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**Agenda Item No. 7
March 4, 2009 Meeting**

CLERK OF THE BOARD
ORANGE COUNTY
BOARD OF SUPERVISORS

DATE: February 24, 2009

TO: Children and Families Commission of Orange County

FROM: Michael M. Ruane, Executive Director

SUBJECT: State Budget and Legislative Update – Impact on Proposition 10 Revenues

SUMMARY:

The state budget legislation signed by the Governor on February 20, 2009 included a measure (AB3X 17) to divert over 50% of county and state commission revenues for a period of 5 years along with other revisions to the original Proposition 10 Ballot Measure. This measure would require approval by the voters at the Special Election scheduled for May 19, 2009. In addition, Senator Cox has introduced SB3X 25, which would reallocate all Proposition 10 funds to the state general fund. Accordingly, a report and presentation will be provided at the March Commission meeting on the following items:

1. Impact of Proposition 1D (AB 17, Evans. Budget Act of 2008. California Children and Families Act: use of funds: services for children) which would divert Proposition 10 revenues for 5 years.
2. Senate Bill 3X 25 (Cox) – Reallocation of all Prop 10 revenues.
3. Potential impact on existing Commission financial plan projections and assumptions.

PROPOSED BUDGET WORK SESSION

Based upon the presentation of the ballot, legislative and budget proposals, a budget work session is also proposed for the April meeting to review alternative financial projections and options for consideration in the update of the Long-Term Financial Plan.

Because of the need for additional technical and legal review of all documents supporting the proposed recommendations, there will be a Supplemental Transmittal for this item. This Supplemental Transmittal will also include the latest information available on the various proposals.

RECOMMENDED ACTION(S):

1. Receive report and presentation.
2. Adopt resolution opposing Proposition 1D (AB 17, Evans. Budget Act of 2008. California Children and Families Act: use of funds: services for children) on the May 19, 2009 Special Election Ballot.
2. Adopt a formal position of oppose for SB3X 25 (Cox)
3. Direct staff to return with alternative financial projections and options at the April Commission meeting.

ATTACHMENTS: To be included in the Supplemental Transmittal

ATTACHMENTS WILL BE
INCLUDED AS A
SUPPLEMENTAL ITEM