commission on all State and Federal issues which includes reporting to the Commission on the enacted State Budget for Fiscal Year (FY) 2010/11.

## **BACKGROUND**

Governor Schwarzenegger signed the FY 2010/11 State Budget on October 8, 2010. The enacted budget includes the following provisions:

- \$8,387.9 million in expenditure reductions
- \$5,403.2 million in federal funds
- \$5,483.2 million in other solutions
- Above provisions close the budget gap of \$19.3 billion keeping General Fund (GF) spending to \$86.6 billion for FY 2010/11

In addition to the combination of expenditure reductions, federal funds and other solutions, the Governor has also vetoed an additional \$963 million, increasing the State's reserve rainy day fund to \$1.3 billion. Among the vetoed items are reductions to California Work Opportunity and Responsibility to Kids (CalWorks), In Home Supportive Services (IHSS) and Special Education Pupils Program (Assembly Bill 3632.)