
AGENDA ITEM: Overview of the Governor’s Proposed Budget for FY 2011/12

- ENCLOSURES:**
- Department of Mental Health’s 2011/12 Governor’s Budget Overview
 - California Mental Health Director’s Association 2011/12 Budget Summary

OTHER MATERIAL RELATED TO ITEM: Additional handouts will be brought to the meeting.

Issue:

On January 10, 2011, the Governor released his fiscal year (FY) 2011/12 State Budget Proposal. Cliff Allenby, Acting Director, Department of Mental Health, will provide a brief overview on the Proposed FY 2011/12 Budget and clarify the impacts of the budget on mental health.

Background:

The Governor’s FY 2011/12 State Budget Proposal, released on January 10, 2011 identified a budget shortfall of \$26.4 billion. This includes the current year deficit of \$8.2 billion, the budget year deficit of \$17.2 billion and a reserve of \$1 billion.

Budget Solutions

- \$12.5 billion in reductions to State spending
- \$12.0 billion in revenue increases
- Approximately \$2.0 billion in one-time solutions

Proposed Budget Cuts

Of the proposed budget cuts, totaling \$12.5 billion, major cuts include:

- \$1.7 billion to Medi-Cal
- \$1.5 billion to CalWORKS
- \$750 million to the Department of Developmental Services
- \$580 million to state operations and employee compensation
- \$1 billion to the University of California and California State University

Proposition 63

The Governor’s FY 2011/12 Budget proposes the one-time use of Proposition 63 revenue to fund Early and Periodic Screening, Diagnosis and Treatment (EPSDT), Mental Health Managed Care, and Assembly Bill 3632 services in 2011/12 for an anticipated General Fund savings of \$861.2 million. According to the Administration this would require a 2/3rds vote of the Legislature.

Realignment

The Governor is proposing that a variety of state programs be realigned to counties. The Governor proposes to fund this shift with a new dedicated funding source.