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HEALTH AND SAFETY CODE - HSC

DIVISION 25. HEALTH AND WELFARE AGENCY—DIRECT SERVICE CONTRACTS REFORM ACT [38000 - 38041] (
Division 25 added by Stats. 1980, Ch. 990.)

CHAPTER 3. Contract Approval Process [38020 - 38021] (*Chapter 3 added by Stats. 1980, Ch. 990.)*

38020. (a) All departments under the Health and Welfare Agency may write and execute direct service contracts prior to July 1 of any fiscal year for the mutual benefit of both parties in order to avoid program and fiscal delay which could occur if the contracts were executed after July 1.

Such contracts are valid and enforceable only if sufficient funds are made available by the Budget Act of the appropriate contract year. In addition, contracts may be subject to such additional restrictions, limitations, or conditions as enacted by the Legislature and contained in the Budget Bill or any statute enacted by the Legislature.

If the Budget Act does not appropriate sufficient funds for the program, such contracts shall be invalid and of no further force and effect. In this event, the state shall have no liability to pay any funds whatsoever to the contractor, or to furnish any other considerations under this contract and the contractor shall not be obligated to perform any provisions of this contract.

(b) As used in this act "direct service contract" means a contract for services contained in local assistance or subvention programs, or both.

(Added by Stats. 1980, Ch. 990.)

38021. If the renewal of a direct service contract is not approved in a timely manner through no fault of the contractor, the administrative department may request a simple 90-day extension of the existing approved contract pending final approval of the contract renewal and provide notification and the information and forms necessary for the agency contractor to bill for up to 90 days pursuant to this section.

(Added by Stats. 1980, Ch. 990.)