## **Executive Director's Watch**

June 15, 2012

## 2012-13 Budget Bill Adopted

RDA Pass-Through Issue Not Yet Dead

The Legislature made good on its promise to pass a budget before midnight on June 15, meeting the constitutional deadline. The Legislature passed the budget and six accompanying trailer bills this afternoon, as itemized below. The press is reporting that the budget and trailer bills will not be immediately transmitted to the Governor since there are a number of additional trailer bills awaiting legislative action. Once the Governor receives the budget bill, he will have 12 days to act on the bill.

The Legislature intends to vote on the remaining budget trailer bills next week. Senate Budget and Fiscal Review Committee is on call next week to publicly discuss the remaining trailer bills. Many of the remaining trailer bills are related to issues still being negotiated, including realignment, redevelopment, and CalWORKs. Democratic legislative leaders and the Governor will continue budget negotiations over the weekend. Per press reports this morning, the Governor and the legislative Democrats may be working on closing \$300 million in differences.

Update of the RDA Passthrough issue. The Budget Bill (AB 1464) scores \$250 million in Proposition 98 savings freed up by invalidating local passthrough agreements. During debate in the Senate, Senator Leno (Budget Committee Chair) admitted that there was a disagreement on this issue between the Legislature and the Administration. Senator Leno acknowledged the scoring within the budget bill but said there would need to be a "different solution" to achieving the \$250 million.

If the RDA passthrough issue remains on the table, CSAC will testify the Senate Budget hearings next week and encourages counties to remain engaged with their legislators to ensure they understand the impacts of this issue on local services and to request that they find the funds elsewhere in the budget.

The Legislature passed the following bills:

AB 1464 - 2012-13 Budget Act

AB 1465 - Transportation

AB 1467 - Health Omnibus

AB 1470 - State Mental Hospitals

AB 1472 - Developmental Services

AB 1485 - Supplemental Appropriations Bill for 2011-12

AB 1495 - Amendment to Budget Bill (also known as Budget Bill, Jr.)

For the full list of budget bills, see the June 14 <u>Budget Action Bulletin</u>.

CSAC will publish a Budget Action Bulletin next week once the full package of trailer bills is available.

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