

Proposed Solutions for Special Session (December)

(Dollars in Millions)

Program Reduction	2008-09	2009-10	Total
1 *Proposition 98 (K-14) - Minimum Guarantee (with flexibility package)	\$2,500.0	\$6,150.0	\$8,650.0
2 Proposition 98 (K-14) - Deferred Maintenance Payments	\$280.0	\$0.0	\$280.0
3 Proposition 98 (K-14) - Reduce Proposition 49	\$0.0	\$550.0	\$550.0
4 Proposition 98 (K-14) - Settle up to reduce base	\$0.0	\$1,000.0	\$1,000.0
5 Proposition 98 (K-14) - No settle up payment needed	\$0.0	\$150.0	\$150.0
6 Higher Education - Reduce UC, CSU, and Hastings budgets to the 10% across the board funding level	132.1	132.1	264.2
7 Higher Education - Increase student/faculty ratio to 20.5 on current enrollment base	113.6	227.3	340.9
8 Higher Education - Phase out GF support for excess course credits beyond 120% of required to graduate at CSU (110% at UC)	0.0	57.9	57.9
9 Higher Education - Repeal AB 540 which allows unlawful immigrants to pay lower tuition than lawful citizens of other states	0.0	75.0	75.0
10 Medi-Cal (1) Reduce eligibility for working families and immigrants, (2) eliminate certain optional benefits, including, optometry, and psychology, and (3) reduce reimbursement rates for public hospitals. Figures shown are unverified DOF estimates.	47.2	358.9	406.1
11 Medi-Cal - Reinstate share of cost for care to 2001 eligibility level for aged, blind, and disabled. Figures shown are unverified DOF estimates.	29.2	186.7	215.9
12 Medi-Cal - Suspend 90% Rate Increase for FPACT	7.8	49.1	56.9
13 Medi-Cal - Suspend County Eligibility Processing COLA	0.0	24.6	24.6
14 Medi-Cal - Delay SB 437 Implementation (Repeal SB 437)	0.0	13.0	13.0
15 Healthy Families Program - Freeze Funding (wait list)	0.0	28.4	28.4

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16 3-Percent Rate Reduction for Regional Center Payments - Discount payments to regional center service providers by three percent effective December 1, 2008. Certain types of payments will be exempt from this reduction, including, supplemental rent/lease payments to offset reductions in SSI/SSP benefits for consumers receiving supported and independent living services, "usual and customary" rates for services such as bus fares, and supported employment services which were already reduced by 10 percent as part of the Budget Act of 2008. Provide workload relief such as suspension of certain reporting requirements and contract expenditures, and suspension of the 1:66 coordinator-to-consumer ratio, except for those consumers who are on the federal HCBS Waiver, are in the Early Start Program, and consumers moving from a developmental center into the community.	25.5	60.0	85.5
17 DDS - Expand Family Cost Participation/Parental Co-Pay	0.0	10.0	10.0
18 DDS - Define Cost Effectiveness	0.0	29.0	29.0
19 SSI/SSP - (1) Reduce grants for aged, blind, and disabled persons to the federal minimum. Grants would be reduced to \$830 per month for individuals and to \$1407 for couples. (2) Eliminate Cash Assistance Program for recent legal immigrants who are aged or disabled.	195.4	1,078.0	1,273.4
20 SSI/SSP - Suspend June 2010 COLA	0.0	26.0	26.0
21 CalWORKs - (1) Make changes to welfare to work program requirements, including establishing time limits for child-only cases and work requirements for families who have reached their time limit, (2) implement self sufficiency reviews, and (3) reduce cash grants by 10%. Savings amount is dependent on sufficient excess MOE being available.	137.0	776.1	913.1
22 CalWORKs - Suspend 2009 COLA	0.0	99.0	99.0

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23 In-Home Supportive Services Program (IHSS) - Target program services to the neediest individuals - (1) provide non-medical services only to the highest need consumers and (2) increase how much some individuals will have to pay before receiving subsidized services	17.7	99.3	117.0
24 IHSS - Reduce state participation in IHSS worker wages to the state minimum wage (\$8 per hour) plus 60 cents per hour for health benefits.	41.5	228.1	269.5
25 Various Social Services Programs - Eliminate California Food Assistance Program effective July 1, 2009 (state food stamps for legal immigrants who are not eligible for federal assistance)	0.0	30.3	30.3
26 Eliminate State Funding for Transit Agencies	153.2	306.4	459.6
27 Employee Compensation Changes	247.1	555.4	802.5
28 Judicial Branch - Eliminate COLA provided in 2008-09	70.2	35.1	105.3
29 Judicial Branch - Suspend SAL adjustment for one-year	0.0	99.9	99.9
30 OPR - Eliminate Cesar Chavez Grants	2.5	2.5	5.0
31 Corrections - GPS Parole Proposal	10.0	47.4	57.4
32 Legislature - 5% across-the-board including Legislator Salaries	13.1	13.1	26.2
32 Hydrogen Highway - No Funding at this time	0.0	6.0	6.0
33 Fi\$CAL - No Funding at this time	0.0	30.0	30.0
34 Office of Planning and Research - No funding for census and volunteer network	0.0	1.5	1.5
LAO Local Property Tax Forecast - Lower revenue requires GF increase	-460.0	-600.0	-1,060.0
Subtotal, Program Reductions	\$3,563.0	\$11,936.1	\$15,499.0

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Revenue Measures			
1 Proposition 10 (Back to Voters) - Use existing balance [one-time in 08-09] and redirect future revenues [ongoing]	\$1,500.0	\$614.0	\$2,114.0
2 Proposition 63 (Back to Voters)- Use existing balance [one-time in 08-09] and redirect future revenues [ongoing]	2,400.0	1,500.0	\$3,900.0
3 Judicial Branch - Transfer from Trial court improvement fund (Dems)	61.0	0.0	\$61.0
4 Parks and Rec - Various fund transfers (Dems)	15.0	12.0	\$27.0
5 Integrated Waste Management Board - Delay loan repayment (Dems)	26.0	-5.0	\$21.0
6 PUC - Delay Loan repayment (Dems)	5.0	0.0	\$5.0
7 MVA - Fund Transfer (Dems)	85.0	85.0	\$170.0
8 Transportation Loans - Redirect Tribal Gaming Payments (Dems)	100.0	100.0	\$200.0
Subtotal , Revenue Measures	\$4,192.0	\$2,306.0	\$6,498.0
Total Proposed Solutions for Special Session	\$7,755.0	\$14,242.1	\$21,997.0

* Proposition 98 assumes LAO revenue forecast and requires a GF backfill of \$1.060 billion to reflect lower Local Property Tax estimate reflected in bottom line total

Medi-Cal estimates assume a Feb 1 enactment, and May 1 Implementation

Cash Flow Measures

1 Actions Needed to Improve Cash Position - Increase Internal Borrowable Resources	\$2,000.0		\$2,000.0
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Source

DEMS (lesser amount)

REP

REP

DEMS (lesser amount)

DEMS

DEMS

LAO

LAO

REP

GOV

GOV

REP

LAO

LAO

LAO

Source

DEMS

LAO

REP

GOV

DEMS

GOV

DEMS

Source

GOV

GOV

GOV

DEMS (lesser amount)

DEMS (lesser amount)

DEMS (Lesser Amount)

LAO

DEMS

REP

REP

REP

REP

REP

LAO

Source

REP

REP

DEMS

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