

REVISED ADDENDUM**ASSEMBLY BUDGET SUBCOMMITTEE NO. 4
ON STATE ADMINISTRATION****Assemblymember Rudy Bermudez, Chair****THURSDAY, JANUARY 16, 2003
STATE CAPITOL, ROOM 4202
UPON ADJOURNMENT OF SESSION**

**CONTROL SECTION 3.90 2002-03 STATE OPERATIONS REDUCTIONS
(INFORMATIONAL)**

AB 593 (Oropeza) of 2002, a budget trailer bill, added Control Section 3.90 to the 2002 Budget Act. This section authorizes the Director of Finance (DOF) to reduce 2002-03 budget appropriations for state operations (generally meaning funds to support state employees, operating expenses and equipment, and state contracts) by up to 5 percent in order to achieve a spending reduction of up to \$750 million. AB 593 requires the Department of Finance to report to the Legislature on these reductions at the time that the 2003-04 Governor's Budget is submitted.

The December 6th Mid-Year Reductions submitted by the administration identified \$320.8 million of General Fund state operations reductions in 2002-03 under Control Section 3.90. On January 13, the DOF provided the Legislature with a summary report on these reductions and indicated that it could not achieve any further reductions within state operations items in the current year.

The DOF also notes that some of the Section 3.90 reductions are contingent upon statutory changes or related spending reductions proposed for local assistance programs in either the Mid-Year Reductions or the January Governor's Budget.

COMMENT:

The DOF should identify the specific reductions that require implementing legislation or a related local assistance action

The table below summarizes the Section 3.90 reductions allocated by DOF within the jurisdiction of Subcommittee 4.

**2002-03 GENERAL FUND STATE OPERATIONS REDUCTIONS
CONTROL SECTION 3.90
SUBCOMMITTEE 4
(DOLLARS IN THOUSANDS)**

2002-03 REDUCTIONS

ITEM	DEPARTMENT	PERSONNEL YEARS	DOLLARS
0250	Judiciary		
0550	Secretary of Youth and Adult Corrections		\$-7
0552	Inspector General	\$-7.2	-695
0553	Inspector General Veteran's Affairs		-25
0559	Secretary of Labor and Workforce Development		-244
0650	Office of Planning and Research		-4,820
0690	Office of Emergency Services	-39.9	-1,591
0840	Controller		-72
0860	Board of Equalization		-51
0950	Treasurer		-171
0954	Scholarshare		-171
1100	Science Center		-114
1111	Consumer Affairs		-565
1700	Fair Employment Housing	-11.0	912
1730	Franchise Tax Board		-9,122
1760	General Services		-5,257
1880	Personnel Board		-411
2240	Housing and Community Development	-2.0	288
2920	Technology Trade and Commerce		-354
5240	Corrections	3.1	-9,080
5430	Board of Corrections	-0.5	-44
5440	Prison Terms	-1.9	-753
5450	Youth Offender Parole Board	-0.9	-39
5460	Youth Authority	-8.4	-3,784
5480	Correctional Peace Officers Standards and Training		-140
7300	Agricultural Labor Relations		-12
7350	Industrial Relations		-29,833
8100	Office of Criminal Justice Planning	-1.0	-229
8140	Public Defender	-1.5	-182
8260	Arts Council		-109
8320	Public Employment Relations Board		-240
8380	Personnel Administration		-11,602
8420	Worker's Comp Subsequent Injuries		-1000
8620	Fair Political Practices	-1.0	-60
8885	State Mandates		-98
8910	Administrative law		-2
8950	Veteren's Affairs	-0.5	-258
8951	Veteran's Home Yountville		-203
8952	Veteran's Home Chula Vista		-157
9600	Debt Service		-15,000
	TOTALS	-72.7	\$-95,295

