

**MAJOR DEPARTMENT GENERAL FUND COMPARISON
SUBCOMMITTEE No. 4
STATE ADMINISTRATION**

(IN MILLIONS)

		GOVERNOR'S REVISED 2002-2003 BUDGET	ASSEMBLY SUBCOMMITTEE ACTION	DIFFERENCE
0250	JUDICIAL	\$291.8	\$291.8	\$0.0
0450	TRIAL COURT FUNDING	1,141.9	1,141.9	0.0
0690	OFFICE OF EMERGENCY SERVICES	58.0	58.0	0.0
0820	DEPARTMENT OF JUSTICE	311.2	309.9	-1.3
0845	DEPARTMENT OF INSURANCE	167.7	167.7	0.0
0890	SECRETARY OF STATE	28.4	28.4	0.0
1100	CALIFORNIA SCIENCE CENTER/ AFRICAN- AMERICAN MUSEUM	12.9	12.9	0.0
1111	DEPARTMENT OF CONSUMER AFFAIRS	1.4	1.4	0.0
1730	FRANCHISE TAX BOARD	408.3	409.0	0.7
1760	DEPARTMENT OF GENERAL SERVICES	23.4	0.0	-23.4
2240	DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT	22.1	22.1	0.0
2920	TECHNOLOGY, TRADE AND COMMERCE	54.5	52.6	-1.9

5240	DEPARTMENT OF CORRECTIONS	4,886.3	4,869.9	-16.4
5430	BOARD OF CORRECTIONS	56.9	57.2	0.3
5440	BOARD OF PRISON TERMS	30.4	30.7	0.3
5460	DEPARTMENT OF THE YOUTH AUTHORITY	331.7	340.9	9.2
8100	OFFICE OF CRIMINAL JUSTICE PLANNING	47.0	44.7	-2.3
8260	ARTS COUNCIL	14.6	22.5	7.9
8350	DEPARTMENT OF INDUSTRIAL RELATIONS	151.4	158.1	6.7
8940	MILITARY DEPARTMENT	39.8	37.1	-2.7
8955	DEPARTMENT OF VETERANS AFFAIRS	62.9	62.9	0.0
9210	LOCAL GOVERNMENT FINANCING	211.9	304.7	92.8

0250 JUDICIAL BRANCH

- Unallocated reduction of \$2.8 million

0450 TRIAL COURT FUNDING

- Provided \$51.7 million to fund increases in local court personnel costs pursuant to collective bargaining agreements.
- Provided continuing funding of \$17.6 million for the construction of the Fifth Appellate Courthouse in Fresno
- Provided continuing funding of \$14.4 million for the construction of the Fourth Appellate District Courthouse in Santa Ana.
- Provided \$9.6 million to fund increased security costs at the court provided by local agencies.
- Provided \$2.3 million for enhanced court interpreter services.
- One- Time unallocated reduction of \$59.2 million

0690 OFFICE OF EMERGENCY SERVICES

- Reduced estimate of disaster relief to local agencies by \$5 million

0820 DEPARTMENT OF JUSTICE

- Provided \$13.4 million to support the California Anti-Terrorism Information Center
- Provided \$3.1 million to retain special counsel related to litigation to recover insurance proceeds for the State
- Provided \$2.7 million to establish a Western Sites Regional Training Center within the Division of Law Enforcement
- Provided \$2.6 million to implement a number of new firearms legislation.
- Provided \$2.3 million for fingerprint scanning technology.
- Provided \$2 million to support increased workload in the Licensing Section primarily related to increased needs of the Department of Consumer Affairs
- Provided \$2 million to address increased workload of Indian gaming applications
- Provided \$1.6 million to fund increased costs at the Richmond DNA forensic laboratory
- Permanently augmented \$1.5 million to address increased workload for the False Claims Section of the Attorney General's Office.
- Provided \$1.3 million to proceed with a Gaming Division database to track the status of cardroom and Indian gaming applications.
- Provided \$1.1 million for increased support of the compliance efforts related to the Tobacco Settlement.
- Provided \$1 million to implement the provisions of SB 771 Chapter 695, Statutes of 2001 that allow citizens to be placed on a list not to receive telephone solicitations.
- Provided \$1 million to identify persons prohibited from possessing firearms.
- Reduced \$1.5 million from the California Gang Crime and Violence Prevention Program
- Savings of \$1 million related to the use of Asset Forfeiture funds to purchase laptop computers and surveillance vehicles.
- Provided \$337,000 to enhance the Parent Locator Program
- Unallocated reduction of \$10 million

0845 DEPARTMENT OF INSURANCE

- Approved the Audit Program funding shift from the General Fund to the Insurance Fund.

0950 STATE TREASURER

- Adopted one-year suspension of the Governor's Distinguished Math and Science Scholars Program for a savings of \$6 million.
- Adopted one-year suspension of the Governor's Merit Scholarship Program for a savings of \$112 million.

0968 CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

- Approved administration request for \$55 million of loans to the General Fund with repayment by October 1, 2004.

**0974 CALIFORNIA HEALTH FACILITIES FINANCING
AUTHORITY**

- Approved administration request for \$25 million of loans to the General Fund with repayment by October 1, 2004.

1100 CALIFORNIA SCIENCE CENTER

- Approved \$5.3 million (Special Fund) for the Phase II Expansion. The State funds are for the completion of preliminary plans and to begin working drawings. Nonstate funds will be used to complete the working drawings.

1111 CONSUMER AFFAIRS

- Approved Governor's proposal for \$364,000 (Special Fund) to conduct research, establish two advisory committees, and develop an outreach program as part of the Governor's Nursing Workforce Initiative to address California's nursing shortage.
- Approved Governor's proposal for \$309,000 (Special Fund) and 2.1 personnel years to provide funding for the implementation of a new program to license pharmacies for sterile injectable drug compounding pursuant to Chapter 827, Statutes of 2001.

FRANCHISE TAX BOARD

- Approved administration requests for a net increase of 115 positions and various staff redirections for additional tax collection, audit, and settlement functions resulting in an estimated General Fund revenue gain of \$228.6 million from existing tax liabilities.

DEPARTMENT OF GENERAL SERVICES

- Approved the elimination of the Department's \$853.53 million budget (\$22.97 million General Fund).

**2240 DEPARTMENT OF HOUSING AND COMMUNITY
Development**

- The Governor's January budget proposed significant reductions in several programs administered by HCD. The subcommittee, in anticipation of the passage of the Housing Bond in November, approved these reductions.
- The May Revision proposed further reductions to HCD's programs in anticipation of bond funds. In order to ensure that services would continue, the subcommittee approved reductions to the Farmworker Housing Program and the Self-help Housing Fund, but made them contingent upon passage of the housing bond.

2920 TRADE AND COMMERCE

- Eliminated the eleven existing international trade and investment offices for General Fund savings of \$6.1 million
- Approved approximately \$50.0 million in additional reductions, transfers and loans from programs administered by the Agency

5240 DEPARTMENT OF CORRECTIONS

- Provided \$115.5 million for increased medical services for inmates
- Provided \$42.1 million for additional workers' compensation costs for the Department
- Provided \$18 million for additional utility costs.
- Provided \$21.9 million to implement the provisions of the Plata v Davis settlement and to fund a hepatitis C treatment program at Pelican State Prison.
- Provided \$11.7 million for ongoing repair of electromechanical doors in departmental facilities
- Provided \$9.8 million for increased ongoing overtime costs
- Provided \$9.2 million for payments to local agencies for costs of detention of state inmates and parolees.
- Provided \$8.6 million to continue construction of an effluent treatment system at the Sierra Conservation Center
- Provided \$8.1 million for increased mental health services for inmates
- Provided \$6.6 million for the construction of 10 additional administrative segregation beds.
- Provided \$5.1 million to hire additional positions pursuant to the terms of a collective bargaining unit agreement.
- Provided \$2.5 million for additional upgraded hardware and software for an inmate tracking system
- Provided \$1.6 million for recruitment and retention bonus for medical services personnel at the Salinas Valley State Prison.
- Provided \$1.7 million for additional telecommunications equipment and software
- Provided \$1.2 million for efforts to license correctional treatment centers
- Provided \$1 million for upgraded hardware and software for a preventive maintenance tracking system.
- Savings of \$16.7 million from enhancement of work time credits for fire camp participants
- Savings of \$10 million related to limitations on incarceration of civil addicts
- Savings of \$9.9 million due to reductions in parole programs

- Savings of \$4.3 million related to the closure of the Northern California Women's Facility
- Savings of \$3.6 million related to the elimination of monthly range training.

5430 BOARD OF CORRECTIONS

- Savings of \$30.3 million (over two years) related to reductions in the Mentally Ill Offender Crime Reduction Grant and the Juvenile Crime Enforcement and Accountability Challenge Grant.

5460 DEPARTMENT OF THE YOUTH AUTHORITY

- Provided \$1.2 million in additional funding treatment facilities at Nelles Youth Correctional Facility and the Ventura Youth Correctional Facility
- Restored \$2.6 million in Proposition 98 funds proposed in the May Revision for educational programs.
- Savings of \$5 million related to savings in parole programs
- Savings of \$1 million related to the closure of a youth correctional facility in the Budget Year

8100 CRIMINAL JUSTICE PLANNING

- Savings of \$19.2 million in grant funding for criminal justice programs
- Savings of \$17.2 million to reflect lower than anticipated workload for the Cold Hit program
- Savings of \$7.5 million from the War on Methamphetamine Grant
- Savings of \$4.2 million from the High Technology Theft Apprehension and Prosecution grant

8260 CALIFORNIA ARTS COUNCIL

- The Governor's May Revision proposed a \$14.387 million reduction to local assistance programs administered by the Arts Council. The Subcommittee denied the proposal and instead restored \$7.0 million for local assistance.
- A proposal to reduce state operations by \$1.125 million was also rejected and the Subcommittee restored \$562,000 for administrative costs.

8350 DEPARTMENT OF INDUSTRIAL RELATIONS

- Approved Governor's proposal for a \$3.5 million (General Fund) reduction in the Division of Occupational Safety and Health.
- Approved Governor's proposal for a \$960,000 (General Fund) augmentation for a Case Management System.
- Approved trailer bill language ensuring the new automated case management system is accessible to the public.
- Approved Elimination of the Industrial Welfare Commission, its appropriation of \$496,000 (General Fund), and its 4.0 authorized positions.
- Approved trailer bill language that requires the minimum wage to automatically adjust on January 1 of each year.
- Approved \$5.22 million (General Fund) and \$1.64 million (Special Funds) for implementation of workers' compensation reforms included in AB 749 (Calderon) signed by the Governor earlier this year.

8660 PUBLIC UTILITIES COMMISSION

- Approved administration request for \$10.2 million (special fund) to implement the Rural Telecommunications Grant Program established by AB 140 (Strom-Martin) of 2001.
- Approved administration request for \$4 million (special fund) for PG&E bankruptcy litigation with legislative review prior to use of funds for any appeals of bankruptcy decision. Also approved administration request for \$1.8 million (special fund) for continued financial advisor services for the PUC's alternative reorganization plan.
- Rejected administration request for \$950,000 (special fund) for additional resources to conduct further rate-setting proceedings for DWR procurement costs.
- Rejected administration request for \$2.1 million (special fund) to add an additional 19.5 positions for power plant maintenance and operation.
- Approved administration request for \$871,000 (special fund) for 11 positions to conduct utility audits.

**8665 CALIFORNIA CONSUMER POWER AND
CONSERVATION FINANCING AUTHORITY**

- Replaced existing \$10 million General Fund startup loan provided with a loan from the Renewable Resources Trust Fund (freeing up \$10 million for the General Fund), scheduled a \$1 million loan repayment in 2002-03, and required full loan repayment by the end of 2004-05.
- Reduced budget by \$1.1 million.

8885 COMMISSION ON STATE MANDATES

- Approved deferral of reimbursements of state-mandated costs incurred by local governments, as requested by the administration, for a savings of \$246.1 million. The subcommittee adopted trailer bill language requiring payment of the deferred amounts within three years.

8940 MILITARY DEPARTMENT

- Eliminated funding for the Turning Point Academy, which has had difficulty meeting population goals, for General Fund savings of \$2.9 million.
- Approved the Governor's May Revision proposal to eliminate \$6.0 million funding for bridge security at the Golden Gate, Oakland Bay, Vincent Thomas, and Coronado bridges.

**8955-8966 DEPARTMENT OF VETERAN AFFAIRS AND
VETERANS' HOMES OF CALIFORNIA**

- Approved \$2.7 million for various capital outlay projects, including renovations for the Northern California Veterans Cemetery, at the Veterans Home in Yountville.

9100 TAX RELIEF

- Deleted funding for open-space subventions to local governments (primarily counties) for property tax reductions under the Williamson Act for a one-time savings of \$39 million in 2002-03. The Governor requested permanent elimination of the subventions.

9210	LOCAL GOVERNMENT FINANCE
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- Restored \$116.3 million for the Juvenile Justice Grant Program
- Savings of \$35.4 from the High Technology Equipment Grants
- Maintained full backfill of VLF revenue losses to local governments.
- Eliminated booking fee subventions for an ongoing annual savings of \$38.2 million, as requested by the administration.
- Eliminated the ERAF exemption for multicounty special districts (other than fire districts and hospital districts), as requested by the administration, for a savings of \$45 million.
- Eliminated the ERAF exemption for redevelopment agencies for three years, for an annual savings of \$75 million. The administration requested permanent elimination of the redevelopment exemption.

CONROL SECTION 11.10

- Approved C.S. 11.10 that will establish a process for review and approval of future statewide software license purchases. Department of Finance would be required to notify the Legislature prior to a department entering into or amending a statewide software license agreement not previously approved by the Legislature.

CONTROL SECTION VACANT POSITIONS AND POSITION REDUCTIONS

- The subcommittee approved the following actions requested by the administration:
 - Control Section 31.50 requiring departments for which the budget is eliminating excess vacancies to identify and eliminate specific positions by September 1, 2002.
 - Control Section 31.60 eliminating 4,000 positions to "constrain the growth of state bureaucracy," for a savings of \$20.1 million (\$10 million General Fund).
 - Trailer Bill language requiring the State Controller to eliminate positions that have been continuously vacant for *any* six-month period (current law limits this authority to six month vacancies within a *single* fiscal year). The language also allows reestablish of eliminated positions under specified conditions.

TOBACCO SETTLEMENT SECURITIZATION

- Approved administration request for Trailer Bill authorization for sale of \$4.5 billion of bonds backed by the state's future tobacco settlement revenues. The proceeds will help address the state's current General Fund budget problem. Debt service payments on the bonds will not begin until 2003-04, so that the Tobacco Settlement Fund remains available for health programs in 2002-03.