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# California State Senate

COMMITTEE  
ON  
BUDGET AND FISCAL REVIEW

ROOM 5019, STATE CAPITOL  
SACRAMENTO, CA 95814

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**Agenda**  
**January 29, 2008**  
**Room 4203**  
**10 a.m. or Upon adjournment of Session**

*Resources, General Government,  
Local Government, and Miscellaneous*

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## 3340 California Conservation Corps

Program Description	2007 Budget Act (where applicable)	Proposed Special Session Change (\$ in thousands)	Comments
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### 3340-001-0001 California Conservation Corps

#### Training and Work

#### Program/Administration.

The California Conservation Corps (CCC) offers a workforce development program for young men and women to serve their state and become employable citizens through life skills training and hard work in environmental conservation, fire protection, and emergency response services.

\$38,885

-\$1,200 CY  
-\$3,764 BY

The reduction would include:

- Reduce Corpsmember's (CM) work week from 40 hours to 36 hours (-\$2,023,000)
- Increase CM rent from \$300/month to \$325/month (\$165,000)
- Reduce GF funding to Local Corps by 50 percent (-\$337,000)
- Eliminate three non-residential satellites located in Sacramento, Los Angeles, and Arcata (-\$1,032,000 and 4 PY)
- Reduce headquarters expenses (-\$207,000 and 2 PY)

75 CM positions will be lost in 2008-09.

The department has not yet determined what specific areas the reductions will come from in 2007-08.

**3790 Department of Parks and Recreation**

Program Description	2007 Budget Act (where applicable)	Proposed Special Session Change (\$ in thousands)	Comments
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**3790-001-0001 Department of Parks and Recreation**

**Park Closures.**

The State Park System has 278 units, including beaches, trails, wildlife areas, open spaces, off-highway areas, and historic sites. The State Park System consists of approximately 1.5 million acres, including: over 300 miles of coastline; 970 miles of lake, reservoir, and river frontage; approximately 15,000 campsites and alternative camping facilities; and 4,000 miles of non-motorized trails.

\$156,213

-\$1,000 CY  
-\$13,322 BY

The reduction in 2007-08 would be distributed across the department's general operational support budget. No positions would be reduced in 2007-08.

This reduction would be expanded in 2008-09 to \$13.3 million, leading to a closure of 48 park units out of 278, and a reduction of 124 positions starting July 1, 2008.

The department takes reservations for campgrounds seven months in advance, and will have to refund the reservation funds if the parks are closed.

## Reductions in Various Resources Departments

Program Description	2007 Budget Act (where applicable)	Proposed Special Session Change (\$ in thousands)	Comments
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### 0540-001-0001 Secretary for Resources

**CALFED Bay-Delta Program.**

The CALFED program is a collaboration among 25 state and federal agencies to improve California's water supply and the ecological health of the San Francisco Bay/Sacramento-San Joaquin River Delta, known as the Bay-Delta System.

\$5,975

-\$87 CY  
-\$607 BY

In CY a lease cost would be shifted to Science Program Proposition 50 bond funds, providing the savings in current year.

Lease costs are considered administrative expenses. Proposition 50 allows up to 5 percent of the bond to be spent on administrative expenses related to the bond program.

## Reductions in Various Resources Departments

Program Description	2007 Budget Act (where applicable)	Proposed Special Session Change (\$ in thousands)	Comments
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### 0555-001-0001 Secretary for Environmental Protection

**Support Reduction.**

The Secretary for Environmental Protection has one program designated for support activities.

\$2,089

-\$100 CY

-\$209 BY

The proposal would reduce funding to the Children's Health Center in 2007-08 for various support activities, such as general expenses, contracts, and workshops.

The 2008-09 reduction would be evenly distributed to the 13 counties eligible for the Certified Unified Program (CUPAs), in addition to the Children's Health Center reduction.

## Reductions in Various Resources Departments

Program Description	2007 Budget Act (where applicable)	Proposed Special Session Change (\$ in thousands)	Comments
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### 3600-001-0001 Department of Fish and Game

#### **Biodiversity Conservation.**

The Biodiversity Conservation program encourages the preservation, conservation, maintenance, and restoration of wildlife resources under the jurisdiction and influence of the state. Activities include the conservation, protection and management of fish, wildlife, native plant, and habitat to ensure maintenance of biologically sustainable populations of species.

\$39,122

-\$1,400 CY  
-\$3,580 BY

The 2007-08 reduction would be in fisheries restoration grants only. The fisheries restoration grants would receive \$10.4 million after the reduction (\$2.6 million GF and \$7.8 million federal funds).

The department provides fisheries restoration grants in a competitive process, but traditionally the North Coast has received a large portion of the available funding.

There is no associated reduction in positions in 2007-08. The fisheries restoration grants program currently has 4 PYs.

In 2008-09 there would be a 20.9 PY reduction from various biodiversity conservation functions.



## Reductions in Various Resources Departments

Program Description	2007 Budget Act (where applicable)	Proposed Special Session Change (\$ in thousands)	Comments
<p><b>Hunting, Fishing and Public Use.</b> The Hunting, Fishing, and Public Use program conserves and manages game species.</p>	\$12,844	-\$165 CY -\$1,189 BY	In CY this reduction would eliminate contract funds for the white seabass field sampling. According to the department, the white seabass population is relatively healthy and the department will focus on critical species.
<p><b>Administration.</b> The Administration program performs administrative support functions department wide.</p>	\$9,868	-\$152 CY -\$964 BY	In CY this reduction would reduce application development and database maintenance for the Lands Branch and the Wildlife Branch. The reduction would delay implementation of an updated database to track department lands, conservation easements, mitigation banks, wetlands, wildlife areas, and leases.
<p><b>3860-001-0001 Department of Water Resources</b></p>			
<p><b>Flood Management Program.</b> The Flood Management Program protects life and property from damage by floods.</p>	\$45,245	-\$200 CY -\$5,373 BY	In CY the reduction would come out of staff salaries, but there would be no PY reduction.

## Reductions in Various Resources Departments

Program Description	2007 Budget Act (where applicable)	Proposed Special Session Change (\$ in thousands)	Comments
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### 3900-001-0001 Air Resources Board

#### Stationary Source Program.

The Air Resources Board (ARB) sets and enforces emission standards for motor vehicles, fuels and consumer products; sets health-based air quality standards; conducts research; monitors air quality; identifies and sets control measures for toxic air contaminants.

\$2,377

-\$100 CY  
-\$243 BY

This reduction would impact the ARB's contracts to conduct air pollution research. Specifically, the reduction would impact research for air pollution reduction technologies applicable to non-vehicular and non-greenhouse gas sources. No positions would be reduced.

### 3960-001-0001 Department of Toxic Substances Control

#### Administration.

General Fund supported administration is in Site Mitigation and Brownfields Reuse and Science, Pollution Prevention and Technology programs.

\$959

-\$50 CY  
-\$96 BY

Reduction would impact travel and facilities.

## Reductions in Various Resources Departments

Program Description	2007 Budget Act (where applicable)	Proposed Special Session Change (\$ in thousands)	Comments
<p><b>Emergency Response and Illegal Drug Lab Removal.</b> The Site Mitigation and Brownfields Reuse program conducts illegal drug lab cleanups and emergency removals of off-highway spills, removal and remedial actions at the Stringfellow Hazardous Waste Site, and emergency operations at the BKK Hazardous Waste Landfill.</p> <p>Illegal drug lab removal includes removal of gross contaminants and development of cleanup guidelines. The landowners and local governments are currently responsible for site cleanup.</p>	<p>\$23,375</p>	<p>-\$1,250 CY -\$2,498 BY</p>	<p>The program reductions will impact the illegal drug lab removal and off-highway spills cleanup.</p> <p>Since 2004, the number of illegal drug labs requiring removal has decreased from about 800 annually to 348 in 2006-07. This is because methamphetamine labs are moving to Nevada and Mexico.</p> <p>No positions would be eliminated in either 2007-08 or 2008-09.</p>

## Reductions in Various Resources Departments

Program Description	2007 Budget Act (where applicable)	Proposed Special Session Change (\$ in thousands)	Comments
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### 3980-001-0001 Office of Environmental Health Hazard Assessment

**Health Risk Assessment.**

This program identifies chemicals with the potential to cause adverse health effects, qualifies risks and recommends health-based goals and standards, develops scientific policies and guidelines for hazard identification and risk assessment, and provides medical, scientific, and public health support, consultation, and training to state regulators, local government agencies, and the public. Particular attention is paid to protecting the health of infants and children.

\$9,290

-\$100 CY  
-\$956 BY

This reduction would be from consultant and professional service contracts for biomonitoring and pesticide risk assessment programs.

There would be no PY reduction in 2007-08, but 4.5 PY would be eliminated in 2008-09.

## Reductions in Various Resources Departments

Program Description	2007 Budget Act (where applicable)	Proposed Special Session Change (\$ in thousands)	Comments
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### 7300-001-0001 Agricultural Labor Relations Board

#### Board and General Counsel.

The Agricultural Labor Relations Board has two principal functions: 1) the conduct of secret ballot elections to determine whether employees wish to be represented by a labor organization and 2) the prevention of unfair labor practices.

\$5,126

-\$150 CY

-\$515 BY

Reduction would result in a delay of claims processing and litigation.

In 2007-08 staff would be reduced by 1.8 out of 23 PY for General Counsel Administration. An additional 3.7 PY would be reduced in 2008-09.

### 8570-001-0001 Department of Food and Agriculture

#### Reduction of Weighing and Measuring Activities.

The Division of Measurement Standards (DMS) activities ensure the accuracy of commercial weighing and measuring devices; verify the quantity of both bulk and packaged commodities; and enforce the quality and labeling standards for most petroleum products.

\$2,326

-\$237 CY

-\$222 BY

The reduction would impact oversight, training, and coordination of County Weights and Measures officials, as well as reduce testing of commercial weighing and measuring devices. No positions would be reduced.

The department states that the current commercial weighing and measuring device testing backlog averages 8-10 weeks.

## Reductions in Various Resources Departments

Program Description	2007 Budget Act (where applicable)	Proposed Special Session Change (\$ in thousands)	Comments
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**General Agricultural Activities.**

The General Agricultural Activities program serves as the central point of contact for logistical coordination of all departmental resources and facilitates industry and agency coordination on environmental issues affecting agriculture.

\$14,637

-\$263 CY  
-\$1,475 BY

The reduction would impact the Policy, Planning and Development program. The reduction in 2007-08 specifically would reduce the Agricultural Security and Emergency Response (ASER) program.

**0845 Department of Insurance**

Program Description	2007 Budget Act (where applicable)	Proposed Special Session Change (\$ in thousands)	Comments
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**Assessment on All Insurers Issuing Commercial and Residential Multiperil Policies.**

The Governor has proposed trailer bill language (TBL) to create a Firefighting Safety Account within the Insurance Fund and to require the Department of Insurance (CDI) to impose on insurers an annual assessment of 1.25 percent of the premium for each commercial and residential multiperil insurance policy.

N/A Urgency TBL

On a premium base of approximately \$10.5 billion, the proposed assessment would generate approximately \$105 million in 08-09, and an estimated \$125 million annually thereafter, to the Firefighting Safety Account. Under the Governor’s budget year proposals, these dollars would fund the following:

- \$44.6 million for CALFIRE to supplant baseline GF for 11 Conservation Camps, 20 single-engine stations, a helitack base, and \$3.8 million of contract county single engine station funding.
- \$33 million for CALFIRE to hire 387 PYs to add a 4<sup>th</sup> crewmember on fire engines during peak and transition fire season, purchase 11 replacement helicopters, and add GPS to fire engines.
- \$9.2 million for the Military Department to hire 43.0 new aviation response staff and to purchase aerial firefighting equipment.
- \$1.9 million for the Office of Emergency Services (OES) to supplant baseline GF supporting the Mutual Aid Response Program.
- Approximately \$10 million for additional fire engines and firefighters for the OES.

**0650 Governor's Office of Planning and Research**

Program Description	2007 Budget Act (where applicable)	Proposed Special Session Change (\$ in thousands)	Comments
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**0650-001-0001 Governor's Office of Planning and Research**

**California Volunteers.**

\$1,627

-\$42

This proposal would result in a budget year impact of -\$127,000.

This program administers the federal AmeriCorps and Citizen Corps programs in California, operates the California Volunteer Matching Network (CVMN), and guides policy development to support the nonprofit and service fields in California.

The OPR indicates this proposal would lower the amount of funding available to contract for marketing expertise to promote the CVMN, which works to increase volunteerism in California.



0650

**Governor's Office of Planning and Research**

<b>Program Description</b>	<b>2007 Budget Act</b> (where applicable)	<b>Proposed Special Session Change</b> (\$ in thousands)	<b>Comments</b>
<p><b>State Planning and Policy Development.</b></p> <p>The Office of Planning and Research (OPR) assists the Governor and the Administration in planning, research, policy development, legislative analysis, and acts as a liaison with local government.</p>	<p>\$4,051 (including \$185 non- budget act)</p>	<p>-\$44</p>	<p>This proposal would result in a budget year impact of -\$431,000.</p> <p>The OPR indicates this reduction would slow operations in the State Clearinghouse Unit (SCH), which handles workload related to the California Environmental Quality Act (CEQA), and would affect the statewide outreach activities of the Small Business Advocate.</p> <p>The SCH staff currently operate at capacity, processing roughly 260 CEQA documents per week (many of which are time-sensitive due to statute) and fielding thousands of phone and e-mail questions a year. This proposal would necessarily reduce the resources available for CEQA-related activities. In planning for this reduction, the OPR would prioritize meeting its statutory obligations, but anticipates that other services (e.g. providing CEQA-related training, outreach and technical assistance) would be reduced.</p>

**1760 Department of General Services**

Program Description	2007 Budget Act (where applicable)	Proposed Special Session Change (\$ in thousands)	Comments
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**1760-001-0001 Department of General Services**

**Capitol Maintenance and Repair.**

This program was established to support ongoing funding for the State Capitol maintenance and repairs including the development of an infrastructure study and the Capitol Park Master Plan.

\$11,790

-\$1,179

This proposal would result in a budget year impact of -\$794,000, and would delay overall maintenance and repair projects at the Capitol. Lower priority projects would be deferred until future years.

**2240 Department of Housing and Community Development**

Program Description	2007 Budget Act (where applicable)	Proposed Special Session Change (\$ in thousands)	Comments
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**2240-001-0001 Department of Housing and Community Development**

**Office of Migrant Services.**

\$6,891

-\$343  
(partial year effect in 2008-09)

-\$916  
(full-year effect in 2009-10)

The Office of Migrant Services (OMS) provides safe, decent and affordable seasonal rental housing and support services for migrant farmworker families during the peak harvest season. The General Fund provides two-thirds of the funding for this program, with tenant rents providing the remaining one-third.

This proposal would result in closure of 4 to 6 of the 25 migrant centers. Although only partial savings would be realized in budget year and full-year savings not until 2009-10, the issue needs attention in special session because the Administration plans to begin the closure process in 2007-08 via administrative action.

The Administration indicates that it would explore interest at the local level in taking over some or all of the closed centers from the state and continuing their operation. However, barring this, the centers would be mothballed or demolished. Staff notes that, if the administration fails to find a suitable successor to run the centers, this proposal could result in a net cost to the state by displacing approximately 300 farmworkers and their families.

2240

Department of Housing and Community Development

Program Description	2007 Budget Act (where applicable)	Proposed Special Session Change (\$ in thousands)	Comments
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**State Housing Element.**

\$1,409

-\$100

This program provides for review and approval of local housing plans that are required of local government general plans. Additionally, some state housing bond programs require housing element compliance, or provide preference for compliance.

This proposal would result in a -\$163,000 reduction in budget year and elimination of 0.9 PYs.

Housing element law requires local governments to adopt land-use plans and regulatory schemes that provide opportunities for, and do not unduly constrain, housing development. The housing element must be updated and reviewed by the HCD at least once every five years, and provides the state with its only market-based tool for shaping an increase in the housing supply.

The HCD indicates the proposed reduction would delay housing elements reviews and could result in missing statutory review deadlines and could make locals applying for state housing bonds less competitive or ineligible if the department is unable to review and approve their housing plans. Staff notes that the Governor's Budget contains requests for 4.0 additional staff for this program.

**2240**

**Department of Housing and Community Development**

<b>Program Description</b>	<b>2007 Budget Act</b> (where applicable)	<b>Proposed Special Session Change</b> (\$ in thousands)	<b>Comments</b>
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**State Housing Law.**

\$519

-\$50

This program is responsible for the promulgation of revisions to the state's building codes for housing.

The HCD indicates the proposed current year savings would be realized through salary savings due to a vacant position. This proposal would additionally result in a -\$64,000 reduction in budget year.

The reduction would decrease the HCD's ability to monitor and then amend national building codes into CA codes. The program currently has 3.5 positions, and this proposal would result in a funding loss equivalent to 0.3 PYs.

2240

Department of Housing and Community Development

Program Description	2007 Budget Act (where applicable)	Proposed Special Session Change (\$ in thousands)	Comments
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**Enterprise Zones.**

\$582

-\$50

The Enterprise Zone (EZ) Program is the state's primary economic development program to retain and attract business. There are 42 economic development areas in California and the HCD is responsible for designating the EZs and auditing for program compliance.

The HCD indicates the proposed current year savings would be realized as salary savings due to a vacant position. This proposal would additionally result in a -\$59,000 reduction in budget year and elimination of 0.5 PYs.

EZs offer benefits, most significantly a tax credit for hiring hard-to-hire employees, to employers who locate or expand within economic development areas. The tax breaks provided through the EZ Program total approximately \$450 million annually and the HCD administers not only the zone designation process, but provides marketing and outreach to employers in EZs and oversees program compliance to ensure the zones award the tax credits properly.

The HCD indicates the proposed reduction would be taken in the area of marketing and outreach and would not directly threaten proper awarding of the tax credits.

**8940 Military Department**

Program Description	2007 Budget Act (where applicable)	Proposed Special Session Change (\$ in thousands)	Comments
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**8940-001-0001 Military Department**

**Air National Guard**

\$3,878

-\$100

The objective of this program is to maximize readiness of the California Air National Guard (CANG) to effectively engage in federal mobilizations or state emergencies. Program support plans include airlift, rescue, communications, and other specialized services

The federal government provides virtually all supplies, equipment, transportation, subsistence, and support services necessary for training, deployment, and commitment of the CANG, but requires a state match of approximately \$1 to every \$3-4 federal. The current year budget contains \$15.3 million in federal funds for the CANG, which would not be affected by this proposal; however, the budget year reduction of \$400,000 GF would result in a loss of \$400,000 federal funds.

While the current year savings is the result of vacancies or late hirings, the department indicates the budget year reduction would be taken in operating expenses and equipments and would directly affect the CANG infrastructure, increasing deterioration of facilities as well as safety and environmental risks.

**8940 Military Department**

Program Description	2007 Budget Act (where applicable)	Proposed Special Session Change (\$ in thousands)	Comments
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**Office of the Adjutant General.**

\$12,080

-\$700

This proposal would result in a budget year impact of -\$1,382,000 and -8.6 PYs.

This program governs the joint activities and performance of the Military Department in areas such as personnel and fiscal resources management, judicial affairs, internal controls, facility management, youth education, and information technology.

While the Military will recognize salary savings through vacant positions to achieve current year reductions, in budget year the department would eliminate 8.6 PYs including 3.0 positions in the Military Funeral Honors Program, reducing program capability by 60 to 75 funerals per month (or 720 to 900 per year).

In 2007-08, the Administration requested, and the Legislature approved, \$1.8 million GF and 23.0 positions to meet the need for approximately 1,000 military funeral honors per month. Although acknowledging this proposal would necessarily reduce the day-to-day capability of the program, the department still anticipates being able to meet peak workload, and its 1,000 funeral goal, using staff overtime.



**8940 Military Department**

<p><b>Program Description</b></p>	<p><b>2007 Budget Act</b> (where applicable)</p>	<p><b>Proposed Special Session Change</b> (\$ in thousands)</p>	<p><b>Comments</b></p>
<p><b>Military Support to Civil Authority.</b></p> <p>This program plans and prepares to support civil authority when called to state service by the Governor due to domestic emergency or natural disaster and to provide state, county, city, and other public agencies with the coordination necessary to insure a timely, organized response.</p>	<p>\$3,352</p>	<p>-\$100</p>	<p>This proposal would result in a budget year impact of -\$200,000 and -1.9 PYs, and would reduce operational and emergency response planning efforts, primarily for future missions (as opposed to current missions such as search and rescue, wildfire fighting, and flood and earthquake response).</p>
<p><b>Military Retirement.</b></p> <p>This program provides retirement benefits to persons who entered state active duty prior to October 1, 1961, and have served 20 or more years, at least 10 of which have been on state active duty, or have been separated for physical disability.</p>	<p>\$1,703</p>	<p>-\$100</p>	<p>This reduction would result in a budget year impact of -\$200,000. The department indicates the impact would be minimal because the retirees paid by this program are an exclusive to individuals who served prior to October 1, 1961. Therefore, the number is not growing and is in fact shrinking as retirees pass away (which is how the savings will be generated).</p>

**8940 Military Department**

Program Description	2007 Budget Act (where applicable)	Proposed Special Session Change (\$ in thousands)	Comments
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**California National Guard Youth Programs.**

\$7,000

-\$100

This reduction would result in a budget year impact of -\$1,200,000, including -\$500,000 in federal funds and -5.7 PYs.

The department operates five unique youth programs funded with both state and federal dollars and located throughout the state.

The proposed reductions would impact the following areas: (1) Headquarters of Youth Programs would lose 1 PY in management; (2) Oakland Military Institute would lose 1 PY dedicated to student supervision and training; (3) Grizzly Youth Academy would lose -\$212,000 in state funding, -\$318,000 in federal funding, and 1 PY, requiring it to serve 90-100 fewer students annually; (4) Challenge Support would lose -\$56,000 and 1 PY and face difficulty in reaching the graduation requirement of 200 students; and (5) Sunburst Youth Academy would lose -\$100,000 in state funding, -\$200,000 in federal funding, and 1 PY, requiring it to serve 80-90 fewer students annually.

**8950 Department of Veterans Affairs**

Program Description	2007 Budget Act (where applicable)	Proposed Special Session Change (\$ in thousands)	Comments
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**8950-001-0001 Department of Veterans Affairs**

**Care of Sick and Disabled Veterans**

The Veterans Homes provide continuum of care for residents including acute care, Skilled Nursing (SNF), Intermediate Care, Domicilliary (DOM), and Residential Care for the Elderly (RCFE).

\$101,422  
(aggregate total from across multiple items of appropriation)

-\$1,729  
-18.0 PYs

This proposal would result in an -\$18.7 million reduction and -115.0 PYs in budget year. The veterans homes would be impacted as follows:

- Yountville—Would limit the expansion of the Memory Care Unit to 40 beds (instead of 75) and maintain the SNF census at 180 (instead of 220 beds), resulting in a total decrease of 75 fewer veterans potentially served.
- Chula Vista—Would reduce the DOM and RCFE census and result in approximately 60 fewer veterans served (achieved by suspending new admissions beginning January 2008).
- Greater Los Angeles and Ventura County—Would postpone opening of the Adult Day Health Care until 2009-10.
- Redding and Fresno would delay staffing of their pre-activation teams until July 2009.

8950

Department of Veterans Affairs

Program Description	2007 Budget Act (where applicable)	Proposed Special Session Change (\$ in thousands)	Comments
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**Veterans Claims and Rights**

\$2,630 Initiate layoff  
worth  
-\$263

This program provides assistance to California's veterans and their families primarily through outreach and by providing veteran benefit claims initiation and development, representing claimants before government agencies, and providing information on benefits veterans have earned.

The fiscal impact of this proposal (-\$263,000) would not occur until budget year, but the reduction could require the department to initiate a layoff of -1.0 PY as early as January 2008.

According to the administration, this reduction would reduce the department's ability to provide services to veterans returning to California with severe injuries resulting from their service in a war zone. As a result of fewer veterans receiving outreach and benefit claims services, this proposal could additionally reduce the amount of federal dollars flowing into California in the form of veterans' benefits.

**8950 Department of Veterans Affairs**

Program Description	2007 Budget Act (where applicable)	Proposed Special Session Change (\$ in thousands)	Comments
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**Administrative Support**

\$2,214

-\$30  
-0.5 PY

This proposal would result in a budget year reduction of -\$149,000 and -2.5 PYs.

This program provides the Department's full range of programmatic and administrative support, including executive management, budgeting, accounting, personnel, legal, and business services.

In current year, the department indicates that it will not hire for the position in the Human Resources Division that supports in the recruitment and hiring of staff for the new veterans homes. This may have an impact on the timely hiring of staff to activate the new veteran homes.

In budget year, the department would take a reduction in the filing of un-reimbursed cost of care claims which could slow or reduce the monetary support provided to all Homes' Moral Welfare Recreation Funds.

**0690 Office of Emergency Services**

Program Description	2007 Budget Act (where applicable)	Proposed Special Session Change (\$ in thousands)	Comments
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**0690-001-0001 Office of Emergency Services**

**Mutual Aid Response Program.**

\$17,169

-\$326

The Administration’s \$326,000 reduction includes:

The Mutual Aid Response Program provides emergency response aid to jurisdictions whose resources are overextended in a disaster situation, and maintains operational readiness at all levels of government.

- \$200,000 reduction to the Warning Center/Information Technology/Telecommunications Branches.
- \$100,000 reduction to the Law Enforcement Branch.
- \$26,000 reduction to administration and program support.

The Administration proposes to reduce program funding by \$326,000.

According to OES, the department will continue to deliver services, per its mandate, and must pay for the costs it incurs. OES believes the majority of reductions can come from not filling positions, and the remainder from reductions to operating expenses and equipment (OE&E). The most likely areas impacted are communications equipment purchases and equipment management.

**0690 Office of Emergency Services**

<b>Program Description</b>	<b>2007 Budget Act</b> (where applicable)	<b>Proposed Special Session Change</b> (\$ in thousands)	<b>Comments</b>
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**Plans and Preparedness.**

\$6,513

- \$430

The Plans and Preparedness Program is responsible for developing and implementing emergency plans to ensure planning consistency at all levels of government. The Program also provides management courses in preparedness, mitigation, and technical training for radiological response and recovery.

According to OES, nearly two-thirds of the \$430,000 reduction can be absorbed by not filling vacant positions. Various disaster planning efforts could be reduced by insufficient staffing.

In addition, OES may be forced to raise tuition for its disaster management and first responder courses, which may deter local governments from enrolling staff.

0690

Office of Emergency Services

Program Description	2007 Budget Act (where applicable)	Proposed Special Session Change (\$ in thousands)	Comments
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**Disaster Assistance Program.**

\$149,935

-\$2,447

According to OES, the current year reduction could likely be absorbed by not filling vacant positions.

The Disaster Assistance Program provides aid to local agencies for repair and restoration of public real property in disaster stricken areas, and ensures that all public facilities are restored in order to provide necessary services to locals. This Program also administers the Natural Disaster Assistance Act and Federal Disaster Relief Act, which provide local agencies with financial assistance to recover from disasters.

Any outstanding amount would be absorbed by delaying the state's portion of payments of disaster claims to local governments in federally-declared disasters. While the state will continue to meet federal dollar match requirements, it will pay local governments their initial installments using 100 percent federal funds. Local governments will receive funds on the current schedule and amount, but the state will likely delay its share.



0690

Office of Emergency Services

Program Description	2007 Budget Act (where applicable)	Proposed Special Session Change (\$ in thousands)	Comments
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**Criminal Justice Projects.**

\$86,737

-\$3,048

The Criminal Justice Projects Program administers federal and state funding to support public and private agencies operating public safety and victim services programs throughout the state.

The Administration's \$3,048,000 reduction includes:

- \$412,000 reduction to state operating costs.
- \$145,000 reduction to victim service programs.
- \$2.5 million reduction to public safety programs.

Victim services reductions will impact myriad program areas, including domestic violence, homeless youth, and legal resources. Public safety program reductions will affect programs such as War on Methamphetamine, Vertical Prosecution Block Grants, Sexual Assault Felony Enforcement, and Rural Crime Prevention.

The impacted programs/agencies have already been awarded state grants (contingent on availability of funds), and cuts will occur to amounts that have not already been billed for reimbursement.

**0690 Office of Emergency Services**

<b>Program Description</b>	<b>2007 Budget Act</b> <small>(where applicable)</small>	<b>Proposed Special Session Change</b> <small>(\$ in thousands)</small>	<b>Comments</b>
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**State Terrorism Threat Assessment Center.**

The California Terrorism Threat Assessment Center operates a state-level intelligence database to assist local law enforcement in combating terrorist activities in California, and coordinates those efforts with federal law enforcement.

\$6,927

- \$231

The Administration's proposed reduction will diminish operations of the California Terrorism Threat Assessment Center, administered by the Department of Justice (DOJ).

The proposed reduction will not impact OES, because it affects pass-through funding to the DOJ.

**8140 Office of the State Public Defender**

Program Description	2007 Budget Act (where applicable)	Proposed Special Session Change (\$ in thousands)	Comments
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**8140 Office of the State Public Defender**

**Reduction in General Fund**

\$12,040

-\$405

**Support.** The Governor has proposed reducing the support budget for the Office of the State Public Defender by \$405,000 in the current year and \$1.2 million in the budget year. The budget year reduction represents a 10 percent reduction to the department's budget.

The Office of the State Public Defender represents defendants in post capital conviction appeals.

The Office indicates that the proposed cuts would eliminate 9.5 vacant positions, including 6.5 attorney positions. The proposed cuts would also reduce the Office's budget for operating expenses and equipment, which includes contracts with investigators and experts that support its defense efforts.

**8260 California Arts Council**

Program Description	2007 Budget Act (where applicable)	Proposed Special Session Change (\$ in thousands)	Comments
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**8260 California Arts Council**

**\$24,000 reduction in 2007-08  
General Fund Support.**

The Administration proposes to reduce the Arts Council budget by \$24,000 in 2007-08, and by \$124,000 in 2008-09 and ongoing. The ongoing reduction represents 10 percent of the adjusted 2008-09 General Fund “workload” budget.

The Arts Council indicates the full reduction will be accomplished by leaving vacant the “Special Assistant to the Director” position (\$76,000) and by reducing travel, consultant contracts, and student assistant costs (\$48,000).

-\$24 The Arts Council indicates that in the recent past, the position has intentionally been left open so funding could be diverted to make additional grant awards, so the real effect of this proposal would be to reduce grant awards by about \$80,000 instead of reducing staff support.

The Arts Council has several funding sources: Arts License Plate revenue (\$3.2 million); General Fund (\$1.2 million); and federal funds (\$1.1 million).

To recognize the 2007-08 savings, the Administration includes the \$24,000 reduction in the proposed Control Section 4.44.

## Control Section 4.44 Reductions to Budget Act of 2007

Program Description	2007 Budget Act (where applicable)	Proposed Special Session Change (\$ in thousands)	Comments
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### CS 4.44 Reductions to Budget Act of 2007

**Reduces appropriations in the 2007 Budget Act to save \$216.6 million General Fund.**

The Administration proposes trailer bill language that would amend the 2007 Budget Act by adding Control Section 4.44 to reduce funding for 26 specified departments by a total of \$216.6 million.

The language includes a statement of intent specifying that the reductions be permanent. Authority is provided to the Director of Finance to adjust other items of appropriation and schedules to implement this Section.

-\$216,633  
TB  
Specific reductions to departments have or will be discussed in separate issues. The issue here, is whether CS 4.44 is the appropriate mechanism to implement any approved budget reductions.

As proposed, CS 4.44 specifies reductions only to the department level – not down to individual items of appropriation and schedules. This differs from the past practice: for example, SB 19X, (Chapter 3, Statutes of 2003) implemented mid-year budget reductions by amending individual items of appropriation.

**Control Section 32.00 Prohibitions on Excessive Expenditures**

Program Description	2007 Budget Act <small>(where applicable)</small>	Proposed Special Session Change <small>(\$ in thousands)</small>	Comments
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**CS 32.00 Prohibitions on Excessive Expenditures**

**Eliminates personal liability for department directors associated with mid-year reductions.**

The Administration proposes trailer bill language that would remove personal liability for the amount of any indebtedness created by an expenditure in excess of an appropriation reduced pursuant to Control Section 4.44.

The current language assigns personal liability for department directors who authorize expenditures in excess of appropriated amounts.

\$0 The Administration indicates that all 2007-08 reductions may not be achievable, and that the  
 TB standard personal fiscal liability language in CS 32.00 associated with expenditures in excess of appropriations should not apply to mid-year cuts.

Note, the 2002 mid-year budget reductions did not include any amendment to CS 32.00.