



ASSEMBLY BUDGET COMMITTEE

SUBCOMMITTEE REPORTS 2011-12 BUDGET

FEBRUARY 18, 2011

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OVERVIEW

Summary:

On January 10, 2011, Governor Brown presented the Legislature with a comprehensive budget proposal to close a \$25.4 billion General Fund shortfall. With the Governor’s action blocking the state building sale/leaseback scheme, the shortfall grew to \$26.6 billion.

The Governor put forth bold and difficult proposals to close the gap, including over \$12 billion in expenditure reductions and \$12 billion in revenue solutions – and called on the Legislature to complete its work on the budget within 60 days.

The Assembly Budget Committee immediately began tackling the challenge and has held over 31 subcommittee and committee hearings analyzing and reviewing the Governor’s budget proposals in an open and transparent forum.

The actions outlined in this report are the Assembly's Version of the budget.

The Assembly Version embraces an overall agreement with the Governor’s budget priorities, including the following:

- Protects K-12 Education;
- Makes very tough cuts to all other areas of the budget, including savings from Redevelopment Agencies and cutting CalWORKs to 48 months;
- Requires temporary extension of current revenues to be approved by the voters; and,
- Realigns Governmental services to the local level.

The Assembly's Version also follows the Governor’s formula of a balanced mix of expenditure reductions and revenue solutions to close the \$26.6 billion budget gap.

The solutions are summarized as follows:

Starting Shortfall	-\$26.6 billion
Expenditure Reductions	\$12.7 billion
Revenue Solutions	\$12.0 billion
Other Solutions	\$2.2 billion
Total Solutions	\$26.9 billion
Final Reserve	\$0.3 billion

The following chart lists the General Fund Solutions:

Expenditure Reductions:	
• Health and Human Services, including child care	\$6.4 billion
• Redevelopment Agencies	\$1.7 billion
• UC/CSU	\$1.0 billion
• Transportation Prop 22 Weight Fee Fix	\$1.0 billion
• Corrections	\$0.9 billion
• State Salaries / State Operations	\$0.7 billion
• Local Mandate Savings	\$0.2 billion
• Courts	\$0.2 billion
• Various Others (rounding)	\$0.3 billion
Subtotal, Expenditure Reductions	\$12.7 billion
Revenue Solutions:	
• 5-year PIT surcharge extension (voter approval)	\$3.3 billion
• 5-year Dependent Exemption reduction extension (voter approval)	\$2.0 billion
• 5-year VLF extension (voter approval)	\$1.4 billion
• 5-year Sales Tax extension (voter approval)	\$4.5 billion
• Mandatory Single Sales Factor	\$1.4 billion
• Repeal Enterprise Zones	\$0.9 billion
• Various other revenue solutions	\$0.5 billion
• (Prop 98 impact of Revenue Solutions)	(\$2.0 billion)
Subtotal, Revenue Solutions	\$12.0 billion
Other Solutions:	
• Special Fund Borrowing	\$1.4 billion
• Special Fund Borrowing in lieu of State Building Sale	\$1.1 billion
• Disability Fund Loan for UI interest Payments	\$0.4 billion
• Various others (rounding)	\$0.1 billion
• (Prop 98 solutions included above to reduce to minimum)	(\$0.8 billion)
Subtotal, Other Solutions	\$2.2 billion
Total Solutions:	\$26.9 billion

Revenue Extension Proposals

The Assembly Version adopts the Governor's revenue, as proposed. This includes the proposal to continue the temporary taxes that were put in place in 2009 to benefit the General Fund or for Realignment purposes. Since these have been in place for some time, the continuation of these should not prove to be a disruption in terms of additional economic or administrative burden. The continuation for five years is timed to mesh with the gradual economic recovery that is forecast.

- Continues the 0.25 percent personal income tax (PIT) surcharge for all California taxpayers, generating \$1.2 billion in 2010-11 and \$2.1 billion in 2011-12;
- Continues the reduction in the dependent credit exemption to equal the personal exemption credit of \$99 in 2010, generating \$725 million in 2010-11 and \$1.2 billion in 2011-12;
- Continues the current Sales and Use Tax (SUT) 1 percent temporary statewide rate, generating \$4.5 billion in 2011-12; and,
- Continues the current Vehicle License Fee (VLF) 0.5 percent temporary additional rate, generating \$1.4 billion in 2011-12.

Other Revenue Proposals

- Adopts the Governor's proposal to eliminate apportionment factor options and make mandatory the single sales factor (SSF) apportionment for multistate corporations.
 - This will ensure the incentive effects associated with SSF but eliminate "gaming" that would occur with an elective apportionment method.
 - Also approve the sourcing of sales based on market, consistent with market-based SSF apportionment.
- Adopts the Governor's proposal to eliminate tax incentives associated with Enterprise Zones and various other economic incentive areas.
 - These programs have not proven to represent cost-effective means of increasing economic activity or employment opportunities on a state-wide basis.
- Adopts various tax compliance and enforcement measures including Voluntary Compliance Initiative II, Financial Institutions Records Match and Look-Up Table for Use Tax Payments.

Proposal (\$ millions)	2010-11	2011-12	2 Year Total
Personal Income Tax--0.25 Percent Surcharge	1,187	2,077	3,264
Personal Income Tax—Dependent Credit Reduction	725	1,248	1,973
Sales and Use Tax—1.0 Percent Rate	0	4,549	4,549
Vehicle License Fee—0.5 Percent Rate	0	1,382	1,382
Corporation Tax—Single Sales Factor/Market Sourcing	468	942	1,410
Enterprise Zones—Repeal	343	581	924
Targeted Amnesty—Voluntary Compliance Initiative II	270	-50	220
Other Compliance Measures	10	30	40
Other General Fund Offsets	160	97	257
Prop 98 Interaction	0	-1,990	-1,990
Total	3,163	8,866	12,029

Redevelopment

The Governor's Budget proposal for redevelopment is part of the Administration's overall change in approach to local economic development activities. As part of this new approach, the Administration proposes major changes the way in which local redevelopment is funded. The administration argues that current redevelopment activities do little to generate new economic growth, but simply move activity around the state. Given this, the Administration indicates that the funding burden for such activities should be borne locally.

Under the proposal, redevelopment agencies would be eliminated and new redevelopment authorities would be established to carry-out local economic development efforts. As part of the plan, existing obligations (such as outstanding debts and contractual obligations) would continue to be secured by the property tax increment. The remainder of the property tax increment would be shifted to local schools, cities and counties to fund basic public services (in the budget year, \$1.7 billion would offset program costs borne by the General Fund). In place of the property tax increment, the Administration funding proposal entails a constitutional amendment that would allow for the issuance of debt for redevelopment purposes.

There are substantial benefits to the Governor's proposal. Not only does the plan provide important budgetary savings in the form of offsets to General Fund expenditures, but the proposal also provides changes to the redevelopment program that align program costs more closely with the benefits of the economic investment activities.

The Assembly's Version includes the General Fund savings of the Governor's plan, but reflects that the final budget crafted by the Budget Conference Committee may achieve the savings through reforms in lieu of elimination. Such reforms must achieve the anticipated General Fund savings, improve redevelopment, provide more funding for schools and other local governments, and protect affordable housing programs.

Public Safety Realignment

The Assembly's version of the budget adopts the Governor's Realignment proposal to dedicate \$5.9 billion in revenue to fund public safety programs. The details of this proposal will be developed in the budget Conference Committee. The long-term goal is not to reduce services, but rather to provide services more efficiently and at less cost.

In addition to providing services at the most appropriate level of government, it is critical that these services be funded with a dedicated statewide source of funding.

As outlined by the Governor, the goals of this realignment are to:

- Protect California's essential public services;
- Create a government structure that meets public needs in the most effective and efficient manner;
- Have government focus its resources on core functions;
- Assign program and fiscal responsibility to the level of government that can best provide the service;
- Have interconnected services provided at a single level of government;
- Provide dedicated revenues to fund these programs;
- Free up existing local funds not currently used for core services so they can be used as an enhancement for the realigned programs or for other core local priorities;
- Provide as much flexibility as possible to the level of government providing the service;
- Reduce duplication and minimize overhead costs; and,
- Focus the state's role on appropriate oversight, technical assistance, and monitoring of outcomes.

The Assembly anticipates that Conference Committee discussions will include exploring its concept of giving local government a voice and some control in the implementation of realignment, so that there can be no danger of the state forcing a bad deal on local government.

Subcommittee Report

Subcommittee #1, on Health and Human Services

Holly Mitchell, Chair

HEALTH

Medi-Cal Major Issues:

- **Mandatory Co-pays.** Cuts Medi-Cal by \$557.2 million by mandating that beneficiaries pay co-payments as follows: 1) \$5 for every physician or clinic visit; 2) \$3 (generics) or \$5 per prescription; 3) \$50 for emergency room visits (for emergencies or non-emergencies) and \$100 per day, with a maximum of \$200 per admission, for inpatient services; and 4) \$5 for every dental visit.
- **Rate Reductions.** Cuts Medi-Cal by \$729.6 million General Fund by reducing rates paid to Medi-Cal providers and skilled nursing facilities by ten percent.
- **Utilizations Controls.** Cuts Medi-Cal by \$17.2 million by eliminating coverage of over-the-counter cough and cold products, limiting coverage of enteral nutrition products to tube fed (giving discretion to DHCS to grant exemptions), and imposing an annual dollar maximum on hearing aids of \$1,510 per year. Denies caps on physician visits, prescriptions, durable medical equipment and medical supplies.
- **Adult Day Health Care.** Cuts \$28 million from ADHC by enforcing existing medical acuity eligibility criteria, consolidating state administration of the program, and making other reforms to the program, without eliminating the benefit.
- **Medi-Cal Managed Care Tax.** Secures on-going revenue by making permanent (with a 3-year sunset) the tax on Medi-Cal managed care organizations.

Healthy Families Major Issues:

- **Healthy Families Premiums.** Cuts Healthy Families by \$22 million General Fund by increasing monthly premiums paid by families enrolled in the program.
- **Healthy Families Co-pays.** Cuts Healthy Families by \$5.5 million General Fund by increasing co-payments paid by families for hospital services, consistent with hospital co-pays in Medi-Cal.
- **Healthy Families Vision Coverage.** Cuts Healthy Families by \$3 million General Fund for support of vision coverage, without eliminating the benefit.

Developmental Disabilities Major Issues:

- **Unallocated Reduction.** Adopts alternative funding to backfill the Governor's \$750 million unallocated reduction by \$374.5 million by adopting: \$13 million in Federal Funds for Porterville DC consumers, \$50 million in Prop 10 funds, \$60 million in Federal 1915 (i) Waiver funds, \$10 million in Money Follows the People Federal Grant, \$15 million savings from rejecting Medi-Cal hard caps on physician visits and \$226.5 million General Fund. Also approves budget savings of \$91.5 million GF by adopting trailer bill language to extend the 4.25 percent reduction to Operations and Purchase of Service reimbursements, \$13.2 million general fund from Developmental Center reductions, and \$11.2 million from Regional Center Operations savings. Lastly, approves budget savings of \$109.6 million from increased Administrative Accountability and Transparency at Regional Centers through trailer bill language. Placeholder language to achieve this savings is approved for Regional Center Conflict of Interest, Third Party Liability, Audits, Contracts and Direct Services and Regional Center Accountability and Transparency.
- **Statewide Purchase of Service Standards.** Adopts placeholder Assembly trailer bill language to delineate the parameters and process to achieve the \$150 million reduction from Statewide Purchase of Service Standards. This includes: allowing the Department to use subject area workgroups to develop recommendations, submitting a report to both fiscal committees no later than May 15, 2011 and implementing statewide standards pending Legislative approval.

Other Health Major Issues:

- **Proposition 10 Fund Shift to Medi-Cal.** Cuts Medi-Cal by \$1 billion General Fund by replacing it with \$1 billion in Proposition 10 reserves and eliminates the State Prop 10 Commission for on-going savings of approximately \$89 million annually, to cover Medi-Cal services for children 0-5 years of age. Denies proposal to shift fifty percent of local funding on an on-going basis.
- **Proposition 63 Fund Shift to State Mental Health Programs.** Cuts \$900 million General Fund primarily from Medi-Cal by replacing it with \$861 million in Proposition 63 funds for: AB 3632, EPSDT, and Mental Health Managed Care.
- **AIDS Drug Assistance Program Cost Savings.** Cuts \$77 million in General Fund reflecting: \$7 million in administrative savings and an increase in federal funds; and a \$70 million allocation from the Safety Net Care Pool. Directs the administration to expand eligibility in the CARE/HIPP Program and facilitate enrollment of ADAP clients into the HIPP Program, the Pre-Existing Condition Insurance Program, and Low-Income Health Insurance Programs for additional General Fund savings in ADAP. Achieves equivalent savings without increasing cost sharing for ADAP clients.

- **Emergency Preparedness Reductions.** Cuts \$5.8 million in General Fund for maintaining the state's medical supplies stockpile and mobile field hospitals for major public health emergencies.

HUMAN SERVICES

CalWORKs Major Issues:

Approves the following reductions to the CalWORKs program, which total approximately \$1.2 billion GF savings, and the adoption of placeholder trailer bill language to effectuate the changes.

- **Lifetime Time Limit Reduction.** Approves Governor's proposal to cut CalWORKs from 60-months to 48-months for adults effective June 1, 2011, without altering policies regarding those adults' exemptions, for a savings of approximately \$13 million in 2010-11 and \$158 million in 2011-12. This action does not include cuts to children and reflects the Governor's proposals related to the 2009 reforms.
- **Grant Cut.** Approves five percent grant cut effective June 1, 2011 to save approximately \$195 million. This will reduce the maximum grant for a family of three in a high cost county from \$694 per month to \$659.
- **Single Allocation Reduction.** Cuts funding of the Single Allocation for child care, welfare-to-work, and administration costs by \$476 million, approximately \$100 million higher than proposed by the Governor. Correspondingly, extend the statutory changes and exemptions for parents of young children that were enacted in 2009-10. To the extent necessary, expand upon the existing statutory exemptions to provide direction regarding the implementation of this reduction.
- **Earned Income Disregard.** Approves the LAO's alternative proposals to simplify the earned income disregard to include 50 percent of all relevant earnings and to expand the state's participation in the subsidized employment program created by AB 98. Savings from the earned income disregard change, effective June 1, 2011, would be approximately \$17 million in 2010-11 and \$200 million; the subsidized employment program changes would be cost neutral.
- **Additional Reductions.** Adopt reductions of: 1) \$20 million in the CalLearn Program, 2) \$5 million for substance and mental health services for CalWORKs recipients, 3) \$5 million across the SAWS automation systems (allocation for automation reduction to be determined through collaboration of the administration, legislative committee staff, LAO, and the counties).
- **Stage 1 Child Care.** Approves savings of up to \$69 million for Stage 1 child care conforming to actions taken in the child care package.

In-Home Supportive Services Major Issues:

Approves the following reductions to the IHSS program, to achieve the Governor's combined savings level of \$486.1 million General Fund.

- **Medical Certification.** Approves the Governor's proposal to require a certification that personal care services are necessary to prevent out-of-home care, with resulting General Fund savings of \$120.4 million.
- **Caseload Savings.** Cuts \$83.4 million General Fund from the program due to caseload savings both in 2010-11 and 2011-12, adjusting caseload trends for the current and budget year based on demonstrated and more recent numbers of recipients and hours paid.
- **Community First Choice Options.** Saves \$121 million General Fund in the program due to expected approval of an additional six percent in FMAP as a result of IHSS qualifying under the new federal Community First Choice Options.
- **Additional Savings.** Adopts placeholder trailer bill to include contemplation of additional savings proposals to close the amount of \$161.4 million General Fund to meet the Governor's savings number for the program. These may include, but are not limited to, proposals regarding medication compliance, nursing home intervention and diversion, and expanded goals for the Community Transitions Program.
- **Advisory Committees.** Cuts \$1.4 million from IHSS Advisory Committees and eliminates the mandate, while retaining \$3,000 for each of the 56 Public Authorities (PAs) to support the continued operation of Advisory Committees within the budget for PAs.
- **Other Issues.** Defers without prejudice additional proposals forwarded by advocates for consideration during the usual Spring Subcommittee process, including, but not limited to, methods to reduce program costs by successfully transitioning consumers to similar or higher models of care, such as the creation of a pilot program with the Veterans Health Administration for eligible veterans.

Supplemental Security Income/State Supplementary Payment (SSI/SSP):

- **Grant Cut.** Approves the Governor's proposal to reduce monthly SSP grants for individuals to the federally required minimum payment standard, for General Fund savings of \$14.7 million in 2010-11 and \$177.3 million in 2011-12.

Multipurpose Senior Services Program:

- **MSSP.** Rejects the Governor's proposal to eliminate funding for MSSP, maintain the program at its \$19.9 million General Fund level.

Child Support Services Major Issues:

- **County Share.** Approve the Governor's proposal to suspend the county share of child support collections in 2011-12, for General Fund savings of \$24.4 million.
- **Reversion Savings.** Approves savings of \$6.3 million General Fund associated with reversion of reappropriated funds originally allocated for the California Child Support Automation System (CCSAS). The reversion amount reflects the anticipated unencumbered balance as of June 30, 2011, in Item 5175-490.
- **Technology Refresh.** Approves savings from CCSAS Technology Refresh of \$1.297 million General Fund. This is achieved through a reduction in Item 5175-001-0001 by \$581,000; reduction in Item 5175-001-0890 by \$1,127,000; reduction in Item 5175-101-0001 by \$716,000; and a reduction in Item 5175-101-0890 by \$1,390,000 on a one-time basis to reflect the delay of a CCSAS technology refresh for state and local child support agencies.

Child Welfare Major Issues:

- **Transitional Housing Program Plus.** Adopts the Governor's reduction of \$19 million General Fund from the Transitional Housing Program Plus (THP-Plus) program reflecting savings as a result of the implementation of AB 12, sustaining funding of \$16.8 million for youth served in the program not served by AB 12.

Other Changes:

- **Special Fund Loan.** Approves a \$1.5 million loan in 2011-12 from the DIU Fund in the Department of Alcohol and Drug Programs to the General Fund pursuant to the Sales/Leaseback package from the administration.
- **Special Fund Transfer.** Approves a one-time transfer in 2010-11 from the Foster Family Home and Small Home Fund of \$3 million to the General Fund pursuant to the Sales/Leaseback package from the administration.

Tracking Chart of Subcommittee #1 Issues*					
Org #	Department	Issue	Date	Sub Action	Committee Recommendation
0530	Health and Human Services Agency/Office of Systems Integration	SPI LEADER Replacement System	2/2	AAB	Accept Sub Action
0530	Health and Human Services Agency/Office of Systems Integration	SPI CWS/CMS Maintenance and Operation	2/2	AAB	Accept Sub Action
0530	Health and Human Services Agency/Office of Systems Integration	C-IV	2/2	AAB	Accept Sub Action
0530	Health and Human Services Agency/Office of Systems Integration	ISAWS Consortium Migration Project	2/2	AAB	Accept Sub Action
0530 and 5180	Health and Human Services Agency/Office of Systems Integration and Department of Social Services	SPI and BCP -- CWS Web	2/2 and 2/10	Deny both SPI and BCP without prejudice	Accept Sub Action
0530	Health and Human Services Agency/Office of Systems Integration	New Budget Bill Language for Item 0530-001-9732 (Provision 1)	N/A	Not heard in Subcommittee	Conforming to Senate action, adopt modified BBL to require advance notice to the Legislature on OSI budget authority for corresponding changes in DSS budget authority
0530	Health and Human Services Agency	BCP #1 Health Information Exchange E-Health Privacy and Security Policy Development and Implementation Staffing	1/25	AAB	Accept Sub Action
0530	Health and Human Services Agency	BCP #2 Health Information Exchange Program Support	1/25	Deny without prejudice	Accept Sub Action
0530	Health and Human Services Agency	BCP #3 ADRC Federal Grant Support	1/25	AAB	Accept Sub Action
2400	Managed Care	BCP #1: New positions to	1/25	AAB	Conform to Senate: • Make positions 2-

		implement federal health care reform (ACA) and SB 1163 for health plan rate increase review.			<ul style="list-style-type: none"> year • Adopt supplemental report language to require a report from DMHC on bringing actuarial review in-house
2400	Managed Care	BCP #2: New positions to implement the ACA.	1/25	AAB	Accept Sub Action
4120	Emergency Medical Services Authority	Mobile Field Hospitals Reduction	1/25	AAB	Accept Sub Action
4120	Emergency Medical Services Authority	BCP: Positions extended for California's Emergency System for Advanced Registration of Volunteer Health Professionals	1/25	AAB	Accept Sub Action
4140	Office of Statewide Health Planning & Development	Loan Repayment Deferrals	1/25	AAB	Accept Sub Action
4140	Office of Statewide Health Planning & Development	Song-Brown GF Savings	1/25	Denied \$5 million GF request and replaced with \$5 million special funds	Accept Sub Action
4140	Office of Statewide Health Planning & Development	BCP #1: New positions to implement the ACA.	1/25	AAB	Accept Sub Action
4140	Office of Statewide Health Planning & Development	BCP #2: New positions for the California Responsive Electronic Application for California's Healthcare.	1/25	AAB	Accept Sub Action
4140	Office of Statewide Health Planning & Development	BCP #3: New position for the Healthcare Workforce Clearinghouse Program.	1/25	AAB	Accept Sub Action
4140	Office of Statewide Health Planning & Development	BCP #4: New positions to implement SB 608	1/25	AAB	Accept Sub Action

		related to seismic safety deadlines.			
4170	Department of Aging	BCP #1 Increased Federal Funding Authority for the Senior Community Service Employment Program	1/25	AAB	Accept Sub Action
4170	Department of Aging	BCP #2 New Freedom Transportation Grant	1/25	AAB	Accept Sub Action
4170	Department of Aging	BCP #3 Funding Authority for MIPPA II Grant	1/25	AAB	Accept Sub Action
4170	Department of Aging	BCP #4 Funding the Long-Term Care Ombudsman Program from the State Health Facilities Citation Penalties Account and the SNF Quality and Accountability Fund	1/25 and 2/10	AAB, with TBL	Accept Sub Action
4200	Department of Alcohol and Drug Programs	BCP #10 Drug Medi-Cal Program Local Assistance Fall Estimate	1/26	AAB	Accept Sub Action
4200	Department of Alcohol and Drug Programs	BCP #1 Problem Gambling Treatment Services Program	1/26	AAB	Accept Sub Action
4200	Department of Alcohol and Drug Programs	BCP #2 California Access to Recovery Effort Program	1/26	AAB	Accept Sub Action
4200	Department of Alcohol and Drug Programs	BCP #4 Additional Driving Under the Influence Programs' Studies and Findings	1/26	AAB	Accept Sub Action
4200	Department of Alcohol and Drug Programs	BCP #5 Drug Medi-Cal Complaint Investigations	1/26	AAB	Accept Sub Action
4200	Department of Alcohol and Drug Programs	BCP #6 Strategic Prevention Framework-State	1/26	AAB	Accept Sub Action

		Incentive Grant			
4250	California Children & Families Program	Prop 10 Fund Shift to Medi-Cal	2/1	Held Open	Approve of: <ul style="list-style-type: none"> • shifting \$1b reserve • deny on-going 50% local shift • eliminate state commission and adopt savings (\$189 m BY)
4260	Health Care Services	Hard Cap: 10 visits to MDs & Clinics	2/1	Held Open	Deny (-\$196.5 m BY)
4260	Health Care Services	Hard Cap: 6 Prescriptions	2/1	Held Open	Deny (-\$11 m BY)
4260	Health Care Services	Mandatory Co-pay: MD & Clinic Visits	2/1	Held Open	AAB
4260	Health Care Services	Mandatory Co-pay: Pharmacy	2/1	Held Open	AAB
4260	Health Care Services	Mandatory Co-pay: Hospital Services	2/1	Held Open	AAB
4260	Health Care Services	Mandatory Co-pay: Dental Services	2/1	Held Open	AAB
4260	Health Care Services	Eliminate Cough & Cold Products	2/1	Held Open	AAB
4260	Health Care Services	Eliminate Adult Day Health Care	2/1	Held Open	Deny elimination & adopt TBL to achieve \$28 m GF savings (BY)
4260	Health Care Services	Limit Enteral Nutrition Products to Tube Fed	2/1	Held Open	Approve with TBL to give DHCS authority for exemptions
4260	Health Care Services	Max Annual Cap: Durable Medical Equipment	2/1	Held Open	Deny (-\$7.4 m BY)
4260	Health Care Services	Max Annual Cap: Medical Supplies	2/1	Held Open	Deny (-\$1.9 m BY)
4260	Health Care Services	Max Annual Cap: Hearing Aids	2/1	Held Open	AAB
4260	Health Care Services	Provider Rate Reductions (including ICF-DD)	2/1	Held Open	AAB
4260	Health Care Services	Provider Rate Reductions: Nursing Homes	2/1	Held Open	AAB
4260	Health Care Services	Fed Roger's Amend	2/1	AAB	Accept Sub Action
4260	Health Care Services	Medi-Cal Managed Care Tax	2/1	Approved, added a sunset and adopted \$89.9 m in GF savings	Accept Sub Action

				(additional tax revenue)	
4260	Health Care Services	BCP #1: Positions related to the Specialty Mental Health Services Waiver	2/1	AAB	Accept Sub Action
4260	Health Care Services	BCP #2: New positions to facilitate federal Medicaid claiming for inpatient hospital services for adult inmates.	2/1	AAB	Accept Sub Action
4260	Health Care Services	BCP #3: Positions for the California Mental Health Care Management Program.	2/1	AAB	Accept Sub Action
4260	Health Care Services	BCP #4: Positions related to the Intergovernmental Transfer program.	2/1	AAB	Accept Sub Action
4260	Health Care Services	BCP #5: New positions for the Medi-Cal Electronic Health Record Incentive Program.	2/1	Approved and modified (denied TBL without prejudice to be done through policy bill)	Accept Sub Action
4260	Health Care Services	BCP #6: New positions to implement the ACA.	2/1	Denied without Prejudice	Accept Sub Action (Keep GF in budget)
4260	Health Care Services	BCP #7: New positions to implement the Diagnosis-Related Groups hospital payment system.	2/1	Denied without Prejudice	Accept Sub Action (Keep GF in budget)
4260	Health Care Services	BCP #8: New positions related to local Coverage Expansion and Enrollment Demonstration projects.	2/1	AAB	Accept Sub Action
4260	Health Care Services	BCP #9: New positions to implement the new 1115 Waiver.	2/1	AAB	Accept Sub Action
4260	Health Care Services	BCP #10: Positions related	2/1	Denied without Prejudice	Accept Sub Action (Keep GF in budget)

		to HIPPA & ARRA-HITECH.			
4260	Health Care Services	BCP #11: New Administrative Law Judge for Office of Administrative Hearings and Appeals.	2/1	AAB	Accept Sub Action
4260	Health Care Services	County COLA Suspension TBL	N/A	Not heard in Subcommittee	AAB
4260	Health Care Services	250% Working Disabled Program	N/A	Not heard in Subcommittee	AAB
4260	Health Care Services	Special Fund Savings	N/A	Not heard in Subcommittee	Conform to Senate: adopt savings and BBL.
4265	Public Health	ADAP Cost Sharing	1/25	Held Open	Conform to Senate: <ul style="list-style-type: none"> • Deny cost sharing • Adopt \$77m in GF savings (admin, FFP, SNCP funds) • Direct Admin to move more clients into low-income insurance programs.
4265	Public Health	Emergency Preparedness Reduction	1/25	Held Open	AAB
4265	Public Health	BCP #1: Gives DPH authority to use Lead-Related Construction funds for the LRC program.	1/25	AAB	Accept Sub Action
4265	Public Health	BCP #2: ARRA grant to collect behavioral health data.	1/25	AAB	Accept Sub Action
4265	Public Health	BCP #3: Positions for the California Lupus Surveillance Program.	1/25	AAB	Accept Sub Action
4265	Public Health	BCP #4: ACA grant to reduce tobacco use.	1/25	AAB	Accept Sub Action
4265	Public Health	BCP #5: CDC grant to reduce sodium intake.	1/25	AAB	Accept Sub Action
4265	Public Health	BCP #6: Positions to continue Prop 84 Safe Drinking Water program.	1/25	AAB	Accept Sub Action

4265	Public Health	BCP #7: Position to continue Prop 50 water systems program.	1/25	AAB	Accept Sub Action
4265	Public Health	BCP #8: ARRA grant for safe drinking water.	1/25	AAB	Accept Sub Action
4265	Public Health	BCP #9: Positions to implement federal emergency preparedness grants.	1/25	AAB	Accept Sub Action
4265	Public Health	BCP #10: Positions for ACA grant to asses public health departments.	1/25	AAB	Accept Sub Action
4265	Public Health	BCP #11: New positions to implement federal changes to WIC.	1/25	AAB	Accept Sub Action
4265	Public Health	BCP #12: New positions for federal grant for Maternal, Infant and Early Childhood Home Visiting Program.	1/25	AAB	Accept Sub Action
4265	Public Health	BCP #13: New positions to implement ACA grant on Positive Youth Development for pregnant and parenting teens.	1/25	AAB	Accept Sub Action
4265	Public Health	BCP #14: New positions for ACA grant for Personal Responsibility Education Program for adolescents.	1/25	AAB	Accept Sub Action
4265	Public Health	BCP #15: Authority for DPH to contract with Medicare Quality Improvement Organization to implement the SNF Quality and	1/25	AAB	Accept Sub Action

		Accountability System.			
4265	Public Health	BCP #16: Long-Term Care Ombudsman Program Financing	2/10	AAB	Accept Sub Action
4265	Public Health	BCP #17: Authority for DPH to issue temporary genetic counselor licenses, per AB 2300.	1/25	AAB	Accept Sub Action
4265	Public Health	General Fund Savings	N/A	Not heard in Subcommittee	Conform to Senate: <ul style="list-style-type: none"> • Adopt GF savings of \$13.7 million • Exclude \$672,000 reduction to CHIS
4280	Managed Risk Medical Insurance Board	Elimination of HFP Vision Coverage	2/1	Held Open	Deny elimination & approve \$3 m GF reduction (-\$8.3 m BY)
4280	Managed Risk Medical Insurance Board	Increases to HFP Premiums	2/1	Held Open	AAB
4280	Managed Risk Medical Insurance Board	Increases to HFP Co-pays	2/1	Held Open	AAB: Conforms to Medical Co-pays
4280	Managed Risk Medical Insurance Board	BCP: Positions to operate the ACA Pre-Existing Condition Insurance Program	2/1	AAB	Accept Sub Action
4300	Developmental Services	Developmental Center Automatic Sprinkler System	2/3	AAB	Accept Sub Action
4300	Developmental Services	Fairview Developmental Center-Upgrade Fire Alarm System	2/10	Reject Budget Change Proposal	Accept Sub Action
4300	Developmental Services	Sonoma Developmental Center Medical Gasses and Oxygen Piping	2/3	AAB	Accept Sub Action
4300	Developmental Services	Trailer Bill Language –Medical Management Health Plans for Lanterman DC Transition	2/3	Approve Language	Accept Sub Action

4300	Developmental Services	Prevention Program Budget Bill Language	2/10	Approve Language	Accept Sub Action
4300	Developmental Services	\$750 million GF reduction – Alternative Funding	2/3	Held Open	<p>1.) Approve alternative funding of \$374.5 million from additional federal funds, Prop 10 and General Fund.</p> <p>(2.) Adopt trailer bill language to extend the 4.25 percent reduction to Operations and Purchase of Service Reimbursements.</p> <p>(3.) Approve additional budget savings of \$109.6 million from increasing Administrative Accountability and Transparency at Regional Centers through placeholder trailer bill language.</p> <p>(4.) Approve budget savings of \$13.2 million GF from Developmental Center reductions.</p> <p>(5.) Approve budget savings of \$11.2 million GF from Regional Center Operations.</p> <p>(6.) Adopt Assembly placeholder trailer bill language that delineates the parameters and process to develop Statewide Purchase of Service Standards.</p>
4440	Mental Health	Prop 63 Fund Shift	1/26	Held Open	AAB
4440	Mental Health	BCP #1: Legal Resources Request	1/26	Denied without Prejudice	Accept Sub Action (Keep GF in budget)
4440	Mental Health	BCP #2: New Fire Alarm at Napa	1/26	AAB	Accept Sub Action
4440	Mental Health	BCP #3: New Fire Sprinklers at Napa	1/26	AAB	Accept Sub Action

		& Metropolitan			
4440	Mental Health	Sex Offender Commitment Program Adjustment	2/10	Conformed to Senate: Approved \$2.8m augmentation instead of \$6.7m requested.	Accept Sub Action
4440	Mental Health	MHSA State Administration	2/10	Conformed to Senate: Approved of reducing state admin cap from 5 to 3.5%.	Accept Sub Action
4700	Department of Community Services and Development	BBL on 10-Day Notice Regarding Use of Funds	1/25	Approve BBL as included in the agenda	Accept Sub Action
5160	Department of Rehabilitation	BCP #1 Electronic Records System	1/25	AAB	Accept Sub Action
5160	Department of Rehabilitation	BCP #2 DOR/DMH Partnership	1/25 and 2/10	Deny without prejudice	Accept Sub Action
5175	Department of Child Support Services	BCP #1 CA Child Support Automation System	1/25	AAB	Accept Sub Action
5180	Department of Social Services	Los Angeles State Programs Branch Relocation	1/27	AAB, with administration's BBL	Accept Sub Action
5180	Department of Social Services	Federal Consolidated Request for Positions	1/27	AAB	Accept Sub Action
5180	Department of Social Services	BCP #3 Improving Child Safety	1/27	Deny without prejudice	Accept Sub Action
5180	Department of Social Services	BCP #10 Foster Care Audits Accountability and Group Home Litigation	1/27	Deny without prejudice	Accept Sub Action
5180	Department of Social Services	BCP #15 Implementing Fostering Connections PL 110-351	1/27	Deny without prejudice	Accept Sub Action
5180	Department of Social Services	BCP #20 Field Monitoring and Oversight of County Operations	1/27	Deny without prejudice	Accept Sub Action
5180	Department of Social Services	BCP #50 Implementing AB 12	1/27	Deny without prejudice	Accept Sub Action
5180	Department of Social Services	BCP #51 Implementing Recently Enacted	1/27	Deny without prejudice	Conform with Senate and modify action to reject outright positions related

		Legislation			to AB 2418 and AB 973, retaining the deny w/o prejudice action for the balance of the BCP (positions for AB 1048, AB 1983, and AB 2084)
5180	Department of Social Services	TBL on Suspension of AB 2488	2/10	Approve TBL for an additional one-year suspension and reject administration's deleted language on legislative intent	Accept Sub Action
5180	Department of Social Services	WINS TBL	2/2	Approve TBL for an additional one-year delay	Accept Sub Action
5180	Department of Social Services	TAP TBL	2/2 and 2/10	Approve TBL for an additional one-year delay	Accept Sub Action
5180	Department of Social Services	State and County Peer Review Process	2/2	Approve TBL for an additional two-year delay	Accept Sub Action
5180	Department of Social Services	IHSS 2009 Changes on Fingerprinting Requirements for Recipients and on Timesheets	N/A	Not heard in Subcommittee	Conform to Senate action to repeal the 2009 statutory changes related to fingerprinting of recipients and including fingerprints on timesheets
5180	Department of Social Services	Request for CalFresh Nutrition Education Unit Staffing	2/2	AAB	Accept Sub Action
5180	Department of Social Services	Electronic Benefits Card Usage at Farmers' Markets	2/2	Deny without prejudice	Accept Sub Action
5180	Department of Social Services	BCP CMIPS II	2/2	Deny without prejudice	Accept Sub Action
5180	Department of Social Services	BBL Technical Fix for Items 5180-153-0001 and 5180-153-0890	N/A	Not heard in Subcommittee	Reinclude reappropriation authority for the 2009 Budget Act, which was inadvertently removed from the administration's proposed Budget

* subject to reconciliation.

Subcommittee Report
Subcommittee #2, on Education
Finance

Susan Bonilla, Chair

K-12 EDUCATION

Proposition 98 Package:

- **Overall Funding Level.** Adopts the Governor's Proposition 98 funding level of \$49.3 billion for 2011-12. Provides \$7,344 per pupil (Proposition 98) in 2011-12, down from the \$7,358 per pupil provided in 2010-11.
- **New Deferral.** Adopts the Governor's proposal to defer \$2.2 billion in K-12 and Community College costs to 2012-13 and moves this issue to Conference Committee to work with the Administration to mitigate the length of the deferrals, currently scheduled from July 2011 to July 2012.
- **Mandates.** Defers rather than funds ongoing K-14 state-mandated local programs costs. Sustains all other mandate reforms enacted as part of the 2010-11 Budget Act. The Subcommittee will revisit this issue in the spring to review the recommendations of the mandate working group.
- **Economic Impact Aid.** Restores \$56 million to the Economic Impact Aid (EIA) program based on updated workload estimates.
- **Emergency Repair Program.** Rejects Governor's proposal to provide \$42.8 million in ongoing Proposition 98 funding and \$10.777 million in one-time funds for the Emergency Repair Program. Funding is used to mitigate other reductions within Proposition 98.
- **Special Disabilities Adjustment.** Adopts Governor's proposal relative to funding for the Special Disabilities Adjustment (SDA). The Subcommittee will revisit this issue in the spring when CDE releases the results of their study of the issue.

Other K-12 actions:

- **CALPADS.** Adopts Governor's proposal to withhold additional funding for the California Longitudinal Pupil Achievement Data System (CALPADS) and the California Longitudinal Teacher Integrated Data Education System (CALTIDES) and moves this issue to the Conference Committee for further review. The Legislature will also participate in the interagency working group that the Governor's office will convene to discuss issues related to California's education data system.
- **Secretary of Education Elimination.** Approves the elimination of the Office of the Secretary of Education (OSE). This results in a net decrease of \$1.6 million to the General Fund (non-Proposition 98) for 2011-12 and \$400,000 for the current year. Approve the transfer of \$274,000 from the General Fund to fund three position shifts from the California Department of Education (CDE) to the

State Board of Education (SBE). The Subcommittee will reassess the Governor's proposal when final workload and staff analysis are available at May Revise.

- **Categorical Flexibility.** Approves the Governor's proposal to extend various flexibility options to school districts for an additional two years, including categorical flexibility, routine and deferred maintenance requirements, class size reduction, instructional minutes and local budget reserve requirements. The Subcommittee and education policy committee will revisit these issues in more depth during spring hearings.
- **Class Size Reduction.** Approves Governor's funding level of \$1.27 billion for the K-3 Class Size Reduction Program. Adopts trailer bill language to appropriate funding through statute rather than in the annual budget act. This ensures full funding for the program and is consistent with action taken in the 2010-11 Budget Act.

CHILD CARE & DEVELOPMENT SERVICES

- **Alternative to 34.6 percent Subsidy Reduction.** Approves alternative to the Governor's proposal for a 34.6 percent subsidy reduction to instead reduce all contracts, including pre-school, by 10 percent, generating \$178 million in Proposition 98 savings.
- **Eliminate Eligibility for 11-12 Year-Olds.** Rejects the proposal to eliminate eligibility for 11-12 year old child care services.
- **Reduce Family State Median Income to 60 Percent.** Approves reducing the family State Median Income to 70 percent, generating \$40 million in Proposition 98 savings.
- **Eliminate Centralized Eligibility List.** Approves the elimination of funds to the Centralized Eligibility List and the transfer of funds to direct child care services.
- **Restore CalWORKs Stage 3.** Approves the restoration of CalWORKs Stage 3 without any policy changes enacted during the current year.
- **Reduce License-Exempt Provider Rates.** Reduces License-Exempt providers' rates from 80 percent of the licensed rate to 60 percent, generating \$55 million in Proposition 98 savings.
- **Child Care Deferral.** Approves \$150 million in inter-year deferrals.
- **Quality Programs.** Approves \$16 million in federal funds reduction to account for the loss of one-time American Recovery and Reinvestment Act (ARRA) funds, in a manner that is consistent with legislative intent and prioritization of programs.

HIGHER EDUCATION

California State Library

- **Reductions.** Reduces the magnitude of reductions to preserve the English Acquisition & Literacy Program, and reduces the Public Library Foundation and California Library Services Act by \$1.5 million each.

University of California:

- **Unallocated Reductions.** Approves the \$500 million in unallocated reductions, with reporting requirements on how the university to mitigate impacts to students.
- **Academic Preparation & Outreach Programs.** Approves budget bill language to protect academic preparation and outreach programs from disproportionate reductions.
- **Capital Outlay Projects.** Denies without prejudice any new lease-revenue bond projects, to be discussed during the Spring Budget Process.

California State University:

- **Unallocated Reductions.** Approves the \$500 million in unallocated reductions, and allows for current year reversion of \$75 million to count towards their reduction with reporting requirements on how the university to mitigate impacts to students.
- **Academic Preparation & Outreach Programs.** Approves budget bill language to protect academic preparation and outreach programs from disproportionate reductions.
- **Capital Outlay Projects.** Deny without prejudice any new lease-revenue bond projects, to be discussed during the Spring Budget Process.

Hastings College of the Law:

- **Unallocated Reductions.** Approves the \$1.5 million in unallocated reductions.

California Community Colleges:

- **Unallocated Reduction.** Approves the \$402.9 million in unallocated reductions to apportionments, with reporting requirements on funding priorities to mitigate impact to students. The increase of \$2.9 million in reduction is due to the rejecting of the decoupling fee revenue proposal to financial aid services.
- **Student Fee Increase.** Approves a \$10 per unit fee increase from \$26 per unit to \$36 per unit. This will generate the community colleges \$110 million in fee revenue to mitigate reductions.
- **Census Date Change Proposal.** Rejects this policy change proposal. The Subcommittee recognizes the need to vet such major changes in funding formulas to avoid adverse consequences and was constrained under the limited time frame.

California Student Aid Commission:

- **TANF Fund Shift.** Approves conforming action to Subcommittee 1 on CalWORKs package and funds the Cal Grants programs.

Tracking Chart of Subcommittee Issues*					
Org #	Department	Issue	Date	Sub Action	Committee Recommendation
6110	Department of Education	Proposition 98 Funding	1/25, 2/1, 2/7	Held Open	Approve Proposition 98 package (see attached)
6110	Department of Education	CALPADS/CALTID ES	2/1	Held Open	AAB with intent to move to conference committee for continued discussions of current year and budget year program needs.
6110	Department of Education	Categorical Flexibility	2/7	Held Open	AAB. Revisit in spring to discuss options.
6110	Department of Education	K-3 Class Size Reduction	2/7	Held Open	Approve Governor's funding level (\$1.27 billion). Remove Budget Act appropriation. Replace with placeholder TBL to appropriate funds through statute consistent with 2010-11 Budget Act.
6110	Department of Education	Elimination of the Office of the Secretary of Education (\$1.6 million net GF reduction)	2/7	Held Open	AAB
6110	Department of Education	Shift 3 positions from CDE to State Board of Education. Shift \$274,000 from OSE elimination to fund 3 positions.	2/7	Held Open	AAB with intent to re-evaluate at May Revise when final workload and staffing analysis is available.
6110-196	Department of Education	Child Care & Development Programs	2/2	Held Open.	Approve as a Proposition 98 Package. (see attached)
6110-196	Department of Education	Restore CalWORKs Stage 3	2/2	Held Open.	Approves Restoration of CalWORKs Stage 3 for April – June 2011, using \$60 million in identified unspent prior year funds and reject policy proposals.
6120	California State Library	Eliminate \$30.4 million in funding for the Public Library Foundation, Library Services Act, and English Acquisition			Approves a \$1.5 million reduction to Public Library Foundation and \$1.5 million reduction to Library Services Act.

		and Literacy Program.			
6420	California Postsecondary Education	Budgeted at \$1.9 million.	1/26	Held Open.	Approves as Budgeted
6440	University of California	Unallocated Reduction of \$500 million.	1/26	Held Open.	Approves + Placeholder BBL/TBL
6440	University of California	Set -aside for low wage workers.		Not Heard	Approves + Placeholder BBL.
6440	University of California	Capital Outlay Projects		Not Heard.	Denies without Prejudice all new Capital Outlay Projects using Lease Revenue Bond funds. To be discussed during the Spring Process.
6600	Hastings College of the Law	Unallocated Reduction of \$1.5 million	1/26	Held Open.	Approves as Budgeted
6610	California State University	Unallocated Reduction of \$500 million	1/26	Held Open.	Approves reduction, accounting for \$75 million in current year reverting + Placeholder BBL/TBL
6610	California State University	Capital Outlay Projects		Not Heard.	Denies without Prejudice all new Capital Outlay Projects using Lease Revenue Bond funds. To be discussed during the Spring Process.
6870	California Community Colleges	Proposition 98 Funding	1/26	Held Open.	Approve Proposition 98 package. (see attached)
6870	California Community Colleges	Student Fee Increase of \$10, from \$26/unit to \$36/unit	1/26	Held Open.	Approves but reduce Enrollment Growth schedule and folds the \$110 million in fee revenue into Apportionments.
6870	California Community Colleges	Census Date Change Proposal	1/26	Held Open.	Rejects without prejudice. Subcommittee did not have the adequate time to analyze such a major change in funding formula that may have adverse consequences.
6870	California Community Colleges	Decouple Fee Revenue from financial aid support Proposal	1/26	Held Open.	Rejects policy proposal. Augments the financial aid support program by \$2.9 million.
6870	California Community Colleges	Capital Outlay Projects		Not Heard.	Denies without Prejudice all new Capital Outlay Projects using Lease

					Revenue Bond funds. To be discussed during the Spring Process.
6870	California Community Colleges	California education information data.		Not Heard.	Adopts clean up TBL to SB 1298 (Simitian) to comply with statutory requirements.
7980	California Student Aid Commission	Cal Grant GF shift of \$947 million, replaced with TANF funds.	1/26	Held Open.	Conforms to Subcommittee 1 action on CalWORKs package.
7980	California Student Aid Commission	TBL: Remove the continuous appropriation authority for the Student Loan Operating Fund		Not Heard.	Denies without Prejudice. To be considered in the Spring Process.

* subject to reconciliation.

Subcommittee Report

**Subcommittee #3, on Natural
Resources and Transportation**

Richard Gordon, Chair

RESOURCES, ENVIRONMENTAL PROTECTION AND TRANSPORTATION

Resources Major Issues:

- **Fire Protection.** Cuts \$30.7 million General Fund from CAL FIRE's budget, resulting in the reduction of staffing on fire engines from 4 firefighters to 3.
- **State Parks.** Cuts the Department of Parks and Recreation's General Fund budget by \$11 million in the budget year and \$22 million ongoing. This cut will result in the closure of a significant number of State Parks.
- **Off Highway Vehicle Parks.** Cuts \$27 million from the Department of Parks and Recreation Off-Highway Vehicle Trust fund expenditures and transfers those funds to the General Fund. This reduction is a 20 percent cut to the Off Highway Vehicle Operations Program and is unclear whether this will result in the closure of any State Vehicular Recreation Areas.

Environmental Protection Major Issues:

- **Water Resource Control Board Fees.** Raises and expands various Water Board fees to shift \$12.4 million in funding from the General Fund to new revenues.

Transportation Major Issues:

- **Transportation Gas Tax Swap Fix.** Swaps revenues from weight fees for excise tax revenues to maintain funding for transportation and transit as well as preserve \$1.6 billion in General Fund savings achieved in last year's Gas Tax Swap proposal.
- **High Speed Rail Authority.** Denies without prejudice all High Speed Rail Authority proposals so that they can be reviewed in the spring.

Other Major Issues:

- **Department of Food and Agriculture Baseline Reduction.** Cuts \$15 million from the Department's General Fund budget.
- **Local Fairs and Agricultural Districts.** Eliminates support, \$30 million in General Fund, for statewide fairs and Agricultural districts.

Tracking Chart of Subcommittee Issues*					
Org #	Department	Issue	Date	Sub Action	Committee Recommendation
0540	Resources Agency	San Joaquin River Restoration	2/2	Approved as budgeted	Approved as budgeted
0540	Regional Conservancies	Regional Conservancy Proposals	2/7	Approved as budgeted	Approved as budgeted
2600	Ca. Trans. Commission	Public Private Partnership Review Staff	1/26	Deny without Prejudice	Deny without Prejudice
2660	Caltrans	Air Quality Mandates	1/26	Deny without Prejudice	Deny without Prejudice
2660	Caltrans	Fuel Cost Increase	1/26	Deny without Prejudice	Deny without Prejudice
2660	Caltrans	Load Ratings of Local Bridges	1/26	Deny without Prejudice	Conform with Senate and Approve as budgeted
2660	Caltrans	Proposition 1B Capital Needs	1/26	Deny without Prejudice	Conform with senate and approve placeholder appropriation.
2660	Caltrans	PRSM Liquidation Period Extension	1/26	Approve as budgeted	Approve as budgeted
2660	Caltrans	Federal Job Access and Reverse Commute/New Freedom Program	1/26	Approve as budgeted	Approve as budgeted
2660	Caltrans	Enterprise Resources Planning Financial Infrastructure Staff Reduction	1/26	Approve as budgeted	Approve as budgeted
2660	Caltrans	Proposition 1B Redistribution Audits	1/26	Approve as budgeted	Approve as budgeted
2660	Caltrans	Capital Outlay – Eureka Fire, Life Safety and Infrastructure Repairs	1/26	Approve as budgeted	Approve as budgeted
2660	Caltrans	Transportation Gas Tax Swap	1/26	Approved as budgeted	Approved as budgeted
2660	Caltrans	PIDS Program Zero Based Workload	1/26	Deny without Prejudice	Deny without Prejudice
2660	Caltrans	Proposition 1A Commuter and Urban Rail Staffing	2/10	Approved as budgeted + \$\$ for local transit	Approved as budgeted + \$\$ for local transit
2660	Caltrans	Trailer Bill Language That Failed Passage in 2010	2/10	Approved	Approved
2660	Caltrans	Loan TBL language	1/26	Approved as budgeted	Approved as budgeted
2660	Caltrans	Weight Fee Revenue Loans	New	Not heard	Increase Admin proposed loans from

					Weight Fee revenue by \$150 million.
2665	High Speed Rail Authority	Program Management Oversight	1/26	Deny without Prejudice	Deny without Prejudice
2665	High Speed Rail Authority	Public Information and Communications Services	1/26	Deny without Prejudice	Deny without Prejudice
2665	High Speed Rail Authority	Financial Plan and Public Private Participation Program	1/26	Deny without Prejudice	Deny without Prejudice
2665	High Speed Rail Authority	Baseline Adjustment	1/26	Deny without Prejudice	Deny without Prejudice
2665	High Speed Rail Authority	Capital Outlay Requests	1/26	Deny without Prejudice	Deny without Prejudice
2665	High Speed Rail Authority	Trailer Bill Language That Failed Passage in 2010	2/10	Deny without Prejudice	Conform with Senate and Approve Exempt Position Language
2665	High Speed Rail Authority	Supplemental Report Language	2/10	Approved as BBL	Approved as BBL
2665	High Speed Rail Authority	Budget reporting Language Vetoed by Governor Schwarzenegger	2/10	Approved	Approved
2740	Dep. Motor Vehicles	Facility Related Proposals	1/26	Deny without Prejudice	Conform with Senate and approve as budgeted
2740	Dep. Of Motor Vehicles	IID Workload Staffing Increase	2/10	Approved as budgeted	Approved as budgeted
2740	Dep. Of Motor Vehicles	Temporary Operating Permit Workload Staffing Increase	2/10	Approved as budgeted	Approved as budgeted
2740	Dep. Of Motor Vehicles	Privacy and Security Enhancement Project	2/10	Approved as budgeted	Approved as budgeted
2740	Dep. Of Motor Vehicles	Implementation of AB 2499	2/10	Approved as budgeted	Approved as budgeted
2740	Dep. Of Motor Vehicles	Veteran's Optional Check-Off Trailer Bill Language	2/10	Approved as budgeted	Approved as budgeted
3110	Tahoe Regional Planning Agency	TRPA Base Budget	2/7	Approved as budgeted	Conform with Senate and deny without Prejudice
3110	Lake Tahoe EIP	EIP Program funding	2/7	Approved as budgeted	deny without Prejudice
3125	Tahoe Conservancy	Extension and reversions for various bond funds	2/7	Approved as budgeted	deny without Prejudice
3340	Conservation Corps	Energy Smart Jobs Program – ARRA Funded	2/7	Approved as budgeted	Approved as budgeted
3360	Energy Commission	Extend Limited Term SEP – ARRA Funds	2/7	Approved as budgeted	Approved as budgeted

3360	Energy Commission	ERPA Funding	2/7	Did not hear	Conform with Senate and deny \$8.4 m without Prejudice
3480	Dep. of Conservation	Information Technology Maintenance	2/2	Approved as budgeted	Approved as budgeted
3480	Dep. of Conservation	California Farmland Conservancy Program Local Assistance	2/2	Approved as budgeted	Approved as budgeted
3480	Dep. of Conservation	Watershed Implementation Reappropriation	2/2	Approved as budgeted	Deny without Prejudice
3480	Dep. of Conservation	Statewide Watershed Coordinator Grant Program Proposition 84 Local Assistance	2/2	Approved as budgeted	Approved as budgeted
3480	Dep. of Conservation	Implementing AB 2453	2/2	Approved as budgeted	Deny without Prejudice
3500	CalRecycle	Integrated Waste Management Account Proposals	2/2	Approved as budgeted	Approved as budgeted
3500	CalRecycle	Beverage Container Recycling Program Related Proposals	2/2	Approved as budgeted	Approved as budgeted
3540	CAL FIRE	Hemet Ryan Air Attack Base	2/2	Approved as Budgeted	Deny without Prejudice
3540	CAL FIRE	Additional Battalion Chief Staffing	2/2	Approved as Budgeted	Approved as Budgeted
3540	CAL FIRE	Underground Fuel Storage Tank Clean Up	2/2	Approved as Budgeted	Approved as Budgeted
3540	CAL FIRE	Civil Cost Recovery Program	2/2	Deny without Prejudice	Deny without Prejudice
3540	CAL FIRE	Unemployment Insurance	2/2	AAB	AAB
3540	CAL FIRE	Fire Protection Permanent Funding	2/10	Approved as budgeted but denied without prejudice funding for very large airtankers	Approve as budgeted but denied without prejudice funding for very large airtankers
3540	CAL FIRE	4 to 3 fire fighter cut	2/10	Approved as budgeted	Approve as budgeted
3550	Delta Stewardship Council	Reimbursement Authority	2/2	Approved as budgeted	Approve LAO reco to reduce reimbursement authority by \$5.8 M
3560	State Lands Commission	Selby Slag Remediation	2/2	Approved as Budgeted	Approve as Budgeted

3600	Dep. Fish and game	Critical Radio Infrastructure and Equipment Project	2/2	Approved as Budgeted	Approve as Budgeted
3600	Dep. Fish and game	Hatchery and Inland Fisheries Fund	2/2	Deny without Prejudice	Deny without Prejudice
3600	Dep. Fish and game	Hot Creek Hatchery II Supply Pond Cover Replacement	2/2	Approved as Budgeted	deny without Prejudice
3600	Dep. Fish and game	Capital Outlay Proposals	2/2	Approved non HIFF Proposals as budgeted	Approve non HIFF proposals as budgeted but deny Ash Creek without prejudice.
3600	Fish and Game	San Joaquin River Restoration Program	2/10	Approved as budgeted	Approve as budgeted
3640	Wildlife Conservation Board	Prop 84 NCCP Reappropriations	2/2	Approved as budgeted	Deny without Prejudice
3640	Wildlife Conservation Board	San Joaquin River Prop 40/84 reappropriations	2/2	Approved as budgeted	Deny without Prejudice
3680	Boating and Waterways	Various Boating and Waterways Program	2/2	Deny without prejudice all proposals	Deny without prejudice funding for small craft harbor loans and launching facility grants program improvements.
3680	Boating and Waterways	Department of Finance Audit Implementation	2/2	Deny without prejudice	Approve as budgeted
3680	Boating and Waterways	Reappropriation: Alamitos Bay - Basin 4	2/2	Deny without prejudice	Approve as budgeted
3720	Coastal Commission	Coastal and Marine Education Whale Tail License Plate Program	2/2	Approved as budgeted	Approve as budgeted
3790	Parks and Recreation	Budget Reduction Plan	2/10	Held Open for Future Action, sue OHV funds for savings	1. Approve reduction as budgeted. 2. Cut Parks OHV Program by \$27 million and shift funds to the GF.
3790	Parks and Recreation	Off Highway Vehicle Related Proposals	2/10	Held Open for Future Action	Approve as budgeted
3790	Parks and Recreation	Local Assistance Related Proposals	2/10	Held Open for Future Action	Approve as budgeted
3790	Parks and Recreation	Capital Outlay	2/10	Held Open for Future Action	Approve as budgeted
3790	Parks and Recreation	Empire Mine State Historic Park – Ongoing Remediation	2/2	Approved as budgeted	Approved as budgeted

3790	Parks and Recreation	Vehicle Fleet Emissions Retrofit	2/2	Deny without Prejudice	Deny without Prejudice
3790	Parks and Recreation	Proposition 12 Related Proposal	2/2	Approved as budgeted	Approved as budgeted
3790	Parks and Recreation	Reappropriations	2/2	Approved as budgeted with various local extensions	Conform with Senate, Add appropriation anew for SF and Reappropriation for Fresno
3790	Parks and Recreation	Increase Public Resources Account	2/2	Approved as budgeted	Approve as budgeted
3790	Parks and Recreation	Local Assistance	2/2	Approved as budgeted with exception to OHV proposal	Approve as budgeted
3790	Parks and Recreation	Capital Outlay	2/10	Deny without Prejudice	Approve as budgeted
3860	Dep. Of Water Resources	FloodSAFE	2/7	Approved as budgeted	Approve as budgeted
3860	Dep. Of Water Resources	Implementation of Biological Opinions	2/7	Deny without Prejudice	Deny without Prejudice
3860	Dep. Of Water Resources	Delta Habitat Conservation and Conveyance Program	2/7	Deny without Prejudice	Conform to Senate and reject permanent Pys but extend limited term PYS.
3860	Dep. Of Water Resources	Mercury and Methylmercury Monitoring and Control Studies	2/7	Deny without Prejudice	Deny without Prejudice
3860	Dep. Of Water Resources	Groundwater Monitoring Program	2/7	Approved as Budgeted	Approve as Budgeted
3860	Dep. Of Water Resources	Infrastructure Rehabilitation Program	2/7	Approved as Budgeted	Approve as Budgeted
3860	Dep. Of Water Resources	California/Nevada Water Allocation of the Truckee River	2/7	Approved as Budgeted	Approve as Budgeted
3860	Dep. Of Water Resources	Critical Support for the California State Water Project	2/7	Deny without Prejudice	Deny without Prejudice
3860	Dep. Of Water Resources	Drinking Water Quality Program –Pilot Projects	2/7	Approved as Budgeted	Approve as Budgeted
3860	Dep. Of Water Resources	Capital Outlay Projects	2/7	Approved as Budgeted	Approve as Budgeted
3900	Air Resources Board	Continuing Program Implementation for Proposition 1B	1/26	Deny without Prejudice	Conform to the Senate and approve as budgeted except deny extension of liquidation period.

3930	Dep. Pesticide Regulation	Enhancement of the California Department of Food and Agriculture Analytical Chemistry Services	2/7	Approved as budgeted	
3940	State Water Board	Pacific Lumber Company Litigation Defense	1/26	Deny without Prejudice	Conform to Senate and approve as budgeted
3940	State Water Board	Department of Defense – Edwards Air Force Base	1/26	Approve as budgeted	Approve as budgeted
3940	State Water Board	Continuing Program Implementation of Propositions 13,50, and 84	1/26	Approve as budgeted	Approve as budgeted
3940	State Water Board	National Pollutant Discharge Elimination System Wastewater Program Fund Change	1/26	Approved as budgeted	Approve as budgeted
3940	State Water Board	Irrigated Land Regulatory Program Fund Shift	1/26	Approved as budgeted	Approve as budgeted
3940	State Water Board	Water Rights Program Fund Shift	1/26	Approved as budgeted	Conform to Senate and approve as budgeted
3940	State Water Board	Basin Planning Fund Shift	1/26	Approved as budgeted	Approve as budgeted
3940	State Water Board	Underground Storage Tank Clean Up Fund	1/26	Approved as budgeted	Conform with Senate and deny without Prejudice
3960	Dep. Toxic Substances Control	Land Transfer at Santa Susana Field Laboratory to the State	1/26	Approve as budgeted with BBL	Approve as budgeted with BBL
3960	Dep. Toxic Substances Control	State Certified unified Program Agency Reimbursements	1/26	Approve as budgeted	Approve as budgeted
3960	Dep. Toxic Substances Control	Capital Outlay – Stringfellow New Pre-Treatment Plant	1/26	Approve as budgeted	Approve as budgeted
3980	OEHHA	Proposition 65 Fund Shift	1/26	Deny proposal	Deny proposal
8570	Dep. of Food and Agriculture	Eliminate GF support for Fairs - \$30 million	2/10	Held Open for Future Action	Approve as budgeted
8570	Dep. of Food and Agriculture	Various Pest Related Proposals	2/10	Approved as budgeted except eliminate GF from LBAM program	Approve as budgeted except eliminate \$1.65 M GF from LBAM program and score savings in CDFA \$15 M reductions. Adopt Senate BBL
8570	Food and Agriculture	\$15 M General Fund Budget Reduction for the Department	10-Feb	Approve as budgeted	Approve as budgeted

8660	Public Utilities Commission	California Advanced Services Fund Extension/Expansion	2/7	Approved as budgeted	Approve as budgeted
8660	Public Utilities Commission	State Broadband Data and Development Grant Program	2/7	Approved as budgeted	Approve as budgeted
8660	Public Utilities Commission	Diablo Canyon Seismic Study Peer Review Panel	2/7	Deny, have PUC return with a new proposal in spring.	Deny, have PUC return with a new proposal in spring.
8660	Public Utilities Commission	Natural Gas Distribution Safety Program	2/7	Approved as budgeted	Approved as budgeted
8660	Public Utilities Commission	Modernization of the Electric Grid (Advance Energy Storage)	2/7	Deny without Prejudice	Deny without Prejudice
8660	Public Utilities Commission	Foundation Issue	2/7	Did not hear	Approve place holder reporting TBL
Multiple	MVA Transfer	MVA Transfer		Approved as budgeted	Conform to Senate and make additional technical changes to proposal

* subject to reconciliation.

Subcommittee Report

Subcommittee #4, on State Administration and Information Technology

Joan Buchanan, Chair

STATE ADMINISTRATION

Employment Development Department:

- **Unemployment Insurance Federal Interest Loan Payment.** Approves the transfer of \$362.3 million from the Unemployment Compensation Disability Fund to the General Fund to make interest payments on a federal loan.
- **Federal Extended Unemployment Benefits.** Approves statutory changes for the "Three Year Look Back," which allows California to remain eligible for FedEd extended unemployment benefits.

State Controller's Office.

- **21st Century Project.** Continues funding for this vital project that will result in a single unified payroll and leave system for all state employees.
- **Audit Activities.** Commits funding for additional audits that are necessary for federal purposes or will result in the generation of additional revenue to the state.

Board of Equalization.

- **Tax Compliance Activities.** Makes permanent one of the department's successful tax compliance activities that ensures that all retailers are registered with the state and collect and remit the sales tax. The program will generate additional annual revenues of about \$70 million.

Franchise Tax Board.

- **Tax Compliance Activities.** Approves permanent funding for additional audit activities associated with workload growth, resulting in additional revenues of \$13 million annually.
- **Financial Institutions Records Match.** Approves the Financial Institutions Records Match, a tax compliance activity, that matches the records of taxpayers with overdue tax liabilities with financial resources at financial institutions. It will generate revenues of \$30 million annually.
- **Voluntary Compliance Initiative.** Approves a limited amnesty for taxpayers who participated in abusive tax shelters or sheltered income in off-shore accounts. This policy will result in accelerated revenues of \$270 million.

Housing and Community Development.

- **Housing Bond Pause.** Adopts Governor's spring bond pause, but allows HCD to resume issuing housing bonds for new loans and grants in the Fall.

Secretary of Business, Transportation and Housing.

- **Small Business Loan Guarantee Expansion.** Adopts an increase of \$84.4 million in federal funds to the Small Business Loan Guarantee Program and reverts \$20 million in General Fund, appropriated in the 2010-11 Budget. Additionally, a \$1 million in General Fund savings is adopted by converting the program administration to 50-percent General Fund and Trust Fund interest, and 50-percent federal funds. Lastly, budget language is approved to allow the transfer of \$20 million General Fund to the Trust Fund, if loan defaults reduce the Trust Fund balance or funds that are necessary to maintain a 5:1 reserve ratio for outstanding loans.

California Science Center.

- **Unallocated Reduction.** Cuts the California Science Center by \$1.7 million in an unallocated reduction and approves other provisions and language adopted by the Senate.

California Department of Veteran Affairs.

- **County Veteran Service Offices.** Achieves \$7.3 million General Fund in savings, but adopts the Governor's February proposal, which funds County Veteran Service Offices (CVSO's) at their historical \$2.6 million General Fund level to conform to the Senate.

Sale-Leaseback of State Buildings.

- **Rescind Sale-Leaseback.** Adopts the Governor's plan to substitute \$1.2 billion in internal borrowing and other solutions in lieu of Governor Schwarzenegger's plan to sell state buildings.

State Operational Savings.

- **Contracting Out Savings.** Increases the Governor's state operations savings by \$100 million to \$300 million total, to reflect additional savings from the review of contracting-out of state services.

Tracking Chart of Subcommittee Issues*					
Org #	Department	Issue	Date	Sub Action	Committee Recommendation
0840	State Controller's Office	21 st Century Project	1/24	Approved as Budgeted	Accept Sub 4 Action
0840	State Controller's Office	Women, Infants and Children	1/31	Approved as Budgeted	Accept Sub 4 Action
0840	State Controller's Office	Unclaimed Property Accounting Workload	1/31	Approved as Budgeted	Accept Sub 4 Action
0840	State Controller's Office	Unclaimed Property Legal Costs	2/10	Approved as Budgeted	Accept Sub 4 Action
0840	State Controller's Office	Electronic Claim Audits	1/31	Approved as Budgeted	Accept Sub 4 Action
0840	State Controller's Office	Federal Oil and Gas Audits	1/31	Approved as Budgeted	Accept Sub 4 Action
0840	State Controller's Office	California Automated Travel Expense Reimbursement System	1/31	Approved as Budgeted	Accept Sub 4 Action
0840	State Controller's Office	Airport Customer Facility Fee Audits	1/31	Approved as Budgeted	Accept Sub 4 Action
2150	Department of Financial Institutions	Problem Licensees:	1/31	Approved Conversion of 4 Limited-Term Financial Examiners to Permanent. Approved 3 Consumer Services Positions as Limited-Term and Contract Funding.	Accept Sub 4 Action
0968	California Tax Credit Allocation Committee	Compliance Monitoring Staff for HUD Tenant Reporting and ARRA Asset Management	1/31	Approved as Budgeted	Accept Sub 4 Action
0971	California Alternative Energy and Advanced Transportation Financing Authority	Implementation of California Energy Commission Programs	1/31	Denied Without Prejudice	Accept Sub 4 Action
0860	Board of Equalization	Permanent Establishment of the Statewide	2/1	Approved as Permanent Positions	Accept Sub 4 Action

		Compliance and Outreach Program			
0860	Board of Equalization	Headquarters Building Rent Increase	2/1	Denied Without Prejudice	Accept Sub 4 Action
0860	Board of Equalization	Dell Computers Settlement	2/1	Denied Without Prejudice	Accept Sub 4 Action
0860	Board of Equalization	Look-Up Table for Use Tax Line on Income Tax Return	2/1	Held Open	Approve Additional Compliance-Related Tax Collection of \$10 million (\$6.5m GF) and Adopt Placeholder Trailer Bill Language Establishing Look-Up Table
8885	Commission on State Mandates	Suspension of Election Mandates	2/1	Held Open	Adopt Administration's Proposal
8885	Commission on State Mandates	Suspension of Open Meeting Act Reform	2/1	Held Open	Reject Administration's Proposal and Maintain Open Meetings Act
9620	Cash Management and Budgetary Loans	Payment Deferrals to Certain Entities	2/1	Approved and Adopted Trailer Bill Language	Accept Sub 4 Action
9620	Cash Management and Budgetary Loans	Reclassifying Certain Loans as Borrowable Resources	2/1	Approved and Adopted Trailer Bill Language	Accept Sub 4 Action
9620	Cash Management and Budgetary Loans	Payment of Interest on Special Fund Loans	2/1	Approved and Adopted Trailer Bill Language	Accept Sub 4 Action
9100	Tax Relief	Williamson Act Funding	2/1	Rejected Administration's Trailer Bill Language and Reinstated \$10 million in Current Year Funding.	AAB
1730	Franchise Tax Board	Mainframe Replacement for Workload Growth	2/1	Approved with Financing Over 3-Year Period.	Accept Sub 4 Action
1730	Franchise Tax Board	Audit Workload Growth	2/1	Approved as Budgeted	Accept Sub 4 Action
1730	Franchise Tax Board	Financial Institutions Records Match	2/1	Approved as Budgeted	Accept Sub 4 Action
1730	Franchise Tax Board	Voluntary Compliance Initiative II	2/1	Approved as Budgeted	Accept Sub 4 Action
0855	Gambling Control	Gambling Control	2/10	Rejected Proposal	Accept Sub Action

	Commission	Licenses			
0855	Gambling Control Commission	Remote Caller Bingo	2/10	Denied Without Prejudice	Accept Sub Action
0855	Gambling Control Commission	Special Distribution Fund Grants	2/10	Approved Budget Bill Language	Accept Sub Action
8855	Bureau of State Audits	Budget Increase	2/10	Approved as Budgeted	Accept Sub Action
CS 3.90	Employee Compensation	Employee Compensation Reductions in Health Care Coverage	2/3	Held Open	Adopt Administration's Revised Proposal to Achieve Cost Savings of \$80 million in 2011-12 and Similar Ongoing Savings in Subsequent Years from Instituting a Core Health Plan or Other Measures
Local Government	Local Finance—Redevelopment Agencies	Elimination of Existing Redevelopment Agencies and Establishment of New Mechanism	2/7	Held Open	Adopt \$1.7 billion Budget Solution and Placeholder Trailer Bill Language to Achieve the Savings, Which may Include RDA Reform in Lieu of Elimination
Revenues	Revenues—Enterprise Zones	Eliminate Enterprise Zones	2/7	Held Open	Adopt Administration's Proposal and Budget Solution of \$924 million (\$343 million CY and \$581 million BY) and Trailer Bill Language to Achieve Savings
Revenues	Revenues—Corporation Tax	Mandatory Single Sales Factor and Market Sourcing of Sales	2/1	Approved and Adopted Trailer Bill Language	Accept Sub 4 Action and \$1.4 billion Budget Solution (\$468 million CY and \$942 million BY) and Trailer Bill Language to Achieve Savings.
Revenues	Revenue—Temporary Taxes	Extend Temporary Tax Changes in Personal Income Tax Rates, Dependent Credit Exemption, Vehicle License Fee and Sales and Use Tax	NA	Not Heard	Adopt Administration's Revenue Proposal and Budget Solution Generating \$11.2 billion in Revenues for General Fund and Realignment Purposes (\$1.9 billion CY and \$9.3 billion BY).
Various	Sale-Leaseback	February 15,	NA	Not Heard	Adopt DOF Letter.

		2011 DOF letter to Replace Sale-Leaseback proposal with other solutions			
520	Business, Transportation and Housing	Small Business Loan Guarantee Expansion and AB 1602) Workload Adjustment	2/10	Held Open	Approve budget savings of approximately \$21 million GF by conforming to the Senate: <ul style="list-style-type: none"> • Adopt the Governor's proposal to revert \$20 million to the General Fund • Adopt TBL to direct that new loan guarantees use federal funds first • Approve 0.5 new staff instead of 1.5 new staff • Convert program administration funding to 50-percent General Fund and trust fund interest, and 50-percent federal funds • Adopt budget bill language that would allow the Director of Finance to transfer up to \$20 million from the GF to the Trust Fund, if loan defaults reduce the trust fund balance, and to the extent additional funds are necessary to maintain a 5:1 reserve ratio for outstanding loans
845	Insurance	Paperless Workflow System Project	1/31	AAB (consent)	Accept Sub Action
845	Insurance	Health Insurance Premium Rate (SB 1163)	1/31	AAB, except ongoing position as two-year limited term.	Accept Sub Action

		Workload Adjustment			
845	Insurance	Health Care Coverage (AB 2470) Workload Adjustment	1/31	AAB	Accept Sub Action
845	Insurance	Health Benefit Exchange (SB 900)	1/31	AAB	Accept Sub Action
845	Insurance	Department Workload Resource	1/31	AAB	Accept Sub Action
890	Secretary of State	Help America Vote Act" Amending Spending Plan	1/31	AAB	Accept Sub Action
890	Secretary of State	HAVA VoteCal	1/31	AAB	Accept Sub Action
1100	California Science Center	\$3.7m unallocated reduction	2/10	Held Open	Conform to the Senate.
1110	Consumer Affairs	Board of Accountancy: Enforcement Division Staffing Augmentation	1/31	AAB	Accept Sub Action
1110	Consumer Affairs	Board of Accountancy: Peer Review Program	1/31	Approve position as 2-year limited term	Accept Sub Action
1110	Consumer Affairs	Physician Assistant Committee: Increase Reimbursement Authority	1/31	AAB (consent)	Accept Sub Action
1110	Consumer Affairs	Board of Optometry: Service Manager	1/31	AAB	Accept Sub Action

		Position			
1110	Consumer Affairs	Accountancy Fund and State Dentistry Fund Loan Repayment Delay	2/10	Approve delay	Accept Sub Action
1111	Consumer Affairs, Bureaus, Programs, and Divisions	Bureau of Automotive Repair: AB 787 Vehicle Retirement and Repair	1/31	AAB	Accept Sub Action
1111	Consumer Affairs, Bureaus, Programs, and Divisions	BreEZe funding realignment	1/31	AAB	Accept Sub Action
1111	Consumer Affairs, Bureaus, Programs, and Divisions	Baseline Funding Reduction	1/31	AAB (consent)	Accept Sub Action
2240	Housing and Community Development	Community Development Block Grant Reduction	1/31	Deny without Prejudice	Accept Sub Action
2240	Housing and Community Development	Spring Bond Sale Pause and Budget Bill Language	1/31	Adopt placeholder replacement language to authorize HCD to award housing bonds in the Spring	Accept Sub Action
2320	Real Estate	SB 36 Mortgage Loan Originator Licensure (SAFE Act)	1/31	Deny without Prejudice	Accept Sub Action
8955	Veterans Affairs	Yountville Steam distribution System Renovation	2/10	AAB (consent)	Accept Sub Action
8955	Veterans Affairs	Yountville Chilled Water Distribution	2/10	AAB (consent)	Accept Sub Action

		System Renovation			
8955	Veterans Affairs	Yountville Cemetery Renovation	2/10	AAB (consent)	Accept Sub Action
8955	Veterans Affairs	Elimination of CVSO funding	2/10	Held Open	Conforms to Senate.
8955	Veterans Affairs	Veterans Home s of California Budget Increase	2/10	AAB	Accept Sub Action
7100	Employment Development Department	BCP: Automated Collection Enhancement System	2/3	Approved.	Accept Sub Action
7100	Employment Development Department	BCP: Disability Insurance Automation Project	2/3	Approved.	Accept Sub Action
7100	Employment Development Department	BCP: Unemployment Insurance Loan Interest	2/3	Approved.	Accept Sub Action
7100	Employment Development Department	TBL: Federal Extended Unemployment Benefits, Statutory Changes for "Three Year Look Back"	2/3	Approved.	Accept Sub Action
7100	Employment Development Department	Workforce Investment Act Adjustments	2/3	Approved adjustments but denied without prejudice approval and authorization of the WIA 15% funds proposed expenditures until the Spring Process.	Accept Sub Action
7100	Employment Development Department	The Governor proposes to fund federal Workforce investment Act expenditures payable through the Consolidated		Not Heard.	Approve TBL to re-establish the Consolidated Work Program Fund in statute.

		Work Program Fund.			
7350	Department of Industrial Relations	BCP: Two Year Extension of One Limited Term Position	2/3	Approved.	Accept Sub Action
1760/ 1700	Department of General Services/ Department of Fair Employment and Housing	Transfer of DFEH IT staff to DGS	2/10	Conform to Senate: AAB, but limit chargeback to DFEH for two years.	Accept Sub Action
8860	Department of Finance	California Recover Task Force	2/10	Conform to Senate: Reduce proposal by \$393,000 (\$224,00 General Fund) and two positions	Accept Sub Action
1760	Department of General Services	DGS Rental Rates	2/10	Adopt Placeholder Trailer Bill	Accept Sub Action
0502	California Technology Agency	Budget Change Proposals (1,2,3,4, and 8)	1/24	AAB	Accept Sub Action
0502	California Technology Agency	CTA Oversight Positions	1/24	Hold Open	Deny without prejudice
8880	Fi\$Cal	Fi\$Cal	1/24	Hold Open	Deny without prejudice
Various	State operations savings	\$200 million of State Operations Savings	NA	Not Heard	Increase savings by \$100 million to \$300 million and adopt placeholder TBL to review contracting out.

* subject to reconciliation.

Subcommittee Report
Subcommittee #5, on Public Safety
Gilbert Cedillo, Chair

PUBLIC SAFETY**Courts Major Issues:**

- **Trial Court Funding.** Reduces funding for trial courts by \$176.8 million (\$23.2 million will be reduced from State Operations). This reduction will be implemented in a way that avoids court closures and minimizes the impact on court operations.
- **Court Case Management System.** Requires the Administrative Office of the Courts to have an independent audit of the Court Case Management System performed as recommended by the State Auditor.

Correction's Major Issues:

- **Local Jurisdiction for Low Level Offenders.** Achieves \$485.8 million in state savings by implementing a change in mission for the state's prison system, which includes local jurisdiction for low level offenders and by offsetting requests for additional correction's funding to avoid a \$150 million unallocated cut to correctional programs.
- **Local Jurisdiction for Juvenile Offenders.** Achieves \$78 million in state savings by realigning responsibility for the state's juvenile offenders to local jurisdictions.

Tracking Chart of Subcommittee Issues*					
Org #	Department	Issue	Date	Sub Action	Committee Recommendation
0250	Judiciary	Court Facilities Trust Fund Adjustment	2/10	AAB	Accept Sub Action
0250	Judiciary	Civil Representation BBL	2/10	AAB	Accept Sub Action
0250	Judiciary	Court Appointed Counsel BBL	2/10	Denied Without Prejudice	Accept Sub Action
0250	Judiciary	Cap Outlay Requests	2/10	Denied Without Prejudice	AAB
0250	Judiciary	Unallocated Reduction	2/10	No Action	Approve Reduction, 1) Allocate \$23.2 million to State Ops and \$176.8 million to Trial Courts, 2) Adopt language requiring that the \$38.7 million General Fund transfer to the Modernization Fund be used to offset the reduction to the Trial Courts, 4) Adopt language providing the authority to use Special Fund balances to offset the reduction to the Trail Courts
0250	Judiciary	Court Case Management System (CCMS)	2/15	No Action	Adopt language directing the AOC to do an independent analysis of CCMS
0250	Judiciary	Public Contract Code	2/15	No Action	Adopt language that requires the AOC to comply with the Public Contract code for all of its contracts
0552	Office of Inspector General	Peace Officer Status	NA	No Action	Conform to Senate Action to restructure OIG, reducing the number of personnel with peace officer status
0690	Emergency Management Agency	Justice Assistance Grants	2/10	AAB	Accept Sub Action
0690	Emergency Management Agency	John R. Justice	2/10	AAB	Accept Sub Action
0820	Department of	Billable Hours	2/2	Approve with \$5.5 million	Accept Sub Action

	Justice			reduction and BBL	
1870	Victims Comp and Government Claims Board	Prevent Insolvency of Restitution Fund	2/2	AAB	Accept Sub Action
2720	Highway Patrol	Computer Aided Dispatch Replacement	2/10	AAB	Accept Sub Action
2720	Highway Patrol	Enhanced Radio System	2/10	AAB	Accept Sub Action
2720	Highway Patrol	Capital Outlay Projects	2/10	AAB	Accept Sub Action
5225	CDCR	Armstrong Effective Communications	1/26	Denied Without Prejudice	Accept Sub Action
5225	CDCR	AB 1844 Implementation (Chelsea King)	1/26	AAB	Accept Sub Action
5225	CDCR	Mental Health Crisis Beds, California Men's Colony	1/26	Denied Without Prejudice	AAB
5225	CDCR	Condemned Extended EOP	1/26	Denied Without Prejudice	Accept Sub Action
5225	CDCR	California Institute for Women, 45 Bed Licensed CTC	1/26	Denied Without Prejudice	Approve with reduction of \$1.3 million
5225	CDCR	Intermediate Care Facility, CMF Mental Health Beds	2/10	Approved less \$714,000	Accept Sub Action
5225	CDCR	Custody, Mental Health Collaboration Training	1/26	Denied Without Prejudice	AAB
5225	CDCR	NCRF Warm Shutdown	2/10	Approved less \$1.1 million	Accept Sub Action
5225	CDCR	Structural Shortfall	1/26	Denied Without Prejudice	Approve with reduction of \$250 million
5225	CDCR	Unallocated Program Reduction	2/2	No Action	Restore Program Funding with BBL
5225	CDCR	Academy OPOS Support	1/26	Denied Without Prejudice	Accept Sub Action
5225	CDCR	Ironwood HVAC	2/10	Approved with \$6.1 million AB 900 reversion	Accept Sub Action
5225	CDCR	Statewide Budget Packages	2/10	Approved with \$750,000 AB 900 reversion	Accept Sub Action
5225	CDCR	Minor Cap Outlay	2/10	Approved with \$1.2 million reversion	Accept Sub Action
5225	CDCR	Estrella Correctional	2/2	AAB	Accept Sub Action

		Facility			
5225	CDCR	California Health Care Facility	2/2	AAB	Accept Sub Action
5225	CDCR	Pre-Activation Licensure Support	2/2	Rejected Proposal	Accept Sub Action
5225	CDCR	Medication Management	2/2	Denied Without Prejudice	Accept Sub Action
5225	CDCR	SB 678 (Community Corrections Performance Incentive)	2/2	No Action	Reject without Prejudice -TBL only
8940	Military	Custodian for Dublin Readiness	2/10	AAB	Accept Sub Action
8940	Military	State Active Duty Increase	2/10	AAB	Accept Sub Action
8940	Military	Environmental Programs	2/10	AAB	Accept Sub Action
8940	Military	Civil Support Planning Positions	2/10	AAB	Accept Sub Action
8940	Military	CalEMA Homeland Security Training	2/10	AAB	Accept Sub Action
8940	Military	Quality Insurance Reps	2/10	AAB	Accept Sub Action
8940	Military	Oakland Military Institute	2/10	Reject Proposal	Accept Sub Action
8940	Military	Behavioral Health Outreach	2/10	Approved with Reporting Language	Accept Sub Action

* subject to reconciliation.