



# County of San Diego

**HELEN N. ROBBINS-MEYER**  
CHIEF ADMINISTRATIVE OFFICER  
(619) 531-6226  
FAX: (619) 557-4060

CHIEF ADMINISTRATIVE OFFICE

1600 PACIFIC HIGHWAY, STE. 209, SAN DIEGO, CA 92101-2472

**DONALD F. STEUER**  
ASST. CHIEF ADMINISTRATIVE OFFICER/  
CHIEF OPERATING OFFICER  
(619) 531-4940  
FAX: (619) 557-4060

May 22, 2017

**TO:** Supervisor Dianne Jacob, Chairwoman  
Supervisor Kristin Gaspar, Vice Chairwoman  
Supervisor Greg Cox  
Supervisor Bill Horn  
Supervisor Ron Roberts

**FROM:** Helen Robbins-Meyer  
Chief Administrative Officer

## **HIGHLIGHTS OF THE GOVERNOR'S FY 2017-18 STATE BUDGET MAY REVISION AND POTENTIAL COUNTY IMPACTS**

On May 11, 2017, Governor Jerry Brown presented a revised state budget that proposed a \$124 billion spending plan for FY 2017-18. In announcing slight modifications to January's Proposed FY 2017-18 State Budget, the Governor repeated his words of caution about the potential for a slowing economy and what that might mean to the State's financial future.

The May Revision maintained several proposals contained in the January Proposed Budget but modified some estimates to reflect the new projections of the availability of additional revenue. The January Proposed Budget anticipated a reduction in revenue from the previous budget year. Revenues since the January projection have been better than anticipated, but remain lower than the previous budget year, so while the economy is still slowing the May Revision reflects an additional \$2.5 billion in funding as compared to the initial proposal in January.

The May Revision also includes a proposal that attempts to mitigate the fiscal impact to counties due to the unwinding of the In-Home Supportive Services (IHSS) Maintenance of Effort (MOE) and the termination of the Coordinated Care Initiative (CCI). For several weeks prior to the release of the May Revision the California State Association of Counties (CSAC) and representatives from the County Executive Officers Association worked with the California Department of Finance on ways to address the impact of re-establishing the state-county share of costs for the IHSS Program. The May Revision includes a proposed multi-year solution that eases the impact in the short term to counties but would leave a significant fiscal impact to counties beginning in Fiscal Year 2019-20 if the State Legislature fails to revise the share of costs formula between the state and counties.

The attached document includes highlights of the Governor's FY 2017-18 State Budget May Revision and potential impacts to the County of San Diego. The items summarized reflect the topics addressed in the May Revision. The budget items that were included in the summary of the Governor's January Proposed Budget, provided to your Board on January 24, 2017, are considered hold-over items if not addressed directly in the attached impact analysis of the May Revision.

The State Legislature has until June 15<sup>th</sup> to pass a State Budget in advance of the end of the fiscal year on June 30<sup>th</sup>. The items included in the adopted FY 2017-18 State Budget will be analyzed once the final FY 2017-18 State Budget is passed and signed by Governor Brown.

Respectfully,

A handwritten signature in blue ink, appearing to read "Helen N. Robbins-Meyer". The signature is fluid and cursive, with the first name "Helen" and last name "Robbins-Meyer" clearly distinguishable.

HELEN N. ROBBINS-MEYER  
Chief Administrative Officer

Attachment

cc: ACAO, CSG, FGGG, HHS, LUEG, PSG, CNL, CLK, OSIA