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ON
BUDGET AND FISCAL REVIEW

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Agenda February 13, 2008 6 p.m. - Room 4203

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| <i>Budget Act Amendments</i> SB 1 XXX | | | | |
| 0250 – Judicial Branch | | | | |
| 1. Delay New Judgeships | \$21,861 | \$54,212 | | |
| | | | | |
| 0540 – Secretary for Resources | | | | |
| 1. CALFED Bay-Delta Program | \$87 | | January 29 | |
| | | | | |
| 0550 – Secretary for Environmental Protection | | | | |
| 1. Support Reduction | \$100 | | January 29 | |
| | | | | |
| 0650 – Governor’s Office of Planning and Research | | | | |
| 1. California Volunteers | \$42 | | January 29 | |
| 2. State Planning and Policy Development | \$44 | | January 29 | |

| Dept/Issue | 2007-08 (in thousands) | 2008-09 (in thousands) | Hearing Date | Comment |
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| 0690 – Office of Emergency Services | | | | |
| 1. Mutual Aid Response Program | \$326 | | January 29 | |
| 2. Plans and Preparedness | \$430 | | January 29 | |
| 3. Disaster Assistance Program | \$2,447 | | January 29 | |
| 4. State Terrorism Threat Assessment Center | \$231 | | January 29 | |
| 1760 – Department of General Services | | | | |
| 1. Capitol Maintenance and Repair | \$1,179 | | January 29 | |
| 2240 – Department of Housing and Community Development | | | | |
| 1. State Housing Element | \$100 | | January 29 | |
| 2. State Housing Law | \$50 | | January 29 | |
| 3. Enterprise Zones | \$50 | | January 29 | |
| 3600 – Department of Fish and Game | | | | |
| 1. Biodiversity Conservation | \$1,400 | | January 29 | |
| 2. Hunting, Fishing and Public Use | \$165 | | January 29 | |
| 3. Administration | \$152 | | January 29 | |
| 3790 – Department of Parks and Recreation | | | | |

| Dept/Issue | 2007-08 (in thousands) | 2008-09 (in thousands) | Hearing Date | Comment |
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| 1. Equipment and Maintenance | \$1,000 | | January 29 | |
| 2. Deferred maintenance fund change from GF to Proposition 84 bond funds for cash benefit | \$30,000 | | January 22 | |
| | | | | |
| 3860 – Department of Water Resources | | | | |
| 1. Flood Management Program | \$200 | | January 29 | |
| | | | | |
| 3900 – Air Resources Board | | | | |
| 1. Stationary Source Program | \$100 | | January 29 | |
| | | | | |
| 3960 – Department of Toxic Substances Control | | | | |
| 1. Administration | \$50 | | January 29 | |
| 2. Emergency Response and Illegal Drug Lab Removal | \$1,250 | | January 29 | |
| | | | | |
| 3980 – Office of Environmental Health Hazard Assessment | | | | |
| 1. Health Risk Assessment | \$100 | | January 29 | |

| Dept/Issue | 2007-08 (in thousands) | 2008-09 (in thousands) | Hearing Date | Comment |
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| | | | | |
| 4200 – Department of Alcohol and Drug Programs | | | | |
| 1. Drug Medi-Cal | \$100 | | January 30 | |
| 2. California Methamphetamine Initiative | \$360 | | January 30 | |
| | | | | |
| 4260 – Department of Health Care Services – Medi-Cal Program (Provider Reimbursement) | | | | |
| 1. Permanently Defer Medi-Cal Checkwrite | \$165,000 | \$165,000 | January 22 | |
| | | | | |
| 4300 – Department of Developmental Services – Community-Based Services & Regional Centers | | | | |
| 1. Reduce Regional Center Community Placement Plan Operations by 10 Percent | \$660 | \$2,000 | February 4 | |
| 2. Reduce Regional Center Operations for HIPAA Implementation by 10 Percent | \$23 | \$71 | February 4 | |
| | | | | |
| 4300 – Department of Developmental Services – State Developmental Centers | | | | |
| 1. Reduce Clients’ Rights Advocacy at State Developmental Centers by 10 Percent | \$39 | \$119 | February 4 | |

| Dept/Issue | 2007-08 (in thousands) | 2008-09 (in thousands) | Hearing Date | Comment |
|---|---------------------------|---------------------------|-----------------|---------|
| 2. Eliminate Vacant Peace Officer Positions at Porterville Developmental Center (DC) | \$181 | \$547 | February 4 | |
| 3. Reduce the Quality Assurance Fee Paid by the DDS Due to the Agnews DC Closure | \$755 | \$2,288 | February 4 | |
| | | | | |
| 4300 – Department of Developmental Services – State Administration (Headquarters) | | | | |
| 1. Eliminate Six Vacant Audit Positions at Department of Developmental Services | \$119 | \$362 | February 4 | |
| | | | | |
| 4440 – Department of Mental Health – Community-Based & State Hospitals | | | | |
| 1. Significant Changes Proposed for Early and Periodic Screening, Diagnosis & Treatment (EPSDT) Program which Serves Children: (A) Reduce Rates and Eliminate COLA: <ol style="list-style-type: none"> 1. Reduce Schedule of Maximum Allowances 2. Eliminate COLA (Home Health Market Basket) | \$4,947 | \$19,796 | February 4 | |
| (B) Require a 6-month Reauthorization and Reduce the Cost per Client: <ol style="list-style-type: none"> 1. Require a 6-month reauthorization 2. Reduce Cost per Client by DMH Oversight | \$1,768 | \$26,540 | February 4 | |

| Dept/Issue | 2007-08 (in thousands) | 2008-09 (in thousands) | Hearing Date | Comment |
|---|---------------------------|---------------------------|-----------------|---------|
| 2. Reduces Caregiver Resource Centers by 10 percent | \$400 | | February 4 | |
| 3. Reduces Funding for the Cathie Wright Technical Assistance Center | \$10 | | February 4 | |
| 4. LAO Adjusted Recommendation to Reduce State Hospitals to Reflect Less Caseload | \$12,600 | | February 4 | |
| | | | | |
| 4440 – Department of Mental Health – (State Administration) | | | | |
| 1. Reduce Some State Administration Costs | \$722 | | February 4 | |
| | | | | |
| 5175 – Department of Child Support Services | | | | |
| 1. Reduce Operating Expenses and Equipment | \$200 | | January 30 | |
| | | | | |
| 5180 – Department of Social Services | | | | |
| 1. Stop the Pay for Performance Incentive Funding | \$40,000 | | January 30 | |
| 2. Suspension of the June 2008 State Supplemental Program Cost-of-Living Adjustment | \$23,253 | \$67,760 | January 30 | |

| Dept/Issue | 2007-08 (in thousands) | 2008-09 (in thousands) | Hearing Date | Comment |
|--|---------------------------|---------------------------|-----------------|---------|
| 3. Interim Statewide Automated Welfare System Migration Project | \$3,500 | | January 30 | |
| 4. Reduce Operating Expenses and Equipment | \$70 | | January 30 | |
| 5. Reduce Current Year Funding for the Child Welfare Services/Case Management System (CWS/CMS) Project | \$3,000 | | None | |
| | | | | |
| 5225 – California Department of Corrections and Rehabilitation | | | | |
| 1. Summary Parole | \$13,600 | \$102,700 | January 24 | |
| 2. Various Program Savings | \$40,000 | | None | |

| Dept/Issue | 2007-08 (in thousands) | 2008-09 (in thousands) | Hearing Date | Comment |
|---|---------------------------|---------------------------|-----------------|---------|
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| 6440 – University of California | | | | |
| 1. Reduce Funding for the Welfare Policy Research Project | \$1,450 | | None | |
| | | | | |
| 7300 – Agricultural Labor Relations Board | | | | |
| 1. Board and General Counsel | \$150 | | January 29 | |
| | | | | |
| 8140 – Office of the State Public Defender | | | | |
| 1. Reduction in General Fund Support | \$405 | | January 29 | |
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| 8260 – California Arts Council | | | | |
| 1. General Fund Support | \$24 | | January 29 | |
| | | | | |
| 8570 – Department of Food and Agriculture | | | | |
| 1. Reduction of Weighing and Measuring Activities | \$237 | | January 29 | |
| 2. General Agricultural Activities | \$263 | | January 29 | |
| | | | | |
| 8940 – Military Department | | | | |
| 1. Air National Guard | \$100 | | January 29 | |
| 2. Office of the Adjutant General | \$700 | | January 29 | |

| Dept/Issue | 2007-08 (in thousands) | 2008-09 (in thousands) | Hearing Date | Comment |
|--|---------------------------|---------------------------|-----------------|---------|
| 3. Military Support to Civil Authority | \$100 | | January 29 | |
| 4. Military Retirement | \$100 | | January 29 | |
| 5. California National Guard Youth Programs | \$100 | | January 29 | |
| | | | | |
| 8950 – Department of Veterans Affairs | | | | |
| 1. Care of Sick and Disabled Veterans | \$1,729 | | January 29 | |
| 2. Administrative Support | \$30 | | January 29 | |
| | | | | |
| Control Section 4.44 – Reductions to Budget Act of 2007 | | | | |
| 1. Reduces appropriations in the 2007 Budget Act. | Conforming | | January 29 | |
| | | | | |
| Control Section 24.80 – Reimbursement to General Fund with Public Transportation Account. | | | | |
| 1. Delete Control Section to transfer \$409M from the Public Transportation Account to the GF for prior year bond debt service, due to outcome of lawsuit. | | | | |
| | | | | |

| Dept/Issue | 2007-08 (in thousands) | 2008-09 (in thousands) | Hearing Date | Comment |
|--|---------------------------|---------------------------|-----------------|---------|
| Control Section 24.85 – Reimbursement to General Fund with Public Transportation Account. | | | | |
| 1. Add Control Section to transfer \$409M from the Public Transportation Account to the GF for Home-to-School transportation, in response to outcome of lawsuit. | | | | |
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| Dept/Issue | 2007-08 (in thousands) | 2008-09 (in thousands) | Hearing Date | Comment |
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| <i>Proposition 98 (K-14 Education)</i> SB 2 XXX | | | | |
|---|-------------|--|------------|--|
| 6110/6870 -- Department of Education and California Community Colleges | | | | |
| 1. Deferral of K-14 Proposition 98 Program Payments | \$1,300,000 | | January 24 | |
| 2. Reduction of K-14 Proposition 98 Appropriations | \$400,000 | | January 24 | |

| Dept/Issue | 2007-08 (in thousands) | 2008-09 (in thousands) | Hearing Date | Comment |
|--|---|---|-------------------------------|----------------|
| 3. Clarify Definitions in Proposition 49 | | | January 24 | |
| | | | | |

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*Health, Healthy Families, Mental Health, and
Developmental Services*
SB 3 XXX

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|--|----------|--------------------------------|------------|--|
| 4260 – Department of Health Care Services – Medi-Cal Program (Provider Reimbursement) | | | | |
| <p>1. Reduces Medi-Cal Reimbursement by 10 Percent for both Fee-For-Service and Managed Care Plans.</p> <p>(Note: Dollar amount includes adjustment to account for the Administration’s corrections and a July 1, 2008 implementation date.)</p> | \$33,433 | \$544,258 | February 4 | |
| <p>2. Reduce Medi-Cal Reimbursement by 10 Percent for Certain Long-Term Care Providers</p> | | included above in item 1 | February 4 | |
| <p>3. Reduces Payments for “Non-Contract” Hospitals</p> | | included above in item 1 | February 4 | |

| Dept/Issue | 2007-08 (in thousands) | 2008-09 (in thousands) | Hearing Date | Comment |
|---|---------------------------|---------------------------|-----------------|---------|
| 4. Delay Payments to Institutional Providers | | \$454,000 | January 22 | |
| 5. Delay Medi-Cal Managed Care Plan Payment and Delta Dental Plan Payment | | \$232,000 | January 22 | |
| | | | | |
| 4260 – Department of Health Care Services – Medi-Cal Program (Other Health Care Program Proposals) | | | | |
| 1. Reduces by 10 Percent Payments to CA Children’s Services Providers | | \$10,083 | February 4 | |
| 2. Reduces by 10 Percent Payments to Genetically Handicapped Persons Program (GHPP) Providers | | \$3,850 | February 4 | |
| | | | | |
| 4300 – Department of Developmental Services – Community-Based Services & Regional Centers | | | | |
| 1. Expand the Family Cost Participation Program | | \$773 | February 4 | |
| 2. Reduce Purchase of Services (POS) Costs through Continuation of Cost Containment Measures | | \$228,822 | February 4 | |
| 3 Reduce Regional Center Operations through Continuation of Cost Containment Measures | | \$20,496 | February 4 | |
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Human Services
SB 4 XXX

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|---|--|-----------|------------|--|
| 5180 – Department of Social Services | | | | |
| 1. Delay Advance Payments to Programs in the Department of Social Services | | \$814,230 | January 22 | |
| 2. Delay Implementation of the 2008-09 CalWORKs Cost-of-Living Adjustment | | \$41,496 | None | |
| 3. Suspension of the June 2008 State Supplemental Program Cost of Living Adjustment | | | | |
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Transportation (cash deferral)

SB 5 XXX

| 2660 – Department Transportation | | | | |
|--|--|---------------------------------|------------|--|
| 1. Deferral of gasoline excise tax transfer to cities and counties for a GF <i>cash</i> benefit of \$500M through August 2008. | | (\$500,000) cashflow only | January 22 | |
| | | | | |

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| <i>General Government</i> SB 6 XXX | | | | |
|---|-----|---------------------------------|------------|--|
| 0250 – Judicial Branch | | | | |
| 1. Delay New Judgeships | TBL | | | |
| | | | | |
| 1920 – State Teachers Retirement System | | | | |
| 1. Deferral of Supplemental Benefit Maintenance Account transfer from July 2008 to November 2008 for a GF cash benefit of \$584M. (no vesting change) | | (\$584,000) cashflow only | January 22 | |
| | | | | |
| 8885 – Commission on State Mandates | | | | |
| 1. Discontinue the payment of <i>estimated</i> non-Proposition 98 mandate claims for a GF cash benefit of \$75M in 2008-09. | | \$75,000 | January 22 | |
| | | | | |

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| <i>Yacht Loophole</i> SB 8 XXX | | | | |
|-----------------------------------|--|--|--|--|

| Revenue | | | | |
|--|-------|--------|------------|--|
| Reinstate 1 year offshore holding period on yachts and planes for sales and use tax. | 5,000 | 21,000 | January 22 | |
| | | | | |

| Dept/Issue | 2007-08 (in thousands) | 2008-09 (in thousands) | Hearing Date | Comment |
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| <i>Cash, Administrative Actions And Revenues</i> | | | | |
| 4260 – Department of Health Care Services – Medi-Cal Program (Provider Reimbursement) | | | | |
| 1. Delay First Quarterly Payment to Counties for Administration of Medi-Cal | | \$164,300 | January 22 | |
| | | | | |
| 4260 – Department of Health Care Services – Medi-Cal Program (Administrative Issues) | | | | |
| 1. Reduces Contracts Related to the Administration of the Medi-Cal Program | | \$5,293 | February 4 | |
| | | | | |
| 4300 – Department of Developmental Services – Community-Based Services & Regional Centers | | | | |
| 1 Delays Advance Payment to Regional Centers | | \$400,000 | January 22 | |
| 4300 – Department of Developmental Services – State Developmental Centers | | | | |
| 1. Reduce State Staff in Regional Resource Development Projects (RRDPs). | | \$663 | February 4 | |
| | | | | |

| Dept/Issue | 2007-08 (in thousands) | 2008-09 (in thousands) | Hearing Date | Comment |
|--|---------------------------|---------------------------|-----------------|---------|
| 4440 – Department of Mental Health – Community-Based & State Hospitals | | | | |
| 1. Delay Payment Advance to County Mental Health Plans for Managed Care | | \$200,000 | January 22 | |
| 2. Delay Payment Advance to County Mental Health Plans for the EPSDT Program | | \$92,000 | January 22 | |
| | | | | |
| Revenue | | | | |
| 1. ERBs - Sell remaining \$3.313 billion in Economic Recovery Bonds (ERBs). This can be accomplished administratively and the Administration anticipates a bond sale by the end of February 2008. | \$3,313,000 | | January 22 | |
| 2. Franchise Tax board and Board of Equalization enhancements | \$60,000 | | January 17 | |
| 3. Unanticipated Tideland Oil Revenues | \$113,700 | \$104,077 | | |