



June 2009

SANTA CLARA COUNTY BUDGET UPDATE FOR FY2010

On July 19, the final day of the County Budget Hearings, the Santa Clara County Board of Supervisors approved the FY2010 budget of \$4 billion that balanced a \$273 million deficit. The Board avoided some of the drastic cuts proposed in February 2009 to the safety net services by using one-time funds, set-aside reserves from Valley Medical Center and federal stimulus funds. Next fiscal year 2011 is shaping up to be the worst budget year in recent memory, with an estimated \$283 million deficit being projected by the County's Budget Director. The current budget crisis at the State may add a significant shortfall to the just approved County 2010 budget and will probably force major mid-year reductions for the County. With the state budget crisis continuing we may see the same scenario for fiscal year 2011.

Despite the gloomy budget environment and the stress on all sectors, SVCN with its Leadership Team and strategic partners, i.e. SEIU 521 spent hours of planning and aggressive advocacy to secure some major wins for both County and nonprofit services. Very important safety net services in Social Services, Mental Health, Drug and Alcohol, Public Health and Probation that were targeted for severe reductions or elimination were restored.

City of San Jose

SVCN closely watched the HNVF funding this year. The City of San Jose HNVF set new priorities, new funding criteria, and new program standards consistent with the RBA model planned by the community for 2009-10. Over \$11 million in services applied, however, the HNVF Committee and San Jose City Council only had funds for less than half of the applicants. SVCN supported a tiered approach for funding Youth and Senior programs based on scores and a percentage of the requested amount. With the support of staff, Mayor Reed, Council members Chirco and Campos, this plan enabled more services to be funded.

State of California

SVCN is closely watching the following areas where we believe may experience significant cuts, reimbursement reductions etc. Although, the conference committee plan led by Senator Steinberg and Assemblywoman Karen Bass still cuts into programs, it is not as severe as the one proposed by the Governor and the Republican Caucus. We are closely watching: Cal-WORKSs Program, In-Home Supportive Services, Cal-Food Assistance Program, Child Welfare Services/Foster care, Drug and Alcohol, Adult Daycare and Healthcare/Alzheimer's, Community Health Clinics, HIV/AIDS Programs, Domestic Violence Shelter Programs, and Mental Health Managed Care Program/EPST.

Summary

The budget situation will continue to be "precarious" until there are tangible results from the current state budget impasse. Whatever the scenario, SVCN and its strategic partners will be at the forefront of the issue and part of the solution. Whether it be exploring funding opportunities, redesigning systems of care, helping with cost benefit analysis and doing business in a different way, we will be there to advocate.

We extend our great appreciation to all of our members and friends who have spent countless hours at budget meetings, speaking, phoning, e-mailing, planning, crying, to support our mission and to serve and protect our safety net.

This newsletter is written by Patricia Gardner Executive Director of SVCN
The newsletter is sponsored by

Facts and Notes from SVCN surveys and reports

SVCN believes the nonprofit sector lost over \$13 million in local government support beginning July 1st and we expect another \$10-15 million after the state budget impacts.

48% of agencies are reporting layoffs

59% are experiencing cash flow problems

50% restructured programs and services

24% are downsizing services

19% are interested in restructuring through mergers, collaboration, partnership to change the organization

Almost 40% of our agencies are reporting over 20% decrease in foundation, corporate, individual and government funding support

Funding Restorations for Nonprofits due in large part to our advocacy efforts.

County of Santa Clara

\$1.354 million for Social Services programs in domestic violence, children and family, aging and dependent adult, immigration integration, and status offender services provided by over 50 nonprofit agencies. This would have been a 24% reduction.

\$391,000 to restore services to uninsured children in Mental Health provided by contract agencies.

\$262,000 for Truancy Services in Probation to replace truancy services that have been eliminated.

\$287,000 for Unmet Civil Legal Services provided by nonprofit legal agencies serving 35,000 indigent clients.

\$140,000 from the Wellness Court funds to restore 12 Transition Housing Units in Drug and Alcohol provided by nonprofit agencies.

\$35,000 to the Blossoms drug

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rehab program for women and children.

\$282,000 for Crisis Residential Services

City of San Jose

No cuts or redirection of the HNVF funding community services provided by nonprofits.

53 programs were funded including 11 additional programs that were funded by many agencies agreeing to some cuts to provide overall more services to the community.