



Governor's Budget Summary

2010-11

ARNOLD SCHWARZENEGGER, GOVERNOR
STATE OF CALIFORNIA

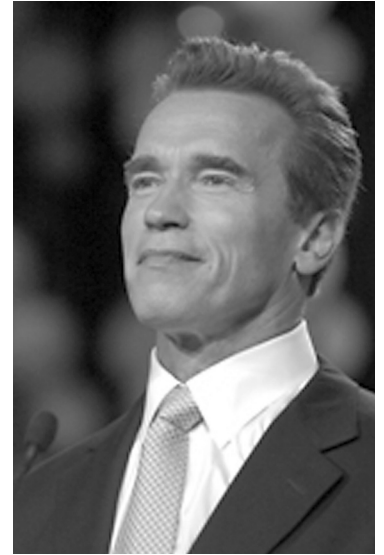


To the California Legislature
Regular Session 2009-10



GOVERNOR
ARNOLD SCHWARZENEGGER

January 8, 2010



To the Senate and the Assembly of the California Legislature:

In accordance with Article IV, Section 12 of the California Constitution, I submit to you the Governor's Budget for 2010-11.

Last year, we confronted what history will record as "The Great Recession." Working together, we made profoundly difficult decisions necessary to close a \$60 billion budget gap, the largest in our state's history. Because of your efforts and the diligent work of the Treasurer and Controller, we averted both a budget crisis and a cash crisis.

With our national economy still struggling to recover, California, like most other states, must confront an additional budget gap of nearly \$20 billion. In many ways, the decisions that will be necessary to close this gap will be even more challenging – and far more difficult. However, failure is not an option and we must do what is necessary to keep our state solvent and maintain critical services.

My budget calls for even greater reductions in nearly every aspect of state government than were necessary in 2009. With these reductions, we make every effort to maintain essential services for Californians who need them the most in the midst of this fiscal crisis. In particular, my budget proposal protects education, including higher education, from additional deep cuts. I believe strongly that additional reductions below current year funding levels would leave a permanent scar on our children and on the greatest university system in the world. In fact, I intend to propose a re-prioritization of funds away from administration and into the classroom, and away from prisons and into our universities. I ask you to join me in setting these new priorities for the future of our great state.

My budget proposal also calls for a far greater engagement than ever before with our counterparts in Washington — to give California both the flexibility and fairness that is needed to better manage critical state programs, achieve substantial savings, and avoid even deeper and more painful budget reductions. Working with the Obama Administration, with our congressional delegation, and with other states, I believe we can build on the progress we have made in 2009.

We must begin our work immediately. If we fail to take swift action in the Special Session that I have called, our problem will only grow, and the decisions that will be required to make up for lost savings will grow even more difficult than those now before us.

The work that lies ahead will be some the most difficult that you and I will ever be asked to undertake as public servants. Let us prove once again that we can meet this new and unprecedented challenge.

Sincerely,

A handwritten signature of Arnold Schwarzenegger in black ink.

Arnold Schwarzenegger



STATE CAPITOL ■ ROOM 1145 ■ SACRAMENTO CA ■ 95814-4998 ■ WWW.DOF.CA.GOV

January 8, 2010

Dear Governor:

As Director of Finance, I submit to you the 2010-11 Governor's Budget.

Since the time the Amended 2009 Budget Act was signed last July, the estimated budget gap has grown from \$6.9 billion to \$19.9 billion, due to the following principal reasons:

- Decreased revenues from the ongoing effects of the historic economic recession;
- Court decisions that have blocked implementation of some solutions approved by the Legislature in 2009;
- The erosion in the value of some of the savings adopted in 2009; and
- Additional costs associated with population-driven and caseload-driven entitlement programs.

Closing this gap requires incredibly difficult decisions by both you and the Legislature. Minimizing the potential additional impact on state programs will require a new level of cooperation by California's counterparts in Washington, D.C. It is the most difficult budget environment you have had to confront in your tenure as Governor. But with timely action, federal cooperation, and a recognition that the decisions ahead are unprecedented but necessary, it is a budget that is achievable.

While the state does not face as serious a cash shortfall as it did 12 months ago, action will be necessary this spring to ensure that the state has adequate cash resources to meet its critical obligations in a timely manner. At your direction, we will work with the State Controller and the State Treasurer to develop a cash management plan that will achieve that goal.

Finally I want to publicly express my appreciation for the women and men of the Department of Finance. In the most challenging fiscal environment imaginable, they have once again provided a tremendous service to you and your administration, to the Legislature, and to the people of California.

Sincerely,

Ana Matosantos
Director of Finance



2010-11 BUDGET SUMMARY

TABLE OF CONTENTS

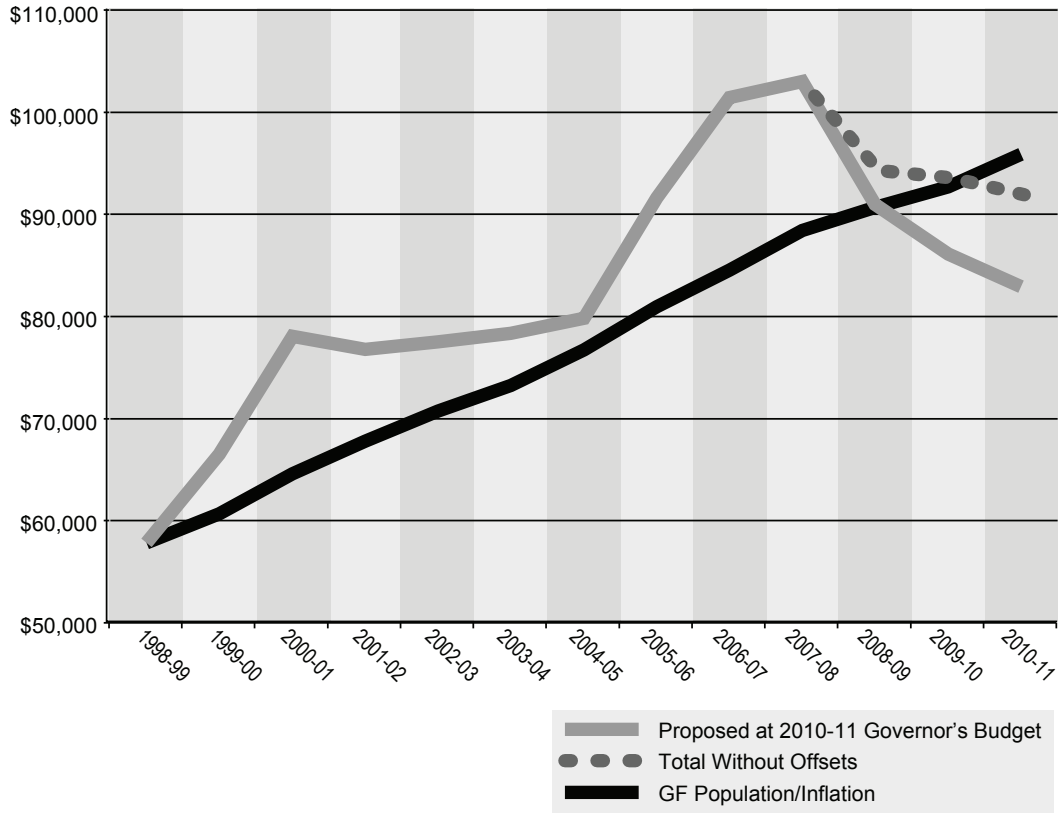
Introduction	1
Summary Charts	11
Summary of Significant Changes by Major Program Areas	17
Economic Outlook	71
Revenue Estimates	77
Staff Assignments	101
Appendices and Schedules	

INTRODUCTION

In 2009, the United States confronted the most severe economic downturn since the Great Depression. As a result, most states faced a budget gap of unprecedented proportions. California made very difficult but necessary decisions to close a \$60 billion budget gap and to successfully manage our cash reserves to avert a fiscal crisis. The 2009-10 budget plan contained substantial spending reductions, program eliminations, revenue increase and other solutions, many of which are not available on an ongoing basis. In addition to closing the budget gap, California adopted reforms in nearly every area of government to contain costs into the future. The Governor's Budget includes even further reductions to many programs while fully funding the Proposition 98 guarantee to schools and avoiding additional deep cuts to the classroom and higher education. If these proposals are adopted, it would bring overall General Fund spending to a level well below what it was a decade ago in 1998-99 adjusted for population and inflation growth. (See Figure INT-01.)

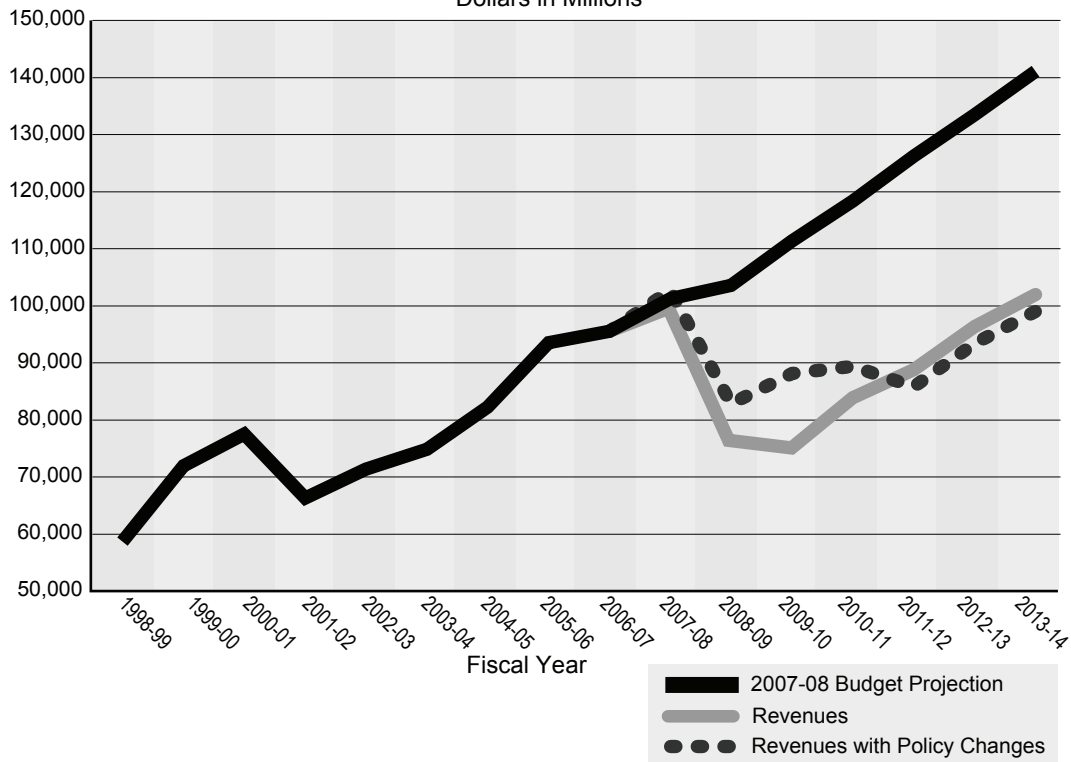
The budget projects that California is slowly emerging from the recession. While the recovery has begun, economic growth is very modest and high unemployment persists. Baseline revenues fell by more than 20 percent from their peak, and they are expected to remain for several years approximately 30 percent lower than 2007-08 projections, as shown in Figure INT-02. Major components of this revenue decline are: capital gains taxes (\$8 billion), income tax on wages (about \$6 billion), tax on other components of income (\$7 billion), sales taxes (\$11 billion), corporate taxes (\$2 billion) and all other taxes (\$1 billion). These revenues are not poised for rapid recovery. Consumer spending driven by easy credit and growth in home values is also not likely to return to prior levels in the

Figure INT-01
Proposed General Fund Spending
Would Remain Below Population and Inflation Growth
 (Dollars in Millions)



foreseeable future. Revenues will also be affected by the expiration of temporary tax increases enacted last year.

Figure INT-02
Impact of Recession on Revenues
 Dollars in Millions



DEFINING THE BUDGET GAP

Without corrective action, California is projected to face a budget gap of \$19.9 billion in fiscal year 2010-11. This figure is comprised of a current year shortfall of \$6.6 billion, a budget year shortfall of \$12.3 billion, and a modest reserve of \$1 billion.

As Figure INT-03 shows, various factors contribute to the increase in the 2010-11 deficit from the \$6.9 billion that was projected when the 2009-10 Budget was enacted. Specifically, revenue estimates are \$3.4 billion lower, federal and state court decisions have reduced or eliminated budget solutions adopted in previous years and imposed costs totaling \$4.9 billion, erosions of previous solutions result in \$2.3 billion of the budget gap, and population and caseload growth adds \$1.4 billion in costs.

Figure INT-03
Shortfall in 2010-11 Governor's Budget
 (Dollars in Billions)

June 30, 2011, Reserve Projected as of Amended 2009 Budget Act		-\$6.9
Workload Adjustments:		-12.0
Revenue Decline	-3.4	
Federal and State Court Litigation	-4.9	
Erosions of Other Previously Enacted Solutions	-2.3	
Other Population and Caseload Growth	-1.4	
Rebuild Reserve		-1.0
Budget Shortfall		-\$19.9

CLOSING THE BUDGET GAP

The Governor’s Budget proposes a combination of spending reductions, alternative funding, fund shifts and additional federal funds to close the \$19.9 billion budget gap. Given the re-emergence of a current year shortfall and the necessary time for budget solutions to achieve their full value, it is imperative that many of the solutions proposed in the budget be adopted immediately. Therefore, the Governor will declare a fiscal emergency and call the Legislature into Special Session. The budget proposes solutions for action in the Special Session that will close \$8.9 billion of the budget gap. Delays in the adoption of these proposals until the enactment of the 2010-11 budget would result in the loss of up to \$2.4 billion in budgetary solutions and thereby necessitate even deeper cuts in 2010-11.

Figure INT-04 shows the categories of solutions proposed. Spending reductions account for \$8.5 billion in solutions. Proposed reductions include program eliminations, further reductions to various health and human services programs, a reduction to the anticipated level of funding for Proposition 98, substantial changes to employee compensation, and reductions to the Department of Corrections and Rehabilitation.

Figure INT-04
Proposed Budget Solutions
(Dollars in Billions)

	<u>2009-10</u>	<u>2010-11</u>	<u>Total</u>	
Expenditure Reductions	\$1,034	\$7,475	\$8,509	43%
Federal Funds	8	6,905	6,913	35%
Alternative Funding	150	3,736	3,886	20%
Fund Shifts and Other Revenues	0	572	572	3%
Total	<u>\$1,192</u>	<u>\$18,688</u>	<u>\$19,880</u>	100%

REFORMING THE FEDERAL-STATE RELATIONSHIP

The budget proposes structural changes in the state and federal relationship to address federal constraints on California's ability to effectively manage program costs within available resources and proposes that California be reimbursed for money owed to the state. These program reforms and recoupment of federal funding will provide \$6.9 billion in solutions to address next year's shortfall and help reduce projected deficits into the future.

Federal mandates, including spending requirements, constraints on program reductions and federal court decisions delaying reductions of services have contributed more than \$1.4 billion toward the current budget gap. Federal and state court decisions have limited the state's ability to reduce program costs and restricted the state's ability to provide services to those most in need within available resources. Federal maintenance-of-effort requirements and court decisions have also forced increased program spending by hundreds of millions of dollars per year. Lastly, underfunded federal mandates are costing California billions of dollars each year, resulting in California taxpayers subsidizing higher reimbursement rates being paid to other states.

California needs greater federal flexibility to more effectively manage program costs in state and federal programs within available resources. Without this flexibility and without the level of federal funding proposed in the budget, California will be forced to make even more difficult spending reductions. If the federal flexibility and funding do not materialize, then additional spending reductions, delays in tax cuts and continued suspension or reduction of tax credits must go into effect.

REDUCTIONS, FLEXIBILITY, AND REIMBURSEMENTS OWED

The budget proposes various reductions to more effectively manage program costs. These reductions require that California have the necessary flexibility to manage program costs and to better target program services within available resources. The following reductions require such flexibility:

- **Medi-Cal Cost Containment Strategies**—The Governor’s Budget includes a reduction of \$750 million General Fund from the implementation of strategies, similar to what other states have done, to reduce Medi-Cal costs including limits on services and utilization controls, and increased cost-sharing through co-payment requirements, premiums, or both.
- **In-Home Supportive Services (IHSS)**—The budget includes a reduction of \$77.9 million in 2009-10 and \$872.6 million in 2010-11 for limiting the provision of services to consumers with the highest level of need and reducing state participation in the wages of IHSS workers.
- **Department of Corrections and Rehabilitation’s Medical Services Program**—Reduce the federal Receiver’s budget by \$811 million to reduce per-inmate medical costs to a level comparable to other correctional health care programs.

The budget also seeks federal reimbursement for the following that is owed to California:

- Increase the federal matching fund rate for Medicaid to the national average from the current base Federal Medical Assistance Percentage (FMAP) rate for California from 50 percent to 57 percent (\$1.8 billion). This increase would reflect the national average as well as the average of the ten most populous Medicaid states.
- Secure reimbursement for costs that should have been paid by Medicare and changes in the required level of state payment for Medicare prescription drug benefits (\$1 billion).
- Reimbursement for special education mandates at a level commensurate with the requirements under federal law (\$1 billion).
- Full reimbursement for the cost of incarcerating undocumented immigrants through the State Criminal Alien Assistance Program (\$879.7 million).
- Expanded federal funding for foster care cases (\$94.4 million).

The budget also assumes continuation of a portion of the federal American Recovery and Reinvestment Act funding for various health and human services programs (\$2.1 billion).

TRIGGER REDUCTIONS AND REVENUES

The budget identifies spending reductions and extension of revenue increases (listed below) that will go into effect in the event that the federal government fails to provide the \$6.9 billion of additional funding proposed in the budget. The cash gain or savings from these trigger solutions will ensure the state has the ability to repay any external borrowing.

REDUCTIONS (\$4.6 BILLION GENERAL FUND)

These reductions impact spending that is within the state's control and are allowable under existing federal law.

- Eliminate the California Work Opportunity and Responsibility to Kids (CalWORKs) Program (\$1.044 billion).
- Fund existing mental health services with Proposition 63 funds (\$847 million).
- Reduce Medi-Cal eligibility to the minimum allowed under current federal law and eliminate most remaining optional benefits (\$532 million).
- Reduce state employee salaries by an additional 5 percent (\$508 million).
- Eliminate the IHHS Program (\$495 million).
- Redirect additional county savings (\$325 million).
- Eliminate non-court required inmate rehabilitation programs, implement banked parole for low-risk serious and violent offenders, expand crimes where convicted felons will serve time in local jails, and increase the number of parolees each agent will supervise (\$280 million).
- Eliminate the Healthy Families Program (\$126 million).
- Eliminate funding for enrollment growth at the University of California and the California State University (\$111.9 million).
- Eliminate various health services programs funded by Proposition 99 (\$115 million).
- Make an unallocated reduction to trial courts (\$100 million).
- Freeze the level of the awards and income eligibility for Cal Grants (\$79 million).
- Eliminate funding for the Transitional Housing Placement for Foster Youth-Plus Program (\$36 million).

REVENUES (\$2.4 BILLION GENERAL FUND)

For one year,

- Extend suspension of a business's ability to reduce taxable income by applying net operating losses (NOL) from prior years to reduce current income (\$1.2 billion).
- Extend reduction in the credit for each dependent on the personal income tax from \$319 to \$102 (\$504 million).
- Delay use of business credits by unitary groups of corporations and instead retain current law which requires subsidiaries to have their own tax liability to use research and development and other credits (\$315 million).
- Delay the change to the single sales factor allocation method for multi-state corporate income and instead retain the double weighted sales, property, and payroll formula (\$300 million).
- Lower to 30 percent the first year phase-in of the ability of corporations to carry back losses two years to offset prior tax profits (\$20 million).

PLAN TO ADDRESS ANTICIPATED CASH SHORTFALL

Last year, the budget projected that the state would not have sufficient cash to make all General Fund payments in a timely manner beginning in March of 2009. To address this significant cash shortfall, the budget proposed a combination of budget and cash solutions. Given the magnitude of the anticipated shortfall and delays in the adoption of necessary solutions, the state suspended loans from the Pooled Money Investment Account for capital projects and delayed issuance of taxpayer refunds. In February 2009, the state adopted both budget and cash solutions to better align the state's disbursements and receipts, and to reduce the need for external financing. Subsequently, a budget and cash gap re-emerged. For the second time since the Great Depression, California issued registered warrants (IOUs) to preserve cash for essential payments. The enactment of the Amended 2009 Budget Act brought the budget back into balance and facilitated the issuance of Revenue Anticipation Notes (RANs) to restore timely payment by the state. The re-emergence of a budget shortfall, however, threatens to undermine the state's cash management plan.

The Governor's Budget projects the state will have sufficient cash to repay the entire \$8.8 billion of RANs in May and June 2010 as scheduled, although it will face cash challenges in March 2010. However, absent corrective action, the state will once again face substantial challenges in meeting all General Fund cash needs beginning in July 2010. Proposals to close the budget gap will substantially reduce this cash gap. However, in addition to budget solutions, the state will need to obtain external financing early in the fiscal year. Further, it is likely that payment deferrals will still be required to align receipts and disbursements and to reduce the need for external borrowing. At the Governor's direction, the Department of Finance will work with the State Controller's Office and the State Treasurer's Office to develop additional cash solutions to be submitted to the Legislature in the Special Session.

SUMMARY CHARTS

This section provides various statewide budget charts and tables.

Figure SUM-01
2010-11 Governor's Budget
General Fund Budget Summary
Budget Before Solutions
(Dollars in Millions)

	<u>2009-10</u>	<u>2010-11</u>
Prior Year Balance	-\$5,855	-\$5,054
Revenues and Transfers	\$88,005	\$90,323
Total Resources Available	\$82,150	\$85,269
Non-Proposition 98 Expenditures	\$51,651	\$64,961
Proposition 98 Expenditures	\$35,553	\$37,630
Total Expenditures	\$87,204	\$102,591
Fund Balance	-5,054	-17,322
Reserve for Liquidation of Encumbrances	\$1,537	\$1,537
Special Fund for Economic Uncertainties	-\$6,591	-\$18,859
Budget Stabilization Account	-	-
Total Available Reserve	-\$6,591	-\$18,859

Figure SUM-02
2010-11 Governor's Budget
General Fund Budget Summary
With All Proposed Budget Solutions
(Dollars in Millions)

	<u>2009-10</u>	<u>2010-11</u>
Prior Year Balance	-\$5,855	-\$3,863
Revenues and Transfers	\$88,084	\$89,322
Total Resources Available	\$82,229	\$85,459
Non-Proposition 98 Expenditures	\$51,432	\$46,811
Proposition 98 Expenditures	\$34,660	\$36,090
Total Expenditures	\$86,092	\$82,901
Fund Balance	-3,863	2,558
Reserve for Liquidation of Encumbrances	\$1,537	\$1,537
Special Fund for Economic Uncertainties	-\$5,400	\$1,021
Budget Stabilization Account	-	-
Total Available Reserve	-\$5,400	\$1,021

Figure SUM-03
General Fund Revenue Sources
(Dollars in Millions)

	2009-10 at Budget Act	Revised 2009-10	Proposed 2010-11	Change from Revised 2009-10	
				Dollar Change	Percent Change
Personal Income Tax	\$48,868	\$46,640	\$46,862	\$222	0.5%
Sales Tax	27,609	26,036	25,851	-185	-0.7%
Corporation Tax	8,799	9,407	10,052	645	6.9%
Motor Vehicle Fees	1,682	1,416	1,503	87	6.1%
Insurance Tax	1,913	1,952	1,897	-55	-2.8%
Estate Taxes	-	-	892	892	100.0%
Liquor Tax	332	332	354	22	6.6%
Tobacco Taxes	102	102	101	-1	-1.0%
Other	236	2,199	1,810	-389	-17.7%
Total	\$89,541	\$88,084	\$89,322	\$1,238	1.4%

Note: Numbers may not add due to rounding.

Figure SUM-04
General Fund Expenditures by Agency
(Dollars in Millions)

	2009-10 at Budget Act	Revised 2009-10	Proposed 2010-11	Change from Revised 2009-10	
				Dollar Change	Percent Change
Legislative, Judicial, Executive	\$1,884	\$1,826	\$2,825	\$999	54.7%
State and Consumer Services	569	510	587	77	15.1%
Business, Transportation & Housing	2,585	2,674	902	-1,772	-66.3%
Natural Resources	1,842	1,865	1,732	-133	-7.1%
Environmental Protection	73	69	68	-1	-1.4%
Health and Human Services	24,953	25,045	21,000	-4,045	-16.2%
Corrections and Rehabilitation	8,210	8,161	7,983	-178	-2.2%
K-12 Education	35,042	34,554	36,004	1,450	4.2%
Higher Education	10,547	10,566	11,836	1,270	12.0%
Labor and Workforce Development	64	57	59	2	3.5%
General Government:					
Non-Agency Departments	535	497	578	81	16.3%
Tax Relief/Local Government	463	470	534	64	13.6%
Statewide Expenditures	-2,184	-202	-1,207	-1,005	-497.5%
Total	\$84,583	\$86,092	\$82,901	-\$3,191	-3.7%

Note: Numbers may not add due to rounding.

Figure SUM-05
2010-11
Total Revenues and Transfers
 (Dollars in Millions)

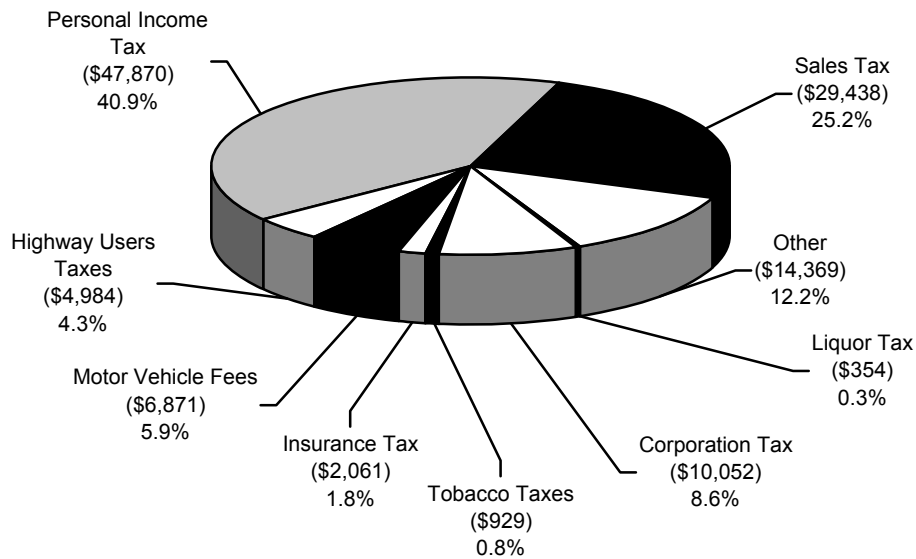


Figure SUM-06
2010-11
Total Expenditures
 (Including Selected Bond Funds)
 (Dollars in Millions)

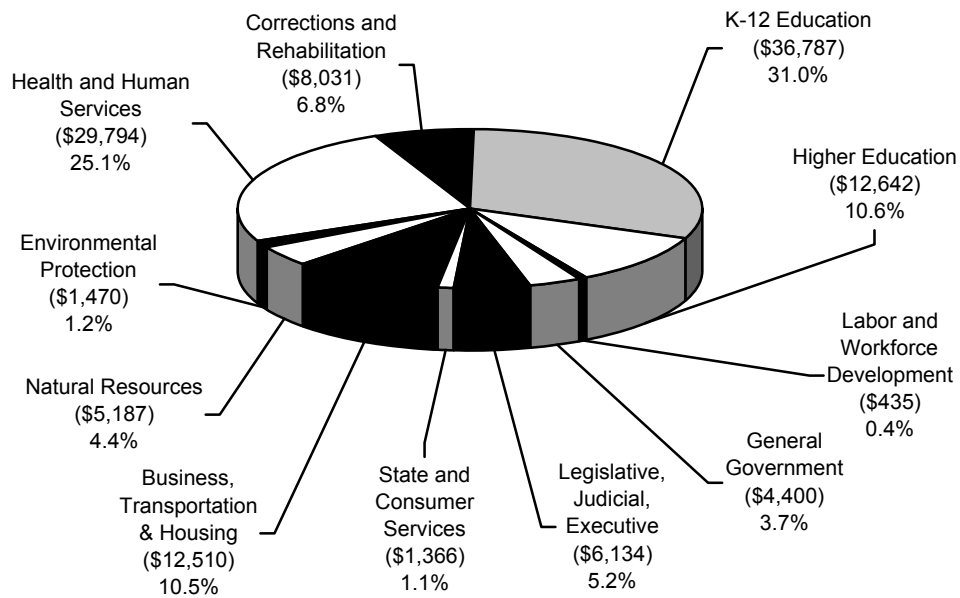


Figure SUM-07

2010-11

General Fund Revenues and Transfers

(Dollars in Millions)

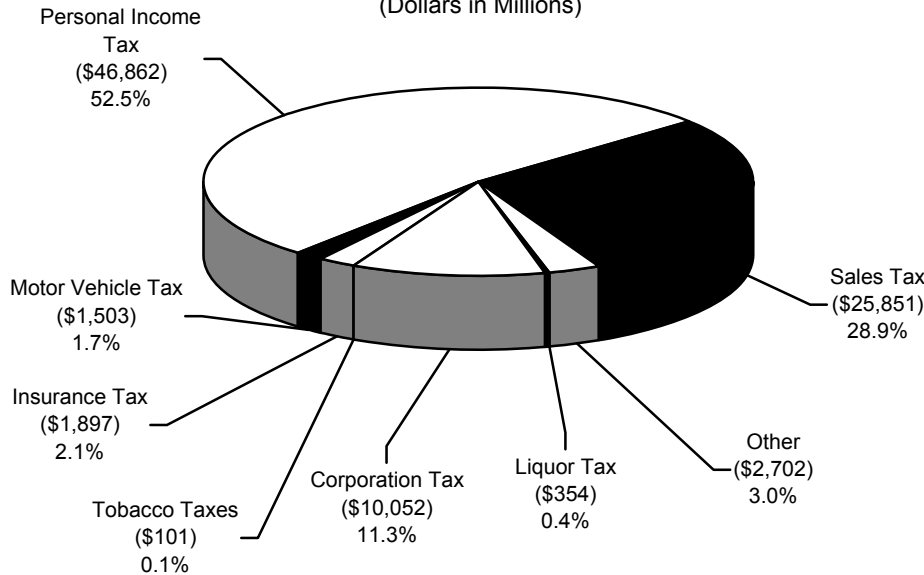


Figure SUM-08

2010-11 Revenue Sources

(Dollars in Millions)

	<u>General Fund</u>	<u>Special Funds</u>	<u>Total</u>	<u>Change From 2009-10</u>
Personal Income Tax	\$46,862	\$1,008	\$47,870	\$372
Sales Tax	25,851	3,587	29,438	-916
Corporation Tax	10,052	-	10,052	645
Highway Users Taxes	-	4,984	4,984	1,872
Motor Vehicle Fees	1,503	5,368	6,871	139
Insurance Tax	1,897	164	2,061	-130
Estate Taxes	892	-	892	892
Liquor Tax	354	-	354	22
Tobacco Taxes	101	828	929	-9
Other	1,810	11,667	13,477	598
Total	\$89,322	\$27,606	\$116,928	\$3,485

Note: Numbers may not add due to rounding.

Figure SUM-09

2010-11

General Fund Expenditures

(Dollars in Millions)

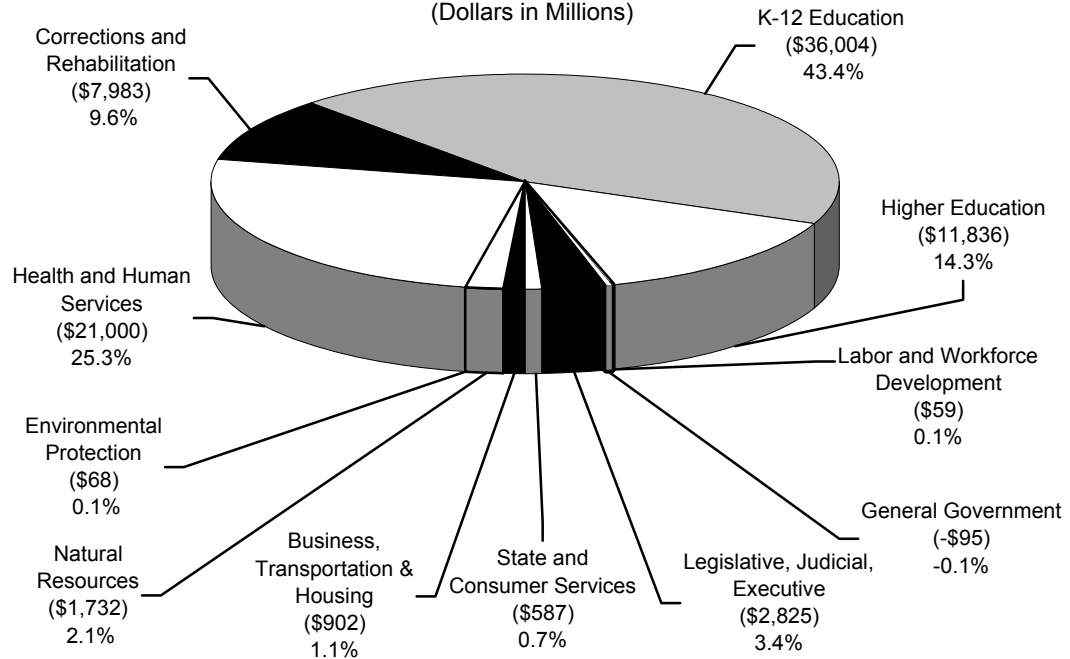


Figure SUM-10

2010-11 Total Expenditures by Agency

(Dollars in Millions)

	General Fund	Special Funds	Bond Funds	Totals
Legislative, Judicial, Executive	\$2,825	\$2,876	\$433	\$6,134
State and Consumer Services	587	759	20	1,366
Business, Transportation & Housing	902	7,655	3,953	12,510
Natural Resources	1,732	2,716	739	5,187
Environmental Protection	68	1,107	295	1,470
Health and Human Services	21,000	8,699	95	29,794
Corrections and Rehabilitation	7,983	48	-	8,031
K-12 Education	36,004	99	684	36,787
Higher Education	11,836	39	767	12,642
Labor and Workforce Development	59	376	-	435
General Government				
Non-Agency Departments	578	1,611	2	2,191
Tax Relief/Local Government	534	2,178	-	2,712
Statewide Expenditures	-1,207	704	-	-503
Total	\$82,901	\$28,867	\$6,988	\$118,756

SUMMARY OF SIGNIFICANT CHANGES BY MAJOR PROGRAM AREAS

The 2010-11 Governor's Budget includes proposals to address a \$19.9 billion General Fund budget gap over two years, including a modest \$1 billion reserve. Figure MPA-01 reflects the result of those proposals.

Proposed General Fund expenditures for 2010-11 are approximately \$3.2 billion below the revised expenditures for 2009-10.

The 2010-11 Governor's Budget projects that General Fund revenues will increase by \$1.2 billion when compared to revised 2009-10 revenues. The projected level of revenues reflects a slight decrease from the 2009-10 revenues projected as of the Amended 2009 Budget Act.

Figure MPA-01 reflects the General Fund revenues and expenditures as of the amended 2009 Budget Act, and compares General Fund revenues and expenditures proposed or estimated in 2010-11 to the revised 2009-10 revenue and expenditure estimates. The expenditures in each area reflect state program costs and do not include General Fund offsets from enhanced federal funds, the Protection of Local Government Revenues of 2004 (Proposition 1A) funds, and the funds shifted from redevelopment agencies. Major expenditure changes are highlighted below. For information regarding changes since the Amended 2009 Budget Act, please view specific departmental information under Proposed Budget Detail.

SUMMARY OF SIGNIFICANT CHANGES BY MAJOR PROGRAM AREAS

Figure MPA-01
General Fund Revenues and Expenditures
2009-10 vs. 2010-11 Proposed
(Dollars in Millions)

	2009-10 at Budget Act	Revised 2009-10	Proposed 2010-11	Change from Revised 2009-10	
				Dollar Change	Percent Change
Revenues and Transfers	\$89,541.0	\$88,083.5	\$89,322.1	\$1,238.6	1.4%
Expenditures					
Non-Proposition 98					
Legislative, Judicial, and Executive	\$3,369.4	\$3,352.9	\$3,160.4	-\$192.5	-5.7%
State and Consumer Services	562.9	558.4	581.2	22.8	4.1%
Business, Transportation and Housing	2,034.3	1,934.6	538.9	-1,395.7	-72.1%
Natural Resources	1,066.4	1,131.8	794.4	-337.4	-29.8%
Environmental Protection	67.6	68.6	60.6	-8.0	-11.7%
Health and Human Services	29,939.5	29,897.5	27,494.4	-2,403.1	-8.0%
Corrections and Rehabilitation	8,419.7	9,348.3	8,162.1	-1,186.2	-12.7%
K-12 Education	1,287.3	1,294.3	1,292.3	-2.0	-0.2%
Higher Education	6,461.1	6,468.6	6,693.1	224.5	3.5%
Labor & Workforce Development	64.0	61.8	58.4	-3.4	-5.5%
General Government:					
Non-Agency Department	492.3	478.7	520.3	41.6	8.7%
Tax Relief/Local Government	463.0	469.6	534.2	64.6	13.8%
Statewide Expenditures	-1,345.3	-460.7	1,044.1	1,504.8	326.6%
Debt Service	5,979.2	5,845.6	6,221.7	376.1	6.4%
Infrastructure	254.7	135.3	223.5	88.2	65.2%
Enhanced Federal Funds Offsets	-4,892.7	-4,575.9	-8,582.3	-4,006.4	-87.6%
Prop 1A and RDA Offsets	-2,784.3	-2,821.3	-350.0	2,471.3	87.6%
Higher Education--Federal Fund Offsets	-610.0	-610.0	0.0	610.0	100.0%
Employee Comp Reductions ^{1/}	-1,278.5	-1,146.0	-1,635.9	-489.9	-42.7%
Total, Non Proposition 98	\$49,550.6	\$51,432.1	\$46,811.4	-\$4,620.7	-9.0%
Proposition 98	\$35,032.4	\$34,660.0	\$36,089.9	\$1,429.9	4.1%
Total, All Expenditures	\$84,583.0	\$86,092.1	\$82,901.3	-\$3,190.8	-3.7%

^{1/} Reflects three-day furlough in 2009-10 and various new proposals in 2010-11.

LEGISLATIVE, JUDICIAL, AND EXECUTIVE

General Fund expenditures are proposed to decrease by \$192.5 million, or 5.7 percent, not including General Fund offsets.

The significant General Fund workload adjustments are as follows:

- Trial Court Operations—An increase of \$135.3 million as a result of various trial court operational costs (including \$100 million for the restoration of one-time savings, \$17.9 million for employee retirement and health benefit costs, and \$17.4 million for the implementation of the Guardianship and Conservatorship Reform Act).
- 21st Century Project—The budget includes \$30.7 million General Fund for the State Controller’s Office to continue implementation of the 21st Century Project, which would replace the existing statewide employment history, payroll, leave balance accounting, and position control systems. The existing systems are 30 years old, written in virtually obsolete program languages, and are very labor-intensive. The replacement of these systems will impact all state departments. Funding for this project in the budget year also includes \$35.4 million from other funds.
- Special Election Costs—A one-time increase of \$68.2 million local assistance to reimburse counties for costs incurred for the May 19, 2009, Statewide Special Election.
- Revenue Collection Activities—An increase of \$9.9 million for the Board of Equalization (BOE), which represents the restoration of resources for BOE revenue collection activities. Providing these resources will generate approximately \$90 million in additional General Fund revenues in 2010-11.
- Agricultural Inspection Station Tax Leads—An increase of \$4.4 million and 55.0 positions for the BOE to expand tax enforcement activities at agricultural inspection stations from one inspection station to four. Under an interagency agreement with the California Department of Food and Agriculture, the inspection stations provide the BOE with copies of the bills of lading of commercial trucks that enter California bearing taxable property, such as construction equipment or building materials. BOE determines whether the in-state recipients paid the applicable sales and use tax. Expanding this program will generate \$23 million in new General Fund revenues in 2010-11.
- Eliminate the Office of Planning and Research—The budget proposes eliminating the Office of Planning and Research and transferring certain functions and resources

SUMMARY OF SIGNIFICANT CHANGES BY MAJOR PROGRAM AREAS

to the newly created California Agency on Service and Volunteering and the State Inspector General. Other functions will transfer to the Resources Agency, Business, Transportation and Housing Agency, Office of the State Chief Information Officer, Governor's Office, Housing and Community Development, and State and Consumer Services Agency.

The significant General Fund policy adjustments are as follows:

- Convert Legal Services Clients to Billable Status—A reduction of \$53.9 million from the Department of Justice (DOJ) to reflect the conversion of General Fund legal services clients to billable status. This funding will be allocated to departmental clients using a new Budget Act Control Section. This change will allow for greater accountability and allocation of legal services provided by DOJ for client departments.

The significant General Fund budget solutions are as follows:

- Reductions
 - Delay Implementation of the Guardianship and Conservatorship Reform Act —A reduction of \$17.4 million related to delaying the implementation of the Guardianship and Conservatorship Reform Act for one year.
- Alternative Funding
 - Automated Speed Enforcement Revenue—Increased revenues of \$337.9 million, which allows for a \$296.9 million General Fund reduction to the Trial Courts. In addition, these revenues would allow for a \$41 million augmentation for trial court security, which would address the trial court security funding shortfall. The new speed enforcement program would utilize red light violation monitoring systems to identify and fine persons speeding through intersections.
 - Forensic Labs Fund Shift—A reduction of \$45.1 million by shifting support of the DOJ's regional forensic labs, including lease revenue debt service costs, by increasing penalty assessments. The proposed change would permanently raise an existing penalty assessment based on fines imposed for criminal offenses from \$1 to \$3, and broaden the use of the DNA Identification Fund to include DOJ's crime laboratory operations.
 - Property Tax Shift—Fund \$350 million in trial court costs with property tax revenues resulting in a comparable level of General Fund savings.

SUMMARY OF SIGNIFICANT CHANGES BY MAJOR PROGRAM AREAS

Non-General Fund expenditures are proposed to decrease by \$3.1 billion, or 35.6 percent.

The significant non-General Fund workload adjustments are as follows:

- Federal American Recovery and Reinvestment Act (ARRA)—A \$2.1 billion decrease of federal funds from the Governor’s Office of Planning and Research to remove one-time ARRA funding that was distributed to the Department of Education, the Department of Corrections and Rehabilitation (CDCR), the University of California, and the California State University.
- Trial Court Facilities—An increase of \$35 million for the Judicial Branch to continue Trial Court Facility Modifications authorized by Chapter 311, Statutes of 2008.
- Office of the Chief Information Officer—An increase of 394.0 positions, as the employees in the Public Safety Communications Division are transferred from the Department of General Services to the Office of the Chief Information Officer in the final phase of the consolidation pursuant to 2009 Governor’s Reorganization Plan 1.
- Office of the Chief Information Officer—An increase of \$16 million for data center workload capacity for the Office of Technology Services.
- Office of the Chief Information Officer—A limited-time increase of \$5.5 million to provide incentives for recruitment and training of 9-1-1 dispatchers, implement an enhanced 9-1-1 network in northeastern California, and to provide website and information technology support to the California Recovery Task Force.
- One-Time Reductions—A \$315.2 million decrease for various one-time cost reductions.

STATE AND CONSUMER SERVICES

General Fund expenditures are proposed to increase by \$22.8 million, or 4.1 percent.

The significant General Fund workload adjustments are as follows:

- Revenue Backlog Clearance—An increase of \$14.7 million and 158.0 temporary help positions for the Franchise Tax Board (FTB) to address workload backlogs. This will generate \$50 million in new General Fund revenues in 2010-11.
- Enterprise Data to Revenue (EDR) Project—An increase of \$7 million and 38.0 positions for the second year of the EDR Project. The EDR Project is a

SUMMARY OF SIGNIFICANT CHANGES BY MAJOR PROGRAM AREAS

multi-year effort to enhance FTB's filing, audit, and collections activities by creating a new data warehouse accessible by all branches of FTB. This funding will generate \$20 million in new General Fund revenues in 2010-11 by providing resources to clear a backlog of business entity tax returns.

- Federal Treasury Offset Program (FTOP)—An increase of \$850,000 and 10.0 positions for FTB to participate in the FTOP. Under FTOP, the federal government will withhold federal tax refunds and other federal payments from persons who owe unpaid tax to the FTB. In return, FTB will withhold state tax refunds and other state payments from persons who owe unpaid tax to the federal government. This program will generate \$6 million in new General Fund revenues in 2010-11.

The significant General Fund budget solutions are as follows:

- Reductions
 - State Capitol Repair and Maintenance—A reduction of \$5.4 million for State Capitol repair and maintenance. The Department of General Services would continue to coordinate repair and maintenance of the Capitol based on priorities set by the Joint Rules Committee; however, these activities would now be funded by the Legislature.
- Alternative Funding
 - Science Center—A reduction of \$12 million General Fund resulting from charging an admission fee.

Non-General Fund expenditures are proposed to increase by \$1.7 billion, or 6.2 percent.

The significant non-General Fund workload adjustments are as follows:

- Benefit Payments for State Annuitants—An increase of \$1 billion in the California Public Employees' Retirement System to fund benefit payments for state annuitants.
- Benefit Payments for Retired Teachers—An increase of \$879.8 million in the California State Teachers' Retirement System to fund benefit payments for retired teachers.
- Consumer Protection Enforcement Initiative—An increase of \$12.8 million to enhance the Department of Consumer Affairs' enforcement and oversight of licensees in health-related professions and to improve consumer protection.

BUSINESS, TRANSPORTATION, AND HOUSING

General Fund expenditures are proposed to decrease by \$1.4 billion, or 72.1 percent due primarily to the proposed shift in funding for transportation projects.

Non-General Fund expenditures are proposed to increase by \$2.58 billion, or 15.4 percent, largely due to the shift in transportation funding and increased expenditures from the Safe, Reliable, High-Speed Passenger Train Bond Act (Proposition 1A).

The significant non-General Fund workload adjustments are as follows:

- **State Transit Assistance**
 - The budget includes \$350 million in Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 (Proposition 1B) funding for local transit projects.
- **Department of Transportation (Caltrans)**
 - The budget includes \$9.1 million in Proposition 1B funding and 71.3 positions to continue various administrative, planning and programming support activities related to oversight of Proposition 1B projects. Revised staffing for project delivery will be prepared as part of the May Revision. Total Proposition 1B funding for projects will be nearly \$4 billion.

The significant non-General Fund policy adjustments are as follows:

- **Caltrans**
 - Public Private Partnerships (P3)—An increase of \$3.45 billion to be spent over the next 30 years (\$115 million per year) to attract private partners and investors in comprehensive development lease agreements for transportation projects. The Legislature enacted legislation last year (Chapter 2, Statutes of 2009, Second Extraordinary Session) to provide broad authority for the state to enter into P3 projects such as toll roads. This proposal complements that legislation by providing a secure appropriation of state funding to be used to pay private partners for a portion of costs to construct and maintain new or rehabilitated portions of the state highway system, where terms are beneficial to the state as provided in last year's legislation.

SUMMARY OF SIGNIFICANT CHANGES BY MAJOR PROGRAM AREAS

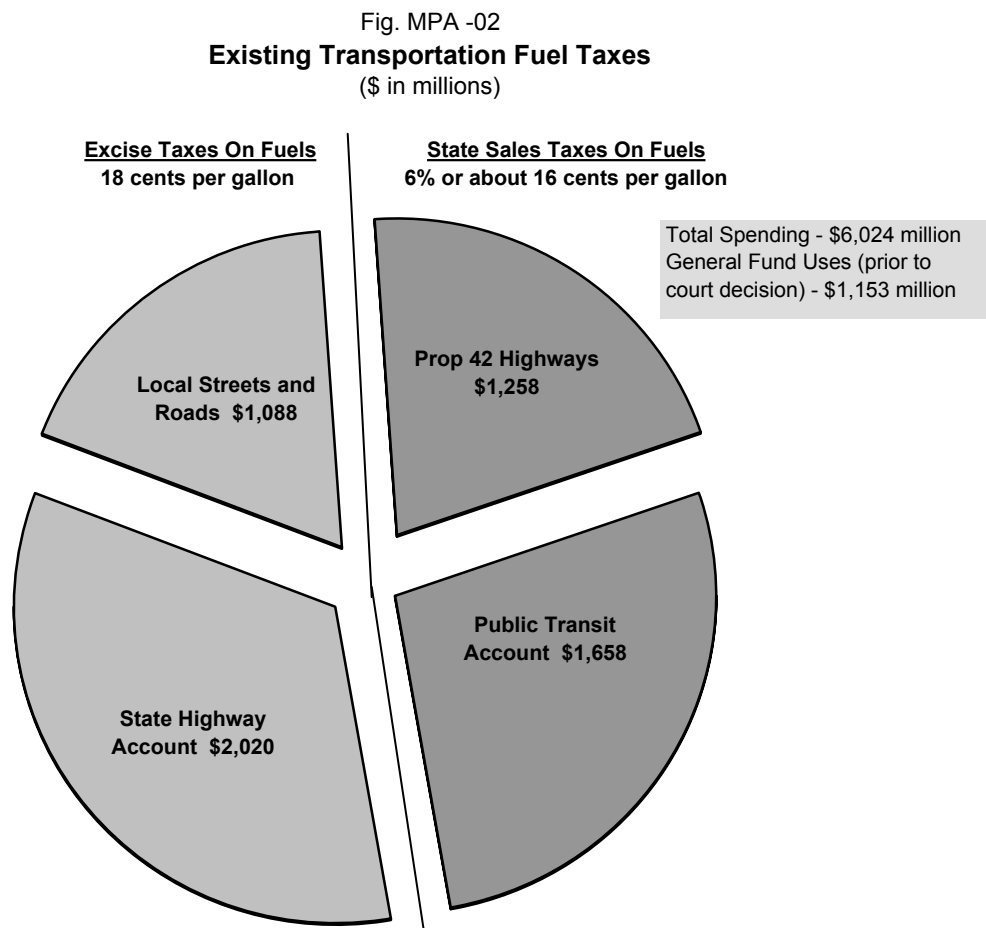
- Grant Anticipation Revenue Vehicles (GARVEE) Bonds—An increase of \$680 million to accelerate the delivery of three major projects – Doyle Drive in San Francisco, the State Route 10 and Interstate 605 interchange in Los Angeles, and State Route 710 rehabilitation in Los Angeles. The funding includes \$495 million for project costs and \$185 million in federal funds to pay debt service costs over the next 12 years. It is estimated that this financing mechanism will save a net of \$11 million in total project costs.
- Air Quality Fleet Mandates—An increase of \$57.3 million to retrofit 147 vehicles and replace 288 vehicles to comply with various federal and state air quality mandates.
- Tort Reform—Increases in the number of lawsuits related to accidents on state highways and increases in the size of awards resulting from those lawsuits are eroding limited dollars to build and maintain the state highway system. To address those increased costs, legislation will be introduced to cap the state’s liability on the amount of damages for non-economic losses that can be awarded in personal injury suits as a result of accidents on the state’s highways. California is one of very few states in the nation that does not limit the state’s liability and degree of responsibility under current joint and severable liability statutes. Consistent with other states, these reforms will cap monetary awards for non-economic damages at \$250,000 per individual or \$500,000 per occurrence and limit the state’s liability to its share of economic damages.
- Project Initiation Document (PIDs) Reimbursement—The budget proposes to shift the costs of developing PIDs for local projects to local agencies. This will save the state \$12.5 million that can be redirected to fund priority state projects.
- **High-Speed Rail**
 - Project Development and Oversight—The budget proposes \$581.4 million in Safe, Reliable High-Speed Passenger Train Bond Act bond funding (Proposition 1A), \$375 million in Federal ARRA funding, and 25.7 positions to continue environmental planning and preliminary engineering, and to begin purchasing land on which portions of the high-speed rail system will be built. Funding will be focused primarily on the Los Angeles-to-Anaheim, San Francisco-to-San Jose, and Fresno-to-Bakersfield segments on which grade separations, electrification, and maintenance and testing facilities will be started in 2011-12 using ARRA funding.

SUMMARY OF SIGNIFICANT CHANGES BY MAJOR PROGRAM AREAS

- **California Highway Patrol**
 - Officer Staffing—An increase of \$17.8 million from the Motor Vehicle Account to fund 180 new California Highway Patrol officer positions to improve public safety with increased road patrols and quicker response times to accidents and people in need of assistance. Proactive road patrols provide a significant deterrent to motorists who violate the law and enhance security through increased officer presence. Increased staffing also reduces response times to major collisions and in getting aid to motorists in need of assistance on state highways.
- **Housing and Community Development**
 - Housing and Emergency Shelter Trust Fund Act of 2006 (Proposition 1C) —The budget includes \$131 million in Proposition 1C housing bonds, which is a year-over-year reduction of \$409 million as the majority of bonds have been obligated for housing, infill, and other community development projects. Proposition 1C funding has assisted in the creation and preservation of over 34,000 housing units.

The significant General Fund budget solutions are as follows:

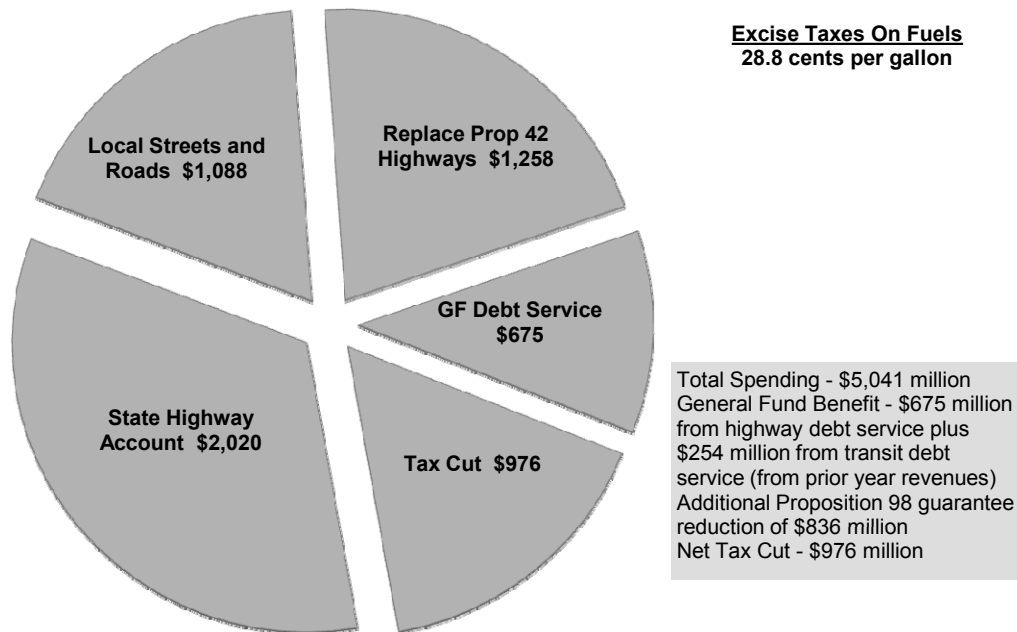
- Alternative Funding
 - Transportation Funding—Existing state revenues for transportation programs are raised primarily by an 18-cent excise tax on motor vehicle fuels and the state sales taxes on those fuels. In recent years, with the increase in gasoline and diesel prices outstripping the prices of other taxable goods, these sales tax revenues have dramatically increased, by almost a billion dollars since 2004-05. (See Figure MPA-02 for a summary of current law fuel taxes.) The increase in gas prices has in part shifted consumer spending on taxable goods to gasoline, and has contributed to relative decreases in General Fund sales tax revenues. In recent budgets, much of these increases have been used to fund the General Fund costs of transit bonds, school transportation, and transportation of the developmentally disabled. The use of these revenues to pay for costs otherwise borne by the General Fund has been done in part because the decision made in the early 1970s to dedicate these funds did not anticipate current high gas prices and the level of funding for local public transportation that statutory formulas would have otherwise provided. A recent court decision determined that most of the use of sales tax on gas to fund public transportation



costs otherwise borne by the General Fund is invalid. Based on this decision, \$958 million of 2009-10 General Fund budget solutions cannot be obtained. Because these funds cannot be used as budgeted, they are being retained in the Public Transportation Account (PTA), which thus has a growing balance.

The Governor’s Budget proposes to achieve \$1.8 billion in General Fund savings while continuing to fund transportation programs at the level anticipated in the 2009 Budget Act. To achieve this goal, the budget proposes to eliminate the sales tax on fuel and increase the excise tax on gasoline by 10.8 cents to partially replace these revenues, thereby maintaining funding for transportation programs while reducing net taxes paid by consumers by \$976 million. (See Figure MPA-03 for an outline of the plan).

Fig. MPA - 03
Proposed Transportation Revenues
 (\$ in millions)



Under current law, the sales tax on fuel provides the revenues that fund Proposition 42. Revenues from the excise tax on gasoline have substantial constitutional protections; however they are not subject to the same legal restrictions as the sales taxes on fuels are. Under Article XIX of the Constitution, excise tax revenues cannot be used for most transit purposes. Given the goal to provide the same level of funding for transportation as was anticipated in the 2009 Budget Act, the Governor’s Budget proposes the replacement revenues to be distributed as follows: \$629 million for local streets and roads and \$629 million for the State Transportation Improvement Program (STIP). This distribution is the same as would have been provided under Proposition 42.

The General Fund benefits from this proposal as follows:

- \$603 million in new excise tax revenue will be used to reimburse the General Fund for highway bond debt service costs in 2010-11. In future years, the excise taxes will be adjusted to allow the increasing amount of debt service cost associated with Proposition 1B bonds to be offset. However, the rate will never exceed the current effective per-gallon rate.

SUMMARY OF SIGNIFICANT CHANGES BY MAJOR PROGRAM AREAS

Additionally, \$72 million in miscellaneous Caltrans revenues transferred to the PTA under prior law will instead be retained in the State Highway Account to offset a portion of Proposition 116 rail bond debt service.

- From the revenue received in the PTA in 2009-10, \$57 million in 2009-10 and \$254 million in 2010-11 will be used to fund transit programs' bond debt service costs, as allowed under the recent court decision.

This results in an overall decrease in taxes on motorists of about five cents per gallon. In the future, state tax revenues will no longer increase from spikes in gasoline prices. Since the revenues that flowed to Proposition 42 were General Fund revenues, the elimination of these revenues reduces the Proposition 98 guarantee, which provides an \$836 million budget solution (see Proposition 98 Section).

Figure MPA-04 provides details of how the program expenditures and revenues of the new proposal compare to existing law.

Intercity Rail and some transportation planning costs will continue to be funded from the PTA until those funds are exhausted in 2011-12. At that time, it will become necessary to fund these activities from the General Fund or other funding sources.

Emergency Housing Assistance—A transfer of \$4.2 million from the Emergency Housing Assistance Fund to the General Fund is proposed.

SUMMARY OF SIGNIFICANT CHANGES BY MAJOR PROGRAM AREAS

Figure MPA-04
Transportation Funding Proposal
 (2010-11 Dollars in Millions)

Current Law	Total	Highway Uses	Transit Uses
<u>Revenues</u>			
Sales Tax on Gasoline			
Proposition 42	\$1,573	-	-
State Transportation Improvement Program	-	\$629	-
Local Street and Road Maintenance	-	629	-
Transit	-	-	\$315
Spillover	897	-	897
Proposition 111	61	-	61
Sales Tax on Diesel	313	-	313
Caltrans Miscellaneous	72	-	72
Totals	\$2,916	\$1,258	\$1,658
<u>2009-10 Budget Expenditures (with 2010-11 amounts)</u>			
Capital Projects	-	\$629	\$36
Local Maintenance	-	629	-
Intercity Rail	-	-	131
Planning	-	-	19
Debt Service	-	-	1,344
Regional Center Client Transportation	-	-	138
Totals	-	\$1,258	\$1,668
Proposed Changes			
<u>Revenues</u>			
Excise Tax on Fuels at 10.8 cents per gallon	\$1,868	\$1,868	-
Caltrans Miscellaneous	72	72	-
2009-10 PTA revenues*	946	-	\$946
Totals	\$2,886	\$1,940	\$946
<u>2010-11 Proposed Budget Expenditures</u>			
Capital Projects	-	\$629	\$36
Local Streets and Roads Capital and Maintenance	-	629	-
Intercity Rail	-	-	131
Planning	-	-	19
Debt Service	-	675	254
Totals	-	\$1,933	\$440

NATURAL RESOURCES

General Fund expenditures are proposed to decrease by \$337.4 million, or 29.8 percent. This decrease is primarily attributable to alternative funding budget solutions proposed for the Department of Forestry and Fire Protection (CAL FIRE) and the Department of Parks and Recreation (Parks).

SUMMARY OF SIGNIFICANT CHANGES BY MAJOR PROGRAM AREAS

The significant General Fund workload adjustments are as follows:

- CAL FIRE Emergency Fire Suppression Expenditures—A decrease of \$32.8 million for CAL FIRE's emergency fire costs. Based on expenditures to date, CAL FIRE's emergency fire suppression expenditures are estimated to be \$255.8 million in 2009-10. In 2010-11, the Governor's Budget proposes a total of \$223 million General Fund for CAL FIRE's emergency fire expenditures, which reflects the historical average of emergency firefighting costs over the past five years and additional federal reimbursements.
- Restoration of One-Time Fund Shift from the Fish and Game Preservation Fund—An increase of \$30 million to the Department of Fish and Game to restore General Fund support. The 2009 Budget Act included a one-time fund shift of \$30 million from the Fish and Game Preservation Fund to backfill reductions to the General Fund.

The significant General Fund policy adjustments are as follows:

- Beverage Container Recycling Program—An increase of \$54.8 million in 2009-10 and \$98.2 million in 2010-11 to reflect the repayment of loans made from the Beverage Container Recycling Fund. These loan repayments are part of a comprehensive proposal to implement market-based programmatic and budgetary reforms in the Recycling Program that will incorporate the cost of recycling into the price paid by consumers, and eliminate several unnecessary recycling programs and subsidies. Consumers will pay a higher container fee once the General Fund loans have been fully repaid in 2013-14.

The significant General Fund budget solutions are as follows:

- Reductions
 - Department of Fish and Game—A reduction of \$5 million for recreational hunting and fishing programs. This includes reductions to habitat management activities that attract game species, such as deer and waterfowl, that support sport hunting, and fisheries management activities for marine and freshwater sport fishing.
- Alternative Funding
 - Fund CAL FIRE's Fire Protection Program from the Emergency Response Initiative—A reduction of \$200 million in General Fund and replacement with

SUMMARY OF SIGNIFICANT CHANGES BY MAJOR PROGRAM AREAS

revenue generated from a 4.8-percent statewide surcharge on all residential and commercial property insurance. Beginning in 2011-12, the Emergency Response Initiative will provide funding to enhance the state's emergency response capabilities, including enhancements for CAL FIRE, the California Emergency Management Agency, the Military Department, and assistance to local first response agencies in support of the state's mutual aid system.

- Fund State Parks from Tranquillon Ridge Oil Revenues—A reduction of \$140 million in General Fund and replacement with revenue generated from the Tranquillon Ridge oil lease. It is estimated that the Tranquillon Ridge oil lease will generate \$1.8 billion in advanced royalties over the next 14 years. This revenue will be used to fund state parks. The Governor's Budget assumes that the State Lands Commission will approve the Tranquillon Ridge proposal. If not approved by the Commission, legislation will be necessary.

Non-General Fund expenditures are proposed to decrease by \$2.6 billion, or 23.1 percent. This decrease is primarily attributable to numerous expiring one-time bond fund appropriations for Natural Resources Agency departments, and a reduction in the Department of Water Resources' expiring long-term energy contracts entered into during the 2001 energy crisis.

The significant non-General Fund workload adjustments are as follows:

- Implementation of the Department of Resources Recycling and Recovery (CalRecycle)—Pursuant to Chapter 21, Statutes of 2009, the Governor's Budget reflects the elimination of the Integrated Waste Management Board (Waste Board) and the consolidation of Waste Board activities with the Department of Conservation's Division of Recycling into a new CalRecycle. This reflects a net decrease in state expenditures of \$2 million. Consistent with the Governor's direction, the Administration will work with the Legislature to make changes necessary to ensure that resources, recycling, and recovery programs are housed and managed by the appropriate agencies.
- Delta Water Legislation—An increase of \$70.5 million and 47.4 positions to implement the comprehensive water legislation enacted in November 2009 to restore the Delta and address the state's long-term water needs. The budget reflects the establishment of the new Delta Stewardship Council and Sacramento-San Joaquin Delta Conservancy, as well as funding for the

SUMMARY OF SIGNIFICANT CHANGES BY MAJOR PROGRAM AREAS

development of the Delta Plan, as required by Chapter 5, Statutes of 2009, Seventh Extraordinary Session.

The significant non-General Fund policy adjustments are as follows:

- FloodSAFE Program—An increase of \$210.8 million in Safe Drinking Water, Clean Water, Watershed Protection, and Flood Protection Bond Act (Proposition 13), Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 (Proposition 84), and Disaster Preparedness and Flood Protection Bond Act of 2006 (Proposition 1E) bond funds to evaluate, repair, and strengthen critical levees in the Central Valley and the Delta, provide grants and subventions to help local governments protect their communities from flooding, and continue the development of the Central Valley Flood Protection Plan.
- Davis Dolwig Reform—An increase of \$22.6 million, including \$15.1 million in Proposition 84 funds, for recreation and fish and wildlife enhancements at State Water Project facilities. This proposal also includes amendments to the Davis Dolwig Act to clarify the Legislature’s constitutional appropriation authority and provides an annual transfer of \$7.5 million from the Harbors and Watercraft Fund to DWR for boating-related recreation and fish and wildlife enhancements.
- Fish and Game Wardens—An increase of \$2 million Fish and Game Preservation Fund for 6.7 additional warden positions to improve enforcement of fish, wildlife, pollution, and habitat protection laws.

ENVIRONMENTAL PROTECTION

General Fund expenditures are proposed to decrease by a net amount of \$8 million, or 11.7 percent.

The significant General Fund policy adjustments are as follows:

- Various Water Board Program Fees—A reduction of \$6.4 million in General Fund subsidies to be offset by increases to existing fees for several water quality regulatory programs including Water Rights, Irrigated Lands and National Pollutant Discharge Elimination System programs.

Non-General Fund expenditures are proposed to decrease by \$251.8 million, or 12.6 percent. This reduction reflects, in part, the elimination and transfer of the Waste Board to CalRecycle.

SUMMARY OF SIGNIFICANT CHANGES BY MAJOR PROGRAM AREAS

The significant non-General Fund workload adjustments are as follows:

- **Underground Storage Tank Program**—An increase of \$158 million Underground Storage Tank Cleanup Fund (USTCF) resulting from the enactment of Chapter 649, Statutes of 2009. The additional revenue resulting from the bill will reimburse claims that have previously been approved, but for which there are no available USTCF funds.
- **Delta Water Legislation**—An increase of \$5.5 million and 32.0 positions to reflect recently authorized legislation to improve water quality and water conservation in the Delta. This increase includes \$3.8 million and 25.0 positions identified in Chapter 2, Statutes of 2009, Seventh Extraordinary Session to establish or augment dedicated investigations and enforcement units at the Water Board.
- **Department of Pesticide Regulation**—An increase of \$4.6 million special funds to reflect the consolidation of the Structural Pest Control Board within the Department of Pesticide Regulation, pursuant to Chapter 18, Statutes of 2009, Fourth Extraordinary Session.
- **Office of Education and the Environment (OEE)**—\$748,000 and 6.5 positions to reflect the transfer of the OEE from the Waste Board to the Office of the Secretary for Environmental Protection, consistent with the provisions of Chapter 21, Statutes of 2009. The transfer will allow the Secretary to continue work on curriculum development and implementation of the program.

HEALTH AND HUMAN SERVICES

The Governor's Budget contains significant reductions necessary to address the continuing fiscal crisis while maintaining essential services for children, seniors, and persons with disabilities. In short, California can no longer sustain the level of spending necessary to support federally driven Medicaid and other health and social services programs. A federal reimbursement structure that disadvantages California seriously restricts the state's ability to fund critical Health and Human Services (HHS) programs. While ARRA provided some relief, it also prohibits states from lowering eligibility standards (even to optional populations well above the minimum income requirements). Additionally, federal and state courts have enjoined or overturned necessary budget reductions in HHS programs, and other areas. These factors have limited the state's ability to effectively prioritize the use of state funds.

SUMMARY OF SIGNIFICANT CHANGES BY MAJOR PROGRAM AREAS

To more effectively allocate resources, California must have the ability to put limits on benefits, require a measure of financial responsibility from Medicaid recipients, and obtain continued federal flexibilities. Additionally, California must receive additional federal funding consistent with what is provided to other states. Specifically, the current formula that determines the federal share of Medi-Cal provides the lowest possible reimbursement to California and is discriminatory because of an over-reliance on per capita income instead of measuring poverty rates. California's federal fund share should be changed permanently to 57 percent, reflecting the average share of federal funds of the ten most populous states. To achieve federal participation at a level consistent with other large states, the Administration has requested that the federal government increase the base level of federal participation in the Medi-Cal program. The Administration is also assuming an extension of the enhanced funding provided for health and social services programs by ARRA.

HHS General Fund expenditures are proposed to decrease by \$2.4 billion, or 8.0 percent from the revised 2009-10 total to the proposed 2010-11 total. This significant year-over-year decrease in General Fund expenditures is comprised of budget solutions totaling \$4.5 billion, partially offset by higher expenditures of \$2.1 billion resulting from statutory caseload increases and other workload adjustments, as well as high-priority policy changes described below. The \$4.5 billion excludes General Fund savings attributable to ARRA since these funds prevent program reductions that otherwise would be necessary. The budget solutions generally fall within three categories: (1) Reductions (totaling \$116 million in 2009-10 and \$2.8 billion in 2010-11), (2) Alternative Funding (totaling \$1.8 billion in 2010-11), and (3) Federal Funds (from ARRA and other solutions totaling \$5 billion in 2010-11). See below for more detail.

The significant General Fund cost drivers for HHS programs are as follows:

- Medi-Cal—California has the third lowest provider rates and spends less on a per capita basis than the average of the ten largest states, yet base costs are rising annually by about 8 percent or \$1 billion, primarily due to the following factors: (1) caseload is up 3.4 percent (from 7.3 million to 7.5 million), (2) the increasing cost of providing medical services (including prescription drugs and inpatient and outpatient services), (3) California ranks 47th in terms of the percent of beneficiaries enrolled in managed care, which provides more cost-effective and high-quality care, and (4) disabled and elderly persons represent a small percentage of the population, but use most of the program budget through more costly fee-for-service benefits.

SUMMARY OF SIGNIFICANT CHANGES BY MAJOR PROGRAM AREAS

- In-Home Supportive Services (IHSS)—Major IHSS cost drivers include caseload, cost per hour, and hours per case. Over the last ten years, caseload has increased from 208,000 to 430,000 recipients, which accounts for approximately 53 percent of the increase in total costs over this same period. Hourly costs have increased primarily because state law triggered a series of increases in the hourly amount up to which the state participates in IHSS worker wages and health benefits. This accounts for approximately 39 percent of the increase in total costs over the last ten years, while hours per case account for approximately 8 percent of the increase in costs over the last ten years.
- Developmental Services—California is the only state providing developmental services as an entitlement. Under the entitlement, Department of Developmental Services (DDS) consumers receive a variety of services and supports that allow them to live and work independently, or in supported environments. The DDS' Regional Center costs are increasing due to higher caseload, the movement of consumers from developmental centers into the community, increased service utilization, and the increase in consumers diagnosed with autism spectrum disorders. In the past ten years, the number of individuals with autism served by the DDS has quadrupled. In 1999, consumers with autism accounted for 9 percent of the caseload; today they represent 23 percent.
- California Work Opportunity and Responsibility to Kids (CalWORKs)—California's welfare program differs from other states in two significant areas. First, California provides a safety net program for children after the adult(s) reach(es) their 60-month time limit (only ten other states offer such a program). Second, as of July 2009, California's grant level is the fourth highest in the nation and ranks second highest among the ten largest states. The recent economic downturn has caused CalWORKs caseload to grow, resulting in significant cost increases in the program.

The significant General Fund workload adjustments are as follows:

- Medi-Cal Base Benefit Costs—An increase of \$944 million (including \$590.9 million for Fee-For Service, \$92.1 million for managed care, and \$261 million for Medicare payments and other base adjustments).
- Medi-Cal Federal Flexibility and Stabilization—An increase of \$696.8 million as a result of federal funding available in 2009-10 that will not be available in 2010-11. The state expects to claim \$360 million in unused federal funds from the existing hospital waiver (\$180 million annually for 2005-06 and 2006-07) under the Safety Net Care Pool (SNCP) and an additional \$380.3 million by applying ARRA enhanced

SUMMARY OF SIGNIFICANT CHANGES BY MAJOR PROGRAM AREAS

Federal Medical Assistance Percentage (FMAP) to the SNCP (\$43.5 million available in 2010-11).

- Children's Health Coverage—A decrease of \$320 million because of newly enacted hospital fees established by Chapter 627, Statutes of 2009 enabling the state to use \$80 million per quarter of fee revenue to offset General Fund for children's Medi-Cal coverage.
- Family Health Program Costs—An increase of \$36.2 million in 2010-11 because of a \$22.1 million decrease in available federal SNCP funds, a \$3 million decrease in federal Title V reimbursement funds, and an \$11.1 million increase in caseload and treatment-related costs.
- CalWORKs—An increase of approximately \$500 million resulting from increased caseload and federal Temporary Assistance for Needy Families (TANF) Block Grant funds being fully committed and unable to entirely support the cost of the program.
- Other Social Services—An increase of approximately \$78 million associated with caseload increases in the Supplemental Security Income/State Supplementary Payment (SSI/SSP), IHSS, and Food Stamp programs.
- AIDS Drug Assistance Program (ADAP)—An increase of \$97 million consisting of: (1) \$59.3 million increase related to increased caseload and the increased cost of prescription drugs, and (2) \$37.7 million increase to backfill a projected shortfall in the ADAP Rebate Fund.
- Regional Centers—An increase of \$143.5 million because of increased service utilization and costs associated with autism spectrum disorders, growth in regional center caseload, the expiration of specified provider payment reductions, and the backfill of PTA funds for regional center transportation costs related to *Shaw v. Chiang*.
- Early and Periodic Screening, Diagnosis and Treatment (EPSDT) Program—An increase of \$42.2 million primarily because of increased service costs and the payment of 2006-07 cost settlement claims deferred in the Budget Act of 2009.
- Mental Health Managed Care—An increase of \$11.7 million resulting from an increase in the number of Medi-Cal eligible beneficiaries in all programs.
- State Hospitals—An increase of \$19.4 million for an estimated increase in the state hospital population, Phase XI of the Coalinga State Hospital activation, and the 64-bed expansion of the Vacaville Psychiatric Program.

SUMMARY OF SIGNIFICANT CHANGES BY MAJOR PROGRAM AREAS

The significant General Fund policy adjustments are as follows:

- **Managed Care Expansion**—An increase of \$54.9 million for managed care expansion into Ventura, Mendocino, Lake, Madera, and Kings Counties. Madera and Kings Counties will be partnering with Fresno County, which already has a Medi-Cal managed care delivery system.
- **Nursing Home Fees**—The Quality Assurance Fee, which is used to reimburse facilities for providing long-term care skilled nursing services to Medi-Cal beneficiaries, sunsets on July 31, 2011. In the months leading to the May Revision, the Administration will work with stakeholders on reauthorization of this fee.
- **ADAP**—A decrease of \$9.5 million for the elimination of ADAP services to county jails.

The current and significant General Fund reforms and major changes underway are as follows:

- **Targeting IHSS to the Neediest Consumers**—Current law limited (1) domestic and related services (housework, shopping and errands, and meal preparation and clean-up) to only those individuals assessed to have the greatest need for those services, and (2) all services to only those individuals with greater needs based on an assessment of their ability to function within 11 activities of daily living. While these limits were estimated to save approximately \$492.7 million (\$123 million General Fund) annually, federal court injunctions have prevented the state from implementing these measures.
- **Reducing the State Share of IHSS Wages and Health Benefits**—Current law reduced state financial participation in the cost of IHSS worker wages and health benefits from a combined \$12.10 per hour to a combined \$10.10 per hour. While this was estimated to save approximately \$352.5 million (\$88 million General Fund) annually, federal court injunctions have prevented the state from implementing this measure.
- **IHSS Anti-Fraud Reform**—The budget includes rigorous anti-fraud efforts that require: (1) all IHSS providers to attend an orientation, obtain a background check, and be fingerprinted during 2009-10, (2) IHSS recipients to be fingerprinted, (3) timesheets to be signed under a statement acknowledging that false timesheets are subject to civil penalties, and (4) fingerprints of both the recipient and provider to be included on timecards. In addition, this reform generally disallows provider checks from being sent to post office box addresses, and authorizes case reviews, targeted

SUMMARY OF SIGNIFICANT CHANGES BY MAJOR PROGRAM AREAS

mailings, and unannounced home visits. While these measures were estimated to save \$520.8 million (\$130 million General Fund) annually, state court injunctions have prevented the state from implementing certain components.

- CalWORKs—Beginning in 2011-12, the following long-term reforms (which are estimated to result in savings of \$600 million General Fund annually) will become effective: (1) restructuring time limits by requiring the adults in families that have received aid for a cumulative 48 months within a 60-month period to “sit out” and not receive aid for 12 months, (2) requiring all non-exempt recipients who are not meeting work requirements to meet face-to-face twice a year for a review with county workers, and (3) strengthening the sanction process for adults who do not comply with program requirements by progressively decreasing the family’s monthly grant if the adult continues to refuse to comply.
- Improving Health Care Coordination and Controlling Long-Term Medi-Cal Costs—Current law includes reform that provides the Department of Health Care Services, in partnership with the federal government and stakeholders, broad authority under a demonstration project or waiver to utilize managed care or other specialized delivery systems of care for vulnerable populations, including seniors, people with disabilities, children with significant medical needs, and individuals with behavioral health problems. By providing earlier and appropriate care, this program restructuring will keep Californians healthier and avoid unnecessary emergency room visits. Annual savings of \$800 million (\$400 million General Fund) are estimated to be achieved through this effort by 2012-13.
- Centralizing Eligibility and Enrollment for Public Assistance—Current law establishes a framework for transforming enrollment and eligibility for the Medi-Cal, CalWORKs, and Food Stamp programs from an inefficient, labor-intensive, and decentralized system to a modern online process. This modernization effort will help improve access to health and human services while reducing costs by an estimated \$1 billion (\$500 million General Fund) annually by 2012-13.

The significant General Fund budget solutions are as follows:

- Reductions
 - Medi-Cal Cost Containment Strategies—A decrease of \$750 million as a result of a number of program cost containment strategies. While California operates one of the least costly Medicaid programs in the nation, costs continue to increase primarily as a result of increases in caseload and costs of services.

SUMMARY OF SIGNIFICANT CHANGES BY MAJOR PROGRAM AREAS

The Governor's Budget includes a reduction of \$750 million General Fund from the implementation of strategies, similar to what other states have done, to reduce Medi-Cal costs. These strategies will include a combination of the following: (1) Limits on services and utilization controls, (2) Increased cost-sharing through co-payment requirements, premiums, or both, and (3) other programmatic changes.

- Eliminate Full-Scope Medi-Cal for Certain Immigrants—A decrease of \$118 million resulting from the elimination of full-scope Medi-Cal for adult Newly Qualified Immigrants (legal immigrants who have been residing in the United States less than five years), except pregnant women, and immigrants Permanently Residing Under the Color of Law, and Amnesty Immigrants who are not defined as eligible Qualified Immigrants under federal law. This proposal would take effect March 1, 2010, but savings would not be realized until June 2010 because of implementation times and notification requirements.
- Eliminate Optional Adult Day Health Care Benefits—A decrease of \$104 million as a result of the elimination of the optional adult day health care benefit. This proposal would take effect March 1, 2010, but savings would not be realized until June 2010, because of provider and beneficiary notification requirements and the timing associated with related cash payments in Medi-Cal.
- Delay Checkwrite—A decrease of \$55 million by deferring one weekly payment to institutional providers.
- Medi-Cal Anti-Fraud Initiative—A decrease of \$26.4 million (including the associated support costs) resulting from the Department of Health Care Services' aggressive targeting of fraud in high-priority areas, such as pharmacy, physician services, transportation, and medical equipment.
- Roll-back Rate Increase for Family Planning Services—A decrease of \$28.7 million by rescinding the substantial discretionary rate increase authorized by Chapter 636, Statutes of 2007, for family planning services. This proposal would take effect March 1, 2010, but savings would not be realized until June 2010 because of provider and beneficiary notification requirements and timing associated with related cash payments in Medi-Cal.
- Reduce Healthy Families Program Eligibility—A decrease of \$10.5 million in 2009-10 and \$63.9 million in 2010-11 by reducing program eligibility from 250 percent to 200 percent of the federal poverty level. This proposal

SUMMARY OF SIGNIFICANT CHANGES BY MAJOR PROGRAM AREAS

would align California's eligibility standards with the standards in most other states, and take effect May 1, 2010, after appropriate provider and beneficiary notification. A conforming \$3.9 million decrease also results in the California Children's Services program for beneficiaries who were previously eligible under the Healthy Families program.

- **Reduce Healthy Families Program Benefits and Increase Premiums**
—A decrease of \$21.7 million by eliminating vision coverage and increasing monthly premiums in families with incomes from 151 percent to 200 percent of the federal poverty level by \$14 per child or \$42 maximum increase per family with 3 or more children (from current \$16 per child or \$48 maximum per family premiums—the lowest income families under 150 percent of poverty would not have a premium increase). These proposals are consistent with what other states have done and would take effect July 1, 2010, after appropriate provider and beneficiary notification.
- **IHSS**—A reduction of \$77.9 million in 2009-10 and \$872.6 million in 2010-11 for: (1) limiting the provision of services to consumers with the highest level of need and (2) reducing state participation in the wages of IHSS workers to the state minimum wage of \$8.00 per hour, plus \$0.60 per hour for health benefits. These proposals would become effective June 1, 2010, based on the assumption that the state prevails in pending litigation on similar but lesser reductions previously enacted.
- **CalWORKs**—A reduction of \$146.1 million by: (1) reducing monthly grant payments by 15.7 percent to reduce California's grant level to the average of the ten states with the highest cost of living, (2) reducing the level at which the state reimburses child care providers, and (3) eliminating the Recent Noncitizen Entrants program, which provides CalWORKs benefits to legal immigrants who have been in the United States for less than five years. Due to the shifting of federal funds, these proposals also result in General Fund savings of \$42.7 million in the Department of Developmental Services budget and \$18.3 million in the California Student Aid Commission budget. These proposals would become effective June 1, 2010. The General Fund savings resulting from these proposals would increase to approximately \$700 million if the federal government does not extend ARRA funding for CalWORKs (see related Federal Funds issue below).
- **SSI/SSP**—A reduction of \$21.8 million in 2009-10 and \$285.1 million in 2010-11 by: (1) reducing SSI/SSP grants for individuals by \$15 per month (from

SUMMARY OF SIGNIFICANT CHANGES BY MAJOR PROGRAM AREAS

\$845 to \$830) to the federal minimum (SSI/SSP grants for couples are already at the federal minimum) and (2) eliminating the Cash Assistance Program for Immigrants, which provides state-only benefits to legal immigrants who are not eligible for federal benefits. These proposals would become effective June 1, 2010.

- California Food Assistance Program (CFAP)—A reduction of \$3.8 million in 2009-10 and \$56.2 million in 2010-11 by eliminating the CFAP, which provides state-only benefits to legal immigrants not eligible for federal Food Stamp benefits. This proposal would become effective June 1, 2010.
- Regional Centers—Reductions of: (1) \$61.6 million for additional savings associated with the annualization of \$334 million in current year reforms developed by a stakeholder process, which included advocacy and provider groups, (2) \$60.9 million for extending the three-percent payment reduction for regional center operations and for services provided through 2010-11, (3) \$52.5 million for full-year implementation and expansion of consumer services associated with a 1915(i) amendment to California’s Medicaid State Plan submitted to the Centers for Medicare and Medicaid Services in December 2009. A 1915(i) amendment would allow receipt of federal funds for services to consumers who are Medi-Cal eligible, but are not on the existing Home and Community-Based Services Waiver because they do not meet the institutional level of care required for Waiver eligibility, and (4) \$25 million for additional program reforms to be developed by the existing stakeholder process while maintaining the entitlement and ensuring program and service integrity.
- Substance Abuse Offender Treatment Program—A reduction of \$18 million to eliminate funding for the Substance Abuse Offender Treatment Program.
- Alternative Funding
 - Children’s Health Coverage—A decrease of \$240 million from available proceeds (\$80 million per quarter from April 2009 until December 2010) authorized in law from newly enacted hospital fees. This is in addition to \$320 million reflected in the budget as a workload adjustment.
 - Cigarette and Tobacco Products Surtax Fund (Proposition 99)—Savings of \$36 million from using available one-time Proposition 99 reserves to offset costs in Medi-Cal. The 2010 Budget also contains \$25 million from the available special funds to replace one-time 2009-10 savings (from a change in

SUMMARY OF SIGNIFICANT CHANGES BY MAJOR PROGRAM AREAS

payment methodology) made available from the Access for Infants and Mothers Program to meet anticipated demand for health care in 2010-11.

- California Children and Families Act of 1998 (Proposition 10)—A reduction of \$550 million in General Fund through a redirection of Proposition 10 funding from the California Children and Families Commission budget to high-priority state programs serving children. This proposal includes shifting (for five years) approximately 50 percent of the Proposition 10 revenues currently directed to state and local accounts within the Commission's budget (\$242 million in 2010-11) and a one-time sweep of state and local reserves (\$308 million). The redirected funds will be used to support children enrolled in programs administered by the Department of Social Services and the Department of Developmental Services. Implementation of this proposal will require voter approval. It is anticipated this initiative will be included in the June 2010 election.
- Redirection of County Savings—A decrease of \$505.5 million General Fund by redirecting a portion of the county savings resulting from reductions in IHSS and CalWORKs (discussed in Reductions section above) to fund an increased county share in Department of Social Services children's programs.
- Regional Centers—A reduction of \$42.7 million in General Fund and substitute with reimbursements from federal Title XX funds for the TANF program.
- Community Mental Health Services—A reduction of \$452.3 million in General Fund and substitute with Mental Health Services Act (Proposition 63) funding for a portion of the EPSDT program and a portion of the Mental Health Managed Care program. This requires amending the non-supplantation and maintenance-of-effort provisions of Proposition 63 and requires voter approval. It is anticipated this initiative will be included in the June 2010 election.
- Federal Funds
 - Federal Flexibility and Stabilization—A decrease of \$1 billion resulting from federal reimbursement for the following costs: (1) health costs for disabled individuals who were actually eligible for Medicare (\$700 million), (2) recalculating the rate at which California pays for Medicare Part D drug coverage (\$75 million ongoing), and (3) applying the enhanced ARRA FMAP ratio to the Medicare Part D drug coverage payments (\$250 million). An additional \$43 million in ARRA enhanced Safety Net Care Pool funding is available in 2010-11.

SUMMARY OF SIGNIFICANT CHANGES BY MAJOR PROGRAM AREAS

- Increase California's base FMAP—A savings of \$1.8 billion as a result of the federal government increasing California's base FMAP to 57 percent to be consistent with the federal funding ratios provided to the ten most populous states as well as the nationwide average.
- Expand Federal Eligibility for Foster Care—A decrease of \$86.9 million as a result of the federal government providing financial participation to all currently state-only foster care cases.
- Continuation of ARRA FMAP Through June 30, 2011 — A decrease of \$1.5 billion as a result of the continuation of California's ARRA-enhanced FMAP (11.59 percent increase to the base percentage) through June 30, 2011.
- CalWORKs ARRA Funding—A decrease of \$538 million as a result of the federal government continuing through 2010-11 the TANF Emergency Contingency Funding provided to California.
- Title IV-E ARRA—A reduction of \$26.8 million from continuation through 2010-11 of the enhanced FMAP (6.2 percent increase to the base percentage) available for California's Foster Care and Adoptions Assistance programs.
- Child Support ARRA Funding—A decrease of \$20.8 million resulting from the federal government allowing California to use incentive funds to match federal funds through June 30, 2011.
- Early Start Program—An offset of \$32.9 million for an increase in funding from the federal Individuals with Disabilities Education Act, Part C grant that was augmented as part of ARRA.

The significant non-General Fund workload adjustments are as follows:

- Gross Premiums Tax—An increase of \$163.8 million to the Department of Health Care Services (\$91.9 million in 2009-10 and \$71.9 million in 2010-11) and \$239 million to the Managed Risk Medical Insurance Board's Healthy Families Program (\$101.7 million in 2009-10 and \$137.3 million in 2010-11) resulting from the enactment of Chapter 157, Statutes of 2009, that created an industry-supported tax on managed care plans.
- Proposition 10—A one-time increase of \$55.6 million in funding provided by the First 5 California Children and Families Commission to help fund the costs of children up to five years old enrolled in the Healthy Families Program.

SUMMARY OF SIGNIFICANT CHANGES BY MAJOR PROGRAM AREAS

- Local Revenue Fund—An increase of \$175.3 million attributable to revenue increases in the State-Local Realignment program.
- Clinical Laboratory Inspections—An increase of \$3.4 million Clinical Laboratory Improvement Fund to comply with the provisions of Chapter 201, Statutes of 2009, which revises licensing and registration requirements for private nonprofit organizations to accredit clinical laboratories for state compliance, and revises licensing fees to fund state resources to provide improved oversight.
- ADAP—A decrease of \$37.7 million ADAP Rebate Fund to avoid a shortfall and maintain a prudent reserve. This reduction is fully backfilled with General Fund.
- Mental Health Services Act Local Assistance—A decrease of \$405.9 million Mental Health Services Fund, which is a technical adjustment to reflect updated county resource plans.

CORRECTIONS AND REHABILITATION

General Fund expenditures are proposed to decrease by \$1.19 billion, or 12.7 percent, not including General Fund offsets.

The significant General Fund cost drivers are:

- Correctional Officer Salaries—Correctional officer salaries are 33 percent higher than the average salary for comparable positions in other jurisdictions and parole agent salaries are 25.5 percent higher, according to a Department of Personnel Administration salary survey.
- Court-Driven Costs—Numerous state and federal court orders have dramatically increased the cost of prison health care, parole hearings, Americans with Disabilities Act compliance, and juvenile incarceration. Medical costs are the largest cost driver. California's average annual medical inmate cost is approximately \$11,000 per inmate, as compared to approximately \$5,757 for New York, which has similar inmate demographics.

The significant General Fund workload adjustments are as follows:

- Adult Inmate and Parolee Population—An increase of \$176.2 million related to projected changes in the inmate and parolee populations, as well as payments to local jurisdictions that temporarily house inmates on behalf of the state

SUMMARY OF SIGNIFICANT CHANGES BY MAJOR PROGRAM AREAS

prison system. The inmate population is expected to decrease from 168,628 to 168,461, primarily because of a decrease in new admissions from the courts, and the parolee population is expected to decrease from 118,371 to 118,342, primarily because of a decrease in the number of discharges from prison to parole.

- Juvenile Institution and Parolee Population—A decrease of \$16.2 million General Fund and \$4.8 million Proposition 98 General Fund related to projected changes in the juvenile institution and parolee populations, the closure of the Heman G. Stark Youth Correctional Facility, and the use of revised staffing ratios. The juvenile institution population is projected to decrease from 1,637 to 1,624 and the parolee population is expected to decrease from 1,690 to 1,391.
- Removal of Price Increase—A decrease of \$92.8 million in 2009-10 and 2010-11, pursuant to Control Section 4.04, to remove the augmentation that had been provided in the 2009-10 Budget to adjust General Fund appropriations for inflation.
- Revised Savings Estimates—An increase of \$613.1 million in 2009-10 and \$359.2 million General Fund in 2010-11 to reflect revised savings estimates associated with prison reforms assumed in the 2009 Budget Act. The Administration proposed reforms that would have achieved an estimated \$1.18 billion in savings. The savings were included in the Budget Act, but not all of the statutory changes necessary to achieve those savings were subsequently enacted by the Legislature. In addition, the legislation that was enacted was passed later in the year than the savings estimates had assumed. The delay in passage of the legislation resulted in the loss of \$119.7 million in 2009-10, while another \$265 million for 2009-10 and \$130.8 million in 2010-11 were lost because some proposals that were implemented will not achieve the full amount of estimated savings. The remainder of the savings loss, \$228.4 million in 2009-10 and 2010-11, is due to the lack of statutory changes that would have been necessary for the proposals to be implemented.
- Receiver's Medical Services Program—An increase of \$519.1 million in 2009-10 and \$532.2 million in 2010-11 to account for contract medical expenditures and to implement various portions of the Receiver's court-approved Turnaround Plan. This includes the provision of additional nursing resources, improving the information technology infrastructure, and establishing an electronic medical records system.

The significant General Fund current reforms and major changes underway are as follows:

- Parole Reforms—Reduced parole agent caseloads and focused parole supervision on serious and violent offenders, as well as offenders who have a high risk

SUMMARY OF SIGNIFICANT CHANGES BY MAJOR PROGRAM AREAS

of reoffending. Prohibit low and moderate risk offenders from being returned to prison for technical violations. Required the use of science-based, risk assessment instruments to determine appropriate sentences and expanded use of active GPS monitoring as a part of parole supervision tool.

- Credit Earning Changes—Enhanced sentence credits were put in place for time served in county jails while awaiting placement with CDCR, completing rehabilitative programs, placement on a waiting list to serve in a fire camp, and time served while being processed for return to custody due to parole violations.
- Reduce the Number of Felony Probationers Coming to Prison—A system of financial incentives for counties to reduce the number of failed felony probationers sent to state prison.
- Parolee Revocation Courts—Pilot program establishing parole reentry courts designed to prevent parole revocation and return to prison for parolees who would benefit from community drug treatment or mental health treatment.
- Cap Medical Rates—Limit hospital, physician, and ambulance service provider reimbursements rates at or slightly above the amount payable under the Medicare Fee Schedule.

The significant General Fund budget solutions are as follows:

- Reductions
 - Reduce Funding for Medical Services Program—A decrease of \$811 million General Fund to the Receiver's Medical Services Program budget to reduce per-inmate medical costs to a level comparable to other correctional health care programs. Currently, New York spends approximately \$5,757 per inmate per year on health care, Pennsylvania approximately \$4,418, and Florida approximately \$4,720. In contrast, in 2008-09 California spent an average of \$11,627 per inmate per year. This reduction will bring California's per-inmate medical costs in line with New York's costs and can be achieved without adversely impacting inmate care through a combination of measures including: reducing inmate over-utilization of the medical services program, reducing clinician salaries, reducing unnecessary referrals to outside providers and clinical specialists, increasing the utilization of telemedicine, reducing the ratio of clinical staff to inmates to levels comparable to other states, and reevaluating the classifications that provide medical services. Furthermore, other states have implemented more efficient correctional health care models that have enabled

SUMMARY OF SIGNIFICANT CHANGES BY MAJOR PROGRAM AREAS

them to maintain lower costs than California. For example, Pennsylvania contracts for medical, psychiatric and pharmacy services, but utilizes civil servants for nursing, psychology and administrative services. Texas has a major contract with the University of Texas Medical Branch; Oregon utilizes state employees for practitioners but contracts with a third-party administrator, whereas Indiana contracts for all inmate medical services. The state will explore these alternatives as a means to provide appropriate inmate medical care in the most cost-effective manner possible.

- Jail Time Instead of Prison for Specified Felonies—A decrease of \$291.6 million related to proposed statutory changes that would modify sentencing for specified non-serious, nonviolent, non-sex felonies, including drug possession, to be for one year punishable by imprisonment in local jails.
- Juvenile Offender Population Reform—A reduction of \$41.3 million and \$6.7 million Proposition 98 General Fund related to proposed statutory changes to reduce the juvenile offender population by restricting the age of jurisdiction to 21, transferring eligible offenders to adult institutions, and limiting time-adds.
- Federal Funds
 - Obtain Federal Funds to Offset the Full Cost of Incarcerating Criminal Aliens —A decrease of \$879.7 million, which is the estimated amount that the federal government fails to reimburse California each year for the cost of incarcerating undocumented immigrants who commit crimes. The budget assumes a vigorous and successful effort to obtain full reimbursement for the cost of incarcerating these inmates.

Non-General Fund expenditures are proposed to decrease by \$388.4 million, or 58.4 percent.

The significant non-General Fund workload adjustments are as follows:

- Reimbursement Authority Adjustment—A decrease of \$358 million to reflect the expiration of ARRA funds received as reimbursements from the Governor's Office of Planning and Research.
- Local Public Safety Account Adjustment—An increase of \$21.2 million Local Safety and Protection Account funds for allocation to counties that operate juvenile camps and ranches, pursuant to Chapter 4, Statutes of 2009, Third Extraordinary Session.

K-12 EDUCATION — NON-PROPOSITION 98 PROGRAMS

General Fund expenditures for K-12 agencies, including the Department of Education (CDE), California State Library (CSL), Teacher Credentialing Commission (CTC), and others are proposed at approximately \$1.3 billion in both 2009-10 and 2010-11, reflecting a decrease of \$2 million, or 0.2 percent.

All Proposition 98-related program expenditures for K-12 agencies are reflected in a separate Proposition 98 section below. Also, General Obligation Bond and Lease-Revenue debt service adjustments associated with K-12 construction are addressed in a separate section.

GENERAL FUND

The significant General Fund workload adjustments are as follows:

- \$769,000 increase to the CSL for costs of relocation during renovation (\$596,000) and the Integrated Library System Replacement Program (\$173,000).
- Decreases of \$411,000 General Fund and \$469,000 in federal Title I funds to CDE and the removal of 9.0 positions due to the elimination of the High Priority Schools Grant Program.
- \$573,000 decrease to CDE for nutrition programs at private entities.

OTHER FUNDS

The significant non-General Fund workload adjustments are as follows:

- \$8 million increase to CDE local assistance from federal funds for the Fresh Fruit and Vegetable Program, which provides an additional free fresh fruit or vegetable snack to students during the school day.
- \$710,000 increase to CDE from federal funds for ongoing support of the Child Nutrition Information and Payment System (CNIPS).
- \$674,000 increase to CDE from federal funds to provide technical assistance to local agencies to improve compliance with federal Child Nutrition Program requirements.
- \$600,000 increase to CDE from federal Title I and Title VI funds to conduct an alignment study of the California Modified Assessment.

SUMMARY OF SIGNIFICANT CHANGES BY MAJOR PROGRAM AREAS

- \$97,000 increase to CDE from Special Deposit Funds and 2.0 positions as a result of shifting the California Career Resource Network (CalCRN) to CDE pursuant to Chapter 32, Statutes of 2009.
- \$50,000 increase to CDE from the federal California Newborn Hearing Screening Program Grant to help improve the early diagnosis and treatment of infants and children with hearing loss.
- \$1.4 million decrease to CDE from federal Title I Reading First funds and a decrease of 6.0 positions due to the elimination of federal funding.

The significant non-General Fund policy adjustments are as follows:

- \$2.5 million increase in federal Title VI funds to CDE for continued implementation and development of the California Longitudinal Pupil Achievement Data System (CALPADS), which will establish a longitudinal student level database.
- \$560,000 increase in the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Act of 2002 (Proposition 40) bond funds to CSL to administer local grants for additional California Cultural and Historical Resource Preservation projects and to complete a survey required pursuant to Chapter 1126, Statutes of 2002.
- \$193,000 increase to CTC from federal funds for foreign language professional development.
- \$96,000 increase to CDE from federal Title I funds and 1.0 position to research School Accountability Growth Models pursuant to Chapter 273, Statutes of 2009.

HIGHER EDUCATION — NON-PROPOSITION 98 PROGRAMS

General Fund expenditures are proposed to increase by \$224.5 million, or 3.5 percent, not including \$610 million in one-time General Fund offsets used in 2009-10.

Actual General Fund expenditures for Higher Education agencies, including the University of California (UC), California State University (CSU), Hastings College of Law (HCL), California Postsecondary Education Commission (CPEC), the Student Aid Commission (CSAC), and the California Community Colleges (CCC) are \$5.9 billion in 2009-10 and are proposed at \$6.7 billion in 2010-11.

SUMMARY OF SIGNIFICANT CHANGES BY MAJOR PROGRAM AREAS

All Proposition 98-related program expenditures for the Community Colleges are reflected in a separate Proposition 98 section below. General Obligation Bond and lease-revenue debt service adjustments associated with Higher Education construction are addressed in a separate section.

GENERAL FUND

The significant General Fund workload adjustments are as follows:

- UC and CSU: Backfill One-Time Reductions—An increase of \$610 million to backfill one-time reductions (\$305 million each for CSU and UC), which included \$255 million in reductions for each segment that were backfilled in 2009-10 by federal ARRA funds and an additional \$50 million reduction for each segment, consistent with Government Code Section 99030 which contained specific reductions and revenue increases that were not to occur if the state received \$10 billion in additional federal funding to offset General Fund costs.
- UC and CSU: Enrollment Growth—An increase of \$111.9 million for 2.5-percent enrollment growth for UC (\$51.3 million) and CSU (\$60.6 million). Growth adjustments would fund approximately 5,121 Full-Time Equivalent Students (FTES) for UC and 8,290 FTES for CSU.
- CSAC: Budget Year CalGrant Growth—A net increase of \$197.4 million in 2010-11 local assistance cost for CSAC, including \$32 million to backfill the use of one-time Student Loan Operating Fund resources, continuation of unanticipated current-year fee increases for UC and CSU (\$97.1 million), additional budget year fee increases of 15 percent for UC (\$59 million) and an assumed 10-percent budget year fee increase for CSU (\$19.5 million), that are partially offset by a \$4.6 million reduction in estimated Assumption Program of Loans for Education (APLE) payments and other adjustments.
- CSAC: Current Year CalGrant Growth—A net increase of \$32.9 million in 2009-10 local assistance cost for CSAC reflecting increased costs in the CalGrant program (\$37 million) resulting primarily from unanticipated undergraduate fee increases for CSU and UC that are partially offset by a reduction in estimated APLE payments (\$4 million).
- UC, CSU and HCL: Annuitant Benefits Adjustments—An increase of \$14.8 million for annuitant benefits primarily for UC (\$14.1 million).

SUMMARY OF SIGNIFICANT CHANGES BY MAJOR PROGRAM AREAS

- CSAC: State Operations Restoration—\$4.3 million restoration for CSAC state operations in 2009-10 and 2010-11 pursuant to Chapter 644, Statutes of 2009.
- CCC: STRS Cost Adjustment—An increase of \$1.9 million to the State Teachers' Retirement System for additional costs for CCC employees based on 8.2 percent of applicable payroll.
- UC Merced Start-Up Funding—A reduction of \$5 million for UC to reflect the original UC Merced phase-out plan for startup funding.
- UC and CSU: Expiring Loan Repayments—A reduction of \$4.6 million for expiring UC (\$2.7 million) and CSU (\$1.9 million) deferred maintenance loan repayments.

The significant General Fund policy adjustments are as follows:

- UC Merced Start-Up Funding—An increase of \$5 million for UC Merced start-up funding that reflects a longer transition period resulting from lagging enrollments and higher-than-anticipated costs.

The significant General Fund budget solutions are as follows:

- CSAC: CalGrant Reform—A reduction of \$45.5 million to reflect suspension of new awards for the Competitive CalGrant program. The Competitive program is largely duplicative of the CalGrant High School Entitlement program and the Community College Transfer Entitlement program, which provide opportunities for California high school students to pursue four-year degrees.
- CSAC: TANF Reimbursements—\$18.3 million shift of local assistance CalGrant costs from General Fund to TANF reimbursements in the budget year. The TANF funds are available as a result of the 15.7-percent CalWORKS Grant reduction discussed in the Health and Human Services section.

OTHER FUNDS

The significant non-General Fund workload adjustments are as follows:

- UC and CSU Current-Year Fee Increases—An increase of \$335.1 million in 2009-10 to reflect a mid-year 15-percent fee increase for UC (\$97.9 million) that was approved by the UC Regents in November and a 20-percent fee increase for CSU (\$237.2 million) that was approved by the Trustees in July. Including the initially approved fee increases of 9.3 percent for UC and 10 percent for CSU, systemwide

SUMMARY OF SIGNIFICANT CHANGES BY MAJOR PROGRAM AREAS

undergraduate fees increased from \$7,126 in 2008-09 to \$8,373 in 2009-10 for UC and from \$3,048 in 2008-09 to \$4,026 in 2009-10 for CSU. These increases also apply to professional and graduate students at UC and CSU. Consistent with current policy, at least one-third of additional fee revenue will be set aside for institutional financial aid to preserve equitable access for low-income students.

- UC and CSU Budget-Year Fee Increases—An increase of \$1.1 billion in 2010-11 to reflect annualization of the mid-year fee increase plus an additional 15-percent increase approved by the UC Regents (\$662.7 million) and continuation of the current-year fee increases for CSU (\$390.7 million), based upon the estimated funded level of FTES. In addition, the budget reflects a 22.5-percent increase for HCL (\$8.1 million) which has been approved by the HCL governing board. Systemwide undergraduate fees will increase from \$8,373 to \$10,302 for UC and from \$4,026 to \$4,429 for CSU. These increases would apply to professional and graduate students at UC and CSU. Consistent with current policy, at least one-third of additional fee revenue will be set aside for institutional financial aid to preserve equitable access for low-income students. For HCL, enrollment fees will increase from \$29,383 to \$36,000. Fee increases for professional schools at UC will range from 0 percent to 30 percent, and reflect establishment of a professional fee for seven additional disciplines.
- UC, CSU and CCC: One-Time ARRA State Fiscal Stabilization Fund (SFSF) Adjustments—A decrease of \$1.3 billion in 2010-11 to reflect the one-time nature of reimbursements estimated for the three eligible higher education segments in the revised 2009 Budget Act (\$600 million each for UC and CSU and \$130 million for CCC). Further, 2009-10 decreases totaling \$399 million are reflected to conform the amounts budgeted for the three segments to actual allocations received (\$95 million for CCC and \$152 million each for UC and CSU).
- CCC: Lottery Increases—An increase of \$12.1 million and \$4.5 million in estimated Lottery revenues for 2009-10 and 2010-11, respectively.
- CCC: Math and Science Program—An increase of \$64,000 in federal funds to complete grant-funded activities that improve coordination of math and science related professional development improvements. Of this amount, \$6,000 is for state operations and \$58,000 is for local assistance.
- CSAC: California National Guard Education Assistance Award Program—\$1.7 million and \$3.3 million reimbursement increases in 2009-10 and 2010-11, respectively, as a result of an interagency agreement with the Military Department to promote

SUMMARY OF SIGNIFICANT CHANGES BY MAJOR PROGRAM AREAS

the pursuit of higher education and to provide education benefits to members of the California National Guard, pursuant to Chapter 12, Statutes of 2009, Fourth Extraordinary Session.

The significant non-General Fund policy adjustments are as follows:

- CCC: Special Services for CalWORKS Recipients Program—\$6.2 million reimbursement increase in 2009-10 as a result of a revised interagency agreement with the Department of Social Services. This increase allows the state to meet maintenance-of-effort requirements to leverage over \$275 million in TANF Emergency Contingency Funds for subsidized employment programs made available through ARRA.
- CCC: Advanced Transportation Technologies and Energy Program—\$1.7 million and \$1.8 million reimbursement increases in 2009-10 and 2010-11, respectively, as a result of an interagency agreement with the California Energy Commission to expand college instructional programs in transportation technology and alternative fuels. Of these amounts, \$150,000 and \$250,000 are for state operations in 2009-10 and 2010-11, respectively, and \$1.5 million is for local assistance in each year.

HIGHER EDUCATION INFRASTRUCTURE

Almost all bond funds that have been approved by the voters for Higher Education have been committed to projects. While the Governor's Budget does not include additional infrastructure funds at this time, the Administration intends to propose funding for Higher Education facilities in the May Revision. The Administration will seek to develop proposals for alternative funding sources for Higher Education facilities to reduce future General Fund costs.

PROPOSITION 98

Despite facing a \$19.9 billion deficit, the Governor's Budget proposes full funding of the Proposition 98 guarantee. The Proposition 98 Guarantee moderately increases year over year, from 2008-09 to 2009-10 and from 2009-10 to 2010-11. In an effort to protect classroom funding, the Governor is proposing a reduction of approximately 10 percent in funding for administration, overhead and other non-instruction related spending by school districts to offset increases in workload. The reductions are targeted to school district

SUMMARY OF SIGNIFICANT CHANGES BY MAJOR PROGRAM AREAS

and county office of education central administration costs, with the balance coming from program savings and one-time Proposition 98 Reversion Account funding.

Total Proposition 98 expenditures are projected to be lower than the \$50.4 billion amount assumed in the revised enacted budget to \$49.9 billion in 2009-10 reflecting a minimum guarantee that is \$567.5 million lower, or 1.2 percent lower. The General Fund share of Proposition 98 decreased from \$35 billion to \$34.7 billion. The budget also funds the minimum required guarantee in the 2010-11 at \$50 billion, reflecting an increase of \$103 million, or 0.2 percent. The General Fund share of Proposition 98 increased to \$36.1 billion.

As part of a compromise in the July 2009 Budget Revision, the Proposition 98 funding level for 2008-09 was certified through legislation at \$49.1 billion. Chapter 3 of the 4th Extraordinary Session, Statutes of 2009 also establishes a future funding obligation of \$11.2 billion even if it is determined that no maintenance factor is created in 2008-09. The legislation establishes a repayment schedule for this “in lieu” maintenance factor beginning in 2010-11.

Revenues in 2008-09 are significantly lower than was estimated at the time the Proposition 98 funding level was certified, resulting in the Proposition 98 minimum funding level shifting to a “Test 1”, which does not create a maintenance factor, dropping the Proposition 98 minimum guarantee to \$46.8 billion.

Absent corrective action, the \$2.3 billion overappropriation of the Proposition 98 Guarantee in 2008-09 and required repayments of the “in lieu” maintenance beginning in 2010-11, would substantially increase the Proposition 98 Guarantee in 2009-10 and 2010-11. The Administration proposes two solutions. First, the budget reflects an \$82.9 million reduction to the guarantee, which will bring the level of appropriations down to the actual level of expenditures for 2008-09. This will result in an overappropriation of Proposition 98 of \$2.2 billion in 2008-09. The Governor’s Budget proposes to use a portion of the \$2.2 billion overappropriation toward satisfying the outstanding maintenance factor, which was \$1.3 billion as of 200708. This change will reduce the amount of the minimum Proposition 98 Guarantee for 2009-10 and 2010-11.

The “in lieu” maintenance factor payments adopted as part of the 2009 Budget compromise were to begin in 2010-11. However, because the state faces a \$19.9 billion deficit, the Governor’s Budget delays the start date of these payments to 2012-13. This change, along with the two changes proposed above and various tax reductions and

SUMMARY OF SIGNIFICANT CHANGES BY MAJOR PROGRAM AREAS

shifts, will result in savings of \$892.6 million in 2009-10 and \$1.5 billion in 2010-11. All the proposed changes will require legislation.

Given that the state continues to face a budget deficit, the Administration proposes to provide additional flexibilities to schools to allow them to protect classroom spending to the maximum extent possible, and to build on the reforms embodied in President Obama's Race to the Top Initiative:

- **Teacher Seniority**—The Governor's Budget proposes to change state law to give local school districts the flexibility to layoff, assign, reassign, transfer and rehire teachers based on skill and subject matter needs without regard to seniority. Under current law, layoffs, transfers, assignments, reassignments and reappointments must be conducted strictly on the basis of seniority, with limited exceptions related to positions which require specific skills. Because of these provisions, , the current fiscal difficulties have already resulted in the loss of many committed and highly effective teachers, while districts are forced to retain or rehire ineffective teachers solely based on their seniority status. The seniority provisions also disproportionately impact struggling schools in low-income neighborhoods because these schools tend to have teachers with the least seniority. As a result, a large portion of teacher layoffs have come from these schools and have disrupted these schools' efforts to improve student achievement. In addition, the laid-off teachers may be replaced with district administrators who have not been in the classroom for many years and have no familiarity with the school and the families it serves, yet have return rights to teaching positions and seniority under current state law.
- **Substitute Costs**—The Budget also proposes to eliminate the provisions in state law that require teachers who have been laid off to receive first priority for substitute assignments and that these substitutes be paid at the rate they received before they were laid off if they work more than 20 days within a 60-school day period. For districts that have laid-off teachers, these provisions will significantly increase their substitute teacher costs and could force additional layoffs and cuts to classroom spending.
- **Staffing Notification Process**—The Administration proposes to change the staffing notification window for teachers to 60 days after the state budget is adopted or amended. Current state law requires that school districts notify teachers by March 15 of the year before the layoff, well before the state typically adopts its budget and districts know how much funding they will receive. Under limited circumstances, districts are also provided a layoff notification window between

SUMMARY OF SIGNIFICANT CHANGES BY MAJOR PROGRAM AREAS

five days after the state budget is adopted and August 15. However, this window leaves districts little time to appropriately plan layoffs even when the state budget is adopted on time in June. If the state budget is adopted or amended after July, these provisions effectively prohibit districts from implementing layoffs. As a result, districts are forced to assume the worst, over-notify teachers, proceed with the time-consuming and expensive layoff process and then, after the state adopts its budget, rescind the notifications and attempt to rehire teachers who really should not have been notified in the first place. This process causes unnecessary anxiety for teachers, makes it difficult for principals and teachers to plan for the coming school year, and disrupts schools' efforts to improve student achievement.

- **School Year**—Schools will continue to be provided flexibility through 2012-13 to reduce instruction by up to five days, if necessary, to accommodate the reductions made in 2009-10 without losing any incentive funding they receive to maintain a 180-day school year.
- **Comprehensive Reforms**—The Administration will also consider additional reforms to the state's public school system to augment the fiscal reforms identified above and build on the spirit of reform embodied in President Obama's Race to the Top initiative. These reforms, among others, will address statutory and regulatory barriers which hinder districts from focusing on needed improvements to student achievement and increasing the number of high quality schools and highly effective teachers and principals.

2009-10

The significant General Fund workload adjustments for K-12 entities are as follows:

- **Property Tax**—An increase of \$234 million for school district and county office of education revenue limits as a result of a decrease in offsetting property tax revenue.
- **Average Daily Attendance**—A decrease of \$229.3 million for school district and county office of education revenue limits from a decrease in average daily attendance and unemployment insurance and retirement costs.
- **Restoration of Categorical Funds**—A decrease of \$14.3 million because the amount needed to make schools whole for the categorical funds swept in 2008-09 was lower than anticipated.

SUMMARY OF SIGNIFICANT CHANGES BY MAJOR PROGRAM AREAS

- State-Operated-Programs—A decrease of \$17.8 million to reflect lower education program costs for the Department of Corrections and Rehabilitation Juvenile Justice Division and the Department of Education State Special Schools.

The major General Fund workload adjustments for Child Care are as follows:

- CalWORKs Child Care Adjustments—A decrease of \$12.4 million to reflect expected savings in CalWORKs Stage 2 Child Care (\$9 million) and CalWORKs Stage 3 (\$3.4 million) caseload-driven programs based on revised estimates.

The major General Fund workload adjustments for Community Colleges are as follows:

- Offsetting General Fund Revenue Adjustments—Although current year property tax estimates increased by \$6.3 million, student fees and oil and mineral estimates decrease by \$9.8 million and \$1.6 million, respectively. As a result, the base apportionment deficit increases slightly from \$58 million to \$63.1 million.

Classroom funding is protected to the maximum extent possible in 2009-10 by achieving savings through the following:

- Class Size Reduction Program Savings—A reduction of \$340 million to reflect projected savings in the K-3 Class Size Reduction program. Although the penalties for exceeding class size limits were significantly reduced in 2009-10, program savings are anticipated as a result of local school district decisions to increase class sizes.

2010-11

The significant General Fund workload adjustments for K-12 entities are as follows:

- Property Tax—An increase of \$1.5 billion for school district and county office of education revenue limits and special education program costs, which reflects a decrease in offsetting property tax revenue.
- Average Daily Attendance—A net decrease of \$27.3 million for school district and county office of education revenue limits, nutrition program and special education program costs as a result of lower average daily attendance and unemployment insurance and retirement costs.

SUMMARY OF SIGNIFICANT CHANGES BY MAJOR PROGRAM AREAS

- Cost-of-Living Adjustment—A decrease of \$202.2 million for school district and county office of education revenue limits and categorical costs resulting from the lower price level.
- Adjustment for the 2009-10 Deferral—An increase of \$1.7 billion to fund the ongoing costs of the deferral of program funding from 2009-10.
- Backfill One-Time Funding—An increase of \$34.4 million to backfill one-time monies used to fund school district revenue limit costs in 2009-10.
- New School Categorical Funding—An increase of \$29.5 million to provide categorical funding to newly established schools. Under current law, schools established after the base year used for proportioning the categorical funds that were made flexible in 2008-09 may receive an allocation for these programs if they are administering the programs as they existed before they were made flexible.
- State-Operated-Programs—A decrease of \$23.4 million to reflect lower education program costs for the Department of Corrections and Rehabilitation Juvenile Justice Division and the Department of Education State Special Schools.

The major General Fund workload adjustments for Child Care are as follows:

- CalWORKs Child Care Adjustments—A decrease of \$13.8 million to reflect revised estimates in the caseload-driven CalWORKs Stage 2 (\$12.6 million) and Stage 3 programs (\$1.2 million).
- Extended Day / Latchkey Program—A decrease of \$5 million in one-time funding appropriated for the phase out of the program that was enacted in 2009-10.
- Backfill One-Time Funds for Pre-School—An increase of \$65.5 million to backfill a like amount of one-time funds used in the current year.
- Cost-of-Living Adjustment—A decrease of \$5.9 million to reflect a -0.38-percent cost-of-living adjustment for applicable programs.

The major workload adjustments for Community Colleges are as follows:

- Enrollment Growth—An increase of \$126 million for 2.2-percent growth in apportionments, sufficient to fund approximately 26,000 FTES.
- QEIA-CTE Funding Shift—A decrease of \$48 million to reflect the one-time nature of the 2009-10 agreement to fund the Quality Education Investment Act's (QEIA)

SUMMARY OF SIGNIFICANT CHANGES BY MAJOR PROGRAM AREAS

Career Technical Education (CTE) program through the proceeds of the 2009-10 Proposition 98 Guarantee. QEIA payments from settle-up funding resume in 2010-11, thereby providing the same level of funding in the budget year.

- Cost of Living Adjustment—A decrease of \$22.9 million to reflect a -0.38-percent cost-of-living adjustment for apportionments (-\$22.1 million) and applicable categorical programs (-\$786,000).
- Offsetting General Fund Revenues—An increase of \$39.3 million to offset estimated decreases in local property taxes (\$33.7 million), oil and mineral revenues (\$1.6 million), and student fee revenues (\$1.9 million); plus increased costs to compensate colleges for the administration of fee waivers (\$2.1 million).
- Lease Purchase Payments—An increase of \$2.1 million in estimated lease purchase payments.
- Adjustment for the 2009-10 Deferral—An increase of \$163 million reflect the ongoing costs of the deferral of program funding from 2009-10. The appropriation for this purpose was made in Chapter 23, Statutes of 2009, Fourth Extraordinary Session, by revising the ongoing deferral appropriation from \$540 million to \$703 million.

The significant General Fund policy adjustments for K-14 programs are as follows:

- Behavioral Intervention Plans—An increase of \$65 million for the ongoing costs of mandated behavioral assessments and intervention plans.
- Mandates—An increase of \$14.5 million for K-12 mandates. As a result of a lawsuit that requires all education mandates be paid or suspended, the Administration proposes to suspend all K-14 education mandates with the exception of the following mandates which will be fully funded:
 - An increase of \$7.7 million for mandated costs related to interdistrict and intradistrict transfers.
 - An increase of \$6.8 million for mandated costs related to the California High School Exit Exam.
- Science Graduation Requirements—No funding is included in the budget for the science graduation requirement, nor is the Administration proposing to suspend this requirement. The Administration believes this is not a reimbursable state mandate because funding is available to offset the cost of this requirement and, as a

SUMMARY OF SIGNIFICANT CHANGES BY MAJOR PROGRAM AREAS

result, the Administration is seeking a court decision to reject the reimbursement rate methodology adopted by the Commission on State Mandates.

Classroom funding is protected to the maximum extent possible in 2010-11 by achieving savings through the following actions:

- K-12
 - School District Administrative Costs—A reduction of \$1.2 billion targeted to school district central administration. This proposal will protect classroom spending, including spending for teachers and principals, from further reductions. This proposal will also limit the proportion of funding school districts can spend on central administration to prevent them from using future funding increases to augment central administration at the expense of classroom funding. Also, districts will be prevented from shifting central administration costs to school sites.
 - County Office of Education Administrative Consolidation—A reduction of \$45 million to county office of education administrative costs. This proposal will require county offices of education to consolidate services and functions, which may include county offices of education forming regional consortia to provide these services. The consolidation of county offices will achieve economies of scale and reduce administrative costs.
 - Contracting Out—A reduction of \$300 million to school district and county office of education administrative costs. This proposal will eliminate barriers to contracting out to enable school districts to achieve cost reductions.
 - Class Size Reduction Program Savings—A reduction of \$550 million to reflect projected savings in the K-3 Class Size Reduction program. Although the penalties for exceeding class size limits were significantly reduced in 2009-10, program savings are anticipated as a result of local school district decisions to increase class sizes.
- Child Care Reductions:
 - Child Care Reimbursement Rate Reforms—A decrease of \$77.1 million to reduce reimbursement rate limits in voucher-based programs from the 85th percentile of the market to the 75th percentile, based on the 2005 regional market rate survey, effective July 1, 2010. This proposal will also reduce the reimbursement rate limits for licensed-exempt providers from 90 percent of the

SUMMARY OF SIGNIFICANT CHANGES BY MAJOR PROGRAM AREAS

ceilings for licensed family child care homes to 70 percent. This proposal affects all voucher programs, including the Alternative Payment Program (\$12 million), and the caseload-driven CalWORKs Stage 2 (\$37 million) and Stage 3 (\$28.1 million) programs.

- Reduce Funding for CalWORKs Stage 3 Child Care—A further decrease of \$122.9 million to CalWORKs Stage 3 Child Care to achieve additional ongoing Proposition 98 General Fund savings. Although Stage 3 has been funded in the past to continue care for all income-eligible CalWORKs families after their Stage 2 transitional entitlement has ended, Stage 3 is not an entitlement. Funding constraints require that Stage 3 must serve only the neediest families. Going forward, it is the intent of the Administration to provide efficient, equitable child care services to California’s neediest families, CalWORKs and non-CalWORKS working poor families alike. Therefore, the Administration intends to explore options in the coming months to achieve these goals and to develop such reform proposals for action this year.
- Alternative Funding
 - Proposition 98 Reversion Account—A reduction of \$64.3 million in General Fund and substitute with available Proposition 98 Reversion Account funds for the Economic Impact Aid Program.

The significant Proposition 98 Reversion Account expenditure proposals are as follows:

- Emergency Repair Program—An increase of \$51 million to fully fund the 2008-09 appropriation for the Emergency Repair Program.
- Charter Schools Facilities Grant Program—An increase of \$18.4 million to forward fund the Charter Schools Facilities Grant Program. Legislation adopted with the Amended 2009 Budget Act included language to change this program from a reimbursement program to an annual grant program allowing charter schools that currently receive these funds budgetary cash relief.
- New School Categorical Funding—An increase of \$20 million to provide categorical funding to newly established schools for 2008-09 and 2009-10.

LABOR AND WORKFORCE DEVELOPMENT

General Fund expenditures are proposed to decrease by \$3.4 million, or 5.5 percent.

The significant General Fund workload adjustments are as follows:

- Automated Collection Enhancement System—An increase of \$24.6 million to implement the Employment Development Department’s Automated Collection Enhancement System (ACES). The tax revenue increase associated with implementation of ACES is estimated to be \$42.1 million General Fund for 2010-11. This project will also result in non-General Fund expenditures and revenue increases.
- Division of Labor Standards Enforcement Fund Shift—A reduction of \$21.6 million General Fund to be replaced with \$21.7 million from the Labor Compliance and Enforcement Fund for the full-year implementation of increased employer fees established in 2009-10.

Non-General Fund expenditures are proposed to decrease by \$4.3 billion, or 13.9 percent.

The significant non-General Fund workload adjustments are as follows:

- Employment Development Department October Benefit Estimate—The October Revise reflects Unemployment Insurance benefit payment decreases of \$6.8 billion in the current year and \$11.6 billion in the budget year and a Disability Insurance benefit payment decrease of \$42.4 million in the current year and an increase of \$341 million in the budget year when compared to the May 2009 estimate. While the number of individuals receiving benefits has continued to increase, the May 2009 benefit payments were overestimated; these adjustments project the updated estimated need for benefit payments.
- Employment Opportunities Initiative – An increase of \$230 million to the Employment Training Panel (ETP) to implement a program to assist employers and employees to rebuild California’s workforce. Of these funds, \$140 million will be available to employers and training providers that deliver training for unemployed and underemployed individuals, as well as for employment expansion and job retention. Reimbursement for the cost of training would be provided after the person has been gainfully employed for three months and would be calculated based on current ETP reimbursement rates.

The balance of \$90 million would be available to provide a \$3,000 incentive to employers to hire and retain an unemployed individual. To be eligible for the

incentive, the employee must be retained for a total of nine months. Over the life of this initiative a total of \$500 million will be provided to expand employment opportunities in California resulting in 140,000 individuals obtaining higher paying jobs and providing 100,000 currently unemployed individuals with a job.

GENERAL GOVERNMENT: NON-AGENCY DEPARTMENTS

General Fund expenditures are proposed to increase by \$41.6 million, or 8.7 percent.

The significant General Fund workload adjustments are as follows:

- Veterans Homes—An increase of \$8.3 million and 97.2 positions to activate business operations and begin admissions at the Veterans Homes in West Los Angeles, Lancaster, and Ventura (GLAVC). An additional \$11.7 million is provided for the full-year cost of the GLAVC implementation which began in 2009-10.
- Veterans Homes—An increase of \$2.4 million and 16.9 positions to ensure that all aspects of construction and business operations are compliant with federal, state, and local laws at the Veterans Homes in Redding and Fresno.
- Mandate Payments—An increase of \$236 million for state reimbursable mandates, consisting of \$141 million for current mandates and \$95 million for the 2010-11 payment of the mandates obligation for costs incurred prior to 2004-05.

The significant General Fund budget solutions are as follows:

- Reductions
 - Suspend Mandates—A one-time reduction of \$137 million by suspending most mandates not related to elections, law enforcement, or property taxes, consistent with mandate suspensions included in the Amended 2009 Budget Act.
 - Mandate Deferral—A one-time reduction of \$95 million by deferring the 2010-11 payment of mandates obligation for costs incurred prior to 2004-05, which are statutorily required to be completely paid by 2020-21. The balance will be refinanced over the remaining payment period.
 - California Law Revision Commission and Commission on Uniform State Laws—A reduction of \$666,000 for the California Law Revision Commission and

SUMMARY OF SIGNIFICANT CHANGES BY MAJOR PROGRAM AREAS

a reduction of \$148,000 for the Commission on Uniform State Laws, both of which would now be funded by the Legislature.

- Alternative Funding
 - Office of Administrative Law—A reduction of \$1.7 million in General Fund and substitute with fees for services provided to other entities.

Non-General Fund expenditures are proposed to increase by \$233 million, or 5.8 percent.

The significant non-General Fund workload adjustments are as follows:

PUBLIC UTILITIES COMMISSION

- Renewable Portfolio Standard and Renewable Transmission—An increase of \$1.8 million to provide staff and resources for transmission siting that will assist the state in achieving a 33-percent Renewable Portfolio Standard by 2020.

DEPARTMENT OF FOOD AND AGRICULTURE

- Mitigating the Asian Citrus Psyllid (ACP)—An increase of \$19.8 million in one-time federal funds for detection, eradication, and control of the ACP. Prohibiting the establishment of ACP and the citrus disease Huanglongbing will protect the state's citrus production, nursery industries, urban environment, and economy.
- California Citrus Pest and Disease Prevention Committee—An increase of \$15 million to establish the Committee that will develop and implement a citrus-specific pest and disease work plan.

GENERAL GOVERNMENT: TAX RELIEF AND LOCAL GOVERNMENT

General Fund expenditures are proposed to increase by \$64.6 million, or 13.8 percent.

The significant General Fund workload adjustments are as follows:

Proposition 1A Revenue Bonds, Series 2009

- The budget includes \$90.8 million for interest payments on bonds that were sold by local governments to backfill the \$1.9 billion in property tax revenues that the state borrowed from local governments in 2009-10 pursuant to Proposition 1A of 2004.

SUMMARY OF SIGNIFICANT CHANGES BY MAJOR PROGRAM AREAS

The significant General Fund budget solutions are as follows:

- Reductions
 - Trailer Fee Revenue Backfill—The elimination of \$11.8 million, representing funding that backfilled Vehicle License Fee revenues when the state changed the manner in which weight-based fees are assessed for commercial truck trailers.

GENERAL GOVERNMENT: STATEWIDE EXPENDITURES

The significant General Fund workload adjustments are as follows:

- Employee Compensation—An increase of \$938 million in 2010-11 for removing one-time savings in 2009-10 by shifting June 2010 payroll costs to July 2010 and each June and July thereafter. This ongoing shift results in savings only in 2009-10.
- California Public Employees' Retirement System Contributions—An increase of \$130 million above what was budgeted in order to fund \$1.9 billion in fiscal year 2010-11 resulting from the changes in workforce and investment losses suffered through June 30, 2009.
- Pre-funding for Health and Dental Benefits for Annuitants—An increase of \$98.1 million for pre-funding other post-employment benefits.
- Budgetary Loan Costs—An increase of \$6.4 million in 2009-10 and \$51.4 million in 2010-11 for interest costs related to scheduled budgetary loan repayments and budgetary loan repayments accelerated from future years that result from special fund program needs.
- The Governor's Budget includes \$10.5 million in the Central Services Cost Recovery Fund to support the oversight of ARRA funds. Of this amount, \$3.2 million will be recovered through the ARRA Statewide Cost Allocation Plan and \$7.3 million will be paid from the General Fund. California stands to receive billions of dollars in new federal funds and tax benefits. The Governor created the California Recovery Task Force (Task Force) to take the lead responsibility for helping to ensure the state receives the optimal benefit from ARRA and that funds are deployed strategically and in a manner consistent with federal requirements. In addition, the Governor appointed an Inspector General (IG), independent from the Task Force, to protect the integrity and accountability of the expenditure of ARRA funds in California by

SUMMARY OF SIGNIFICANT CHANGES BY MAJOR PROGRAM AREAS

preventing and detecting fraud, waste, and misconduct in the use of those funds. The State Controller's Office (SCO) is responsible for sound fiscal control over both receipts and disbursements of public funds. The SCO will review all ARRA disbursements, review additional local government single audit reports, conduct high-value field audits, and make public information regarding local government ARRA expenditures. Correspondingly, as the state's independent auditor, the Bureau of State Audits (BSA) will conduct additional audits of state agencies receiving ARRA funding as part of the statewide Single Audit program. Funding by entity for ARRA oversight will be as follows:

- Task Force: \$4 million
- IG: \$3.4 million
- SCO: \$2.4 million
- BSA: \$0.7 million

The significant General Fund budget solutions are as follows:

- Federal Funds
 - Reimbursements for Special Education—A \$1 billion reimbursement of the state General Fund from the federal government for special education mandated service requirements which the state was required to cover because the federal funding received has been insufficient to fund the federal share of costs for the program.

DEBT SERVICE

General Fund expenditures for debt service will increase by \$376 million, or 6.4 percent, to reflect the projected sale of General Obligation bonds and lease revenue bonds to pay for infrastructure projects, not including General Fund offsets. The increase also reflects a year-over-year increase in cash management costs.

The significant General Fund workload adjustments are as follows:

- A net increase of \$56.3 million in General Obligation debt service to reflect additional debt service from recent sales, which is almost entirely offset by reimbursements from alternative funding sources (see below).
- An increase of \$119.8 million in lease revenue bond debt service to reflect recent bond sales.

SUMMARY OF SIGNIFICANT CHANGES BY MAJOR PROGRAM AREAS

- A decrease of \$200 million in 2009-10 resulting in an increase in 2010-11 primarily from lower-than-projected interest and other costs related to Revenue Anticipation Notes.

The significant General Fund debt service budget solution relates to funding reimbursement for transportation General Obligation bond debt service. Transportation debt service offsets will provide General Fund relief of \$57 million in the current year and \$929.1 million in the budget year. (See Business, Transportation, and Housing section.)

INFRASTRUCTURE

General Fund expenditures are proposed to increase by \$88.2 million, or 65.2 percent. This increase is mainly attributable to carryover funding from the current year to the budget year. Thus, \$197.5 million of the \$223.5 million budgeted in 2010-11 is carryover from earlier years.

ENHANCED FEDERAL FUNDS OFFSETS

Federal stimulus offsets through ARRA and offsets through the receipt of new federal funds are estimated to increase by \$4 billion or 87.6 percent from 2009-10 to 2010-11, resulting in a commensurate reduction in General Fund spending. To demonstrate an analogous comparison between 2009-10 and 2010-11 for the affected agency spending, these significant offsets are removed from the agency spending amounts and displayed separately.

These offsets are budgeted in the following agency areas as a reduction to General Fund costs:

- \$4.6 billion to be received in 2009-10:
 - \$4.2 billion for various Health and Human Services programs.
 - \$358 million for Corrections and Rehabilitation.
- \$8.6 billion to be received in 2010-11:
 - \$6.7 billion for various Health and Human Services programs.
 - \$879.7 million for Corrections and Rehabilitation.
 - \$1 billion for Special Education mandated service requirements.

The significant year-over-year growth in these offsets is discussed in the Federal Funds section of the Health and Human Services and Corrections and Rehabilitation major program area sections.

PROTECTION OF LOCAL GOVERNMENT REVENUES OF 2004— PROPOSITION 1A (2004) AND RDA OFFSETS

As part of the Amended 2009 Budget Act, the Legislature enacted General Fund offsets in 2009-10 from the proceeds of the Proposition 1A (2004) securitization (\$1.9 billion) and funds shifted from redevelopment agencies to schools serving project areas and housing aided by redevelopment funds (\$1.7 billion in 2009-10 and \$350 million in 2010-11). This allows base property tax for schools to be shifted to county offices of education to offset a variety of state program costs in each county as noted below. These offsets are available only in 2009-10, except for \$350 million that will be available in 2010-11 to offset costs of the trial courts. Thus, the budget reflects an increase of \$2.5 billion in 2010-11 for non-Proposition 98 costs and \$850 million in Proposition 98 costs. These offsets are removed from the affected non-Proposition 98 agency spending to provide a better program cost comparison.

These savings are budgeted in the following program areas as an offset to non-Proposition 98 General Fund costs in 2009-10:

- \$1.5 billion for Courts
- \$0.6 billion for Corrections and Rehabilitation
- \$0.6 billion for Medi-Cal Program
- \$0.1 billion for Debt Service

EMPLOYEE COMPENSATION REDUCTIONS

The furloughs in 2009-10 were implemented under the Governor’s emergency authority and resulted in one-time savings of \$1.1 billion General Fund. Funding is restored to department budgets in 2010-11 consistent with the anticipated end of the furlough program adopted as part of the 2008 and 2009 revised Budgets.

SUMMARY OF SIGNIFICANT CHANGES BY MAJOR PROGRAM AREAS

Employee compensation reductions in 2010-11, as outlined below, result in a savings of \$1.6 billion General Fund. These moneys will be removed from department budgets going forward.

With the restoration of \$1.1 billion General Fund to department budgets and the reduction of \$1.6 billion General Fund, a net additional decrease of \$489.9 million General Fund is reflected in 2010-11.

The significant General Fund budget solutions are as follows:

- Reductions
 - Workforce Cap—A reduction of \$449.6 million achieved through a five-percent increase in salary savings. An Executive Order will require that Agency Secretaries and Department Directors immediately act to achieve the five-percent reduction by July 1, 2010. It is expected that attrition will be the primary factor in achieving the increased salary savings. The constitutional offices are not included in the workforce cap because the fiscal year 2009-2010 budget for each of those officers included a permanent reduction that achieves savings to the level of the workforce cap or a higher amount.
 - Five-Percent Salary Reduction—A reduction of \$529.6 million achieved through an across-the-board reduction in salaries by five percent.
 - Increased Employee Retirement Contribution—A reduction of \$405.8 million achieved by increasing employees' retirement contribution by 5 percent and reducing the employer contribution accordingly.
 - Lower Cost Health Care—A reduction of \$152.8 million in health care costs beginning in January 2011 achieved by contracting for lower-cost health care coverage either directly from an insurer or through CalPERS. Savings beginning in 2011-12 will pre-fund other post-employment benefit costs.
 - Pre-funding for Health and Dental Benefits for Annuitants—A decrease of \$98.1 million for pre-funding other post-employment benefits.

ECONOMIC OUTLOOK

The nation and California entered 2009 at the peak of what would become the worst recession since the Great Depression. Monthly job losses were high and increasing, unemployment was increasing at an alarming rate, and national economic output was plummeting. Credit was scarce and few financial markets were operating normally. Equity markets had stabilized after plunging in October 2008, but would soon slump again. While there are no official quarterly output series for state economies, the variables for which there are California versions were clearly showing that California was not spared in any of this.

Rightly alarmed, policy makers took quick and comprehensive action to address the rapidly declining national economy. Results came quickly. Job losses began to slow in the nation and California in the first quarter of 2009. After plunging in the fourth quarter of 2008 and the first quarter of 2009, national economic output fell only slightly in the second quarter and then increased moderately in the third quarter.

A more serious crisis was averted at great cost, but much more remains to be done. Some economists believe that the recession ended in June 2009. If so, the ranks of the unemployed increased from about 7.5 million to 14.7 million in the nation and from 1.1 million to more than 2.2 million in California during the recession. This must be remedied for prosperity to be restored. It could be a long recovery for the nation and California.

The outlook for the national economy is for modest growth in 2010, moderate growth in 2011 and 2012:

- Real Gross Domestic Product (GDP) is projected to grow by 2.2 percent in 2010 and 2.9 percent in 2011 and 2012, as compared to falling by 2.5 percent in 2009 and the 2.9-percent average growth rate from 1988 to 2008.
- Nonfarm payroll employment is forecast to fall by 0.9 percent in 2010, and grow by 1.7 percent in 2011 and 2.2 percent in 2012, as compared to a decline of 3.8 percent in 2009 and the 1.4-percent average growth rate from 1988 to 2008.

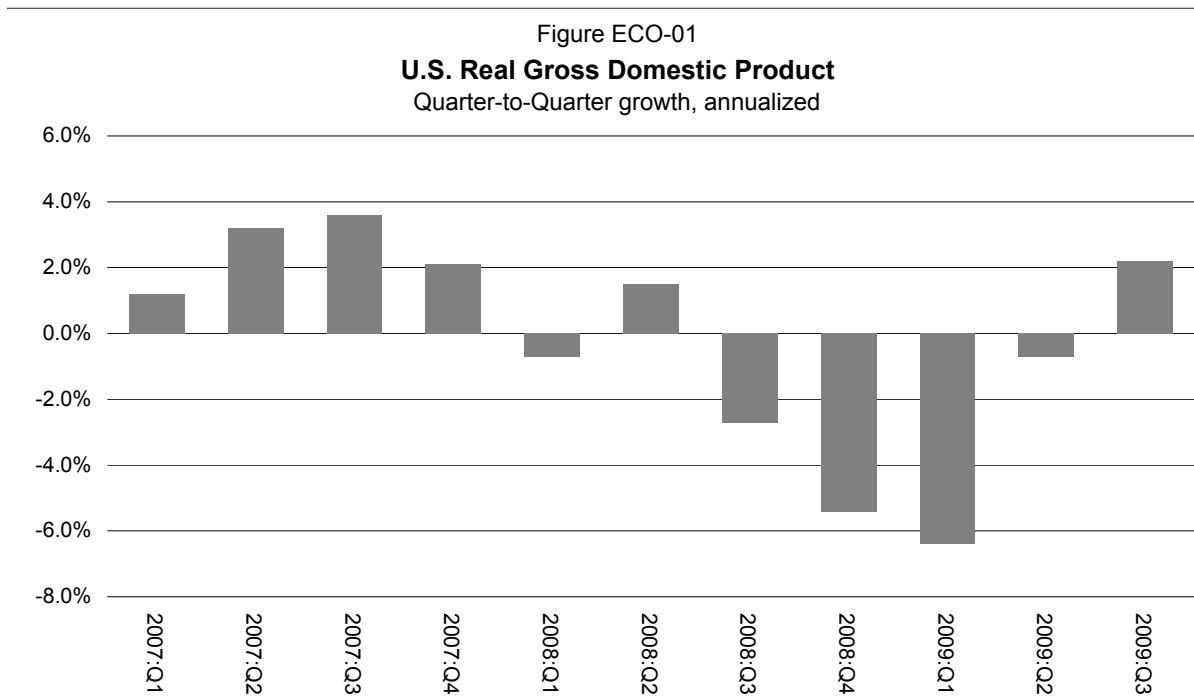
The outlook for the California economy is modest growth in 2010 followed by moderate growth in 2011 and good growth in 2012:

- Personal income is projected to grow 2.4 percent in 2010, 3.6 percent in 2011, and 4.8 percent in 2012, as compared to falling by 2.8 percent in 2009 and the 5.6-percent average growth rate from 1988 to 2008.
- Nonfarm payroll employment is forecast to fall by 0.7 percent in 2010 and grow by 1.3 percent in 2011 and 1.9 percent in 2012, as compared to falling by 5.6 in 2009 and the 1.3-percent average growth rate from 1988 to 2008.

THE NATION – DIGGING OUT OF THE HOLE

Output of the national economy grew by a 2.2-percent annual rate in the third quarter of 2009 (Figure ECO-01). It was the first gain since the second quarter of 2008. In between were consecutive quarters with a cumulative decline of almost 12 percent, the fourth quarter of 2008 and the first quarter of 2009. In the entire series of quarterly real GDP, which begins in the first quarter of 1947, there is only one instance of consecutive quarters with a cumulative decline in real GDP that was greater: the fourth quarter of 1957 and the first quarter of 1958.

What started as a housing sector slump in 2005 and turned into a generalized economic slump in 2008 has become a consumption slump. Consumer expenditures fell sharply in the third and fourth quarters of 2008. Since then, consumer spending has been flat. There will not be much growth in the national economy if the consumer stays on the sideline. Currently consumers have plenty of reasons to be cautious—fear of job loss, high debt burdens, eroded home equity, and tight credit. What would best boost consumer spending now is better employment growth. Some modest progress has been made on that front as monthly job losses have been trending downward since February



Source: U.S. Commerce Department, Bureau of Economic Analysis

of 2009. November brought a relatively very small loss of 11,000. It should not be long before employment starts to increase.

With consumer spending continuing to be weak, spending on new equipment and software will likely be lackluster. The outlook for spending on new structures is even worse. Retail and office space have been over-built, resulting in high vacancy rates.

Single-family housing is showing some signs of life. Residential construction has trended up in recent months but from very low levels. New home sales have trended up during most of 2009, with perhaps some help from the federal tax credit for first-time homebuyers. The inventory of new homes available for sale is at its lowest level since March 1971. Sales of existing homes are soaring, but a significant number of them are distressed properties.

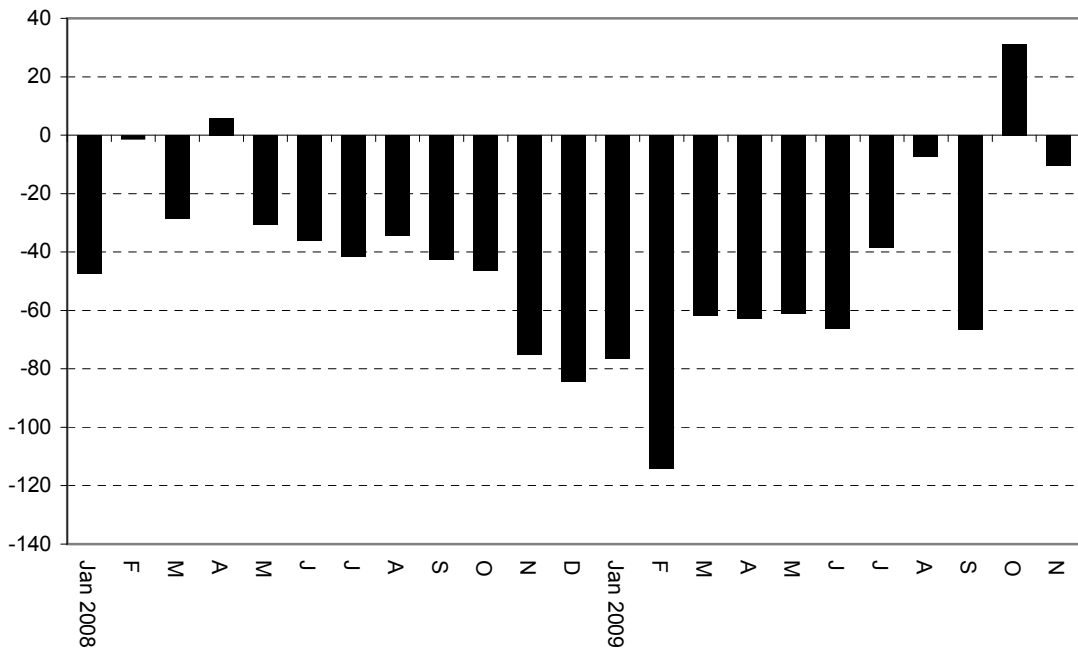
Manufacturing is growing, but from a low level.

Foreign trade is picking up as a turnaround in Asian economies, spurred by China, and an improving Europe are helping exports, while an improving U.S. economy is pulling in more imports.

CALIFORNIA – PICKING UP THE PIECES

The best news on the California economy is that the state gained 31,100 jobs in October—it was the first gain since April 2008. Monthly job losses have been trending downward since March 2009, so more monthly job gains should be in store. While this is a milestone of sorts, the state has lost nearly 1 million jobs since the recession began (Figure ECO-02).

Figure ECO-02
Month-to-Month Change in California Payroll Employment
 1,000s of Nonfarm Jobs, Seasonally Adjusted



Source: California Employment Development Department

California personal income fell sharply in the fourth quarter of 2008 and the first quarter of 2009 before falling moderately in the second quarter of 2009 and growing modestly in the third quarter of 2009—the same pattern as the national real GDP. The decline in the first quarter of 2009, 1.5 percent (not annualized), was the second biggest loss in the series, which goes back to the first quarter of 1969.

Taxable sales have been very weak in the last two years. In the third quarter of 2009, they were 16.8 percent lower than a year earlier but 0.5 percent higher than in the second quarter of 2009.

Construction was weak in the first ten months of 2009. Residential building permits were issued at a very low level. The value of private nonresidential permits fell 46 percent. Public works construction fell 28 percent.

Existing home sales have stabilized around the half-million-unit rate (seasonally-adjusted and annualized) and the median sales price has risen for eight consecutive months, pushing the median price of these homes close to \$300,000.

THE FORECAST

The California and national economies will enter 2010 having weathered the worst recession since the Great Depression. The destruction was great but, unlike last year, the clouds will be clearing (Figure ECO-03).

Figure ECO-03

Selected Economic Data for 2009, 2010, and 2011

United States	2009 (Est.)	2010 (Projected)	2011 (Projected)
Real gross domestic product (2005 CW* \$, percent change)	(2.5)	2.2	2.9
Personal consumption expenditures	(0.6)	1.5	2.3
Gross private domestic investment	(23.3)	11.9	14.3
Government purchases of goods and services	1.9	1.4	(1.5)
GDP deflator (2005=100, percent change)	1.3	1.2	1.5
GDP (current dollar, percent change)	(1.2)	3.4	4.5
Federal funds rate (percent)	0.2	0.2	1.7
Personal income (percent change)	(2.2)	2.7	4.1
Corporate profits before taxes (percent change)	(2.2)	14.0	11.0
Nonfarm wage and salary employment (millions)	131.9	130.6	132.9
(percent change)	(3.8)	(0.9)	1.7
Unemployment rate (percent)	9.2	10.0	9.4
Housing starts (millions)	0.57	0.85	1.26
(percent change)	(36.2)	48.2	48.2
New car sales (millions)	5.4	6.0	7.5
(percent change)	(20.2)	9.9	25.1
Consumer price index (1982-84=100)	214.5	219.1	223.9
(percent change)	(0.4)	2.1	2.2
California			
Civilian labor force (thousands)	18,531.2	18,638.0	18,886.0
(percent change)	0.8	0.6	1.3
Civilian employment (thousands)	16,382.2	16,396.8	16,764.7
(percent change)	(4.0)	0.1	2.2
Unemployment (thousands)	2,149.1	2,241.2	2,121.3
(percent change)	61.3	4.3	(5.3)
Unemployment rate (percent)	11.6	12.0	11.2
Nonfarm wage and salary employment (thousands)	14,158.2	14,063.1	14,239.5
(percent change)	(5.6)	(0.7)	1.3
Personal income (billions)	1,559.0	1,597.2	1,654.8
(percent change)	(2.8)	2.4	3.6
Housing units authorized (thousands)	36.3	60.8	101.0
(percent change)	(43.8)	67.3	66.1
Corporate profits before taxes (billions)	145.2	163.8	177.2
(percent change)	(12.8)	12.8	8.2
New auto registrations (thousands)	1,116.9	1,292.8	1,357.0
(percent change)	5.3	15.7	5.0
Total taxable sales (billions)	447.4	456.0	496.2
(percent change)	(15.6)	1.9	8.8
Consumer price index (1982-84=100)	224.4	229.9	235.7
(percent change)	(0.2)	2.5	2.6

* CW: Chain Weighted

Note: Percentage changes calculated from unrounded data

REVENUE ESTIMATES

The revenue estimates reflect continued poor national and state economic conditions as California continues to face the most serious downturn since the Great Depression. While the broad-based and severe decline in the global, national and state economies has largely stabilized, a general economic upturn is not yet in evidence. Some selected positive indicators are apparent in the economic landscape. The stock market has shown signs of recovery and employment reports indicate a moderating of job losses. Nevertheless, the economy remains hampered by substantial weaknesses in key sectors, especially real estate and finance. These soft areas, coupled with tight credit markets, continue to have a dampening impact on employment growth, household income and consumer spending. As a result, the state's major three revenues sources—the personal income tax, sales and use tax and corporation tax—will continue to be hampered during the budget year.

General Fund revenues in 2009-10 are now expected to total \$88.1 billion, \$1.5 billion below the estimate at the time of the amended 2009 Budget Act. For 2010-11, revenues without proposed policy changes or other solutions are expected to increase slightly to \$90.9 billion, a 3.2-percent increase from 2009-10. After the proposed transportation tax changes are included, revenues are estimated to be \$89.3 billion in the budget year. Absent the policy changes adopted in 2008 and 2009, revenues for 2010-11 would be \$81.8 billion.

MAJOR REVENUE PROPOSAL

- Transportation Tax Changes

Figure REV-01

2010-11 Governor's Budget Estimate
General Fund Revenue Forecast
Summary Table
Reconciliation with 2009-10 July Amended Budget
(Dollars in Millions)

Source	July Amended Budget	Governor's Budget	Change Between Forecasts	
Fiscal 08-09				
Personal Income Tax	\$45,275	\$43,376	-\$1,899	-4.2%
Sales & Use Tax	24,612	23,753	-859	-3.5%
Corporation Tax	9,783	9,536	-247	-2.5%
Insurance Tax	2,041	2,054	13	0.6%
Vehicle License Fees	360	216	-144	-40.0%
Estate Tax	0	0	0	---
Alcoholic Beverage	326	324	-2	-0.6%
Cigarette	104	107	3	2.9%
Other Revenues	549	2,380	1,831	333.5%
Transfers	<u>1,048</u>	<u>1,026</u>	<u>-22</u>	2.1%
Total	\$84,098	\$82,772	-\$1,326	-1.6%
Fiscal 09-10				
Personal Income Tax	\$48,868	\$46,640	-\$2,228	-4.6%
Sales & Use Tax	27,609	26,036	-1,573	-5.7%
Corporation Tax	8,799	9,407	608	6.9%
Insurance Tax	1,913	1,952	39	2.0%
Vehicle License Fees	1,657	1,386	-271	-16.4%
Estate Tax	0	0	0	---
Alcoholic Beverage	332	332	0	0.0%
Cigarette	102	102	0	0.0%
Other Revenues (a)	-268	1,800	2,068	-771.6%
Transfers	<u>529</u>	<u>428</u>	<u>-101</u>	-19.1%
Total	\$89,541	\$88,083	-\$1,458	-1.6%
Change from Fiscal 08-09	\$5,443	\$5,311		
% Change from Fiscal 08-09	6.5%	6.4%		
Fiscal 10-11				
Personal Income Tax	\$47,968	\$46,862	-\$1,106	-2.3%
Sales & Use Tax	28,980	25,851	-3,129	-10.8%
Corporation Tax	9,027	10,052	1,025	11.4%
Insurance Tax	1,936	1,897	-39	-2.0%
Vehicle License Fees	1,690	1,472	-218	-12.9%
Estate Tax (b)	0	892	892	---
Alcoholic Beverage	336	354	18	5.4%
Cigarette	100	101	1	1.0%
Other Revenues	1,936	2,367	431	22.3%
Transfers	<u>-696</u>	<u>-526</u>	<u>170</u>	-24.4%
Total	\$91,277	\$89,322	-\$1,955	-2.1%
Change from Fiscal 09-10	\$1,736	\$1,239		
% Change from Fiscal 09-10	1.9%	1.4%		
Three-Year Total			-\$4,739	

(a) July 2009 included a revenue stress adjustment of -\$1.8 billion in 2008-09 and -\$3 billion in 2009-10 in recognition of weak June 2009 cash receipts for the Majors.

(b) Under current federal law, the Estate Tax, which the state's pick-up tax is tied to, is scheduled to be re-instated for deaths occurring on or after January 1, 2011.

Figure REV-01 displays the forecast changes between the Amended 2009 Budget Act and the Governor's 2010 Budget. The Governor's Budget forecast was prepared in early December, before individuals and corporations made final withholding and estimated payments for the 2009 tax year, and before consumers completed their December purchases. These critical December and January receipts can have a large impact on state revenues. This forecast will be revised in early May when these data and April income tax receipts are available.

The state's tax system is outlined in Figure REV-02. Tax collections per capita and per \$100 of personal income are displayed in Schedule 2 in the Appendix. The revenue generated from each state tax from 1970-71 through 2010-11 is displayed in Schedule 3 in the Appendix.

MAJOR REVENUE PROPOSALS

The following tax law change is proposed:

- The state General Fund portion of sales tax on motor vehicle gasoline is proposed to be eliminated beginning July 1, 2010. Under current law, this rate is temporarily set at 6 percent in 2010-11 and is scheduled to return to 5 percent in 2011-12. Also, the 4.75-percent sales tax rate on diesel fuel is proposed to be eliminated beginning July 1, 2010, with the entire state General Fund portion eliminated beginning July 1, 2011. This will result in a total reduction of an estimated \$2.844 billion in sales taxes in 2010-11, of which \$1.573 billion is General Fund revenue. An estimated \$1.868 billion of excise taxes on fuels will be raised by increasing the per-gallon rate from 18 cents to 28.8 cents to replace funding on highways and roads currently funded from the sales tax on gasoline and provide funding to offset highway bond debt service. This results in a net reduction of \$976 million, or nearly 6 cents per gallon at the pump. This measure provides benefit to the General Fund in two ways:
 - \$603 million is used to offset General Fund debt service on the highway bonds (see Business, Transportation and Housing section).
 - Reduced General Fund revenues result in a lower Proposition 98 guarantee (see Proposition 98 section).

Figure REV-02
**Outline of State Tax System
as of January 1, 2010**

Major Taxes and Fees	Base or Measure	Rate	Administering Agency	Fund
Alcoholic Beverage Excise Taxes:				
Beer	Gallon	\$0.20	Equalization	General
Distilled Spirits	Gallon	\$3.30	Equalization	General
Dry Wine/Sweet Wine	Gallon	\$0.20	Equalization	General
Sparkling Wine	Gallon	\$0.30	Equalization	General
Hard Cider	Gallon	\$0.20	Equalization	General
Corporation:				
General Corporation	Net income	8.84% ¹	Franchise	General
Bank and Financial Corp.	Net income	10.84%	Franchise	General
Alternative Minimum Tax	Alt. Taxable Income	6.65% ¹	Franchise	General
Tobacco:				
Cigarette	Package	\$0.87 ²	Equalization	See below ²
Other Tobacco Products	Wholesale cost	41.11% ³	Equalization	See below ³
				Energy Resources
Energy Resources Surcharge	Kilowatt hours	\$0.0002	Equalization	Surcharge Fund
Horse Racing License	Amount wagered	0.4-2.0%	Horse Racing Bd.	See below ⁴
Estate	Taxable Fed. Estate	0% ⁶	State Controller	General
Insurance				
Insurers	Gross Premiums	2.35% ⁷	Insurance Dept.	General
Medi-Cal managed care plans	Operating Revenues	2.35%	Health Care Services	See below ⁵
Liquor License Fees	Type of license	Various	Alc. Bev. Control	General
Motor Vehicle:				
Vehicle License Fees (VLF)	Market value	0.65% ⁸	DMV	Motor VLF, Local Revenue ⁹
Fuel—Gasoline	Gallon	\$0.18	Equalization	Motor Vehicle Fuel ¹⁰
Fuel—Diesel	Gallon	\$0.18	Equalization	Motor Vehicle Fuel
Registration Fees	Vehicle	\$56.00	DMV	Motor Vehicle ¹¹
Weight Fees	Gross Vehicle Wt.	Various	DMV	State Highway ¹²
Personal Income	Taxable income	1.0-9.3% ¹⁵	Franchise	General
Proposition 63 Surcharge	Taxable income > \$1 million	1.0%	Franchise	Mental Health Services
Alternative Minimum Tax	Alt. Taxable Income	7.0% ¹⁵	Franchise	General
Private Railroad Car	Valuation	¹³	Equalization	General
Retail Sales and Use	Sales or lease of taxable item	6.75% ¹⁴	Equalization	See below ¹⁴

¹ Min. tax \$800 per year for existing corporations. New corporations are exempt from the min. tax for the first two years.
² This tax is levied at the combined rate of 10 cents/pack of 20 cigarettes for the General Fund, 25 cents/pack for the Cigarette and Tobacco Products Surtax Fund, 2 cents/pack for the Breast Cancer Fund, and 50 cents/pack for the California Children and Families First Trust Fund.
³ A tax equivalent to the tax on cigarettes. The rate reflects the 50 cents/pack established by the California Children and Families First Initiative, with funding for Cigarette and Tobacco Products Surtax Fund and California Children and Families First Trust Fund.
⁴ The Fair and Exposition Fund supports county fairs and other activities, the Satellite Wagering Account funds construction of Satellite Wagering Facilities and health and safety repairs at fair sites. Wildlife Restoration Fund and General Fund also receive monies.
⁵ Insurance tax on Medi-Cal managed care plans in 2009 and 2010, pursuant to Chapter 157, Statutes of 2009 (AB 1422), to provide interim funding for the Healthy Families and Medi-Cal programs. Tax receipts collected pursuant to Chapter 157 are available for a specific purpose and are required to be deposited into the Children's Health and Human Services Special Fund
⁶ The Economic Growth and Tax Relief Reconciliation Act of 2001 phases out the federal estate tax by 2010. As part of this, the Act eliminates the State pick-up tax beginning in 2005. The federal Act sunsets after 2010; at that time, the federal estate tax will be reinstated along with the State's estate tax, unless future federal legislation is enacted.
⁷ Ocean marine insurance is taxed at the rate of 5 percent of underwriting profit attributable to California business. Special rates also apply to certain pension and profit sharing plans, surplus lines, and nonadmitted insurance.
⁸ Department of Motor Vehicles. Beginning January 1, 1999, vehicle owners paid only 75 percent of the calculated tax, and the remaining 25 percent (offset percentage) was paid by the General Fund. Chapter 74, Statutes of 1999, increased the offset to 35 percent on a one-time basis for the 2000 calendar year. Chapters 106 and 107, Statutes of 2000, and Chapter 5, Statutes of 2001, extended the 35-percent offset through June 30, 2001, and provided for an additional 32.5-percent reduction, which was returned to taxpayers in the form of a rebate. Beginning July 1, 2001, the VLF offset was set at 67.5 percent. From June 30, 2003, through November 18, 2003, the VLF reduction was suspended. On November 17, 2003, Governor Schwarzenegger rescinded the suspension, thereby reinstating the offset. Effective January 1, 2005, the VLF rate is 0.65 percent. The 2009-10 Budget enacted in February 2009 temporarily increased the VLF rate to 1.15 percent with 0.35 percent of the 0.5 percent increase going to the General Fund and the remaining 0.15 percent going to local law enforcement. This increase will remain in effect from May 19, 2009, to July 1, 2011.
⁹ For return to cities and counties. Trailer coach license fees are deposited in the General Fund.
¹⁰ For administrative expenses and apportionment to State, counties and cities for highways, airports, and small craft harbors.
¹¹ For support of State Department of Motor Vehicles, California Highway Patrol, other agencies, and motor vehicle related programs.
¹² For State highways and State Department of Motor Vehicles administrative expense. Chapter 861, Statutes of 2000, replaced the fee schedule for trucks, based on the unladen weight of commercial trucks and trailers, with a new schedule based on the gross weight capacity of trucks alone, in order to comply with the International Registration Plan standards. Chapter 719, Statutes of 2003, increased weight fees to achieve revenue neutrality as specified in Chapter 861.
¹³ Average property tax rate in the State during preceding year.
¹⁴ Includes a 6 percent rate for the State General Fund, a 0.25 percent rate for the Economic Recovery Fund, and a 0.50 percent rate for the Local Revenue Fund. The General Fund tax rate increased by 1% (from 5% to 6%) temporarily from April 1, 2009 through June 30, 2011
¹⁵ For the 2009 and 2010 tax years, the marginal rates have been temporarily increased and range from 1.25 percent to 9.55 percent and the alternative minimum tax has been temporarily increased to 7.25 percent.

GENERAL FUND REVENUE

General Fund 2010-11 revenues and transfers represent 76 percent of total revenues reported in the Governor’s Budget. The remaining 24 percent consists of special fund revenues dedicated to specific programs. The revenue estimates noted in the following discussion include the impact of the transportation tax proposal noted above under “Major Revenue Proposal” as well as \$85 million in 2009-10 and \$101 million in 2010-11 from increased efforts to collect under existing law.

PERCENT OF GENERAL FUND REVENUES AND TRANSFERS

Personal income tax	52.5 percent
Sales and use taxes	28.9 percent
Corporation tax	11.3 percent
All other	7.3 percent

PERSONAL INCOME TAX

The personal income tax is the state’s largest single revenue source, accounting for 52.5 percent of all General Fund revenues and transfers in 2010-11. After a steep drop in the prior fiscal year, income tax revenues are expected to increase by 7.5 percent in 2009-10. An additional increase of about one-half percent is expected for 2010-11. Revenues in 2009-10 reflect various revenue accelerations as well as \$4.15 billion from the combined impact of the reduction in the dependent exemption credit and the 0.25-percent surcharge in the personal income tax. Two of the temporary revenue increases, the reduction in the dependent credit and the personal income tax surcharge, expire December 31, 2010.

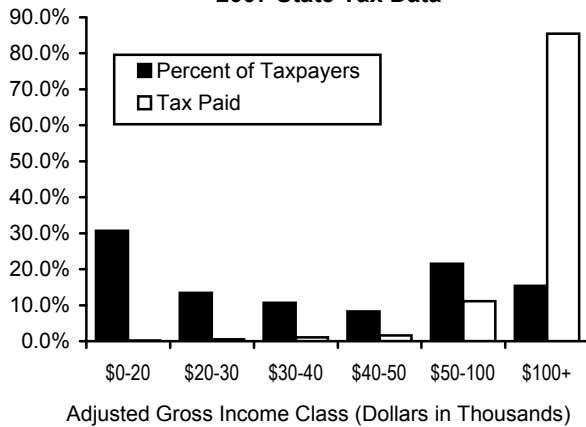
PERSONAL INCOME TAX REVENUE

(IN BILLIONS)

2008-09	\$43.376
2009-10 (Forecast)	\$46.640
2010-11 (Forecast).	\$46.862

Modeled closely on the federal income tax law, California’s personal income tax is imposed on net taxable income: that is, gross income less exclusions and deductions. The tax rate structure is steeply progressive over much of the income spectrum, with rates ranging from 1 percent to 9.3 percent. For the 2009 and 2010 tax years, the marginal rates have been temporarily increased and range from 1.25 percent to 9.55 percent. Figure REV-03, which shows the percent of total returns and tax paid by adjusted gross income class, illustrates the shares of the tax paid by various income classes. In 2007, the top 15.4 percent of state taxpayers, those with adjusted gross incomes (AGI) over \$100,000, paid 85.4 percent of the personal income tax. The top 1 percent of state taxpayers, those with AGI over \$500,000, paid

Figure REV-03
Percent of Taxpayers and Percent of Tax Paid by Adjusted Gross Income Class
 2007 State Tax Data



48 percent of the personal income tax. As a result of the tax bracket structure and distributions of tax liability, changes in the income of a relatively small group of taxpayers can have a significant impact on state revenues.

Income ranges for all tax rates are adjusted annually by the change in the California Consumer Price Index. This prevents taxpayers from moving into higher tax brackets because of inflation without an increase in real income. For the 2009 tax year, this adjustment decreased 1.5 percent, reflecting dropping prices during 2009.

For the 2010 tax year, the adjustment is projected to be an increase of 2 percent. The personal tax rate applies to total taxable income from all sources, after which taxpayers can reduce their gross tax liability by claiming various credits.

An alternative minimum tax, imposed at a rate of 7 percent, limits the amount of benefits that taxpayers realize from the use of deductions and exemptions, and thus ensures that all taxpayers pay a minimum level of tax. For the 2009 and 2010 tax years, the alternative minimum tax rate has been temporarily increased to 7.25 percent.

The largest income source for the personal income tax is wages and salaries. In 2007, taxes attributable to wages and salaries accounted for over half of personal income tax revenues. Wages and salaries are expected to decline 4.8 percent in 2009, and grow by 2.4 percent in 2010 and 1.2 percent in 2011. This reflects the forecasted economic and job growth for the budget period. Capital gains are also a significant contributor to personal income tax revenues. In 2007, this component accounted for over 21 percent of the personal income tax. Capital gains are highly volatile. Gains reported by taxpayers increased 10.5 percent in 2007 and plunged an estimated 61.5 percent in 2008. They are expected to decline further by 15 percent in 2009, before bouncing back with 40 percent growth in 2010. Projected capital gains in 2010 would represent the twelfth highest level in California's history.

The budget's revenue estimates incorporate the potential behavioral impacts of federal tax law changes. The Federal Economic Growth and Tax Relief Reconciliation Act of 2001 enacted tax reductions for dividend income, capital gains and other income. These tax reductions expire after 2010. The estimates assume that taxpayers will respond to this change by accelerating 15 percent of 2011 capital gains to 2010. Also, we are estimating that 15 percent of 2011 dividends will be accelerated to 2010. These changes are projected to increase 2010-11 revenues by \$1.1 billion, and would reduce 2011-12 revenues by the same amount.

Figure REV-04 shows the portion of General Fund revenues from capital gains. In addition to wages and salaries and capital gains, other major components of AGI include net business and proprietor income, which together constitute about 10 percent of the total.

ADDITIONAL INFORMATION

The Franchise Tax Board, which administers the personal income tax and corporation tax, prepares an annual report which streamlines much of the information previously included in the Operations Report, Annual Report and Performance Report. Its website, www.ftb.ca.gov, includes these reports as well as detailed tables and statistics. Information on personal income tax and corporation tax exclusions, deductions, and credits is also available in the Department of Finance's Tax Expenditure Report, published annually on the Internet at www.dof.ca.gov in "Reports and Periodicals."

Figure REV-04
Capital Gains
As a Percent of General Fund Revenues
(Dollars in Billions)

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008 p</u>	<u>2009 e</u>	<u>2010 e</u>
Capital Gains Income	\$117.6	\$50.7	\$35.5	\$47.6	\$76.3	\$112.4	\$117.3	\$129.6	\$49.9	\$42.4	\$59.4
Tax at 9%											
Capital Gains Tax	\$10.6	\$4.6	\$3.2	\$4.3	\$6.9	\$10.1	\$10.6	\$11.7	\$4.5	\$3.8	\$5.3
Total General Fund Revenues & Transfers	\$71.4	\$72.3	\$71.3	\$74.9	\$82.2	\$93.5	\$95.5	\$99.2	\$82.8	\$88.1	\$89.3
Capital Gains as % of General Fund											
Capital Gains	14.8%	6.3%	4.5%	5.7%	8.3%	10.8%	11.1%	11.8%	5.4%	4.3%	6.0%

^p Preliminary

^e Estimated

Note: Totals may not add due to rounding

2002-03 revenues do not include \$9.242 billion in economic recovery bonds.

2003-04 revenues do not include \$2.012 billion in economic recovery bonds.

2007-08 revenues do not include \$3.313 billion in economic recovery bonds.

Some personal income tax revenue is deposited into a special fund. Proposition 63, passed in November 2004, imposes a surcharge of 1 percent on taxable income over \$1 million in addition to the 9.3 percent General Fund rate (9.55 percent for tax years 2009 and 2010). Revenue from the surcharge is transferred to the Mental Health Services Fund for mental health services. Revenues of \$980 million are estimated for the 2008-09 fiscal year. Annual revenues of \$858 million for 2009-10, and \$1.008 billion for 2010-11 are projected, reflecting the substantial declines in incomes of higher income taxpayers. Substantial portions of these revenues are received in the Mental Health Services Fund as settle-up transfers the second year following the year for which they are paid. (See the Department of Mental Health Services budget for information on transfers to and expenditures from the Mental Health Services Fund.)

The General Fund and the Mental Health Services Fund shares of personal income tax revenues for 2008-09 through 2010-11 are shown in Figure REV-05.

Figure REV-05

Personal Income Tax Revenue

(Dollars in Thousands)

	2008-09 Preliminary	2009-10 Forecast	2010-11 Forecast
General Fund	\$43,375,959	\$46,640,000	\$46,862,000
Mental Health Services Fund	980,000	858,000	1,008,000
Total	\$44,355,959	\$47,498,000	\$47,870,000

SALES AND USE TAX

Receipts from sales and use taxes, the state’s second largest revenue source, are expected to contribute 28.9 percent of all General Fund revenues and transfers in

2010-11. Figure REV-06 displays sales and use tax revenues for the General Fund, as well as special funds, for 2008-09 through 2010-11. Revenues in 2009-10 and 2010-11 reflect a full-year impact of the temporary 1-percent sales tax rate increase (the increase was also in effect during the final quarter of 2008-09). Revenues from the additional 1 percent are expected to generate \$4.192 billion in 2009-10

SALES AND USE TAX REVENUE

(IN BILLIONS)

2008-09	\$23.753
2009-10 (Forecast)	\$26.036
2010-11 (Forecast).	\$25.851

Figure REV-06

Sales Tax Revenue

(Dollars in Thousands)

	2008-09 Preliminary	2009-10 Forecast	2010-11 Forecast
General Fund	\$23,753,364	\$26,036,000	\$25,850,882
Sales and Use Tax-Realignment	2,445,950	2,249,790	2,396,338
Public Transportation Account	1,026,526	945,242	0
Mass Transportation Fund	492,146	0	0
Economic Recovery Fund	1,254,316	1,123,000	1,191,000
Total	\$28,972,302	\$30,354,032	\$29,438,220

and \$4.456 billion in 2010-11. The sales tax is expected to generate General Fund revenues of \$26.036 billion in 2009-10 and \$25.851 billion in 2010-11 (after accounting for the proposed transportation tax change).

The sales tax applies to sales of tangible personal property in California; the companion use tax applies to property purchased outside the state for use within California. Most retail sales and leases are subject to the tax. Exemptions from the tax for necessities such as food for home consumption, prescription drugs, and electricity make the tax less regressive than it otherwise would be. Other exemptions provide tax relief for purchasers of particular products — e.g., farm equipment, custom computer programs, or materials used in space flights. These exemptions are generally enacted to encourage certain types of economic activity.

Through the first three quarters of calendar year 2008, as a result of historically high gasoline prices, sales by service stations were the largest contributor to the sales tax base, accounting for 10.5 percent of all sales. Other significant contributors to the sales tax base include sales by new motor vehicle dealers at 8.1 percent, general merchandise stores at 8.7 percent, eating and drinking establishments at 9.8 percent, and building materials retailers at 5.2 percent. Detailed taxable sales data by type of business is not yet available for the fourth quarter of 2008.

Taxable sales decreased by an estimated 2.1 percent in 2007-08. Based on preliminary data, it is estimated that taxable sales will decrease again by 12.8 percent for 2008-09. This slowdown will continue through 2009-10 with an additional decrease of 7.5 percent. The slowdown is attributed to continued weakness in the housing market, declining auto sales, tight credit markets, and decreased employment. Taxable sales under current law are expected to turn modestly positive in 2010-11 with expected annual growth of 6.3 percent.

ADDITIONAL INFORMATION

The Board of Equalization, which administers the sales and use tax, tobacco tax, alcoholic beverage taxes, and fuel taxes provides additional information in its annual report, which is available on its website, www.boe.ca.gov. Information on sales tax exemptions is included in the Department of Finance's Tax Expenditure Report, published annually on the Internet at www.dof.ca.gov in "Reports and Periodicals."

Approximately two-thirds of the sales tax is related to consumer spending and paid by households. Such purchases are strongly influenced by such macro-economic factors as employment trends and interest rates. Given that much of the sales tax base is comprised on non-essential purchases that can be postponed or cancelled, consumer confidence can have a significant impact on sales tax revenues. The remaining roughly one-third of the sales tax is paid on purchases by businesses. This component, too, is governed by businesses' perceptions of economic conditions and the need for additional equipment acquisitions and other capital purchases. Sales and use tax revenues are forecast relating taxable sales to economic factors such as income, employment, housing starts, new vehicle sales, and inflation.

Current law requires that a portion of the sales tax on gasoline and diesel fuel go to the Public Transportation Account (PTA). (The transportation community refers to the gasoline tax portion of this as "spillover" sales tax revenues.) Including the sales tax on diesel fuel, an estimated \$945 million in sales tax revenue will go to the PTA in 2009-10. Sales taxes on motor vehicle fuels are proposed to be eliminated beginning in 2010-11, so no transfers to the PTA from this source will occur in 2010-11 and forward.

Figure REV-07 displays the individual elements of the state and local sales tax rates. Figure REV-08 shows combined state and local tax rates for each county.

Figure REV-07

State and Local Sales and Use Tax Rates**State Rates**

General Fund	4.75% or 5.00%	Pursuant to Sections 6051.3 and 6051.4 of the Revenue and Taxation Code, this rate is 5%, but may be temporarily reduced by 0.25% if General Fund reserves exceed specified levels. During 2001, the rate was 4.75%, and during 2002 and thereafter, this rate is 5.00%.
General Fund	1.00%	Pursuant to Sections 6051.7 and 6201.7 of the Revenue and Taxation Code, beginning on April 1, 2009, an additional temporary 1.00% General Fund sales tax was imposed. This tax will expire after June 30, 2011.
Local Revenue Fund	0.50%	Dedicated to local governments to fund health and social services programs transferred to counties as part of 1991 state-local realignment.
Economic Recovery Fund	0.25%	Beginning on July 1, 2004, a new temporary 0.25% state sales tax rate was imposed, with a corresponding decrease in the Bradley-Burns rate. These revenues are dedicated to repayment of Economic Recovery Bonds. Once these bonds are repaid, this tax will sunset and the Bradley-Burns rate will return to 1%.

Local Uniform Rates¹

Bradley-Burns	0.75% ² or 1.00%	Imposed by city and county ordinance for general purpose use. ³
Transportation Rate	0.25%	Dedicated for county transportation purposes.
Local Public Safety Fund	0.50%	Dedicated to cities and counties for public safety purposes. This rate was imposed temporarily by statute in 1993 and made permanent by the voters later that year through passage of Proposition 172.

Local Add-on Rates⁴

Transactions and Use Taxes	up to 2.00%	May be levied in 0.125% or 0.25% increments ⁵ up to a combined maximum of 2.00% in any county. ⁶ Any ordinance authorizing a transactions and use tax requires approval by the local governing board and local voters.
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¹ These locally-imposed taxes are collected by the State for each city and county and are not included in the State's revenue totals.

² The 1 percent rate was temporarily decreased by 0.25 percent on July 1, 2004, and a new temporary 0.25 percent tax imposed to repay Economic Recovery Bonds. Cities and counties will receive additional property tax revenues equal to the 0.25 percent local sales tax reduction.

³ The city tax constitutes a credit against the county tax. The combined rate is never more than 1 percent in any area (or 0.75 percent during the period when Economic Recovery Bonds are being repaid).

⁴ These taxes may be imposed by voters in cities, counties, or special districts. The revenues are collected by the State for each jurisdiction and are not included in the State's revenue totals.

⁵ Increments imposed at 0.125 percent are only allowed when revenues are dedicated for library purposes.

⁶ An exception to the 2 percent maximum is Los Angeles County, which may impose up to 2.5 percent.

Figure REV-08
**Combined State and Local Sales and Use Tax
 Rates by County**
 (Rates in Effect on April 1, 2009) ^{27/}

County	Tax Rate	County	Tax Rate	County	Tax Rate
Alameda	9.75%	Madera	8.75%	San Joaquin ^{19/}	8.75%
Alpine	8.25%	Marin ^{9/}	9.00%	San Luis Obispo ^{20/} ..	8.25%
Amador	8.75%	Mariposa	8.75%	San Mateo	9.25%
Butte	8.25%	Mendocino ^{10/}	8.25%	Santa Barbara	8.75%
Calaveras	8.25%	Merced ^{11/}	8.25%	Santa Clara	9.25%
Colusa ^{1/}	8.25%	Modoc	8.25%	Santa Cruz ^{21/}	9.00%
Contra Costa ^{2/}	9.25%	Mono ^{12/}	8.25%	Shasta	8.25%
Del Norte	8.25%	Monterey ^{13/}	8.25%	Sierra	8.25%
El Dorado ^{3/}	8.25%	Napa	8.75%	Siskiyou	8.25%
Fresno ^{4/}	8.975%	Nevada ^{14/}	8.375%	Solano	8.375%
Glenn	8.25%	Orange ^{15/}	8.75%	Sonoma ^{22/}	9.00%
Humboldt ^{5/}	8.25%	Placer	8.25%	Stanislaus ^{23/}	8.375%
Imperial	8.75%	Plumas	8.25%	Sutter	8.25%
Inyo	8.75%	Riverside	8.75%	Tehama	8.25%
Kern ^{6/}	8.25%	Sacramento	8.75%	Trinity	8.25%
Kings	8.25%	San Benito ^{16/}	8.25%	Tulare ^{24/}	8.75%
Lake ^{7/}	8.25%	San Bernardino ^{17/}	8.75%	Tuolumne ^{25/}	8.25%
Lassen	8.25%	San Diego ^{18/}	8.75%	Ventura	8.25%
Los Angeles ^{8/}	9.75%	San Francisco	9.50%	Yolo ^{26/}	8.25%
				Yuba	8.25%

^{1/} 8.75% for sales in the City of Williams.
^{4/} 9.75% for sales in the Cities of Richmond, Pinole, and El Cerrito.
^{3/} 8.50% for sales in the City of Placerville and 8.75% for sales in the City of South Lake Tahoe.
^{4/} 9.475% for sales in the Cities of Reedley and Selma and 9.725% for sales in the City of Sanger.
^{2/} 8.50% for sales in the City of Eureka and 9.25% for sales in the City of Trinidad.
^{5/} 9.25% for sales in the Cities of Arvin and Delano.
^{1/} 8.75% for sales in the City of Clearlake and the City of Lakeport.
^{6/} 10.25% for sales in the Cities of Avalon and Inglewood and 10.75% for sales in the City of South Gate.
^{7/} 9.50% for sales in the City of San Rafael.
^{10/} 8.75% for sales in the Cities of Fort Bragg, Point Arena, Ukiah, and Willits.
^{11/} 8.75% for sales in the City of Merced and the City of Los Banos.
^{14/} 8.75% for sales in the City of Mammoth Lakes.
^{13/} 8.75% for sales in the Cities of Salinas and Sand City and 9.25% in the Cities of Del Rey Oaks, Pacific Grove, and Seaside.
^{14/} 8.875% for sales in the Cities of Truckee and Nevada City.
^{15/} 9.25% for sales in the City of La Habra.
^{16/} 9.00% for sales in the City of San Juan Bautista and 9.25% for sales in the City of Hollister.
^{17/} 9.00% for sales in the City of Montclair and the City of San Bernardino.
^{18/} 9.25% for sales in the City of Vista, 9.5% for the City of La Mesa, and 9.75% for sales in the Cities of El Cajon and National City.
^{19/} 9.00% for sales in the City of Stockton and 9.25% for sales in the City of Manteca.
^{20/} 8.75% for sales in the Cities of Arroyo Grande, Morro Bay, Grover Beach, San Luis Obispo, and Pismo Beach.
^{21/} 9.25% for sales in the Cities of Watsonville, Capitola, and Scotts Valley and 9.50% for sales in the City of Santa Cruz.
^{22/} 9.25% for sales in the City of Sebastopol and the City of Santa Rosa.
^{23/} 8.875% for sales in the City of Ceres.
^{24/} 9.00% for sales in the City of Visalia. 9.25% for sales in the Cities of Farmersville, Porterville, and Tulare.
 9.50% for sales in the City of Dinuba.
^{25/} 8.75% for sales in the City of Sonora.
^{26/} 8.75% for sales in the Cities of Woodland, West Sacramento, and Davis.
^{27/} General Fund sales tax rate was temporarily increased by 1.00% from April 1, 2009 through June 30, 2011.

CORPORATION TAX

Corporation tax revenues are expected to contribute 11.3 percent of all General Fund revenues and transfers in 2010-11. Corporation tax revenues are expected to drop about 1.4 percent from 2008-09 to 2009-10 but then recover in 2010-11. Revenues from this source are expected to grow by 6.9 percent for the budget year. Corporation tax revenues are driven by corporate profits, which generally track the overall business cycle. In the budget year, revenues will increase as a result of higher penalties on large corporations that under-report income and underpay taxes. Revenues will decrease as a result of the impacts of budget actions taken in earlier years. These factors include an end to the temporary suspension of net operating loss claims, increased ability to claim various credits among members of a unitary groups and adoption of single sales factor income apportionment.

CORPORATION TAX REVENUE (IN BILLIONS)	
2008-09	\$ 9.536
2009-10 (Forecast)	\$ 9.407
2010-11 (Forecast).	\$10.052

Corporation tax revenues are derived from the following sources:

- The franchise tax and the corporate income tax are levied at a rate of 8.84 percent on net profits. The former is imposed on corporations that do business in California, while the latter is imposed on corporations that derive income from California sources without doing business in the state. For example, a corporation that maintains a stock of goods in California to fill orders taken by independent dealers would be subject to the corporate income tax.
- Corporations that have a limited number of shareholders and meet other requirements to qualify for state Subchapter S status are taxed at a 1.5-percent rate rather than the 8.84 percent imposed on other corporations.
- Banks and other financial corporations pay the franchise tax plus an additional 2-percent tax on net income. This “bank tax” is in lieu of local personal property and business license taxes.
- The alternative minimum tax is similar to that imposed under federal law. Levied at a rate of 6.65 percent, the alternative minimum tax ensures that corporate taxpayers do not make excessive use of deductions and exemptions to avoid paying a minimum level of tax.

REVENUE ESTIMATES

- A minimum franchise tax of \$800 is imposed on corporations subject to the franchise tax, but not on those subject to the corporate income tax. An \$800 minimum tax is also imposed on Limited Liability Companies (LLCs), Limited Partnerships and Limited Liability Partnerships.
- In addition to an annual tax of \$800, a fee is imposed on LLCs based on total income. The fee ranges from \$900 for LLCs with income between \$250,000 and \$499,000, to \$11,790 for LLCs with income of \$5 million or more. LLCs with total income of less than \$250,000 do not pay this fee.
- The corporation tax forecast is based on an analysis of California taxable profits, employment rates, personal income, and actual cash receipts.

From 1943 through 1985, corporation tax liability as a percentage of profits closely tracked the corporation tax rate. Since 1986, tax liability as a percentage of profits has dropped below the statutory level of 8.84 percent. Increasing S-corporation activity and use of credits have been the primary factors contributing to a divergence between profit and tax liability growth. Businesses that elect to form as S-corporations pay a reduced corporate rate, with the income and tax liability on that income passed through to owners and thus shifted to the personal income tax.

INSURANCE TAX

Most insurance written in California is subject to a 2.35-percent gross premiums tax. This premium tax takes the place of all other state and local taxes except those on real

**INSURANCE TAX REVENUE
(GENERAL FUND)**

(IN BILLIONS)

2008-09	\$2.054
2009-10 (Forecast)	\$1.952
2010-11 (Forecast).	\$1.897

property and motor vehicles. In general, the basis of the tax is the amount of "gross premiums" received, less return premiums.

To provide interim funding for the Healthy Families and Medi-Cal programs, Chapter 157, Statutes of 2009 extends the 2.35-percent gross premiums tax to the Medi-Cal managed care plans in 2009 and 2010. Figure REV-09 displays the distribution of total insurance tax revenues from 2008-09 through 2010-11.

The Department of Finance conducts an annual survey to project insurance premium growth. Responses were received this year from a sample representing about 35 percent of the dollar value of premiums written in California.

Figure REV-09
Insurance Tax Revenue
(Dollars in Millions)

	2008-09 Preliminary	2009-10 Forecast	2010-11 Forecast
General Fund	\$2,053.8	\$1,952.0	\$1,897.0
Children's Health and Human Services Special Fund	0.0	239.2	163.6
Total	\$2,053.8	\$2,191.2	\$2,060.6

In 2008, \$123.5 billion in taxable premiums were reported, representing a decrease of 0.7 percent from 2007. The most recent survey indicates that total premiums will decrease by 1.2 percent, and increase by 6.4 percent in 2009, and 2010, respectively. As reforms in workers' compensation insurance continue to take hold, taxable premiums from workers' compensation insurance continue to decrease. Survey respondents reported declines of 17.7 percent in 2009 and low growth for 2010 in this line of insurance.

ALCOHOLIC BEVERAGE TAXES

In addition to the sales tax paid by retail purchasers, California levies an excise tax on distributors of beer, wine, and distilled spirits.

Alcoholic beverage revenue estimates are based on projections of total and per capita consumption for each type of beverage. Consumption of alcoholic beverages is expected to grow over the forecast period, increasing by 2.5 percent for 2009-10 and by 6.6 percent for 2010-11.

Collections in 2008-09 and forecasted revenues for 2009-10 and 2010-11 are shown in Figure REV-10.

ALCOHOLIC BEVERAGE TAX RATES PER GALLON (JANUARY 1, 2010)

\$0.20 for beer, dry wine, and
sweet wine

\$0.30 for sparkling wine

\$3.30 for distilled spirits

Figure REV-10
Beer, Wine, and Distilled Spirits Revenue
(Dollars in Millions)

	2008-09 Preliminary	2009-10 Forecast	2010-11 Forecast
Beer and Wine	\$161.0	\$154.0	\$169.0
Distilled Spirits	163.0	178.0	185.0
Total	\$324.0	\$332.0	\$354.0

CIGARETTE TAX

The state imposes an excise tax of 87 cents per pack of 20 cigarettes on distributors selling cigarettes in California. An excise tax is also imposed on distribution of other tobacco products such as cigars, chewing tobacco, pipe tobacco, and snuff. The rate on other tobacco products is calculated annually by the Board of Equalization based on the wholesale price of cigarettes.

Revenues from the tax on cigarettes and other tobacco products are distributed as follows:

- Ten cents of the per-pack tax is allocated to the state General Fund.
- Fifty cents of the per-pack tax, and an equivalent rate levied on non-cigarette tobacco products, goes to the California Children and Families First Trust Fund for distribution according to the provisions of Proposition 10 of 1998.
- Twenty-five cents of the per-pack tax, and an equivalent rate levied on non-cigarette tobacco products, is allocated to the Cigarette and Tobacco Products Surtax Fund for distribution as determined by Proposition 99 of 1988.
- Two cents of the per-pack tax is deposited into the Breast Cancer Fund.

Projections of cigarette tax revenues are based on total and per capita consumption of cigarettes while revenue estimates for other tobacco products rely on wholesale price data. The cumulative effect of product price increases, the increasingly restrictive environments for smokers, and state anti-smoking campaigns funded by Proposition 99 Tobacco Tax and Health Protection Act revenues and revenues from the Master Tobacco Settlement has considerably reduced cigarette consumption.

Annual per capita consumption (based on population ages 18-64) declined from 123 packs in 1989-90 to 84 packs in 1997-98 and 45 packs in 2008-09, the latest year of actual data available. The long-term downward trend in consumption should continue to reduce cigarette tax revenues.

Figure REV-11 shows the distribution of tax revenues for the General Fund and various special funds for 2008-09 through 2010-11.

Figure REV-11
Tobacco Tax Revenue
(Dollars in Millions)

	2008-09 Preliminary	2009-10 Forecast	2010-11 Forecast
General Fund	\$107.2	\$102.0	\$101.0
Cigarette and Tobacco Products Surtax Fund	314.9	286.0	284.0
Breast Cancer Fund	21.0	20.0	20.0
California Children and Families First Trust Fund	555.4	528.0	522.0
Cigarette and Tobacco Products Compliance Fund	1.9	1.7	1.7
Total	\$1,000.4	\$937.7	\$928.7

PROPERTY TAXES

Article XIII A of the State Constitution (Proposition 13) provides that property is assessed at its 1975 fair market value until it changes ownership. When ownership changes, the assessed value is redetermined based on the property's current market value. New construction is assessed at fair market value when construction is completed. A property's base year value may be increased by an inflation factor, not to exceed 2 percent annually.

Although the property tax is generally considered a local revenue source, the amount of property tax generated each year has a substantial impact on the state budget because local property tax revenues allocated to K-14 schools offset General Fund expenditures. Assessed value growth is estimated based on twice-yearly surveys of county assessors and evaluation of real estate trends. Stress in the real estate sector, and residential property in particular, has had a significant impact on assessed values and property tax levies. Assessed value is estimated to decrease 2.9 percent from 2008-09 to 2009-10. A further decrease of 2.2 percent is expected in 2010-11.

Property taxes received by school districts and reflected in the Department of Education and Community Colleges budgets are significantly below projections used for the 2009-10 Budget.

ESTATE/INHERITANCE/GIFT TAXES

Proposition 6, adopted in June 1982, repealed the inheritance and gift taxes and imposed a tax known as "the pick-up tax," because it was designed to pick up the maximum state credit allowed against the federal estate tax without increasing total taxes paid by

the estate. The pick-up tax is computed based on the federal “taxable estate,” with tax rates ranging from 0.8 percent to 16 percent.

The Economic Growth and Tax Relief Reconciliation Act of 2001 phases out the federal estate tax by 2010. The Act reduced the state pick-up tax by 25 percent in 2002, 50 percent in 2003, 75 percent in 2004, and eliminated it beginning in 2005. The provisions of the federal Act sunset after 2010, at which time the federal and state estate taxes are scheduled to be reinstated. The amount of revenue estimated to be received from this source, assuming current federal law, is \$892 million in the budget year.

Some revenues from this tax continue to be collected from estates established prior to 2005.

OTHER REVENUES

VEHICLE LICENSE FEE

As part of the 2009-10 budget, the vehicle license fees (VLF) was increased temporarily from 0.65 percent to 1.15 percent. Of this amount, 0.35 percent goes to the General Fund with the remainder to local public safety programs. (See below). As a result of this increase, revenues from this source to the General Fund will be \$1.386 billion in 2009-10 and \$1.472 billion in 2010-11.

INDIAN GAMING

Indian gaming revenues that are deposited in the General Fund are estimated to be \$370 million in 2009-10 and \$270 million in 2010-11. The steep drop between 2009-10 and 2010-11 is the result of additional deposits of these revenues into a special fund.

UNCLAIMED PROPERTY

The Governor’s Budget reflects revenues of \$170 million in 2009-10 and \$166 million in 2010-11 from unclaimed property. The 2009-10 amount represents a decline of 37 percent from the prior year. The reduced revenue from this source is reflective of increased returns to property owners and reduced earnings on securities.

STATE LANDS ROYALTIES

Royalties on state land oil and gas production is estimated at \$179 million in 2009-10 and \$160 million in 2010-11. These represent significant declines from earlier years; the estimated decline from 2008-09 to 2009-10 is 45 percent. This steep reduction is largely the result of the rapid decline in oil prices.

OTHER REVENUES

The Governor's Budget proposes a new 4.8-percent statewide surcharge on all residential and commercial property insurance, which is estimated to generate \$238.1 million in 2009-10 and \$478.6 million in 2010-11. These funds will be used to offset General Fund expenditures in the Department of Forestry and Fire Protection and enhance the state's emergency response capabilities.

The budget also reflects additional revenue from the Tranquillon Ridge oil lease, which is estimated at \$100 million in 2009-10 and \$119 million in 2010-11. It is estimated that the Tranquillon Ridge oil lease will generate \$1.8 billion in advanced royalties over the next 14 years. This revenue will be used to fund state parks.

Other revenues also include increased revenues from state assets.

SPECIAL FUND REVENUE

The California Constitution and state statutes specify into which funds certain revenues must be deposited and how they are to be spent. Special fund revenues consist of:

- Receipts from tax levies allocated to specified functions, such as motor vehicle taxes and fees.
- Charges such as business and professional license fees.
- Rental royalties and other receipts designated for particular purposes, such as oil and gas royalties.

Taxes and fees related to motor vehicles are expected to comprise about 38 percent of all special fund revenue in 2010-11. The principal sources are motor vehicle fees (registration, weight, and vehicle license fees) and motor vehicle fuel taxes. During 2010-11, it is expected that \$10 billion in revenues will be derived from the ownership or operation of motor vehicles. About 35 percent of all motor vehicle taxes and fees will be allocated to local governments, and the remaining portion will be used for state transportation programs.

MOTOR VEHICLE FEES

Motor vehicle fees consist of vehicle license, registration, weight, and driver’s license fees, and other charges related to vehicle operation. Figure REV-12 displays revenue from these sources from 2008-09 through 2010-11.

Figure REV-12
Motor Vehicle Fees Special Fund Revenue
 (Dollars in Thousands)

	2008-09 Preliminary	2009-10 Forecast	2010-11 Forecast
Vehicle License Fees	\$516,127	\$481,441	\$491,092
Realignment	1,567,917	1,453,979	1,482,778
Registration, Weight, and Other Fees	<u>3,239,861</u>	<u>3,413,338</u>	<u>3,428,017</u>
Total	\$5,323,905	\$5,348,758	\$5,401,887

The VLF is imposed on vehicles that travel on public highways in California. This tax is imposed instead of a local personal property tax on automobiles and is administered by the Department of Motor Vehicles. Revenues from the 0.65-percent base VLF rate, other than administrative costs and fees on trailer coaches and mobile homes, are constitutionally dedicated to local governments.

The number of vehicles in the state, the ages of those vehicles, and their most recent sales price affect the amount of VLF raised. The total number of vehicles in California — autos, trucks, trailers, and motorcycles as well as vehicles registered in multiple states — is estimated to be 30,331,000 in 2009-10 and 29,879,000 in 2010-11. The forecast assumes that there will be 1,654,000 new vehicles in 2010-11.

The VLF is calculated on the vehicle’s “market value,” adjusted for depreciation. The motor vehicle schedule is based on an 11-year depreciation period; for trailer coaches, it is an 18-year period. A 0.65-percent rate is applied to the depreciated value to determine the fee.

Chapter 87, Statutes of 1991 revised the VLF depreciation schedule and required the Department of Motor Vehicles to reclassify used vehicles based on their actual purchase price each time ownership is transferred. Revenue from this base change is transferred to the Local Revenue Fund for state-local program realignment.

Chapter 322, Statutes of 1998 established a program to offset a portion of the VLF paid by vehicle owners at the 2-percent rate. The state paid or “offset” a portion of the amount due and taxpayers paid the balance. This General Fund offset gave taxpayers significant tax relief and compensated local governments. A permanent offset of 25 percent of the amount of the VLF owed became operative in 1999. Chapter 74, Statutes of 1999 increased the offset to 35 percent on a one-time basis for the 2000 calendar year. Chapters 106 and 107, Statutes of 2000, and Chapter 5, Statutes of 2001, extended the 35-percent offset through June 30, 2001, and provided an additional 32.5-percent VLF reduction, which was returned to taxpayers in the form of a rebate. Beginning July 1, 2001, the VLF was reduced by 67.5 percent. As the amount paid by taxpayers decreased, the amount backfilled by the General Fund increased.

The VLF reduction was suspended for a 141-day period beginning July 1, 2003. Executive Order S-1-03, issued November 17, 2003, rescinded the offset suspension and directed the Department of Motor Vehicles to reinstate the offset as soon as administratively feasible.

Chapter 211, Statutes of 2004 eliminated the VLF offset and reduced the VLF tax rate to 0.65 percent. Local governments now receive property tax revenues to compensate them for the loss of VLF revenue. In 2004-05 and 2005-06, that replacement revenue was reduced by \$1.3 billion to assist the state. The 2009-10 budget enacted in February 2009 increased the fee by 0.5 percent to 1.15 percent for the period May 19, 2009, through June 30, 2011. Out of the 0.5-percent increase, 0.15 percent goes for funding local law enforcement and the remaining 0.35 percent goes to the General Fund. As a result of this increase, revenues from this source to local public safety programs will be \$416 million in 2009-10 and \$442 million in 2010-11.

The Department of Motor Vehicles administers the VLF for trailer coaches that are not installed on permanent foundations. Those that are installed on permanent foundations (mobile homes) are subject to either local property taxes or the VLF. Generally, mobile homes purchased new prior to July 1, 1980, are subject to the VLF. All trailer coach license fees are deposited in the General Fund.

In addition to the VLF, commercial truck owners pay a fee based on vehicle weight. Chapter 861, Statutes of 2000, and Chapter 719, Statutes of 2003, revised the fee schedules to conform to the federal International Registration Plan.

MOTOR VEHICLE FUEL TAXES

The motor vehicle fuel tax, diesel fuel tax, and the use fuel tax are the major sources of funds for maintaining, replacing, and constructing state highway and transportation facilities. Just over one-third of these revenues is apportioned to local jurisdictions for street and highway use.

Gasoline consumption fell by 3.6 percent during 2008-09, primarily because of high pump prices and a weak economy. Gasoline consumption is expected to decrease 2 percent in 2009-10 and 0.4 percent in 2010-11.

Because most diesel fuel is consumed by the commercial trucking industry, consumption is affected most significantly by general economic conditions. Diesel fuel consumption fell 9 percent in 2008-09, and is expected to decline 4.4 percent in 2009-10. A recovering economy is expected to contribute to growth of 3.5 percent in diesel consumption in 2010-11.

Motor vehicle fuel tax collections are shown in Figure REV-13.

Figure REV-13
Motor Vehicle Fuel Tax Revenue
(Dollars in Thousands)

	2008-09 Preliminary	2009-10 Forecast	2010-11 Forecast
Gasoline ¹	\$2,663,615	\$2,614,484	\$4,164,465
Diesel	513,739	494,329	816,652
Total	\$3,177,354	\$3,108,813	\$4,981,117

¹ Does not include jet fuel.

The motor vehicle fuel tax (gas tax) is collected from distributors when fuel is loaded into ground transportation for transport to retail stations. This fuel is taxed at a rate of 18 cents per gallon under current law. Fuels subject to the gas tax include gasoline, natural gas, and blends of gasoline and alcohol sold for use on public streets and highways.

Distributors pay the diesel fuel tax, which applies to both pure diesel fuel and blends, at the fuel terminal. Diesel fuel for highway use is taxed at a rate of 18 cents per gallon. Dyed diesel fuel, which is destined for off-highway uses such as farm equipment, is not taxed.

The Governor’s Budget is proposing to increase the excise tax rate on motor vehicle gasoline and diesel fuel from 18 cents to 28.8 cents for the 2010-11 fiscal year and similar levels in subsequent years (see Business, Transportation, and Housing).

The use fuel tax is levied on sales of kerosene, liquefied petroleum gas (LPG), liquid natural gas (LNG), compressed natural gas (CNG), and alcohol fuel (ethanol and methanol

containing 15 percent or less gasoline and diesel fuel). These fuels are taxed only when they are dispensed into motor vehicles used on the highways. Current use fuel tax rates are 18 cents per gallon for kerosene, 6 cents per gallon for LPG and LNG, 7 cents per 100 cubic feet for CNG, and 9 cents per gallon for alcohol fuel. Users of LPG, LNG, or CNG may elect to pay a flat rate of tax based on vehicle weight instead of the per-gallon tax.

An excise tax of 2 cents per gallon is levied on aircraft jet fuel sold at the retail level. This tax does not apply to commercial air carriers, aircraft manufacturers and repairers, and the U.S. armed forces.

Local transit systems, school and community college districts, and certain common carriers pay 1 cent per gallon on the fuel they use instead of the tax rates described above.

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Appendices and Schedules

Budget Process Overview

The Governor's Budget is the result of a process that begins more than one year before the Budget becomes law. When presented to the Legislature on January 10 of each year, the Governor's Budget incorporates revenue and expenditure estimates based upon the most current information available through mid December. In the event that the Governor wants to change the Budget presented to the Legislature, including adjustments resulting from changes in population, caseload, or enrollment estimates, the Department of Finance (Finance) proposes adjustments to the Legislature during budget hearings through Finance Letters. During late spring, usually in May, Finance submits revised revenue and expenditure estimates for both the current and budget years to the Legislature. This update process is referred to as the May Revision. Finance also prepares monthly economic and cash revenue updates during the fiscal year. Listed below are the key documents used in the budget process.

Title	Purpose	Prepared/Issued by	When
Budget Letters and Management Memos	Convey the Administration's guidelines for budget preparation to agencies and departments.	Governor/Finance	January through December
Budget Change Proposals	Documents that propose to modify or change the existing level of service, propose new programs, or delete existing programs.	Agencies and departments submit to Finance analysts	July through September
Governor's Budget	Governor's proposed budget for the upcoming fiscal year.	Governor/Finance	January 10
Governor's Budget Summary	A summary of the Governor's Budget.	Governor/Finance	January 10
Budget Bill	Requests spending authorization to carry out the Governor's expenditure plan (legislative budget decision document).	Finance/Legislature	January 10
Analysis of the Budget	Analysis of the Budget, including recommendations for changes to the Governor's Budget.	Legislative Analyst	February
May Revision	Update of General Fund revenues, expenditures, and reserve estimates based on the latest economic forecast and changes in population, caseload, or enrollment estimates.	Finance	Mid-May
Budget Act	The primary annual expenditure authorization as approved by the Governor and Legislature, including a listing of the Governor's vetoes.	Legislature/Governor	Late June or enactment of the Budget
Final Budget Summary	Update of the individual Budget Act items with changes by the Governor's vetoes, including certain budget summary schedules.	Finance	Late July - August or 1-2 months after Budget enactment
Final Change Book	Update of changes to the detailed fiscal information in the Governor's Budget.	Finance	Late July - August or 1-2 months after Budget enactment

Statewide Financial Information

Provides various statewide displays of financial information included in the Budget that may be the most useful to the public, private sector, or other levels of government. Each statewide display includes a description of the information included.

Schedule 1 General Budget Summary - Total statewide revenues and expenditures for the General Fund and special funds and expenditure totals for selected bond funds.

Schedule 2 Summary of State Tax Collections - State Tax Collections per capita and per \$100 of personal income.

Schedule 3 Comparative Yield of State Taxes - Revenues for Major State Taxes from 1970-71 through 2010-11.

Schedule 4 Personnel Years and Salary Cost Estimates - Personnel year data and corresponding dollar amounts by functional breakdown and position classifications. This schedule reflects net data after salary savings.

Schedule 5A Statement of Estimated Accounts Payable and Accounts Receivable - Actual payable and receivable amounts as of June 30, 2009, and estimated amounts for June 30, 2010, and June 30, 2011.

Schedule 5B Actual 2008-09 Fiscal Year Cashflow - Actual receipts, disbursements, borrowable resources, and cashflow loan balances for the 2008-09 fiscal year.

Schedule 5C Estimated 2009-10 Fiscal Year Cashflow - Projected receipts, disbursements, borrowable resources, and cashflow loan balances for the 2009-10 fiscal year.

Schedule 5D Estimated 2010-11 Fiscal Year Cashflow - Projected receipts, disbursements, borrowable resources, and cashflow loan balances for the 2010-11 fiscal year.

Schedule 6 Summary of State Population, Employees, and Expenditures - Historical data of state population, employees, personal income, revenues, and expenditures.

Schedule 7 General Fund Statement of Fund Balance - Available upon request. Contact the Department of Finance, Budget Operations Support Unit at (916) 445-5332.

Schedule 8 Comparative Statement of Revenues - Detail of General and special fund revenues by source for the past, current, and budget years within the following categories: (1) major taxes and licenses, (2) minor revenues, and (3) transfers and loans.

Schedule 9 Comparative Statement of Expenditures - Detail of General Fund, special fund, selected bond fund, and federal fund expenditures included in the Governor's Budget by the following categories: (1) State Operations, (2) Local Assistance, (3) Capital Outlay, and (4) Unclassified.

Schedule 10 Summary of Fund Condition Statements - A listing in alphabetical order of the beginning reserve, revenues, expenditures, and ending reserve for the General Fund and each special fund for the past, current, and budget years.

Schedule 11 Statement of General Obligation Bond and Commercial Paper Debt of the State of California - List of all general obligation bonds including: maturity dates, authorized amount of bond issues, amounts of unissued bonds, redemptions, and outstanding issues, as well as authorized and outstanding commercial paper issued in-lieu of general obligation bonds.

Schedule 12A State Appropriations Limit Summary - Summary of Schedules 12B through 12E: Provides a calculation of the appropriations subject to the State Appropriations Limit and the Limit Room or Surplus.

Schedule 12B Revenues to Excluded Funds - List of revenues to special funds NOT included in the calculation of total appropriations subject to the State Appropriations Limit.

Schedule 12C Non-Tax Revenues in Funds Subject to Limit - Total of non-tax General and special fund revenues deposited in funds that are otherwise included in the calculation of total appropriations subject to the State Appropriations Limit.

Schedule 12D State Appropriations Limit Transfer from Excluded Funds to Included Funds - Detail of transfers between funds that are used in calculating the appropriations subject to the State Appropriations Limit.

Schedule 12E State Appropriations Limit Excluded Appropriations - Exclusions from appropriations subject to the State Appropriations Limit.

**SCHEDULE 1
GENERAL BUDGET SUMMARY¹**
(In Thousands)

	Reference to Schedule	General Fund	Special Funds	Selected Bond Fund Expenditures	Expenditure Totals
2008-09					
Prior year resources available	10	\$2,313,597	\$10,537,163		
Revenues and transfers	8	82,772,112	23,547,321		
Expenditures	9	<u>90,940,419</u>	<u>23,843,785</u>	\$7,601,795	\$122,385,999
Fund Balance ²	10	-\$5,854,710	\$10,240,699		
<i>Reserve for Liquidation of Encumbrances</i> ³					
		1,536,725	--		
<i>Reserves for Economic Uncertainties</i> ⁴					
		--	10,240,699		
<i>Special Fund for Economic Uncertainties</i> ⁴					
		-7,391,435	--		
2009-10					
Prior year resources available	10	-\$5,854,710	\$10,240,699		
Revenues and transfers	8	88,083,471	25,359,658		
Expenditures	9	<u>86,092,048</u>	<u>25,730,245</u>	\$12,853,854	\$124,676,147
Fund Balance ²	10	-\$3,863,287	\$9,870,112		
<i>Reserve for Liquidation of Encumbrances</i> ³					
		1,536,725	--		
<i>Reserves for Economic Uncertainties</i> ⁴					
		--	9,870,112		
<i>Special Fund for Economic Uncertainties</i> ⁴					
		-5,400,012	--		
2010-11					
Prior year resources available	10	-\$3,863,287	\$9,870,112		
Revenues and transfers	8	89,322,141	27,605,535		
Expenditures	9	<u>82,901,299</u>	<u>28,866,673</u>	\$6,987,511	\$118,755,483
Fund Balance ²	10	\$2,557,555	\$8,608,974		
<i>Reserve for Liquidation of Encumbrances</i> ³					
		1,536,725	--		
<i>Reserves for Economic Uncertainties</i> ⁴					
		--	8,608,974		
<i>Special Fund for Economic Uncertainties</i> ⁴					
		1,020,830	--		

¹ The General Budget Summary includes the revenues and expenditures of all state funds that reflect the cost of state government and selected bond fund expenditures. The transactions involving other nongovernmental cost funds are excluded. The amounts included in this schedule for expenditures and revenues may not agree with those shown in Schedules 8, 9 and 10 due to rounding.

² The Fund Balance for the General Fund includes amounts for unencumbered balances of continuing appropriations at the end of the 2008-09, 2009-10, and 2010-11 fiscal years of \$442,356; \$354,100; and \$500 (in thousands), respectively. The Fund Balance for special funds includes amounts for unencumbered balances of continuing appropriations at the end of the 2008-09, 2009-10, and 2010-11 fiscal years of \$3,379,078; \$12,449,408; and \$10,951,380 (in thousands), respectively.

³ The Reserve for Liquidation of Encumbrances represents an amount which will be expended in the future for state obligations for which goods and services have not been received at the end of the fiscal year. This Reserve treatment is consistent with accounting methodology prescribed by Generally Accepted Accounting Principles (GAAP) and Government Code Sections 13306 and 13307.

⁴ The Special Fund for Economic Uncertainties and the Reserves for Economic Uncertainties are reserve accounts for the General and special funds as provided by Section 5 of Article XIII B of the California Constitution.

SCHEDULE 2
SUMMARY OF STATE TAX COLLECTIONS

(Excludes Departmental, Interest, and Miscellaneous Revenue)

Fiscal Year	Per Capita Personal Income ^{1,2}	State Tax Collections (Dollars in Millions)		Taxes per Capita ¹		Taxes per \$100 of Personal Income ³	
		General		General		General	
		Fund	Total	Fund	Total	Fund	Total
1967	\$3,878	\$3,558	\$4,676	\$185.55	\$243.86	\$4.78	\$6.29
1968	4,199	3,963	5,173	203.94	266.21	4.86	6.34
1969	4,525	4,126	5,409	208.96	273.94	4.62	6.05
1970	4,797	4,290	5,598	214.08	279.36	4.46	5.82
1971	5,027	5,213	6,597	256.22	324.24	5.10	6.45
1972	5,451	5,758	7,231	279.72	351.28	5.13	6.44
1973	5,943	6,377	7,877	305.57	377.45	5.14	6.35
1974	6,557	8,043	9,572	379.85	452.06	5.79	6.89
1975	7,136	9,050	10,680	420.19	495.87	5.89	6.95
1976	7,835	10,781	12,525	491.48	570.98	6.27	7.29
1977	8,571	12,951	14,825	579.41	663.25	6.76	7.74
1978	9,573	14,188	16,201	621.30	709.45	6.49	7.41
1979	10,718	16,904	19,057	726.83	819.41	6.78	7.64
1980	11,938	17,808	20,000	748.80	840.97	6.27	7.04
1981	13,148	19,053	21,501	784.78	885.62	5.97	6.74
1982	13,750	19,567	22,359	788.83	901.39	5.74	6.56
1983	14,531	22,300	25,674	880.14	1,013.30	6.06	6.97
1984	15,931	25,515	29,039	988.34	1,124.85	6.20	7.06
1985	16,801	26,974	30,898	1,021.63	1,170.25	6.08	6.97
1986	17,559	31,331	35,368	1,158.18	1,307.41	6.60	7.45
1987	18,487	31,228	35,611	1,126.67	1,284.81	6.09	6.95
1988	19,564	35,647	40,613	1,255.49	1,430.39	6.42	7.31
1989	20,502	37,248	43,052	1,278.16	1,477.32	6.23	7.21
1990	21,474	36,828	43,556	1,234.66	1,460.21	5.75	6.80
1991	21,743	40,072	48,856	1,315.62	1,604.01	6.05	7.38
1992	22,429	39,197	48,230	1,264.93	1,556.44	5.64	6.94
1993	22,716	38,351	48,941	1,224.72	1,562.90	5.39	6.88
1994	23,419	41,099	50,648	1,303.75	1,606.67	5.57	6.86
1995	24,486	44,825	54,805	1,413.51	1,728.20	5.77	7.06
1996	25,833	47,955	58,400	1,500.33	1,827.10	5.81	7.07
1997	27,090	53,859	64,826	1,659.61	1,997.56	6.13	7.37
1998	29,306	58,199	69,724	1,770.96	2,121.65	6.04	7.24
1999	30,753	70,027	81,773	2,095.45	2,446.93	6.81	7.96
2000	33,299	75,668	88,147	2,219.31	2,585.32	6.66	7.76
2001	33,616	62,654	73,237	1,802.13	2,106.53	5.36	6.27
2002	33,578	64,879	75,498	1,834.75	2,135.05	5.46	6.36
2003	34,303	70,229	81,629	1,953.83	2,270.99	5.70	6.62
2004	35,997	80,070	93,716	2,196.44	2,570.77	6.10	7.14
2005	37,607	90,468	105,811	2,451.75	2,867.55	6.52	7.63
2006	40,123	93,237	109,374	2,501.35	2,934.28	6.23	7.31
2007	41,733	95,291	111,725	2,529.33	2,965.54	6.06	7.11
2008 ^p	42,065	79,398	95,020	2,082.05	2,491.71	4.95	5.92
2009 ^e	40,507	85,887	100,583	2,231.53	2,613.37	5.51	6.45
2010 ^e	41,108	87,514	103,472	2,252.37	2,663.09	5.48	6.48

¹ Per capita computations are based on July 1 populations estimates, benchmarked to the 2000 Census.

² Personal income data are on a calendar year basis (e.g., 2008 for 2008-09).

³ Taxes per \$100 personal income computed using calendar year personal income (e.g. 2008 income related to 2008-09 tax collections).

^p Preliminary.

^e Estimated.

SCHEDULE 3
COMPARATIVE YIELD OF STATE TAXES, 1970-71 THROUGH 2010-11
Includes both General and Special Funds

(Dollars in Thousands)

Fiscal Year Beginning	Sales and Use (a)	Personal Income (b)	Corporation (c)	Tobacco (d)	Estate Inheritance and Gift (e)	Insurance (f)	Alcoholic Beverage (g)	Motor Vehicle Fuel (h)	Vehicle Fees (i)
1970	\$1,808,052	\$1,264,383	\$532,091	\$239,721	\$185,699	\$158,423	\$106,556	\$674,635	\$513,202
1971	2,015,993	1,785,618	662,522	247,424	220,192	170,179	112,091	712,426	547,845
1972	2,198,523	1,884,058	866,117	253,602	260,119	179,674	114,884	746,196	596,922
1973	2,675,738	1,829,385	1,057,191	258,921	231,934	201,697	119,312	742,702	644,448
1974	3,376,078	2,579,676	1,253,673	261,975	242,627	202,991	120,749	752,234	664,453
1975	3,742,524	3,086,611	1,286,515	268,610	316,648	241,224	125,313	766,555	749,936
1976	4,314,201	3,761,356	1,641,500	269,384	367,964	322,476	127,485	810,321	807,782
1977	5,030,438	4,667,887	2,082,208	273,658	365,092	387,560	132,060	850,181	924,410
1978	5,780,919	4,761,571	2,381,223	268,816	416,955	420,184	140,059	896,591	1,021,856
1979	6,623,521	6,506,015	2,510,039	290,043	465,611	446,228	138,940	852,752	1,096,640
1980	7,131,429	6,628,694	2,730,624	278,161	530,185	460,926	142,860	839,994	1,127,293
1981	7,689,023	7,483,007	2,648,735	276,824	482,300	454,984	139,523	833,446	1,373,354
1982	7,795,488	7,701,099	2,536,011	271,621	517,875	736,929	136,209	928,633	1,614,993
1983	8,797,865	9,290,279	3,231,281	263,231	236,452	457,490	137,433	1,213,167	1,906,290
1984	9,797,564	10,807,706	3,664,593	262,868	296,805	643,139	135,786	1,159,637	2,137,326
1985	10,317,930	11,413,040	3,843,024	258,141	252,810	839,939	132,262	1,194,172	2,515,295
1986	10,904,022	13,924,527	4,800,843	255,076	273,089	1,008,804	131,288	1,245,881	2,692,835
1987	11,650,531	12,950,346	4,776,388	250,572	304,148	1,158,321	128,734	1,293,254	2,966,334
1988	12,650,893	15,889,179	5,138,009	559,617	335,091	1,317,630	128,264	1,320,512	3,142,484
1989	13,917,771	16,906,568	4,965,389	787,076	388,527	1,167,684	128,524	1,349,146	3,305,711
1990	13,839,573	16,852,079	4,544,783	745,074	498,774	1,287,152	129,640	1,999,771	3,513,159
1991	17,458,521	17,242,816	4,538,451	726,064	446,696	1,167,307	321,352	2,457,229	4,369,862
1992	16,598,863	17,358,751	4,659,950	677,846	458,433	1,188,181	292,107	2,412,574	4,470,321
1993	16,857,369	17,402,976	4,809,273	664,322	552,139	1,196,921	275,797	2,547,633	4,518,795
1994	16,273,800	18,608,181	5,685,618	674,727	595,238	998,868	268,957	2,685,731	4,749,594
1995	17,466,584	20,877,687	5,862,420	666,779	659,338	1,131,737	269,227	2,757,289	5,009,319
1996	18,424,355	23,275,990	5,788,414	665,415	599,255	1,199,554	271,065	2,824,589	5,260,355
1997	19,548,574	27,927,940	5,836,881	644,297	780,197	1,221,285	270,947	2,853,846	5,660,574
1998	21,013,674	30,894,865	5,724,237	976,513	890,489	1,253,972	273,112	3,025,226	5,610,374
1999	23,451,570	39,578,237	6,638,898	1,216,651	928,146	1,299,777	282,166	3,069,694	5,263,245
2000	24,287,928	44,618,532	6,899,322	1,150,869	934,709	1,496,556	288,450	3,142,142	5,286,542
2001	23,795,936	33,051,107	5,333,030	1,102,806	890,627	1,595,846	292,627	3,295,903	3,836,795
2002	24,898,676	32,713,830	6,803,583	1,055,505	647,372	1,879,784	290,564	3,202,512	3,965,410
2003	26,506,911	36,398,983	6,925,916	1,081,588	397,848	2,114,980	312,826	3,324,883	4,415,126
2004	29,967,136	42,992,007	8,670,065	1,096,224	213,036	2,232,955	314,252	3,366,141	4,873,705
2005	32,201,082	51,219,823	10,316,467	1,088,703	3,786	2,202,327	318,276	3,393,381	5,078,529
2006	32,652,011	53,352,905	11,157,897	1,078,553	6,347	2,178,336	333,789	3,399,694	5,176,620
2007	31,977,504	55,750,128	11,849,096	1,037,279	6,303	2,172,935	327,260	3,351,268	5,218,205
2008 ^P	28,972,302	44,355,959	9,535,679	1,000,456	245	2,053,850	323,934	3,180,128	5,566,642
2009 [*]	30,354,032	47,498,000	9,407,000	937,730	0	2,191,209	332,000	3,111,746	6,731,749
2010 [*]	29,438,220	47,870,000	10,052,000	928,730	892,000	2,060,554	354,000	4,984,050	6,870,881

- (a) Includes the 0.5 percent Local Revenue Fund and the 0.25 percent sales tax, effective July 1, 2004, for repayment of economic recovery bonds, and the temporary General Fund sales tax rate increase of 1 percent, effective from April 1, 2009 through June 30, 2011.
- (b) Includes the revenue for a 1-percent surcharge on taxable incomes over \$1 million, with proceeds funding mental health programs, and also the temporary 0.25 percent increase in the marginal rates and the reduced dependent exemption credit for the 2009 and 2010 tax years.
- (c) Includes the corporation income tax and, from 1989 through 1997, the unitary election fee.
- (d) Proposition 99 (November 1988) increased the cigarette tax to \$0.35 per pack and added an equivalent tax to other tobacco products. The Breast Cancer Act added \$0.02 per pack effective 1/1/94. Proposition 10 (November 1998) increased the cigarette tax to \$0.87 per pack and added the equivalent of \$1.00 tax to other tobacco products.
- (e) Proposition 6, an initiative measure adopted by the voters in June 1982, repealed the inheritance and gift taxes and imposed instead an estate tax known as "the pick-up tax," because it is designed to pick up the maximum credit allowed against the federal estate tax. The Economic Growth and Tax Reconciliation Act of 2001 phases out the federal estate tax by 2010. The Act reduced the state pick-up tax by 25 percent in 2002, 50 percent in 2003, 75 percent in 2004, and eliminated it beginning in 2005.
- (f) The conclusion of litigation resulted in additional revenue of \$51 million in 1987-88, \$178 million in 1988-89, \$7 million in 1990-91, and \$5 million in 1991-92. It also resulted in refunds of \$46 million in 1993-94, \$127 million in 1994-95, \$39 million in 1995-96, \$15 million in 1996-97, and \$30 million in 1997-98. Includes insurance tax on Medi-Cal managed care plans in 2009 and 2010, pursuant to Chapter 157, Statutes of 2009 (AB 1422), to provide interim funding for the Healthy Families and Medi-Cal programs.
- (g) Alcoholic beverage excise taxes were increased effective July 15, 1991.
- (h) Motor vehicle fuel tax (gasoline), use fuel tax (diesel and other fuels), and jet fuel. The 2011 number includes the effect of a proposed increase in the excise tax from 18 cents to 28.8 cents on motor vehicle gasoline and diesel fuel.
- (i) Registration and weight fees, motor vehicle license fees, and other fees. Beginning January 1, 1999, vehicle owners paid 75 percent of the calculated tax, and the remaining 25 percent (offset) was paid by the General Fund. Chapter 74, Statutes of 1999, increased the offset to 35 percent on a one-time basis for the 2000 calendar year. Chapters 106 and 107, Statutes of 2000, and Chapter 5, Statutes of 2001, extended the 35-percent offset through June 30, 2001, and provided for an additional 32.5-percent VLF reduction, which was returned to taxpayers in the form of a rebate. Beginning July 1, 2001, the VLF offset was set at 67.5 percent. From June 30, 2003, through November 18, 2003, the VLF reduction was suspended. On November 17, 2003, Governor Schwarzenegger rescinded the suspension, thereby reinstating the offset. Effective January 1, 2005, the VLF rate is 0.65 percent. 2004-05 figures exclude a gap loss estimated at \$1.2 billion that was paid in the 2005 Budget Act. Includes the temporary 0.5 percent increase from 0.65 percent to 1.15 percent in effect from May 19, 2009 through June 30, 2011.

^P Preliminary.

* Estimated.

SCHEDULE 4
PERSONNEL YEARS AND SALARY COST ESTIMATES
(Excludes Staff Benefits^{1/})
(Dollars in Thousands)

	Personnel Years			Dollars		
	Authorized 2008-09	Estimated 2009-10	Proposed 2010-11	Authorized 2008-09	Estimated 2009-10	Proposed 2010-11
Positions subject to Administration Control						
Executive	14,466.1	15,247.3	15,652.9	\$946,819	\$987,069	\$1,054,565
State and Consumer Services	13,654.8	12,812.6	13,225.0	792,245	630,544	769,385
Business, Transportation and Housing						
Business and Housing	2,287.0	2,311.9	2,371.0	142,203	124,586	150,226
Transportation	41,395.2	41,358.4	41,580.0	3,025,804	2,759,166	3,055,398
Natural Resources	14,967.6	15,454.0	15,813.1	987,826	884,904	1,055,863
California Environmental Protection	4,874.8	4,584.2	4,406.2	372,873	311,584	351,732
Health and Human Services	32,644.0	32,157.9	32,512.7	2,121,042	1,845,166	2,169,268
Corrections and Rehabilitation	68,215.5	65,620.7	61,792.8	4,909,400	4,201,454	4,617,558
Education						
K thru 12 Education	2,858.6	2,842.9	2,818.4	177,048	175,092	178,393
Higher Education-Community Colleges/Other	365.8	348.3	348.6	26,694	23,326	26,467
Labor and Workforce Development	2,741.4	2,770.9	2,782.7	183,555	160,005	191,474
General Government	6,798.9	6,828.4	-1,468.7	425,760	367,359	-366,756
NET TOTALS, SALARIES AND WAGES	205,269.7	202,337.5	191,834.7	\$14,111,269	\$12,470,255	\$13,253,573
Positions not subject to Administration Control						
Legislative ^{1/}	752.0	752.0	752.0	\$61,560	\$60,392	\$58,399
Judicial	1,981.7	2,056.2	2,059.0	201,539	202,244	214,510
Public Employees' Retirement System	2,346.2	2,360.6	2,331.4	150,807	134,461	156,926
State Teachers' Retirement System	846.9	865.8	865.8	53,777	49,171	57,980
California Housing Finance Agency	312.4	337.8	337.8	21,611	21,067	23,673
Forestry and Fire Protection	2,072.9	1,930.9	1,930.9	165,923	156,294	156,294
University of California	85,671.4	84,222.0	84,222.0	5,934,524	5,800,192	5,970,496
Hastings	244.2	247.0	249.0	23,863	23,570	24,010
California State University	46,069.4	42,645.0	42,645.0	2,720,513	2,393,876	2,613,667
Employment Development Department	10,420.2	11,326.9	11,106.7	565,526	539,375	611,497
State Compensation Insurance Fund	7,600.0	7,207.0	6,807.0	389,692	382,472	362,243
Bureau of State Audits	147.0	147.0	147.0	10,378	10,614	11,129
TOTALS	158,464.3	154,098.2	153,453.6	\$10,299,713	\$9,773,728	\$10,260,824

^{1/} Personnel years numbers include 120 legislators and staff at the Legislative Counsel Bureau. Does not include the Legislature's staff and Legislative Analyst's Office. Legislator's staff benefits are included in the dollars.

SCHEDULE 4 - Continued
PERSONNEL YEARS AND SALARY COST ESTIMATES
(Excludes Staff Benefits^{1/})
(Dollars in Thousands)

	<u>Personnel Years</u>	<u>Dollars</u>
	Actuals 2008-09	Actuals 2008-09
Positions subject to Administration Control		
Executive	13,508.9	\$895,116
State and Consumer Services	13,443.7	753,748
Business, Transportation and Housing		
Business and Housing	2,166.2	130,382
Transportation	39,784.4	2,939,259
Natural Resources	15,132.5	1,014,360
California Environmental Protection	4,628.1	349,690
Health and Human Services	30,885.1	2,032,033
Corrections and Rehabilitation	60,957.1	4,871,390
Education		
K thru 12 Education	2,697.9	166,290
Higher Education-Community Colleges/Other	328.2	24,594
Labor and Workforce Development	2,583.9	171,449
General Government	6,131.3	371,848
NET TOTALS, SALARIES AND WAGES	<u>192,247.3</u>	<u>\$13,720,159</u>
Positions not subject to Administration Control		
Legislative ^{1/}	696.8	\$56,404
Judicial	1,878.1	192,555
Public Employees' Retirement System	2,144.4	135,179
State Teachers' Retirement System	761.9	47,582
California Housing Finance Agency	303.7	19,081
Forestry and Fire Protection	2,224.0	165,777
University of California	86,277.3	6,184,454
Hastings	243.1	23,362
California State University	46,173.0	2,814,066
Employment Development Department	9,731.2	457,822
State Compensation Insurance Fund	7,796.1	410,916
Bureau of State Audits	132.0	9,124
TOTALS	<u>158,361.6</u>	<u>\$10,516,322</u>
	<u>Personnel Years</u>	<u>Dollars</u>
	Proposed 2010-11	Proposed 2010-11
Position Classification		
Civil Service	213,343.1	\$14,443,332
Constitutional	573.8	60,471
Statutory	196.0	22,179
Exempt		
Various Departments	4,059.4	380,242
Higher Education		
University of California	84,222.0	5,970,496
Hastings College of the Law	249.0	24,010
California State University	42,645.0	2,613,667
NET TOTALS, SALARIES AND WAGES	<u>345,288.3</u>	<u>\$23,514,397</u>

Please note: Total Personnel Years in 2010-11 of 345,288.3 is 27.8 higher than the 345,260.5 appearing on the State Agency Budgets web screen. This total includes 27.8 positions for financing authorities under the State Treasurer's Office that do not appear on the web screen total.

^{1/} Personnel years numbers include 120 Legislators and staff at the Legislative Counsel Bureau. Does not include the Legislature's staff and Legislative Analyst's Office. Legislator's staff benefits are included in the dollars.

SCHEDULE 5A
STATEMENT OF ESTIMATED ACCOUNTS PAYABLE AND ACCOUNTS RECEIVABLE
GENERAL FUND
(Dollars in Thousands)

	Actual 2008-09 Fiscal Year Accruals ^{1/}		Estimated 2009-10 Fiscal Year Accruals		Estimated 2010-11 Fiscal Year Accruals	
	Accounts payable June 30, 2009	Net accruals June 30, 2009	Accounts payable June 30, 2010	Net accruals June 30, 2010	Accounts payable June 30, 2011	Net accruals June 30, 2011
STATE OPERATIONS						
Legislative/Judicial/Executive	\$443,504	\$12,532	\$456,809	\$443,901	\$470,513	\$13,295
State and Consumer Services	85,656	6,831	88,226	81,190	90,873	7,247
Business, Transportation and Housing	330,257	256,805	340,165	75,656	350,370	272,444
Natural Resources	763,182	111,469	786,077	671,264	809,659	118,257
California Environmental Protection	36,125	26,270	37,209	10,151	38,325	27,869
Health and Human Services:						
Health Care Services	10,843	-125,208	11,168	140,133	11,503	-132,834
Developmental Services	0	0	0	0	0	0
Mental Health	288,408	-185,300	297,060	487,919	305,972	-196,585
Other Health and Human Services	98,217	-158,888	101,164	284,818	104,199	-168,564
Corrections and Rehabilitation	1,671,773	903,590	1,721,926	791,228	1,773,584	958,619
Education:						
Department of Education	57,155	-109,759	58,870	171,921	60,636	-116,443
University of California	21,650	-723,128	22,300	767,121	22,969	-767,166
California State University	422	-715,095	435	736,983	448	-758,644
Other Education	20,163	11,102	20,768	9,333	21,391	11,778
General Government/Labor	730,018	533,314	751,919	202,605	774,477	565,794
Totals, State Operations	\$4,557,373	-\$155,465	\$4,694,095	\$4,854,223	\$4,834,919	-\$160,127
LOCAL ASSISTANCE						
Public Schools K-12	\$323,880	-\$621,965	\$333,596	\$974,220	\$343,604	-\$659,843
California Community Colleges	102,077	51,522	105,139	52,072	108,293	54,659
Other Education	46,546	42,969	47,942	3,684	49,380	45,585
Alcohol and Drug Abuse	52,294	37,897	53,863	14,829	55,479	40,205
Health Care Services (Non-Medi-Cal)	206,008	115,308	212,188	93,421	218,554	122,330
Developmental Services	1,235,389	-410,267	1,272,451	1,685,026	1,310,625	-435,252
Mental Health	125,982	-622,988	129,761	771,439	133,654	-660,928
Social Services	243,824	-404,344	251,139	667,613	258,673	-428,968
Other Health and Human Services	365,982	214,927	376,961	155,587	388,270	228,015
Tax Relief	1,314	858	1,353	470	1,394	910
Other Local Assistance	79,715	-6,584	82,106	88,888	84,569	-6,986
Totals, Local Assistance	\$2,783,011	-\$1,602,667	\$2,866,499	\$4,517,249	\$2,952,495	-\$1,700,273
TOTALS, ALL CHARACTERS	\$7,340,384	-\$1,758,132	\$7,560,595	\$9,371,472	\$7,787,414	-\$1,865,206

^{1/} Information per the State Controller's Office.
Note: Numbers may not add due to rounding.

**SCHEDULE 5B
ACTUAL 2008-09 FISCAL YEAR CASH FLOW
GENERAL FUND
(Dollars in Millions)**

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	TOTAL
2008-09 FISCAL CASH FLOW													
BEGINNING CASH BALANCE	\$0	\$0	\$339	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
RECEIPTS:													
Alcoholic Beverage Excise Tax	\$38	\$26	\$27	\$27	\$24	\$33	\$32	\$22	\$23	\$28	\$29	\$26	\$333
Corporation Tax	209	208	1,822	291	-38	1,296	312	239	1,689	1,501	243	4,489	12,261
Cigarette Tax	18	9	2	10	8	17	10	7	3	13	9	1	107
Inheritance, Gift and Estate Taxes	2	1	0	3	2	0	1	1	-2	6	4	1	18
Insurance Tax	25	89	433	9	64	457	13	16	70	464	13	407	2,060
Personal Income Tax	2,915	2,935	5,556	3,090	2,149	4,536	6,691	2,694	-297	7,336	1,590	4,506	43,702
Retail Sales and Use Tax	888	3,248	2,110	876	3,013	2,093	588	3,173	1,638	437	3,151	2,487	23,702
Income from Pooled Money Investments	30	29	22	26	13	27	0	12	6	13	4	31	226
Transfer from Special Fund for Economic Uncertainties	148	98	0	0	0	0	0	0	0	592	0	0	838
Other	489	324	122	690	641	236	45	318	352	250	414	645	4,528
TOTAL, Receipts	\$4,761	\$6,968	\$10,094	\$5,023	\$5,875	\$8,695	\$7,704	\$6,482	\$3,482	\$10,639	\$5,458	\$12,593	\$87,775
DISBURSEMENTS:													
State Operations:													
University of California	\$303	\$261	\$212	\$332	\$245	\$168	\$156	\$221	\$310	\$375	\$266	\$358	\$3,207
Debt Service	-74	457	480	789	299	279	14	497	351	370	163	371	3,996
Other State Operations	2,111	1,686	1,777	2,449	1,675	1,590	1,857	1,060	1,623	2,025	625	988	19,466
Social Services	760	585	2,175	664	751	736	799	160	546	1,312	301	589	9,378
Medi-Cal Assistance for DHCS	465	383	2,075	2,158	698	1,508	1,113	1,215	1,024	97	981	928	12,645
Other Health and Human Services	189	48	922	1,122	381	581	218	-79	83	389	-69	33	3,818
Schools	2,865	3,541	4,178	7,199	3,039	3,473	3,230	3,027	2,262	3,192	2,246	626	38,878
Teachers' Retirement	134	0	0	134	299	0	134	0	0	433	0	0	1,133
Transfer to Special Fund for Economic Uncertainties	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfer to Budget Stabilization Account	2,103	77	-182	-167	452	734	487	76	398	672	237	822	5,710
Other	\$8,856	\$7,038	\$11,637	\$14,680	\$7,839	\$9,069	\$8,008	\$6,177	\$6,597	\$8,865	\$4,750	\$4,715	\$98,231
TOTAL, Disbursements	\$4,095	\$70	-\$1,542	-\$9,656	-\$1,964	-\$375	-\$304	\$306	-\$3,115	\$1,774	\$707	\$7,878	-\$10,456
EXCESS RECEIPTS/(DEFICIT)													
NET TEMPORARY LOANS:													
Special Fund for Economic Uncertainties	\$778	-\$98	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-\$592	\$0	\$0	\$88
Budget Stabilization Account	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Internal Sources	3,317	507	1,204	4,656	1,964	375	305	-306	2,615	-1,182	493	-3,578	10,369
External Borrowing	0	0	0	5,000	0	0	0	0	500	0	-1,200	-4,300	0
TOTAL, Net Temporary Loans	\$4,095	\$409	\$1,204	\$9,656	\$1,964	\$375	\$305	-\$306	\$3,115	-\$1,774	-\$707	-\$7,878	\$10,457
ENDING CASH BALANCE	\$0	\$339	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
AVAILABLE/BORROWABLE RESOURCES:													
Special Fund for Economic Uncertainties	\$2,230	\$2,132	\$2,132	\$2,132	\$2,132	\$2,132	\$2,132	\$2,132	\$2,132	\$1,540	\$1,540	\$1,540	\$1,540
Budget Stabilization Account	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Internal Sources	13,385	13,423	12,623	16,592	15,732	15,238	15,071	18,166	18,402	18,142	18,416	17,498	17,498
External Borrowing	0	0	0	5,000	5,000	5,000	5,000	5,000	5,500	5,500	4,300	0	0
TOTAL, Available/Borrowable Resources	\$15,615	\$15,554	\$14,755	\$23,723	\$22,864	\$22,370	\$22,203	\$25,297	\$26,034	\$25,182	\$24,256	\$19,038	\$19,038
CUMULATIVE LOAN BALANCES:													
Special Fund for Economic Uncertainties	\$2,230	\$2,132	\$2,132	\$2,132	\$2,132	\$2,132	\$2,132	\$2,132	\$2,132	\$1,540	\$1,540	\$1,540	\$1,540
Budget Stabilization Account	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Internal Sources	3,317	3,824	5,027	9,684	11,647	12,022	12,327	12,021	14,636	13,454	13,947	10,369	10,369
External Borrowing	0	0	0	5,000	5,000	5,000	5,000	5,000	5,500	5,500	4,300	0	0
TOTAL, Cumulative Loan Balances	\$5,546	\$5,955	\$7,159	\$16,815	\$18,779	\$19,154	\$19,458	\$19,153	\$22,267	\$20,494	\$19,786	\$11,908	\$11,908
UNUSED BORROWABLE RESOURCES	\$10,068	\$9,599	\$7,596	\$6,908	\$4,085	\$3,216	\$2,744	\$6,145	\$3,766	\$4,688	\$4,470	\$7,130	\$7,130
Cash and Unused Borrowable Resources	\$10,068	\$9,938	\$7,596	\$6,908	\$4,085	\$3,216	\$2,744	\$6,145	\$3,766	\$4,688	\$4,470	\$7,130	\$7,130

Note: Numbers may not add due to rounding.

SCHEDULE 5C
ESTIMATED 2009-10 FISCAL YEAR CASH FLOW
GENERAL FUND
(Dollars in Millions)

2009-10 FISCAL CASH FLOW RECEIPTS: ^{1/}	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	TOTAL
BEGINNING CASH BALANCE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Alcoholic Beverage Excise Tax	\$30	\$26	\$28	\$27	\$28	\$29	\$33	\$21	\$24	\$28	\$28	\$28	\$330
Corporation Tax	228	148	1,565	412	-155	1,401	257	133	1,026	1,927	174	2,108	9,224
Cigarette Tax	15	8	1	9	9	9	9	8	8	9	8	9	102
Inheritance, Gift and Estate Taxes	0	1	0	0	1	0	0	0	0	0	0	0	2
Insurance Tax	13	110	398	18	110	404	15	22	66	438	28	382	2,004
Personal Income Tax	2,580	2,534	4,459	2,602	1,845	4,536	5,413	2,115	2,331	10,220	2,238	5,691	46,564
Retail Sales and Use Tax	1,073	3,192	2,130	1,044	3,421	2,091	900	3,041	2,365	764	3,454	2,608	26,083
Vehicle License Fees (5%)	95	135	126	117	96	111	120	115	117	121	121	117	1,391
Income from Pooled Money Investments	0	0	0	0	0	0	0	0	0	0	4	7	15
Transfer from Special Fund for Economic Uncertainties	50	0	4	0	0	0	982	0	0	0	0	0	1,040
Other	310	263	201	168	261	173	137	142	159	165	155	705	2,639
TOTAL, Receipts	\$4,394	\$6,417	\$8,912	\$4,397	\$5,620	\$8,754	\$7,866	\$5,597	\$6,096	\$13,676	\$6,210	\$11,655	\$89,594

DISBURSEMENTS: ^{1/}	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	TOTAL
State Operations:													
University of California	\$28	-\$375	-\$160	\$408	\$388	\$365	\$372	\$99	\$372	\$278	\$280	\$252	\$2,307
Debt Service (GO, Net GF Costs)	9	516	416	847	298	264	17	906	357	780	211	320	4,941
Other State Operations	1,157	1,221	1,632	1,978	1,490	1,080	1,451	1,011	1,194	1,758	1,248	1,251	16,471
Social Services	552	89	1,856	1,043	812	771	542	767	511	567	243	285	8,038
Medi-Cal Assistance for DHCS	1,223	858	1,012	1,096	919	1,379	455	808	774	890	486	935	10,835
Other Health and Human Services	103	434	635	277	434	313	167	264	331	-136	169	32	3,023
Schools	6,697	375	3,491	5,461	2,052	4,022	4,096	1,845	2,972	2,086	2,225	537	35,859
Teachers' Retirement	198	0	0	140	314	0	141	0	0	455	0	0	1,248
Transfer to Special Fund for Economic Uncertainties	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfer to Budget Stabilization Account	538	213	1,269	-34	366	990	-277	402	550	550	-373	1,106	5,299
Other	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL, Disbursements	\$10,505	\$3,331	\$10,151	\$11,216	\$7,073	\$9,184	\$6,964	\$6,102	\$7,061	\$7,228	\$4,489	\$4,718	\$88,021
EXCESS RECEIPTS/(DEFICIT)	-\$6,111	\$3,086	-\$1,239	-\$6,818	-\$1,453	-\$430	\$902	-\$505	-\$965	\$6,448	\$1,722	\$6,937	\$1,573

NET TEMPORARY LOANS:	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	TOTAL
Special Fund for Economic Uncertainties	-\$50	\$0	-\$4	\$0	-\$4	\$0	-\$982	\$0	\$0	\$0	\$0	\$0	-\$1,040
Budget Stabilization Account	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Internal Sources	6,161	-4,586	-6,057	6,818	1,458	430	79	505	965	-6,448	1,103	-962	-533
External Borrowing	0	1,500	7,300	0	0	0	0	0	0	0	-2,825	-5,975	0
TOTAL, Net Temporary Loans	\$6,111	-\$3,086	\$1,239	\$6,818	\$1,454	\$430	-\$903	\$505	\$965	-\$6,448	-\$1,722	-\$6,937	-\$1,573
ENDING CASH BALANCE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

AVAILABLE/BORROWABLE RESOURCES:	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	TOTAL
Special Fund for Economic Uncertainties	\$1,490	\$1,490	\$1,486	\$1,486	\$1,482	\$1,482	\$500	\$500	\$500	\$500	\$500	\$500	\$500
Budget Stabilization Account	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Internal Sources	17,306	18,091	18,053	18,175	18,578	17,565	17,790	18,646	17,883	17,980	17,981	17,261	17,261
External Borrowing	0	1,500	8,800	8,800	8,800	8,800	8,800	8,800	8,800	8,800	5,975	0	0
TOTAL, Available/Borrowable Resources	\$18,796	\$21,080	\$28,339	\$28,461	\$28,860	\$27,847	\$27,090	\$27,946	\$27,183	\$27,280	\$24,456	\$17,761	\$17,761

CUMULATIVE LOAN BALANCES: ^{1/}	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	TOTAL
Special Fund for Economic Uncertainties	\$1,490	\$1,490	\$1,486	\$1,486	\$1,482	\$1,482	\$500	\$500	\$500	\$500	\$500	\$500	\$500
Budget Stabilization Account	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Internal Sources	16,530	11,943	5,886	12,705	14,162	14,592	14,672	15,176	16,141	9,694	10,797	9,835	9,835
External Borrowing	0	1,500	8,800	8,800	8,800	8,800	8,800	8,800	8,800	8,800	5,975	0	0
TOTAL, Cumulative Loan Balances	\$18,019	\$14,933	\$16,172	\$22,991	\$24,444	\$24,874	\$23,972	\$24,476	\$25,441	\$18,994	\$17,272	\$10,335	\$10,335

UNUSED BORROWABLE RESOURCES	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	TOTAL
Cash and Unused Borrowable Resources	\$776	\$6,147	\$12,167	\$5,470	\$4,416	\$2,973	\$3,118	\$3,470	\$1,742	\$8,286	\$7,184	\$7,426	\$7,426
Outstanding IOUs ^{2/}	\$1,493	\$2,355	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cash Solutions to be Proposed	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,000	\$0	\$0	\$0	\$0
CUSHION (with IOUs and Cash Solutions)	\$2,269	\$8,502	\$12,167	\$5,470	\$4,416	\$2,973	\$3,118	\$3,470	\$2,742	\$8,286	\$7,184	\$7,426	\$7,426

Note: Numbers may not add due to rounding.

^{1/} Includes registered warrants in order to reflect true program receipts and disbursements.

^{2/} Provided by the State Controller's Office in September 2009.

SCHEDULE 5D
ESTIMATED 2010-11 FISCAL YEAR CASH FLOW
GENERAL FUND
(Dollars in Millions)

2010-11 FISCAL CASH FLOW BEGINNING CASH BALANCE RECEIPTS:	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	TOTAL
Alcoholic Beverage Excise Tax	\$34	\$28	\$31	\$30	\$30	\$31	\$35	\$22	\$25	\$29	\$29	\$29	\$354
Corporation Tax	288	103	661	288	-137	2,137	289	209	1,441	2,102	212	2,235	9,828
Cigarette Tax	9	9	9	8	8	8	8	7	8	8	8	9	100
Inheritance, Gift and Estate Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0
Insurance Tax	21	85	383	15	74	393	15	22	65	426	27	371	1,897
Personal Income Tax	3,094	2,865	3,347	2,966	2,669	4,749	7,174	1,157	1,407	9,282	2,075	5,900	46,675
Retail Sales and Use Tax	1,011	3,308	1,936	828	3,393	2,062	792	3,452	2,007	996	3,432	2,884	26,101
Vehicle License Fee (.5%)	132	134	115	116	116	113	125	120	122	126	126	122	1,473
Income from Pooled Money Investments	5	5	5	5	5	5	3	5	4	4	4	7	57
Transfer from Special Fund for Economic Uncertainties	295	127	241	0	218	142	156	172	103	155	183	930	2,899
Other	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL, Receipts	\$4,889	\$6,664	\$6,728	\$4,430	\$6,377	\$9,640	\$8,597	\$5,166	\$5,182	\$13,128	\$6,096	\$12,485	\$89,384
DISBURSEMENTS:													
State Operations:													
University of California	\$336	\$352	\$364	\$281	\$283	\$254	\$254	\$270	\$56	\$26	\$217	\$326	\$3,019
Debt Service	-58	461	398	995	281	195	-58	852	293	1,127	96	265	4,847
Other State Operations	1,879	1,705	1,526	2,070	1,374	753	838	1,001	1,760	1,721	842	1,487	16,956
Social Services	1,428	562	655	544	610	457	577	524	424	477	241	178	6,677
Medi-Cal Assistance for DHCS	1,198	797	1,269	794	737	1,259	409	597	398	553	823	23	8,853
Other Health and Human Services	148	531	196	286	243	210	219	222	186	266	-122	-233	2,152
Schools	6,880	4,048	3,146	3,476	3,054	3,045	3,119	1,835	3,097	2,273	2,815	393	37,181
Teachers' Retirement	198	0	0	141	315	0	141	0	0	456	0	2	1,253
Transfer to Special Fund for Economic Uncertainties	0	0	0	0	0	0	521	0	0	0	0	0	521
Transfer to Budget Stabilization Account	0	0	0	0	0	0	0	0	0	0	0	0	0
Other	635	208	469	139	324	646	-185	225	319	68	-27	-537	2,283
TOTAL, Disbursements	\$12,644	\$8,664	\$8,023	\$8,726	\$7,221	\$6,815	\$5,835	\$5,526	\$6,533	\$6,967	\$4,885	\$1,904	\$83,742
EXCESS RECEIPTS/(DEFICIT)	-\$7,755	-\$2,000	-\$1,295	-\$4,296	-\$844	\$2,825	\$2,763	-\$360	-\$1,351	\$6,162	\$1,211	\$10,581	-\$5,642
NET TEMPORARY LOANS:													
Special Fund for Economic Uncertainties	\$0	\$0	\$0	\$0	\$0	\$0	\$521	\$0	\$0	\$0	\$0	\$0	\$521
Budget Stabilization Account	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Internal Sources	7,755	-8,000	1,295	4,296	844	-2,825	-3,284	360	1,351	-6,162	-1,211	-581	-6,163
External Borrowing	0	10,000	0	0	0	0	0	0	0	0	0	-10,000	0
TOTAL, Net Temporary Loans	\$7,755	\$2,000	\$1,295	\$4,296	\$844	-\$2,825	-\$2,763	\$360	\$1,351	-\$6,162	-\$1,211	-\$10,581	-\$5,642
ENDING CASH BALANCE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
AVAILABLE/BORROWABLE RESOURCES:													
Special Fund for Economic Uncertainties	\$500	\$500	\$500	\$500	\$500	\$500	\$1,021	\$1,021	\$1,021	\$1,021	\$1,021	\$1,021	\$1,021
Budget Stabilization Account	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Internal Sources	17,882	18,555	18,266	18,188	18,597	17,061	16,887	17,625	16,774	17,096	16,768	16,649	16,649
External Borrowing	0	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	0
TOTAL, Available/Borrowable Resources	\$18,382	\$29,055	\$28,766	\$28,688	\$29,097	\$27,561	\$27,908	\$28,646	\$27,795	\$28,117	\$27,789	\$17,670	\$17,670
CUMULATIVE LOAN BALANCES:													
Special Fund for Economic Uncertainties	\$500	\$500	\$500	\$500	\$500	\$500	\$1,021	\$1,021	\$1,021	\$1,021	\$1,021	\$1,021	\$1,021
Budget Stabilization Account	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Internal Sources	17,590	9,590	10,885	15,180	16,024	13,199	9,916	10,276	11,627	5,465	4,253	3,672	3,672
External Borrowing	0	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	0
TOTAL, Cumulative Loan Balances	\$18,090	\$20,090	\$21,385	\$25,680	\$26,524	\$23,699	\$20,937	\$21,297	\$22,648	\$16,486	\$15,274	\$4,693	\$4,693
UNUSED BORROWABLE RESOURCES	\$292	\$8,965	\$7,381	\$3,008	\$2,573	\$3,862	\$6,971	\$7,349	\$5,147	\$11,631	\$12,515	\$12,977	\$12,977
Cash and Unused Borrowable Resources	\$2,500	\$0	\$0	\$1,000	\$700	\$700	\$0	\$0	\$500	\$0	\$0	\$0	\$0
Cash Solutions to be Proposed and/or Interim RANS	\$2,792	\$8,965	\$7,381	\$4,008	\$4,273	\$4,562	\$6,971	\$7,349	\$5,647	\$11,631	\$12,515	\$12,977	\$12,977

Note: Numbers may not add due to rounding.

**SCHEDULE 6
SUMMARY OF STATE POPULATION, EMPLOYEES, AND EXPENDITURES**

Year	Population ¹ (Thousands)	Employees ⁴ Population	Employees per 1,000 Population	Personal Income (Billions)	Revenue		Expenditures		Expenditures per Capita		Expenditures per \$100 of Personal Income	
					General Fund (Millions)	Total (Millions)	General Fund ² (Millions)	Total ³ (Millions)	General Fund ²	Total ³	General Fund ²	Total ³
1950-51	10,643	61,000	5.7	\$20.0	\$672	\$994	\$587	\$1,006	\$55.15	\$94.52	\$2.94	\$5.03
1951-52	11,130	63,860	5.7	23.2	734	1,086	635	1,068	57.05	95.96	2.74	4.60
1952-53	11,638	65,720	5.6	25.7	774	1,151	714	1,177	61.35	101.13	2.78	4.58
1953-54	12,101	69,928	5.8	27.6	798	1,271	809	1,381	66.85	114.12	2.93	5.00
1954-55	12,517	74,099	5.9	28.4	879	1,434	852	1,422	68.07	113.61	3.00	5.01
1955-56	13,004	77,676	6.0	31.3	1,005	1,578	923	1,533	70.98	117.89	2.95	4.90
1956-57	13,581	88,299	6.5	34.3	1,079	1,834	1,030	1,732	75.84	127.53	3.00	5.05
1957-58	14,177	98,015	6.9	36.8	1,111	1,751	1,147	1,891	80.91	133.39	3.12	5.14
1958-59	14,741	101,982	6.9	38.7	1,210	1,925	1,246	1,932	84.53	131.06	3.22	4.99
1959-60	15,288	108,423	7.1	42.4	1,491	2,198	1,435	2,086	93.86	136.45	3.38	4.92
1960-61	15,863	115,737	7.3	44.8	1,598	2,338	1,678	2,525	105.78	159.18	3.75	5.64
1961-62	16,412	122,339	7.5	47.5	1,728	2,451	1,697	2,406	103.40	146.60	3.57	5.07
1962-63	16,951	128,981	7.6	51.3	1,866	2,668	1,881	2,703	110.97	159.46	3.67	5.27
1963-64	17,530	134,721	7.7	54.8	2,137	3,057	2,064	3,182	117.74	181.52	3.77	5.81
1964-65	18,026	143,896	8.0	59.5	2,245	3,295	2,345	3,652	130.09	202.60	3.94	6.14
1965-66	18,464	151,199	8.2	63.4	2,509	3,581	2,580	4,059	139.73	219.83	4.07	6.40
1966-67	18,831	158,404	8.4	68.9	2,895	4,073	3,017	4,659	160.21	247.41	4.38	6.76
1967-68	19,175	162,677	8.5	74.3	3,682	4,927	3,273	5,014	170.69	261.49	4.41	6.75
1968-69	19,432	171,655	8.8	81.5	4,136	5,450	3,909	5,673	201.16	291.94	4.80	6.96
1969-70	19,745	179,583	9.1	89.3	4,330	5,743	4,456	6,302	225.68	319.17	4.99	7.06
1970-71	20,039	181,581	9.1	96.1	4,534	5,919	4,854	6,556	242.23	327.16	5.05	6.82
1971-72	20,346	181,912	8.9	102.3	5,395	6,897	5,027	6,684	247.08	328.52	4.91	6.53
1972-73	20,585	188,460	9.2	112.2	5,780	7,366	5,616	7,422	272.82	360.55	5.01	6.61
1973-74	20,869	192,918	9.2	124.0	6,978	8,715	7,299	9,311	349.75	446.16	5.89	7.51
1974-75	21,174	203,548	9.6	138.8	8,630	10,405	8,349	10,276	394.30	485.31	6.02	7.40
1975-76	21,538	206,361	9.6	153.7	9,639	11,567	9,518	11,452	441.92	531.71	6.19	7.45
1976-77	21,936	213,795	9.7	171.9	11,381	13,463	10,467	12,632	477.16	575.86	6.09	7.35
1977-78	22,352	221,251	9.9	191.6	13,695	15,962	11,686	14,003	522.82	626.48	6.10	7.31
1978-79	22,836	218,530	9.6	218.6	15,219	17,711	16,251	18,745	711.64	820.85	7.43	8.58
1979-80	23,257	220,193	9.5	249.3	17,985	20,919	18,534	21,488	796.92	923.94	7.43	8.62
1980-81	23,782	225,567	9.5	283.9	19,023	22,104	21,105	24,511	887.44	1,030.65	7.43	8.63
1981-82	24,278	228,813	9.4	319.2	20,960	23,601	21,693	25,022	893.53	1,030.65	6.80	7.84
1982-83	24,805	228,489	9.2	341.1	21,233	24,291	21,751	25,330	876.88	1,021.17	6.38	7.43
1983-84	25,337	226,695	8.9	368.2	23,809	27,626	22,869	26,797	902.59	1,057.62	6.21	7.28
1984-85	25,816	229,845	8.9	411.3	26,536	31,570	25,722	30,961	996.36	1,199.30	6.25	7.53
1985-86	26,403	229,641	8.7	443.6	28,072	33,558	28,841	34,977	1,092.34	1,324.74	6.50	7.88
1986-87	27,052	232,927	8.6	475.0	32,519	37,767	31,469	38,079	1,163.28	1,407.62	6.63	8.02
1987-88	27,717	237,761	8.6	512.4	32,534	38,773	33,021	40,452	1,191.36	1,459.47	6.44	7.89
1988-89	28,393	248,173	8.7	555.5	36,953	43,322	35,897	44,634	1,264.29	1,572.01	6.46	8.03
1989-90	29,142	254,589	8.7	597.5	38,750	46,453	39,456	48,594	1,353.92	1,667.49	6.60	8.13
1990-91	29,828	260,622	8.7	640.5	38,214	47,024	40,264	51,446	1,349.87	1,724.76	6.29	8.03
1991-92	30,459	261,713	8.6	662.3	42,026	53,117	43,327	56,280	1,422.47	1,847.73	6.54	8.50
1992-93	30,987	260,939	8.4	695.0	40,946	52,526	40,948	56,480	1,321.46	1,822.70	5.89	8.13
1993-94	31,314	265,035	8.5	711.3	40,095	52,384	38,958	53,083	1,244.11	1,695.18	5.48	7.46
1994-95	31,524	269,004	8.5	738.3	42,710	54,942	41,961	54,613	1,331.08	1,732.43	5.68	7.40
1995-96	31,712	271,076	8.5	776.5	46,296	59,266	45,393	59,870	1,431.41	1,887.93	5.85	7.71
1996-97	31,963	271,966	8.5	825.7	49,220	62,831	49,088	64,523	1,535.78	2,018.68	5.95	7.81
1997-98	32,453	271,254	8.4	879.2	54,973	69,424	52,874	68,528	1,629.25	2,111.61	6.01	7.79
1998-99	32,863	282,860	8.6	963.1	58,615	74,281	57,827	75,260	1,759.64	2,290.11	6.00	7.81
1999-00	33,419	296,076	8.9	1,027.7	71,931	87,536	66,494	84,864	1,989.71	2,539.39	6.47	8.26
2000-01	34,095	311,239	9.1	1,135.3	71,428	88,419	78,053	96,382	2,289.28	2,826.87	6.88	8.49
2001-02	34,767	323,603	9.3	1,168.7	72,239	89,780	76,752	99,220	2,207.61	2,853.86	6.57	8.49
2002-03	35,361	321,394	9.1	1,187.4	80,564	95,794	77,482	106,779	2,191.17	3,019.68	6.53	8.99
2003-04	35,944	316,860	8.8	1,233.0	76,774	96,365	78,345	104,223	2,179.64	2,899.59	6.35	8.45
2004-05	36,454	313,684	8.6	1,312.2	82,209	104,462	79,804	107,591	2,189.17	2,951.42	6.08	8.20
2005-06	36,899	317,593	8.6	1,387.7	93,451	118,347	91,592	119,612	2,482.24	3,241.61	6.60	8.62
2006-07	37,275	335,384	9.0	1,495.6	95,469	120,713	101,413	129,968	2,720.67	3,486.73	6.78	8.69
2007-08	37,674	343,118	9.1	1,572.3	102,574	127,194	102,986	138,065	2,733.61	3,664.73	6.55	8.78
2008-09	38,134	350,609	9.2	1,604.1	82,772	106,319	90,940	122,386	2,384.75	3,209.37	5.67	7.63
2009-10	38,488	356,436	9.3	1,559.0	88,084	113,443	86,092	124,676	2,236.85	3,239.35	5.52	8.00
2010-11	38,854	345,288	8.9	1,597.2	89,322	116,928	82,901	118,756	2,133.65	3,056.47	5.19	7.44

¹ Population as of July 1, the beginning of the fiscal year.

² Includes Special Accounts in General Fund from 1973-74 to 1976-77.

³ Expenditures include payments from General Fund, Special Funds and Selected Bond Funds beginning in 1963-64.

⁴ Please see footnote regarding total positions on Schedule 4.

SCHEDULE 8
COMPARATIVE STATEMENT OF REVENUES
(Dollars In Thousands)

Sources	Actual 2008-09			Estimated 2009-10			Proposed 2010-11		
	General Fund	Special Funds	Total	General Fund	Special Funds	Total	General Fund	Special Funds	Total
MAJOR TAXES AND LICENSES									
Alcoholic Beverage Taxes and Fees	\$323,934	-	\$323,934	\$332,000	-	\$332,000	\$354,000	-	\$354,000
Corporation Tax	9,535,679	-	9,535,679	9,407,000	-	9,407,000	10,052,000	-	10,052,000
Cigarette Tax	107,250	893,206	1,000,456	102,000	835,730	937,730	101,000	827,730	928,730
Horse Racing (Parimutuel) License Fees	2,768	27,969	30,737	2,275	17,683	19,958	2,275	19,508	21,783
Estate, Inheritance and Gift Tax	245	-	245	-	-	-	892,000	-	892,000
Insurance Gross Premiums Tax	2,053,850	-	2,053,850	1,952,000	239,209	2,191,209	1,897,000	163,554	2,060,554
Trailer Coach License (In-Lieu) Fees	28,653	2,388	31,041	29,502	2,388	31,890	30,902	2,388	33,290
Motor Vehicle License (In-Lieu) Fees	216,172	2,081,956	2,298,128	1,386,000	1,902,909	3,288,909	1,472,000	1,939,962	3,411,962
Motor Vehicle Fuel Tax (Gasoline)	-	2,666,389	2,666,389	-	2,617,417	2,617,417	-	4,167,398	4,167,398
Motor Vehicle Fuel Tax (Diesel)	-	513,739	513,739	-	494,329	494,329	-	816,652	816,652
Motor Vehicle Registration	-	3,237,473	3,237,473	-	3,410,950	3,410,950	-	3,425,629	3,425,629
Personal Income Tax	43,375,959	980,000	44,355,959	46,640,000	858,000	47,498,000	46,862,000	1,008,000	47,870,000
Retail Sales and Use Tax-Realignment	-	2,445,950	2,445,950	-	2,249,790	2,249,790	-	2,396,338	2,396,338
Retail Sales and Use Taxes	23,753,364	1,518,672	25,272,036	26,036,000	945,242	26,981,242	25,850,882	-	25,850,882
Retail Sales and Use Tax-Fiscal Recovery	-	1,254,316	1,254,316	-	1,123,000	1,123,000	-	1,191,000	1,191,000
TOTALS, MAJOR TAXES AND LICENSES	\$79,397,874	\$15,622,058	\$95,019,932	\$85,886,777	\$14,696,647	\$100,583,424	\$87,514,059	\$15,958,159	\$103,472,218
MINOR REVENUES									
REGULATORY TAXES AND LICENSES									
General Fish and Game Taxes	-	1,014	1,014	-	1,005	1,005	-	1,005	1,005
Energy Resource Surcharge	-	646,487	646,487	-	758,252	758,252	-	787,174	787,174
Quarterly Public Utility Commission Fees	-	135,881	135,881	-	136,587	136,587	-	136,171	136,171
Hwy Carrier Uniform Business License Tax	170	-	170	170	-	170	170	-	170
Off-Highway Vehicle Fees	-	26,147	26,147	-	23,500	23,500	-	24,000	24,000
Liquor License Fees	-	49,448	49,448	-	51,921	51,921	-	53,594	53,594
Genetic Disease Testing Fees	-	108,089	108,089	-	122,668	122,668	-	124,104	124,104
Other Regulatory Taxes	-	57,340	57,340	-	63,431	63,431	-	67,242	67,242
New Motor Vehicle Dealer License Fee	-	1,494	1,494	-	1,050	1,050	-	1,082	1,082
General Fish and Game Lic Tags Permits	-	94,267	94,267	-	93,230	93,230	-	93,848	93,848
Duck Stamps	-	145	145	-	5	5	-	5	5
Elevator and Boiler Inspection Fees	-	17,655	17,655	-	17,133	17,133	-	24,578	24,578
Industrial Homework Fees	-	-	-	1	-	1	1	-	1
Employment Agency License Fees	617	7,456	8,073	631	5,177	5,808	631	5,177	5,808
Employment Agency Filing Fees	95	-	95	95	-	95	95	-	95
Teacher Credential Fees	-	14,151	14,151	-	13,496	13,496	-	12,852	12,852
Teacher Examination Fees	-	4,750	4,750	-	5,152	5,152	-	5,000	5,000
Insurance Co License Fees & Penalties	-	40,842	40,842	-	36,434	36,434	-	38,217	38,217
Insurance Company Examination Fees	-	21,739	21,739	-	22,345	22,345	-	22,345	22,345
Real Estate Examination Fees	-	1,811	1,811	-	1,654	1,654	-	1,651	1,651
Real Estate License Fees	-	20,169	20,169	-	35,553	35,553	-	42,124	42,124
Subdivision Filing Fees	-	3,357	3,357	-	3,413	3,413	-	3,966	3,966
Building Construction Filing Fees	-	4,753	4,753	-	6,639	6,639	-	8,550	8,550
Domestic Corporation Fees	-	8,746	8,746	-	7,616	7,616	-	8,843	8,843
Foreign Corporation Fees	-	965	965	-	917	917	-	965	965
Notary Public License Fees	-	1,209	1,209	-	1,149	1,149	-	1,209	1,209

SCHEDULE 8 -- Continued
COMPARATIVE STATEMENT OF REVENUES
(Dollars in Thousands)

Sources	Actual 2008-09			Estimated 2009-10			Proposed 2010-11		
	General Fund	Special Funds	Total	General Fund	Special Funds	Total	General Fund	Special Funds	Total
Filing Financing Statements	-	2,154	2,154	-	2,046	2,046	-	2,154	2,154
Candidate Filing Fee	29	-	29	922	-	922	194	-	194
Beverage Container Redemption Fees	-	1,110,559	1,110,559	-	1,225,784	1,225,784	-	1,119,539	1,119,539
Explosive Permit Fees	-	12	12	-	-	-	-	-	-
Processing Fees	-	152	152	-	455	455	-	409	409
Environmental and Hazardous Waste Fees	-	77,476	77,476	-	77,526	77,526	-	82,290	82,290
Other Regulatory Fees	564,803	2,259,830	2,824,633	418,167	3,956,913	4,375,080	356,012	3,194,429	3,550,441
Other Regulatory Licenses and Permits	5,213	466,302	471,515	6,648	473,273	479,921	6,658	506,105	512,763
Renewal Fees	-	199,438	199,438	-	200,999	200,999	-	210,411	210,411
Delinquent Fees	1	5,783	5,784	1	5,605	5,606	1	5,598	5,599
Private Rail Car Tax	6,045	-	6,045	6,045	-	6,045	6,045	-	6,045
Insurance Department Fees, Prop 103	-	26,421	26,421	-	23,800	23,800	-	23,800	23,800
Insurance Department Fees, General	-	23,165	23,165	-	23,635	23,635	-	25,772	25,772
Insurance Fraud Assessment, Workers Comp	-	48,826	48,826	-	50,303	50,303	-	47,062	47,062
Insurance Fraud Assessment, Auto	-	46,434	46,434	-	46,435	46,435	-	46,900	46,900
Insurance Fraud Assessment, General	-	9,564	9,564	-	5,800	5,800	-	5,832	5,832
Totals, REGULATORY TAXES AND LICENSES	\$576,973	\$5,544,031	\$6,121,004	\$432,680	\$7,500,901	\$7,933,581	\$369,807	\$6,734,003	\$7,103,810
REVENUE FROM LOCAL AGENCIES									
Architecture Public Building Fees	-	42,415	42,415	-	31,674	31,674	-	31,674	31,674
Penalties on Traffic Violations	-	94,746	94,746	-	96,827	96,827	-	96,231	96,231
Penalties on Felony Convictions	-	62,175	62,175	-	63,003	63,003	-	63,003	63,003
Fines-Crimes of Public Offense	15	4,636	4,651	-	5,000	5,000	-	5,000	5,000
Fish and Game Violation Fines	-	1,548	1,548	-	1,280	1,280	-	1,590	1,590
Penalty Assessments on Fish & Game Fines	-	509	509	-	603	603	-	604	604
Interest on Loans to Local Agencies	208	1,405	1,613	60	1,358	1,418	60	1,289	1,349
Add'l Assmnts on Fish & Game Fines	-	68	68	-	75	75	-	80	80
Narcotic Fines	-	-	-	-	-	-	-	-	-
Fingerprint ID Card Fees	-	62,516	62,516	-	63,141	63,141	-	64,360	64,360
Misc Revenue From Local Agencies	231,886	580,071	811,957	180,618	612,189	792,807	179,183	611,849	791,032
Open Space Cancellation Fee Deferrd Taxes	15	1,489	1,504	-	1,500	1,500	-	2,500	2,500
Rev Local Govt Agencies-Cost Recoveries	14,944	10,671	25,615	13,349	10,778	24,127	13,412	10,886	24,298
Totals, REVENUE FROM LOCAL AGENCIES	\$249,973	\$862,249	\$1,112,222	\$195,027	\$887,428	\$1,082,455	\$193,655	\$889,066	\$1,082,721
SERVICES TO THE PUBLIC									
Pay Patients Board Charges	22,112	-	22,112	14,494	-	14,494	14,494	-	14,494
State Beach and Park Service Fees	-	73,280	73,280	-	83,000	83,000	-	83,000	83,000
Parking Lot Revenues	-	8,763	8,763	-	8,386	8,386	-	8,391	8,391
Emergency Telephone Users Surcharge	-	108,000	108,000	-	107,000	107,000	-	107,000	107,000
Sales of Documents	99	4,816	4,915	95	4,960	5,055	95	4,999	5,094
General Fees--Secretary of State	114	27,318	27,432	66	26,012	26,078	90	27,378	27,468
Parental Fees	-	3,320	3,320	-	2,492	2,492	-	3,292	3,292
Miscellaneous Services to the Public	2,776	146,768	149,544	2,515	146,334	148,849	2,513	149,344	151,857
Receipts From Health Care Deposit Fund	3,358	-	3,358	3,358	-	3,358	3,358	-	3,358
Medicare Receipts Frm Federal Government	12,196	-	12,196	13,900	-	13,900	13,900	-	13,900
Personalized License Plates	-	50,294	50,294	-	54,717	54,717	-	57,457	57,457
Totals, SERVICES TO THE PUBLIC	\$40,655	\$422,559	\$463,214	\$34,428	\$432,901	\$467,329	\$34,450	\$440,861	\$475,311

SCHEDULE 8 -- Continued
COMPARATIVE STATEMENT OF REVENUES
(Dollars In Thousands)

Sources	Actual 2008-09			Estimated 2009-10			Proposed 2010-11		
	General Fund	Special Funds	Total	General Fund	Special Funds	Total	General Fund	Special Funds	Total
USE OF PROPERTY AND MONEY									
Income From Pooled Money Investments	109,289	1,791	111,080	52,000	1,715	53,715	60,000	1,409	61,409
Income From Surplus Money Investments	5,259	209,358	214,617	4,600	144,305	148,905	4,600	138,205	142,805
Interest Income From Loans	3,815	1,215	5,030	3,227	2,448	5,675	3,153	2,092	5,245
Interest Income From Interfund Loans	126	1,926	2,052	126	-	126	126	1,701	1,827
Income From Other Investments	-	693	693	-	235	235	-	225	225
Income From Condemnation Deposits Fund	-	2,097	2,097	-	1,925	1,925	-	1,820	1,820
Federal Lands Royalties	-	68,329	68,329	-	68,415	68,415	-	68,415	68,415
Oil & Gas Lease-1% Revenue City/County	501	-	501	400	-	400	400	-	400
Rentals of State Property	23,580	52,549	76,129	15,338	47,112	62,450	15,585	49,293	64,878
Misc Revenue Firm Use of Property & Money	18,279	39,481	57,760	12,231	42,015	54,246	5,524	39,600	45,124
School Lands Royalties	-	71	71	-	72	72	-	72	72
State Lands Royalties	328,263	-	328,263	258,010	21,000	279,010	159,807	119,000	278,807
Totals, USE OF PROPERTY AND MONEY	\$489,112	\$377,510	\$866,622	\$345,932	\$329,242	\$675,174	\$249,195	\$421,832	\$671,027
MISCELLANEOUS									
Attorney General Proceeds of Anti-Trust	-	875	875	-	1,351	1,351	-	2,220	2,220
Penalties & Interest on UI & DI Contrib	-	77,600	77,600	-	70,164	70,164	-	93,950	93,950
Sale of Fixed Assets	2,587	353	2,940	15	10,919	10,934	289,015	52,285	341,300
Sale of Confiscated Property	6,846	203	7,049	6,500	-	6,500	6,500	-	6,500
Sale of State's Public Lands	-	640	640	-	13	13	-	7,800	7,800
Proceeds From Estates of Deceased Person	-	-	-	160	-	160	2,158	-	2,158
Revenue-Abandoned Property	272,286	-	272,286	169,874	-	169,874	165,871	-	165,871
Escheat of Unclaimed Checks & Warrants	35,204	9,475	44,679	31,735	6,595	38,330	31,712	6,616	38,328
Subsequent Injuries Revenue	1	-	1	-	-	-	-	-	-
Miscellaneous Revenue	102,681	220,255	322,936	90,493	265,308	355,801	531,707	541,075	1,072,782
Penalties & Intrst on Personal Income Tx	-	13,953	13,953	-	12,425	12,425	-	17,556	17,556
Other Revenue - Cost Recoveries	46,590	102,088	148,678	44,673	103,213	147,886	47,099	104,388	151,487
Tribal Gaming Revenues	390,998	44,355	435,353	370,100	40,980	411,080	365,000	40,980	405,980
Settlements/Judgments(not Anti-trust)	56,762	39,155	95,917	3,177	7,147	10,324	1,598	7,246	8,844
Uninsured Motorist Fees	2,005	495	2,500	2,213	500	2,713	2,213	505	2,718
Traffic Violations	-	23,255	23,255	-	45,268	45,268	-	45,363	45,363
Parking Violations	11,761	3,730	15,491	9,638	26,028	35,666	9,638	25,990	35,628
Penalty Assessments	58,969	148,864	207,833	28,296	138,312	166,608	29,761	505,027	534,788
Civil & Criminal Violation Assessment	488	153,447	153,935	340	145,263	145,603	490	145,946	146,436
Fines and Forfeitures	3,854	239,099	242,953	3,854	240,445	244,299	3,854	240,445	244,299
Court Filing Fees and Surcharges	-	506,492	506,492	-	573,327	573,327	-	585,524	585,524
Penalty Assessments on Criminal Fines	-	153,131	153,131	-	267,215	267,215	-	271,223	271,223
Donations	1	-	1	-	-	-	-	-	-
Totals, MISCELLANEOUS	\$991,033	\$1,737,465	\$2,728,498	\$761,068	\$1,954,473	\$2,715,541	\$1,486,616	\$2,694,139	\$4,180,755
TOTALS, MINOR REVENUES	\$2,347,746	\$8,943,814	\$11,291,560	\$1,769,135	\$11,104,945	\$12,874,080	\$2,333,723	\$11,179,901	\$13,513,624
TOTALS, REVENUES	\$81,745,620	\$24,565,872	\$106,311,492	\$87,655,912	\$25,801,592	\$113,457,504	\$89,847,782	\$27,138,060	\$116,985,842
TRANSFERS AND LOANS									
General Fund	-42,701	5,000	-37,701	-106,630	106,330	-300	-626,624	625,790	-834
Property Acquisition Law Money Account	-	-	-	1,202	-1,202	-	-	-	-
Motor Vehicle Parking Facil Moneys Acct	-	-397	-397	-	-397	-397	-	-100	-100

SCHEDULE 8 -- Continued
COMPARATIVE STATEMENT OF REVENUES
(Dollars In Thousands)

Sources	Actual 2008-09			Estimated 2009-10			Proposed 2010-11		
	General Fund	Special Funds	Total	General Fund	Special Funds	Total	General Fund	Special Funds	Total
Aeronautics Account STF	-	-	-	4,000	-4,000	-	-	-	-
Highway Account, State, STF	200,000	-200,000	-	135,000	-135,000	-	-	-	-
Motor Vehicle Account, STF	325	-330	-5	70,060	-70,081	-21	60	-81	-21
Bicycle Transportation Account, STF	6,000	-6,000	-	-	-	-	-	-	-
Local Airport Loan Account	7,500	-7,500	-	-	-	-	-	-	-
Motor Vehicle Fuel Account, TTF	8,000	-25,455	-17,455	-	-21,840	-21,840	-	-17,891	-17,891
Corporations Fund, State	4,200	-4,200	-	-	-	-	-	-	-
Barbering/Cosmetology Fd, St Bd of	10,000	-10,000	-	-	-	-	-	-	-
Occupational Lead Poisoning Prev Account	1,100	-1,100	-	-	-	-	-	-	-
Hospital Building Fund	20,000	-20,000	-	-	-	-	-	-	-
Audit Fund, State	-	-	-	1,600	-1,600	-	-	-	-
Foster and Small Family Insurance Fund	2,800	-2,800	-	-	-	-	-	-	-
Beverage Container Recycling Fund, CA	2,000	-2,000	-	99,400	-99,400	-	-	-	-
Sexual Habitual Offender, DOJ	1,000	-1,000	-	-	-	-	-	-	-
Health Data & Planning Fund, CA	12,000	-12,000	-	-	-	-	-	-	-
Water Fund, California	1,100	-1,100	-	-	-	-	-	-	-
Debt Limit Allocation Committee Fund, Cal	2,000	-2,000	-	-	-	-	-	-	-
Debt & Investment Advisory Comm Fund, Cal	2,000	-2,000	-	-	-	-	-	-	-
Driver Training Penalty Assessment Fund	19,500	-19,500	-	12,948	-12,948	-	12,988	-12,988	-
Environmental Enhancement and Mitigation	4,400	-4,400	-	-	-	-	-	-	-
Employment Developmnt Dept Benefit Audit	5,571	-5,571	-	6,139	-6,139	-	3,556	-3,556	-
Employment Development Contingent Fund	19,867	-19,867	-	12,425	-12,425	-	50,613	-50,613	-
Fair and Exposition Fund	246	-246	-	246	-246	-	246	-246	-
Genetic Disease Testing Fund	-	-	-	3,000	-3,000	-	1,240	-1,240	-
Restitution Fund	80,000	-80,000	-	-	-	-	-	-	-
Tire Recycling Management Fund, Calif	10,000	-10,000	-	-	-	-	-	-	-
Business Fees Fund, Secty of State's	8,595	-8,595	-	5,373	-5,373	-	7,163	-7,163	-
Environmental Water Fund	2,400	-2,400	-	-	-	-	-	-	-
Drinking Water Operator Cert Special Act	1,600	-1,600	-	-	-	-	-	-	-
DNA Testing Fund, Department of Justice	-	-	-	301	-301	-	-	-	-
Off-Highway Vehicle Trust Fund	90,000	-90,000	-	22,000	-22,000	-	-	-	-
Exposition Park Improvement Fund	-	-	-	2,771	-2,771	-	-	-	-
Peace Officers' Training Fund	5,000	-5,000	-	-	-	-	-	-	-
Residential Earthquake Recovery Fund, CA	178	-178	-	-	-	-	-	-	-
Psychology Fund	2,500	-2,500	-	-	-	-	-	-	-
Pub Sch Png Desgn & Constt Rev Revlv Fd	60,000	-60,000	-	-	-	-	-	-	-
School Land Bank Fund	59,000	-59,000	-	-	-	-	-	-	-
Historic Property Maintenance Fund	3,000	-3,000	-	-	-	-	-	-	-
Indian Gaming Special Distribution Fund	-	-39,200	-39,200	-	-33,700	-33,700	-	-50,000	-50,000
False Claims Act Fund	11,137	-11,137	-	-	-	-	-	-	-
Renewable Resource Trust Fund	10,900	-10,900	-	35,000	-35,000	-	-	-	-
Real Estate Appraisers Regulation Fund	16,600	-16,600	-	-	-	-	-	-	-
Teacher Credentials Fund	-	-	-	540	-540	-	-	-	-
Test Development and Admin Acct, Tc Fd	-	-	-	2,160	-2,160	-	-	-	-
Vehicle Inspection and Repair Fund	25,000	-25,000	-	-	-	-	-	-	-

SCHEDULE 8 -- Continued
COMPARATIVE STATEMENT OF REVENUES
(Dollars In Thousands)

Sources	Actual 2008-09			Estimated 2009-10			Proposed 2010-11		
	General Fund	Special Funds	Total	General Fund	Special Funds	Total	General Fund	Special Funds	Total
Victim - Witness Assistance Fund	2,000	-2,000	-	-	-	-	-	-	-
Underground Storage Tank Cleanup Fund	-	-3,500	-3,500	-	-3,500	-3,500	-	-3,500	-3,500
Occupancy Compliance Monitoring Account	10,000	-10,000	-	-	-	-	-	-	-
Tax Credit Allocation Fee Account	10,000	-10,000	-	-	-	-	-	-	-
High-Cost Fund-B Admin Committee Fd, Cal	75,000	-75,000	-	-	-	-	-	-	-
Universal Lifeline Telpne Svc Trst Admin	45,000	-45,000	-	-	-	-	-	-	-
Child Care & Devlpmt Fac Direct Ln Fd	2,329	-	2,329	-	-	-	-	-	-
Child Care & Dev Fac Ln Guaranty Fd	322	-	322	-	-	-	-	-	-
Deaf & Disabled Telecomm Prtg Admin Comm	30,000	-30,000	-	-	-	-	-	-	-
Financial Responsibility Penalty Account	1,513	-1,513	-	2,206	-2,206	-	2,206	-2,206	-
Other - Unallocated Special Funds	3,330	-3,330	-	2,517	-2,517	-	451	-451	-
Harbors and Watercraft Revolving Fund	29,000	7,000	36,000	5,000	8,500	13,500	-	7,150	7,150
Mobilehome Park Purchase Fund	-	-	-	-	3,000	3,000	-	-	-
Gambling Control Fund	10,000	-10,000	-	-	-	-	-	-	-
High Polluter Repair or Removal Account	20,000	-20,000	-	-	-	-	-	-	-
Cancer Research Fund	2,119	-2,119	-	-	-	-	1,624	-1,624	-
Upper Newport Bay Ecological Maint&Presv	800	-800	-	-	-	-	-	-	-
Public Buildings Construction Fund	-	-	-	12,456	-	12,456	-	-	-
Service Revolving Fund	1,186	-	1,186	1,186	-	1,186	1,186	-	1,186
Accountancy Fund	14,000	-14,000	-	-	-	-	-	-	-
Contractors' License Fund	10,000	-10,000	-	-	-	-	-	-	-
School Building Aid Fund, State	16,559	-	16,559	4,096	-	4,096	1,398	-	1,398
Contingent Fd of the Medical Board of CA	6,000	-6,000	-	-	-	-	-	-	-
Registered Nursing Fund, Board of	2,000	-2,000	-	-	-	-	-	-	-
Pharmacy Board Contingent Fund	1,000	-1,000	-	-	-	-	-	-	-
Professional Engineer & Land Surveyor Fd	2,000	-2,000	-	-	-	-	-	-	-
Behavioral Science Examiners Fund	3,000	-3,000	-	-	-	-	-	-	-
Vocational Nursing & Psychiatric Tech Fd	1,000	-1,000	-	-	-	-	-	-	-
Small Business Expansion Fund	-	-	-	1,038	-	1,038	-	-	-
Joe Serna, Jr. Farmworker Housing Grant	1,500	-	1,500	-	-	-	965	-	965
Housing Rehabilitation Loan Fund	16,400	-	16,400	-	-	-	-	-	-
Managed Care Fund	-	-1,000	-1,000	-	-	-	-	-	-
Special Deposit Fund	59	-	59	-	-	-	-	-	-
Emergency Housing and Assistance Fund	-	-	-	-	-	-	-	-	-
Other - Unallocated NGC Funds	1,873	-	1,873	1,416	-	1,416	4,177	-	4,177
Pedestrian Safety Account, STF	1,715	-1,715	-	-	-	-	253	-	253
Occupational Therapy Fund	-	-	-	2,000	-2,000	-	-	-	-
Apprenticeship Training Contribution Fd	-	-	-	-	-	-	5,000	-5,000	-
Antiterrorism Fund	2,000	-2,000	-	-	-	-	-	-	-
State Court Facilities Construction Fund	-	-	-	40,000	-40,000	-	-	-	-
Ratepayer Relief Fund	26,201	-	26,201	-	-	-	-	-	-
Labor and Workforce Development Fund	-	-	-	5,500	-5,500	-	-	-	-
Licensing and Certification Prog Fd, PH	1,068	-1,068	-	1,068	-1,068	-	-	-	-
Coastal Wetlands Fund	4,700	-	4,700	-	-	-	-	-	-
Alternative & Renewable & Vehicle Tech	-	-	-	24,550	-24,550	-	-	-	-

SCHEDULE 8 -- Continued
COMPARATIVE STATEMENT OF REVENUES
(Dollars In Thousands)

Sources	Actual 2008-09			Estimated 2009-10			Proposed 2010-11		
	General Fund	Special Funds	Total	General Fund	Special Funds	Total	General Fund	Special Funds	Total
Occupational Safety and Health Fund	-	-	-	7,000	-7,000	-	7,506	-7,506	-
Managed Care Admin Fines & Penalties Fnd	-	-	-	-	-1,000	-1,000	-	-1,000	-1,000
Horse Racing Fund	-	-	-	300	-300	-	300	-300	-
Economic Recovery Fund	-	70	70	-	-	-	-	-	-
Children's Hospital Bond Act Fund	-	-	-	-	-	-	51	-	51
Distressed Hospital Fund	-	-	-	6,191	-	6,191	-	-	-
Chrome Plating Pollution Prevention Fund	-	-	-	3,500	-	3,500	-	-	-
TOTALS, TRANSFERS AND LOANS	\$1,026,492	\$-1,018,551	\$7,941	\$427,559	\$-441,934	\$-14,375	\$-525,641	\$467,475	\$-58,166
TOTALS, REVENUES AND TRANSFERS	\$82,772,112	\$23,547,321	\$106,319,433	\$88,083,471	\$25,359,658	\$113,443,129	\$89,322,141	\$27,605,535	\$116,927,676

**SCHEDULE 9
COMPARATIVE STATEMENT OF EXPENDITURES
(Dollars In Thousands)**

	Actual 2008-09			Estimated 2009-10			Proposed 2010-11					
	General Fund	Special Fund	Selected Bond Funds Budget Total	Federal Funds	General Fund	Special Fund	Selected Bond Funds Budget Total	Federal Funds	General Fund	Special Fund	Selected Bond Funds Budget Total	Federal Funds
LEGISLATIVE, JUDICIAL, AND EXECUTIVE												
Legislative												
Senate												
State Operations	\$111,320	-	\$111,320	-	\$111,320	-	\$111,320	-	\$111,320	-	\$111,320	-
Assembly												
State Operations	151,060	-	151,060	-	149,360	-	149,360	-	149,360	-	149,360	-
Totals, Legislature	\$262,380	-	\$262,380	-	\$260,680	-	\$260,680	-	\$260,680	-	\$260,680	-
Legislative Counsel Bureau												
State Operations	70,185	-	70,185	-	67,961	-	67,961	-	66,608	-	66,608	-
Totals, Legislative	\$332,565	-	\$332,565	-	\$328,641	-	\$328,641	-	\$327,288	-	\$327,288	-
Judicial												
Judicial Branch												
State Operations	364,874	137,546	502,420	2,993	363,943	193,763	557,706	4,477	368,355	238,386	606,741	4,494
Local Assistance	1,841,709	1,341,349	3,183,058	1,603	57,119	1,490,971	1,548,090	2,275	1,044,339	1,661,977	2,706,316	2,275
Capital Outlay	13	80,879	80,892	-	164,246	-	164,246	-	-	153,330	-	-
Totals, Judicial Branch	\$2,206,596	\$1,559,774	\$3,766,370	\$4,596	\$421,062	\$1,848,980	\$2,270,042	\$6,752	\$1,412,694	\$2,053,693	\$3,466,387	\$6,769
Commission on Judicial Performance												
State Operations	3,877	-	3,877	-	4,071	-	4,071	-	4,081	-	4,081	-
Judges' Retirement System Contributions												
State Operations	3,146	-	3,146	-	2,922	-	2,922	-	2,977	-	2,977	-
Local Assistance	223,870	-	223,870	-	218,337	-	218,337	-	206,578	-	206,578	-
Totals, Judges' Retirement System Contribution	\$227,016	-	\$227,016	-	\$221,259	-	\$221,259	-	\$209,555	-	\$209,555	-
Totals, Judicial	\$2,437,489	\$1,559,774	\$3,997,263	\$4,596	\$646,392	\$1,848,980	\$2,495,372	\$6,752	\$1,626,330	\$2,053,693	\$3,680,023	\$6,769
Executive/Governor												
Governor's Office												
State Operations	14,413	-	14,413	-	14,040	-	14,040	-	16,760	-	16,760	-
Chief Info Officer, Office of the State												
State Operations	3,801	-	3,801	-	4,225	2,272	6,497	-	4,094	2,360	6,454	-
Local Assistance	-	-	-	-	-	120,804	120,804	483	-	122,604	-	1,932
Capital Outlay	-	-	-	-	-	2,087	3,115	-	-	-	-	-
Totals, Chief Info Officer, Office of the State	\$3,801	-	\$3,801	-	\$4,225	\$124,963	\$130,216	\$483	\$4,094	\$124,964	\$129,058	\$1,932
Office of the Inspector General												
State Operations	20,285	-	20,285	-	24,204	-	24,204	-	26,145	-	26,145	-
CA Agency on Service and Volunteering												
State Operations	-	-	-	-	-	-	-	-	1,017	-	1,017	2,112
Local Assistance	-	-	-	-	-	-	-	-	-	-	-	28,000
Totals, CA Agency on Service and Volunteering	-	-	-	-	-	-	-	-	\$1,017	-	\$1,017	\$30,112
Office of Planning & Research												
State Operations	3,195	-	3,195	1,265,591	4,491	-	4,491	1,559,980	-	-	-	-
Local Assistance	-	-	-	2,598,312	-	-	-	1,138,000	-	-	-	-
Totals, Office of Planning & Research	\$3,195	-	\$3,195	\$3,863,903	\$4,491	-	\$4,491	\$2,697,980	-	-	-	-
California Emergency Management Agency												
State Operations	52,501	5,191	800	58,492	72,093	50,216	4,835	2,458	51,360	6,386	2,654	86,475

SCHEDULE 9 -- Continued
COMPARATIVE STATEMENT OF EXPENDITURES
(Dollars In Thousands)

	Actual 2008-09				Estimated 2009-10				Proposed 2010-11			
	General Fund	Special Fund	Selected Bond Funds	Federal Funds	General Fund	Special Fund	Selected Bond Funds	Federal Funds	General Fund	Special Fund	Selected Bond Funds	Federal Funds
Local Assistance	106,949	36,099	157,000	470,353	88,122	75,976	100,000	264,098	73,452	76,442	100,000	251,894
Totals, California Emergency Management Agency	\$159,450	\$41,290	\$157,800	\$542,446	\$138,338	\$80,811	\$102,458	\$321,607	\$124,812	\$84,828	\$102,654	\$312,294
Governor Elect and Outgoing Governor	-	-	-	-	-	-	-	-	-	-	-	-
State Operations	-	-	-	-	-	-	-	-	890	-	-	890
Totals, Executive/Governor Executive/Constitutional Offices	\$201,144	\$41,290	\$157,800	\$4,406,349	\$185,298	\$205,774	\$103,486	\$494,558	\$173,718	\$209,792	\$102,654	\$486,164
Office of the Lieutenant Governor	-	-	-	-	-	-	-	-	-	-	-	-
State Operations	2,645	-	-	-	966	-	-	966	1,029	-	-	1,029
Department of Justice	-	-	-	-	-	-	-	-	-	-	-	-
State Operations	324,037	180,522	-	37,019	321,325	197,100	-	518,425	246,251	245,124	-	491,375
Local Assistance	-	4,883	-	-	-	4,883	-	4,883	-	4,883	-	4,883
Capital Outlay	115	-	-	115	-	-	-	-	-	-	-	-
Totals, Department of Justice	\$324,152	\$185,405	\$157,800	\$37,019	\$321,325	\$201,983	\$102,458	\$523,308	\$246,251	\$250,007	\$102,654	\$496,258
State Controller	-	-	-	-	-	-	-	-	-	-	-	-
State Operations	54,619	10,926	1,381	750	57,223	17,119	1,409	75,751	73,370	33,744	1,612	108,726
Local Assistance	-337	-	-	-337	-343	-	-	-343	-206	-	-	-206
Totals, State Controller	\$54,282	\$10,926	\$1,381	\$750	\$56,880	\$17,119	\$1,409	\$75,408	\$73,164	\$33,744	\$1,612	\$108,520
Department of Insurance	-	-	-	-	-	-	-	-	-	-	-	-
State Operations	-	166,116	-	-	-	151,779	-	151,779	-	156,294	-	156,294
Local Assistance	-	50,286	-	-	-	59,041	-	59,041	-	48,831	-	48,831
Totals, Department of Insurance	\$216,402	\$216,402	\$216,402	\$216,402	\$216,402	\$210,820	\$210,820	\$210,820	\$210,820	\$205,125	\$205,125	\$205,125
Gambling Control Commission	-	-	-	-	-	-	-	-	-	-	-	-
State Operations	-	10,775	-	-	-	11,772	-	11,772	-	12,382	-	12,382
Local Assistance	-	31,435	-	-	-	98	-	98	-	-	-	-
Totals, Gambling Control Commission	\$42,210	\$42,210	\$42,210	\$42,210	\$42,210	\$11,870	\$11,870	\$11,870	\$11,870	\$12,382	\$12,382	\$12,382
State Board of Equalization	-	-	-	-	-	-	-	-	-	-	-	-
State Operations	231,106	53,767	-	284,893	174	238,319	55,985	294,304	698	265,778	63,086	328,864
Secretary of State	-	-	-	-	-	-	-	-	-	-	-	-
State Operations	35,863	37,078	-	72,941	30,852	37,631	-	68,483	9,052	30,873	38,781	69,654
Local Assistance	85,308	-	-	85,308	2,137	-	-	1,554	68,228	-	-	68,228
Totals, Secretary of State	\$121,171	\$37,078	\$157,800	\$158,249	\$30,852	\$37,631	\$102,458	\$69,637	\$99,101	\$38,781	\$102,654	\$137,882
Citizens Redistricting Initiative	-	-	-	-	-	-	-	-	-	-	-	-
State Operations	-	-	-	-	-	-	-	-	5,000	-	-	5,000
State Treasurer	-	-	-	-	-	-	-	-	-	-	-	-
State Operations	937	-	-	937	4,750	-	-	4,750	4,334	-	-	4,334
Debt & Investment Advisory Commission	-	-	-	-	-	-	-	-	-	-	-	-
State Operations	-	2,275	-	-	-	2,710	-	2,710	-	2,843	-	2,843
Debt Limit Allocation Committee	-	-	-	-	-	-	-	-	-	-	-	-
State Operations	-	1,068	-	-	-	1,175	-	1,175	-	1,285	-	1,285
Industrial Dvmt Financing Advisory Comm	-	-	-	-	-	-	-	-	-	-	-	-
State Operations	-	252	-	-	-	261	-	261	-	292	-	292
Tax Credit Allocation Committee	-	-	-	-	-	-	-	-	-	-	-	-
State Operations	-	4,053	-	-	-	6,725	-	6,725	-	4,807	-	4,807
Local Assistance	-	253	-	-	-	136	-	136	1,067,000	136	-	136

SCHEDULE 9 -- Continued
COMPARATIVE STATEMENT OF EXPENDITURES
(Dollars In Thousands)

	Actual 2008-09			Estimated 2009-10			Proposed 2010-11						
	General Fund	Special Fund	Selected Bond Funds	Federal Funds	General Fund	Special Fund	Selected Bond Funds	Federal Funds	General Fund	Special Fund	Selected Bond Funds	Federal Funds	
Totals, Tax Credit Allocation Committee	\$4,306	-	\$4,306	-	-	\$6,861	-	\$6,861	\$1,067,000	-	\$4,943	-	\$4,943
Health Facilities Financing Authority	-	-	-	-	-	-	-	-	-	-	-	-	-
State Operations	-	347	347	-	-	437	-	437	-	-	481	-	481
Local Assistance	-	29,758	29,758	-	-	-	-	-	-	-	328,000	-	328,000
Totals, Health Facilities Financing Authority	-	\$30,105	\$30,105	-	-	\$437	-	\$437	-	-	\$328,481	-	\$328,481
School Finance Authority	-	-	-	-	-	-	-	-	-	-	-	-	-
State Operations	-	-	-	118	-	-	-	-	250	-	-	-	125
Local Assistance	-	-	-	9,725	-	-	-	-	10,596	-	-	-	20,000
Totals, School Finance Authority	-	-	-	\$9,843	-	-	-	\$10,846	-	-	-	-	\$20,125
Totals, Executive/Constitutional Offices	\$734,293	\$553,709	\$1,319,488	\$52,960	\$653,092	\$546,415	\$1,846	\$1,201,353	\$1,130,066	\$694,657	\$612,488	\$330,093	\$1,637,238
Statewide Distributed Costs	-	-	-	-	-	-	-	-	-	-	-	-	-
General Obligation Bonds-LJE	13,665	-	13,665	-	13,048	-	-	13,048	-	3,273	-	-	3,273
State Operations	-	-	\$13,665	-	\$13,048	-	-	\$13,048	-	\$3,273	-	-	\$3,273
Totals, Statewide Distributed Costs	\$3,719,156	\$2,154,773	\$6,063,215	\$4,463,905	\$1,826,471	\$2,601,169	\$105,332	\$4,532,972	\$5,070,392	\$2,825,266	\$2,875,973	\$432,747	\$6,133,986
TOTALS, LEGISLATIVE, JUDICIAL, AND EXECUTIVE													
State Operations	1,461,529	609,589	2,528	1,381,775	1,463,236	683,127	4,304	2,150,667	1,703,219	1,432,875	805,770	4,747	2,243,392
Local Assistance	2,257,499	1,464,305	186,758	3,908,562	3,632,335	1,751,709	100,000	2,214,944	3,367,173	1,392,391	1,916,873	428,000	3,737,264
Capital Outlay	128	80,879	-	81,007	-	166,333	1,028	167,361	-	-	153,330	-	153,330
STATE AND CONSUMER SERVICES	-	-	-	-	-	-	-	-	-	-	-	-	-
State and Consumer Services, Secy	1,549	-	1,549	-	824	-	-	824	-	1,240	-	-	1,240
Science Center	-	-	-	-	-	-	-	-	-	-	-	-	-
State Operations	17,176	5,220	22,396	-	23,335	6,118	-	29,453	-	12,565	17,931	-	30,496
Department of Consumer Affairs, Boards	-	-	-	-	-	-	-	-	-	-	-	-	-
State Operations	-	201,679	201,679	-	240,199	240,199	-	240,199	-	-	270,169	-	270,169
Department of Consumer Affairs, Bureaus	-	-	-	-	-	-	-	-	-	-	-	-	-
State Operations	-	195,581	195,581	1,277	-	196,189	-	196,189	-	-	226,777	-	226,777
Seismic Safety Commission, A. E. Alquist	-	-	-	-	-	-	-	-	-	-	-	-	-
State Operations	-	1,262	1,262	-	-	1,092	-	1,092	-	-	1,144	-	1,144
Department of Fair Employment & Housing	-	-	-	-	-	-	-	-	-	-	-	-	-
State Operations	16,270	-	16,270	4,666	14,814	-	-	14,814	4,903	16,539	-	-	16,539
Fair Employment & Housing Commission	-	-	-	-	-	-	-	-	-	-	-	-	-
State Operations	929	-	929	-	972	-	-	972	-	1,055	-	-	1,055
Franchise Tax Board	-	-	-	-	-	-	-	-	-	-	-	-	-
State Operations	486,844	20,065	506,909	-	467,091	18,917	-	486,008	-	552,186	20,404	-	572,590
Department of General Services	-	-	-	-	-	-	-	-	-	-	-	-	-
State Operations	8,003	82,090	13,273	103,366	400	95,327	13,556	109,283	-	348	90,329	15,074	105,751
Local Assistance	-	95,625	95,625	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	528	260	788	-	-	3,740	3,740	-	-	-	-	5,452
Totals, Department of General Services	\$8,003	\$178,243	\$13,533	\$199,779	\$400	\$95,327	\$17,296	\$113,023	\$348	\$90,329	\$20,526	\$111,203	\$20,526
Victim Compensation/Government Claims Bd	-	-	-	-	-	-	-	-	-	-	-	-	-
State Operations	-	112,554	112,554	31,159	-	32,064	-	32,064	2,018	-	35,618	-	35,618
Local Assistance	1,111	-	1,111	-	-	91,043	-	91,043	38,355	-	96,663	-	96,663

SCHEDULE 9 -- Continued
COMPARATIVE STATEMENT OF EXPENDITURES
(Dollars In Thousands)

	Actual 2008-09			Estimated 2009-10			Proposed 2010-11		
	General Fund	Special Fund	Selected Bond Funds	General Fund	Special Fund	Selected Bond Funds	General Fund	Special Fund	Selected Bond Funds
Totals, Victim Compensation/Government Claims	\$1,111	\$112,554	\$31,159	\$123,107	\$40,373	\$123,107	\$40,373	\$132,281	\$39,900
State Personnel Board	-	-	-	-	-	-	-	-	-
State Operations	1,639	-	1,639	2,867	-	2,867	-	3,201	-
TOTALS, STATE AND CONSUMER SERVICES	\$533,521	\$714,604	\$37,102	\$510,303	\$45,276	\$17,296	\$587,134	\$759,035	\$20,526
State Operations	532,410	618,451	37,102	510,303	6,921	13,556	587,134	662,372	15,074
Local Assistance	1,111	95,625	96,736	91,043	38,355	-	96,663	-	96,663
Capital Outlay	-	528	788	-	3,740	-	-	-	5,452
BUSINESS, TRANSPORTATION & HOUSING									
Business and Housing									
Business, Transportation & Housing, Secy	6,424	1,620	75	4,113	1,536	-	4,445	1,639	-
State Operations	-	-	-	-	-	-	-	-	-
Department of Alcoholic Beverage Control	-	46,362	262	48,041	1,307	-	53,018	-	53,018
State Operations	-	46,362	262	48,041	1,307	-	53,018	-	53,018
Local Assistance	-	2,994	3,000	-	3,000	-	-	3,000	-
Totals, Department of Alcoholic Beverage Control	-	\$49,356	\$262	\$51,041	\$1,307	-	\$56,018	-	\$56,018
Alcoholic Beverage Control Appeals Board									
State Operations	-	901	-	-	965	-	-	1,032	-
Department of Financial Institutions	-	29,090	-	29,819	-	-	29,819	-	32,939
State Operations	-	29,090	-	29,819	-	-	29,819	-	32,939
Department of Corporations	-	34,403	-	36,128	-	-	36,128	-	43,824
State Operations	-	34,403	-	36,128	-	-	36,128	-	43,824
Dept of Housing & Community Development									
State Operations	3,447	21,606	8,145	3,413	11,192	5,428	3,886	23,206	5,785
Local Assistance	5,973	11,797	98,662	5,629	360,564	323,710	5,629	40,325	45,954
Totals, Dept of Housing & Community Development	\$9,420	\$33,403	\$106,807	\$9,042	\$371,756	\$329,138	\$9,515	\$23,206	\$46,110
Office of Real Estate Appraisers									
State Operations	-	4,055	-	4,462	-	-	4,462	-	5,045
Department of Real Estate	-	39,925	-	40,725	-	-	40,725	-	46,748
State Operations	-	39,925	-	40,725	-	-	40,725	-	46,748
Department of Managed Health Care									
State Operations	-	39,152	-	42,889	-	-	42,889	-	48,976
Totals, Business and Housing Transportation	\$15,844	\$231,905	\$107,144	\$13,155	\$373,063	\$329,138	\$13,960	\$259,427	\$46,110
California Transportation Commission	-	1,939	-	2,045	-	847	-	2,533	880
State Operations	-	1,939	-	2,045	-	847	-	2,533	880
Local Assistance	-	803	-	-	-	25,000	-	25,000	25,000
Totals, California Transportation Commission	-	\$1,939	\$3,172	\$2,045	\$27,892	\$25,847	\$2,533	\$25,880	\$28,413
State Transit Assistance									
Local Assistance	-	153,117	-	-	-	514,269	-	-	350,000
Department of Transportation	-	2,731,491	507,849	2,860,488	606,451	127,907	-	3,096,151	136,517
State Operations	-	2,731,491	507,849	2,860,488	606,451	127,907	-	3,096,151	136,517
Local Assistance	-	3,400	-	-	-	-	-	4,030	-
Aeronautics Program	-	3,400	-	-	-	-	-	4,030	-

SCHEDULE 9 -- Continued
COMPARATIVE STATEMENT OF EXPENDITURES
(Dollars In Thousands)

	Actual 2008-09				Estimated 2009-10				Proposed 2010-11						
	General Fund	Special Fund	Selected Bond Funds	Budget Total	Federal Funds	General Fund	Special Fund	Selected Bond Funds	Budget Total	Federal Funds	General Fund	Special Fund	Selected Bond Funds	Budget Total	Federal Funds
Highway Transportation Program	-	246,977	195,398	442,375	1,323,979	-	200,980	334,351	535,331	2,313,511	-	226,444	600,922	827,366	1,316,424
Mass Transportation Program	-	56,249	-	56,249	24,902	-	15,651	-	15,651	52,324	-	275,484	-	275,484	58,593
Transportation Planning Program	-	11,929	-	11,929	58,544	-	12,000	-	12,000	65,100	-	12,000	-	12,000	64,000
Totals, Local Assistance	-	318,555	195,398	513,953	1,407,425	-	228,631	334,351	562,982	2,430,935	-	517,958	600,922	1,118,880	1,439,017
Capital Outlay	-	691,458	703,349	1,394,807	1,241,376	-	813,782	2,108,494	2,922,276	2,129,497	-	516,943	2,210,992	2,727,935	1,924,863
Unclassified	1,333,072	-1,333,072	-	-	1,505,673	-	1,505,673	-	-	5,000	83,416	-83,416	-	-	5,000
Totals, Department of Transportation	\$1,333,072	\$2,408,432	\$1,025,872	\$4,767,376	\$3,156,650	\$1,505,673	\$2,397,228	\$2,570,752	\$6,473,653	\$5,171,883	\$83,416	\$4,047,636	\$2,948,431	\$7,079,483	\$4,796,655
High-Speed Rail Authority															
State Operations	-	5,333	37,300	42,633	-	-	139,064	-	139,064	-	-	-	50,360	50,360	-
Capital Outlay	-	-	-	-	-	-	-	-	-	-	-	-	532,800	532,800	375,000
Totals, High-Speed Rail Authority	-	\$5,333	\$37,300	\$42,633	-	-	\$139,064	\$139,064	-	-	-	\$583,160	\$583,160	\$583,160	\$375,000
Board of Pilot Commissioners															
State Operations	-	1,931	-	1,931	-	-	3,108	-	3,108	-	-	2,232	-	2,232	-
Office of Traffic Safety															
State Operations	-	371	-	371	58,494	-	400	-	400	58,528	-	435	-	435	59,064
Local Assistance	-	-	-	-	36,301	-	-	-	-	36,993	-	-	-	-	36,993
Totals, Office of Traffic Safety	-	\$371	-	\$371	\$94,795	-	\$400	-	\$400	\$95,521	-	\$435	-	\$435	\$96,057
Dept of the California Highway Patrol															
State Operations	-	1,781,154	-	1,781,154	16,001	-	1,784,838	-	1,784,838	18,786	-	1,840,836	-	1,840,836	17,682
Capital Outlay	-	4,389	-	4,389	-	-	11,564	-	11,564	-	-	44,364	-	44,364	-
Totals, Dept of the California Highway Patrol	-	\$1,785,553	-	\$1,785,553	\$16,001	-	\$1,796,402	\$1,796,402	\$1,796,402	\$18,786	-	\$1,885,200	-	\$1,885,200	\$17,682
Department of Motor Vehicles															
State Operations	65,473	806,655	-	872,128	492	415,781	455,695	-	871,476	2,435	441,516	494,285	-	935,801	3,383
Capital Outlay	-	2,782	-	2,782	-	-	59,438	-	59,438	-	-	34,668	-	34,668	-
Totals, Department of Motor Vehicles	\$65,473	\$809,437	-	\$874,910	\$492	\$415,781	\$515,133	-	\$930,914	\$2,435	\$441,516	\$25,953	-	\$970,469	\$3,383
Totals, Transportation Statewide Distributed Costs	\$1,398,545	\$5,166,113	\$1,319,847	\$7,884,505	\$3,267,938	\$1,921,454	\$4,714,316	\$3,249,932	\$9,885,702	\$5,288,625	\$524,932	\$6,466,989	\$3,907,471	\$10,899,392	\$5,288,777
General Obligation Bonds-BT&H															
State Operations	264,887	255,945	-	520,832	-	739,178	57,076	-	796,254	-	363,396	923,088	-	1,292,484	-
Totals, Statewide Distributed Costs	\$264,887	\$255,945	-	\$520,832	-	\$739,178	\$57,076	-	\$796,254	-	\$363,396	\$923,088	-	\$1,292,484	-
TOTALS, BUSINESS, TRANSPORTATION & HOUSING	\$1,679,276	\$5,653,963	\$1,562,673	\$8,895,912	\$3,375,082	\$2,673,787	\$5,001,212	\$3,579,070	\$11,254,069	\$5,661,668	\$902,288	\$7,655,504	\$3,953,561	\$12,511,373	\$5,467,918
State Operations	340,231	5,801,933	167,996	6,310,160	591,318	1,162,485	5,390,470	273,246	6,826,201	698,699	813,243	6,621,987	193,542	7,628,772	1,522,045
Local Assistance	5,973	486,463	691,328	1,183,764	1,542,388	5,629	231,631	1,197,330	1,434,590	2,828,492	5,629	520,958	1,016,247	1,542,834	1,641,010
Capital Outlay	-	698,639	703,349	1,401,988	1,241,376	-	884,784	2,108,494	2,993,278	2,129,497	-	595,975	2,743,792	3,339,767	2,299,863
Unclassified	1,333,072	-1,333,072	-	-	-	1,505,673	-1,505,673	-	-	5,000	83,416	-83,416	-	-	5,000
NATURAL RESOURCES															
Secretary of the Natural Resources															
State Operations	4,276	2,512	20,824	27,612	460	5,382	3,216	33,312	41,910	18,308	681	3,521	25,242	29,444	5,552
Local Assistance	-	-	24,166	24,166	-	-	-	81,314	81,314	-	-	-	-	-	-
Totals, Secretary of the Natural Resources	\$4,276	\$2,512	\$44,990	\$51,778	\$460	\$5,382	\$3,216	\$114,626	\$123,224	\$18,308	\$681	\$3,521	\$25,242	\$29,444	\$5,552
Special Resources Programs															
State Operations	-	112	-	112	-	-	200	-	200	-	-	203	-	203	-
Local Assistance	-	4,771	-	4,771	-	-	4,839	-	4,839	-	-	4,839	-	4,839	-
Totals, Special Resources Programs	-	\$4,883	-	\$4,883	-	-	\$5,039	-	\$5,039	-	-	\$5,042	-	\$5,042	-

SCHEDULE 9 -- Continued
COMPARATIVE STATEMENT OF EXPENDITURES
(Dollars in Thousands)

	Actual 2008-09			Estimated 2009-10			Proposed 2010-11								
	General Fund	Special Fund	Selected Bond Funds	Federal Funds	General Fund	Special Fund	Selected Bond Funds	Federal Funds	General Fund	Special Fund	Selected Bond Funds	Federal Funds			
Tahoe Conservancy															
State Operations	197	4,239	858	5,294	138	178	4,102	695	4,975	273	200	4,459	759	5,418	215
Local Assistance	-	-	5,083	5,083	-	-	-	13,284	13,284	-	-	-	50	50	-
Capital Outlay	-	1,317	2,157	3,474	2,887	-	1,779	16,432	18,211	7,447	-	985	-	985	5,000
Totals, Tahoe Conservancy	\$197	\$5,556	\$8,098	\$13,851	\$3,035	\$178	\$5,881	\$30,411	\$36,470	\$7,720	\$200	\$5,444	\$809	\$6,453	\$5,215
California Conservation Corps															
State Operations	33,160	30,243	150	63,553	-	33,441	28,339	8,389	70,179	-	37,979	31,593	469	70,041	-
Local Assistance	-	-	12,588	12,588	-	-	8,250	17,112	25,362	-	-	659	659	659	-
Capital Outlay	1,998	-	-	1,998	-	130	-	-	130	-	-	250	-	250	-
Totals, California Conservation Corps	\$35,158	\$30,243	\$12,738	\$78,139	\$33,571	\$33,571	\$36,589	\$25,511	\$95,671	\$7,720	\$37,979	\$31,843	\$1,128	\$70,950	\$70,950
Energy Resource Conservation/Dvlt Comm															
State Operations	-	191,289	-	191,289	8,538	-	502,667	-	502,667	298,941	-	356,332	-	356,332	56,791
Local Assistance	-	1,671	-	1,671	-	-	6,414	-	6,414	-	-	1,200	-	1,200	-
Totals, Energy Resource Conservation/Dvlt Com	-	\$192,960	-	\$192,960	\$8,538	\$509,081	\$509,081	-	\$509,081	\$298,941	-	\$357,532	-	\$357,532	\$56,791
Renewable Resources Investment Program															
State Operations	-	1,474	-	1,474	-	-	2,000	-	2,000	-	-	2,000	-	2,000	-
Department of Conservation															
State Operations	4,669	1,364,575	1,229	1,370,473	1,115	4,381	664,441	2,727	671,549	2,169	4,778	44,812	2,727	52,317	2,497
Local Assistance	-	-	3,321	3,321	-	-	23,281	-	23,281	-	-	9,900	-	9,900	-
Totals, Department of Conservation	\$4,669	\$1,364,575	\$4,550	\$1,373,794	\$1,115	\$4,381	\$664,441	\$26,008	\$694,830	\$2,169	\$4,778	\$44,812	\$12,627	\$62,217	\$2,497
Resources Recycling and Recovery															
State Operations	-	-	-	-	-	-	710,400	-	710,400	201	-	1,374,854	-	1,374,854	60
Local Assistance	-	-	-	-	-	-	12,700	-	12,700	-	-	28,719	-	28,719	-
Totals, Resources Recycling and Recovery	-	-	-	-	-	-	\$723,100	-	\$723,100	\$201	-	\$1,403,573	-	\$1,403,573	\$60
Department of Forestry & Fire Protection															
State Operations	823,269	8,630	2,452	834,351	11,804	783,575	16,349	3,077	803,001	22,476	554,098	215,637	1,480	771,215	23,245
Local Assistance	-	-	-	-	-	-	7,945	-	7,945	-	-	-	-	-	-
Capital Outlay	2,029	-	-	2,029	-	24,096	-	-	24,096	-	-	-	-	-	-
Totals, Department of Forestry & Fire Protection	\$825,298	\$8,630	\$2,452	\$836,380	\$11,804	\$807,671	\$16,349	\$11,022	\$835,042	\$22,476	\$554,098	\$215,637	\$1,480	\$771,215	\$23,245
State Lands Commission															
State Operations	7,700	12,773	-	20,473	-	8,502	13,799	-	22,301	-	9,321	15,516	-	24,837	-
Capital Outlay	-	-	-	-	-	-	-	-	-	-	-	184	-	184	-
Totals, State Lands Commission	\$7,700	\$12,773	-	\$20,473	-	\$8,502	\$13,799	-	\$22,301	-	\$9,321	\$15,700	-	\$25,021	-
Department of Fish & Game															
State Operations	82,401	140,565	44,417	267,383	42,049	36,790	185,424	78,513	300,727	49,598	68,336	170,373	14,175	252,884	53,319
Local Assistance	280	1,987	-	2,267	-	576	1,377	12,840	14,793	-	576	1,377	12,840	14,793	-
Capital Outlay	-	-	-	-	-	-	2,049	-	2,049	-	-	2,600	-	2,600	-
Totals, Department of Fish & Game	\$82,681	\$142,552	\$44,417	\$269,650	\$42,049	\$37,366	\$188,850	\$91,353	\$317,569	\$49,598	\$68,912	\$174,350	\$27,015	\$270,277	\$53,319
Wildlife Conservation Board															
State Operations	-	1,218	-	2,341	-	-	1,936	2,238	4,174	-	-	2,128	2,383	4,511	-
Capital Outlay	300	7,457	53,337	61,094	21,768	-	8,482	828,991	837,473	35,000	-	2,552	22,496	25,048	35,000
Totals, Wildlife Conservation Board	\$300	\$8,675	\$54,460	\$63,435	\$21,768	-	\$10,418	\$831,229	\$841,647	\$35,000	-	\$4,680	\$24,879	\$29,559	\$35,000
Department of Boating & Waterways															
State Operations	-	-	-	-	-	-	-	-	-	-	-	8,836	-	-	7,993

SCHEDULE 9 -- Continued
COMPARATIVE STATEMENT OF EXPENDITURES
(Dollars In Thousands)

	Actual 2008-09			Estimated 2009-10			Proposed 2010-11						
	General Fund	Special Fund	Selected Bond Funds	Federal Funds	General Fund	Special Fund	Selected Bond Funds	Federal Funds	General Fund	Special Fund	Selected Bond Funds	Federal Funds	
Local Assistance	-	6,915	-	6,117	-	-	-	6,338	-	-	-	7,150	4,443
Totals, Department of Boating & Waterways	-	\$6,915	-	\$13,823	-	\$12,700	-	\$15,174	-	\$7,150	-	\$7,150	\$12,436
Coastal Commission													
State Operations	10,905	-	-	2,288	10,067	882	-	2,510	11,238	-	1,358	-	2,574
Local Assistance	-	743	-	-	-	704	-	704	-	-	587	-	587
Totals, Coastal Commission	\$10,905	\$1,722	-	\$2,288	\$10,067	\$1,586	-	\$11,653	\$11,238	-	\$1,945	-	\$13,183
State Coastal Conservancy													
State Operations	854	1,375	4,728	6,957	10	1,750	5,310	7,060	126	-	1,611	5,780	7,391
Capital Outlay	-	6,508	51,905	58,413	571	6,880	291,788	298,468	22,317	-	885	44,336	45,221
Totals, State Coastal Conservancy	\$854	\$7,883	\$56,633	\$65,370	\$581	\$8,430	\$297,098	\$305,528	\$22,443	-	\$2,496	\$50,116	\$52,612
Native American Heritage Commission													
State Operations	650	-	-	650	627	-	-	627	-	712	-	-	712
Department of Parks & Recreation													
State Operations	135,240	173,179	24,880	3,877	123,098	189,939	76,571	389,608	6,596	-	340,371	48,032	388,403
Local Assistance	-	3,412	1,312	4,724	7,033	62,669	296,117	358,786	41,730	-	31,702	-	31,702
Capital Outlay	-	3,608	18,693	22,301	889	26,344	79,753	106,097	14,111	-	43,994	43,015	87,009
Totals, Department of Parks & Recreation	\$135,240	\$180,199	\$44,885	\$11,799	\$123,098	\$278,952	\$452,441	\$854,491	\$62,437	-	\$416,067	\$91,047	\$507,114
Santa Monica Mountains Conservancy													
State Operations	-	182	556	738	-	284	927	1,211	-	-	281	988	1,269
Capital Outlay	-	-	17,522	17,522	-	-	22,805	22,805	-	-	-	4,000	4,000
Totals, Santa Monica Mountains Conservancy	-	\$182	\$18,078	\$18,260	-	\$284	\$23,732	\$24,016	-	-	\$281	\$4,988	\$5,269
SF Bay Conservation & Development Comm													
State Operations	4,001	-	-	4,001	3,748	-	-	3,748	-	4,140	-	-	4,140
San Gabriel/Lower LA River/Mtns Conservancy													
State Operations	-	322	772	1,094	-	347	727	1,074	-	-	390	784	1,174
Capital Outlay	-	-	11,900	11,900	-	-	32,719	32,719	-	-	-	-	-
Totals, San Gabriel/Lower LA River/Mtns Conservancy	-	\$322	\$12,672	\$12,994	-	\$347	\$33,446	\$33,793	-	-	\$390	\$784	\$1,174
San Joaquin River Conservancy													
State Operations	-	343	54	397	-	395	227	622	-	-	409	237	646
Baldwin Hills Conservancy													
State Operations	-	332	167	499	-	312	214	526	-	-	344	233	577
Capital Outlay	-	-	2,452	2,452	-	-	21,034	21,034	-	-	-	-	-
Totals, Baldwin Hills Conservancy	-	\$332	\$2,619	\$2,951	-	\$312	\$21,248	\$21,560	-	-	\$344	\$233	\$577
Delta Protection Commission													
State Operations	-	152	-	152	-	147	-	147	-	-	2,166	-	2,166
San Diego River Conservancy													
State Operations	-	329	-	329	-	316	-	316	-	-	322	-	322
Coachella Valley Mountains Conservancy													
State Operations	-	263	17	280	-	298	56	354	-	-	319	60	379
Capital Outlay	-	-	3,597	3,597	-	-	21,077	21,077	-	-	-	5,454	5,454
Totals, Coachella Valley Mountains Conservancy	-	\$263	\$3,614	\$3,877	-	\$298	\$21,133	\$21,431	-	-	\$319	\$5,514	\$5,833
Sierra Nevada Conservancy													
State Operations	-	3,668	226	3,894	-	4,017	477	4,494	-	-	4,255	522	4,777

SCHEDULE 9 -- Continued
COMPARATIVE STATEMENT OF EXPENDITURES
(Dollars In Thousands)

	Actual 2008-09			Estimated 2009-10			Proposed 2010-11		
	General Fund	Special Fund	Selected Bond Funds	General Fund	Special Fund	Selected Bond Funds	General Fund	Special Fund	Selected Bond Funds
Local Assistance	-	50	50	-	-	32,398	-	-	-
Totals, Sierra Nevada Conservancy	\$3,668	\$276	\$3,944	\$4,017	\$32,875	\$36,892	\$4,255	\$522	\$4,777
Department of Water Resources									
State Operations	115,975	12,085	96,752	224,812	5,254	106,557	13,363	521,326	641,246
Local Assistance	-	326,645	326,645	-	-	1,494,664	-	1,494,664	1,494,664
Capital Outlay	17,218	-	221,968	239,186	1,167	533,723	-	534,890	534,890
Totals, Department of Water Resources	\$133,193	\$12,085	\$645,365	\$790,643	\$5,254	\$2,670,800	\$19,079	\$14,746	\$482,389
Sacramento-San Joaquin Delta Conservancy									
State Operations	-	-	-	-	-	-	-	829	-
General Obligation Bonds-Resources									
State Operations	528,024	-	528,024	722,350	-	722,350	922,960	-	922,960
Delta Stewardship Council									
State Operations	-	-	-	-	-	-	5,877	751	9,701
TOTALS, NATURAL RESOURCES	\$1,773,146	\$1,989,228	\$4,718,275	\$1,864,665	\$2,499,910	\$9,926,648	\$1,731,778	\$2,715,775	\$5,186,264
State Operations	1,751,321	1,950,839	3,901,365	1,838,696	2,344,923	4,918,415	1,731,202	2,588,751	292,673
Local Assistance	280	19,499	373,165	392,944	13,150	2,089,184	48,068	75,574	201,063
Capital Outlay	21,545	18,890	383,531	423,966	26,125	1,919,049	78,875	51,450	244,975
ENVIRONMENTAL PROTECTION									
Secretary for Environmental Protection									
State Operations	1,619	7,316	8,935	1,834	10,403	12,237	1,884	10,851	12,735
Air Resources Board									
State Operations	-	295,711	3,425	193	327,142	828,374	-	340,270	229,573
Local Assistance	-	10,111	10,111	-	12,111	12,111	-	10,111	-
Capital Outlay	-	1,152	1,152	-	-	-	-	-	-
Totals, Air Resources Board	\$306,974	\$3,425	\$310,399	\$193	\$339,253	\$840,485	\$14,566	\$350,381	\$229,573
Integrated Waste Management Board									
State Operations	-	157,427	157,427	-	83,539	201	-	-	-
Local Assistance	-	35,521	35,521	-	12,700	12,700	-	-	-
Totals, Integrated Waste Management Board	\$192,948	\$192,948	\$192,948	\$96,239	\$96,239	\$201	\$201	\$201	\$201
Department of Pesticide Regulation									
State Operations	-	49,128	49,128	-	46,829	2,257	-	56,069	-
Local Assistance	-	18,965	18,965	-	19,438	19,438	-	20,309	-
Totals, Department of Pesticide Regulation	\$68,093	\$68,093	\$68,093	\$66,267	\$66,267	\$2,257	\$2,257	\$76,378	\$76,378
State Water Resources Control Board									
State Operations	38,342	263,592	7,015	308,949	32,650	370,129	54,715	506,415	8,321
Local Assistance	-	65,290	65,290	31,000	154,673	185,673	90,000	21,000	56,732
Totals, State Water Resources Control Board	\$38,342	\$263,592	\$72,305	\$374,239	\$91,967	\$555,802	\$144,715	\$527,415	\$65,053
Department of Toxic Substances Control									
State Operations	19,592	113,979	-	133,571	25,977	139,848	22,032	128,807	-
Local Assistance	-	-967	-967	-35	1,538	-35	5,800	-4	-4
Capital Outlay	2,656	-	2,656	-	-	-	1,635	-	1,635
Totals, Department of Toxic Substances Control	\$22,248	\$113,012	\$135,260	\$117,106	\$27,515	\$139,813	\$23,667	\$128,803	\$152,470
Environmental Health Hazard Assessment									
State Operations	-	-	-	-	-	-	-	-	-
Totals, Environmental Health Hazard Assessment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds									
Selected Bond Funds	-	-	-	-	-	-	-	-	-
General Fund	-	-	-	-	-	-	-	-	-
Special Fund	-	-	-	-	-	-	-	-	-
Federal Funds Total	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Budget Total	\$1,911,139	\$2,191,456	\$7,087,673	\$2,681,683	\$5,000,000	\$12,646,880	\$3,478,146	\$5,441,951	\$10,915,419

SCHEDULE 9 -- Continued
COMPARATIVE STATEMENT OF EXPENDITURES
(Dollars In Thousands)

	Actual 2008-09				Estimated 2009-10				Proposed 2010-11						
	General Fund	Special Fund	Selected Bond Funds	Budget Total	Federal Funds	General Fund	Special Fund	Selected Bond Funds	Budget Total	Federal Funds	General Fund	Special Fund	Selected Bond Funds	Budget Total	Federal Funds
State Operations	7,068	5,686	-	12,754	35	2,190	11,867	-	14,057	414	2,443	12,955	-	15,398	414
General Obligation Bonds-Environmental															
State Operations	6,989	-	-	6,989	-	5,948	-	-	5,948	-	6,053	-	-	6,053	-
TOTALS, ENVIRONMENTAL PROTECTION	\$76,266	\$957,621	\$75,730	\$1,109,617	\$132,493	\$69,549	\$1,000,462	\$660,837	\$1,730,848	\$196,311	\$68,326	\$1,106,783	\$294,626	\$1,469,735	\$199,429
State Operations	73,610	892,839	10,440	976,889	71,638	69,549	925,248	506,164	1,500,961	100,511	66,691	1,055,367	237,894	1,359,952	105,429
Local Assistance	-	63,630	65,290	128,920	60,855	-	75,214	154,673	229,887	95,800	-	51,416	56,732	108,148	94,000
Capital Outlay	2,656	1,152	-	3,808	-	-	-	-	-	-	1,635	-	-	1,635	-
HEALTH AND HUMAN SERVICES															
Health & Human Services Agency, Secy															
State Operations	3,074	-	-	3,074	812	3,574	-	-	3,574	1,000	3,720	25	-	3,745	1,002
State Council-Developmental Disabilities															
State Operations	-	-	-	-	6,565	-	-	-	-	6,839	-	-	-	-	7,372
Emergency Medical Services Authority															
State Operations	2,961	1,738	-	4,699	1,694	2,864	1,826	-	4,690	1,694	3,458	3,164	-	6,622	1,821
Local Assistance	8,498	-	-	8,498	280	5,558	-	-	5,558	704	5,558	300	-	5,858	704
Totals, Emergency Medical Services Authority	\$11,459	\$1,738	-	\$13,197	\$1,974	\$8,422	\$1,826	-	\$10,248	\$2,398	\$9,016	\$3,464	-	\$12,480	\$2,525
Statewide Health Planning & Development															
State Operations	50	67,757	-	67,807	202	74	76,507	-	76,581	527	75	83,606	-	83,681	238
Local Assistance	249	7,006	-	7,255	995	52	7,476	-	7,528	3,000	-	7,156	-	7,156	1,000
Totals, Statewide Health Planning & Development	\$299	\$74,763	-	\$75,062	\$1,197	\$126	\$83,983	-	\$84,109	\$3,527	\$75	\$90,762	-	\$90,837	\$1,238
Department of Aging															
State Operations	3,331	248	-	3,579	6,125	3,736	450	-	4,186	7,893	4,003	444	-	4,447	8,172
Local Assistance	40,892	2,246	-	43,138	141,167	29,227	2,246	-	31,473	154,648	8,306	2,246	-	10,552	142,987
Totals, Department of Aging	\$44,223	\$2,494	-	\$46,717	\$147,292	\$32,963	\$2,696	-	\$33,659	\$162,541	\$12,309	\$2,690	-	\$14,999	\$151,159
Commission on Aging															
State Operations	-	-	-	-	339	-	-	-	-	354	-	-	-	-	379
Department of Alcohol & Drug Programs															
State Operations	6,329	9,864	-	16,193	19,328	4,909	8,618	-	13,527	21,481	5,138	10,506	-	15,644	23,262
Local Assistance	271,179	790	-	271,969	247,759	176,591	4,000	-	180,591	250,473	173,652	4,000	-	177,652	250,773
Totals, Department of Alcohol & Drug Programs	\$277,508	\$10,654	-	\$288,162	\$267,087	\$181,500	\$12,618	-	\$194,118	\$271,954	\$178,790	\$14,506	-	\$193,296	\$274,035
Children & Families Commission															
State Operations	-	6,922	-	6,922	-	-	4,359	-	4,359	-	-	2,844	-	2,844	-
Local Assistance	-	536,049	-	536,049	-	-	488,287	-	488,287	-	-	239,564	-	239,564	-
Totals, Children & Families Commission	-	\$542,971	-	\$542,971	-	-	\$492,646	-	\$492,646	-	-	\$242,408	-	\$242,408	-
Department of Health Care Services															
State Operations	130,171	1,157	-	131,328	211,219	127,302	2,451	-	129,753	243,922	143,392	2,364	-	145,756	268,404
Local Assistance															
Children's Med Svs & Primary Rural	182,517	15,358	-	197,875	120,676	113,286	14,008	-	127,294	234,134	149,262	14,008	-	163,270	203,174
Medical Assistance Program	12,647,794	37,404	-	12,685,198	25,040,123	10,919,985	2,711,290	-	13,631,275	33,653,321	8,857,569	1,280,854	-	10,138,443	28,750,819
Totals, Local Assistance	12,830,311	52,762	-	12,883,073	25,160,799	11,033,271	2,725,298	-	13,758,569	33,887,455	9,006,851	1,294,862	-	10,301,713	28,953,993
Totals, Department of Health Care Services	\$12,960,482	\$53,919	-	\$13,014,401	\$25,372,018	\$11,160,573	\$2,727,749	-	\$13,888,322	\$34,131,377	\$9,150,243	\$1,297,226	-	\$10,447,469	\$29,222,397

**SCHEDULE 9 -- Continued
COMPARATIVE STATEMENT OF EXPENDITURES
(Dollars In Thousands)**

	Actual 2008-09			Estimated 2009-10			Proposed 2010-11		
	General Fund	Special Fund	Selected Bond Funds	General Fund	Special Fund	Selected Bond Funds	General Fund	Special Fund	Selected Bond Funds
Department of Public Health									
State Operations	98,035	316,328	3,426	88,490	231,658	7,244	96,546	260,913	6,035
Local Assistance	246,828	300,757	52,256	103,894	457,265	1,301,175	208,356	395,576	88,659
Totals, Department of Public Health	\$344,863	\$617,085	\$55,682	\$192,384	\$688,923	\$137,419	\$304,902	\$657,489	\$94,694
California Medical Assistance Commission									
State Operations	1,220	-	-	1,182	-	-	1,280	-	-
Managed Risk Medical Insurance Board									
State Operations	2,170	1,211	-	2,215	1,735	-	2,461	1,872	-
Local Assistance	386,832	77,752	-	464,584	781,656	214,768	201,580	283,187	-
Totals, Managed Risk Medical Insurance Board	\$389,002	\$78,963	\$467,965	\$216,983	\$203,315	\$420,298	\$128,376	\$285,059	\$413,435
Department of Developmental Services									
State Operations	333,463	566	-	282,784	659	-	299,592	562	-
Local Assistance	2,178,023	140,162	-	2,198,595	3,382	-	2,081,077	254,145	-
Capital Outlay	1,683	-	-	9,488	-	-	8,028	-	-
Totals, Department of Developmental Services	\$2,513,169	\$140,728	\$2,653,897	\$2,488,847	\$4,041	\$2,492,888	\$2,388,697	\$254,707	\$2,643,404
Department of Mental Health									
State Operations	1,202,918	31,156	-	1,180,521	38,894	-	1,337,806	31,123	-
Local Assistance	714,322	1,083,329	-	60,772	544,513	1,282,050	136,536	1,562,032	-
Capital Outlay	2,173	-	-	10	-	-	100	-	-
Totals, Department of Mental Health	\$1,919,413	\$1,114,485	\$3,033,898	\$1,725,044	\$1,320,944	\$3,045,988	\$1,474,442	\$1,583,155	\$3,057,597
Mental Hlth Svcs Ovrst and Acntblty Comm									
State Operations	-	-	-	-	-	-	-	4,115	-
Dept of Community Services & Development									
State Operations	-	-	-	11,735	-	-	30,059	-	-
Local Assistance	-	-	-	302,888	-	-	444,533	-	-
Totals, Dept of Community Services & Developme	-	-	-	\$314,623	-	-	\$474,592	-	\$259,696
Department of Rehabilitation									
State Operations	54,362	162	-	275,361	52,945	220	56,526	1,370	-
Local Assistance	-	-	-	15,736	-	-	19,028	-	-
Totals, Department of Rehabilitation	\$54,362	\$162	\$54,524	\$291,097	\$52,945	\$220	\$75,554	\$1,370	\$57,896
Department of Child Support Services									
State Operations	45,516	-	-	53,607	-	-	51,390	-	-
Local Assistance	285,200	-	-	414,878	242,730	-	479,054	249,941	-
Totals, Department of Child Support Services	\$330,716	-	\$330,716	\$517,164	\$296,337	-	\$601,297	\$249,941	\$249,941
Department of Social Services									
State Operations	88,056	26,407	-	323,272	90,427	-	109,663	31,142	-
Local Assistance									
CalWorks	1,946,753	-	-	3,476,908	2,025,627	-	3,768,856	102,000	-
Other Assistance Payments	630,329	449	-	614,338	613	-	720,535	60,595	-
SSI/SSP	3,597,265	-	-	2,939,970	-	-	2,629,224	65,000	-
County Admin and Automation Projects	501,610	-	-	623,792	592,342	-	789,339	7,000	-
IHSS	1,588,028	-	-	1,393,683	-	-	715,506	-	-
Totals, Department of Social Services	\$8,056,816	\$27,456	\$8,056,816	\$12,045,983	\$2,619,673	\$2,619,673	\$12,045,983	\$2,619,673	\$2,619,673

SCHEDULE 9 -- Continued
COMPARATIVE STATEMENT OF EXPENDITURES
(Dollars In Thousands)

	Actual 2008-09				Estimated 2009-10				Proposed 2010-11					
	General Fund	Special Fund	Selected Bond Funds	Federal Funds	General Fund	Special Fund	Selected Bond Funds	Federal Funds	General Fund	Special Fund	Selected Bond Funds	Federal Funds		
Children & Adult Services and Licensing	741,009	1,264	-	1,173,093	695,703	1,263	-	696,966	1,251,301	421,708	75,260	-	496,968	1,286,581
Other Programs	319,088	-	-	481,710	299,077	-	-	299,077	503,274	162,989	42,000	-	204,989	501,317
Totals, Local Assistance	9,324,082	1,713	-	9,325,795	6,361,881	1,876	-	8,562,616	7,033,305	6,764,503	351,855	-	7,116,358	6,688,495
Totals, Department of Social Services	\$9,412,138	\$28,120	-	\$6,685,153	\$9,651,167	\$32,596	-	\$9,683,763	\$7,378,400	\$6,874,166	\$382,997	-	\$7,257,163	\$7,059,758
State-Local Realignment	-	4,013,397	-	4,013,397	-	3,703,315	-	3,703,315	-	-	3,878,580	-	3,878,580	-
Local Assistance	16,483	-	-	16,483	32,805	-	-	32,805	115,271	-	-	-	115,271	-
General Obligation Bonds-H&HS	\$28,278,411	\$6,679,479	\$55,682	\$35,013,572	\$25,044,852	\$9,274,872	\$137,419	\$34,457,143	\$46,235,951	\$20,999,154	\$9,698,553	\$94,694	\$29,792,401	\$40,476,174
TOTALS - HEALTH AND HUMAN SERVICES	1,988,139	463,516	3,426	2,455,081	1,927,435	398,097	7,244	2,332,776	1,415,236	2,230,331	434,050	6,035	2,670,416	1,406,351
State Operations	26,286,416	6,215,963	52,256	32,554,635	34,960,400	23,107,939	8,876,775	32,114,889	44,820,715	18,760,695	8,264,503	88,659	27,113,857	39,069,823
Local Assistance	3,856	-	-	3,856	9,478	-	-	9,478	-	8,128	-	-	8,128	-
CORRECTIONS AND REHABILITATION	9,307,597	1,813	-	9,309,410	7,780,372	2,761	-	7,783,133	7,697	8,285,581	2,712	-	8,288,293	8,017
Local Assistance	106,577	-	-	106,577	835	-	-	835	-	835	-	-	835	-
Corrections Standards Authority	78	-	-	78	78	-	-	78	-	78	-	-	78	-
Juvenile Operation	1,403	-	-	1,403	3,803	-	-	3,803	-	1,403	-	-	1,403	-
Juvenile Paroles	278	-	-	278	278	-	-	278	-	278	-	-	278	-
Transportation of Inmates	2,593	-	-	2,593	2,593	-	-	2,593	-	2,593	-	-	2,593	-
Returning Fugitives from Justice	16,480	-	-	16,480	20,819	-	-	20,819	-	22,992	-	-	22,992	-
County Charges	43,732	-	-	43,732	55,231	-	-	55,231	-	150,800	-	-	150,800	-
Parolee Detention	3,684	-	-	3,684	24,323	-	-	24,323	-	25,829	-	-	25,829	-
Local Safety and Protection Account	-	19,465	-	19,465	19,465	-	-	19,465	-	19,465	-	-	19,465	-
Juvenile Justice Grant	66,964	-	-	66,964	93,323	-	-	93,323	-	93,298	-	-	93,298	-
Corrections Training Fund	238,105	23,149	-	261,254	176,960	43,788	-	220,748	22,224	282,277	45,294	-	327,571	22,224
Youthful Offender Block Grant	86,932	-	410	87,342	98,923	-	1,763	100,706	-	212,334	-	319	212,653	-
New Commitment Detention	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Totals, Local Assistance	\$9,632,634	\$24,962	\$410	\$9,658,006	\$8,056,255	\$46,549	\$1,763	\$8,104,587	\$29,921	\$8,760,192	\$46,006	\$319	\$8,808,517	\$30,241
Capital Outlay	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Totals, Corrections and Rehabilitation	-113,884	-	-	-113,884	-96,038	-	-	-96,038	96,038	-970,278	-	-	-970,278	970,278
Federal Immigration Funding-Incarceratn	186,296	-	-	186,296	200,541	-	-	200,541	-	193,148	-	-	193,148	-
State Operations	\$9,705,046	\$24,962	\$410	\$9,730,418	\$8,160,758	\$46,549	\$1,763	\$8,209,090	\$125,959	\$7,983,062	\$46,006	\$319	\$8,031,387	\$1,000,519
State Operations	9,380,009	1,813	-	9,381,822	7,884,875	2,761	-	7,887,636	103,735	7,488,451	2,712	-	7,491,163	978,295
Local Assistance	238,105	23,149	-	261,254	176,960	43,788	-	220,748	22,224	282,277	45,294	-	327,571	22,224
Capital Outlay	86,932	-	410	87,342	98,923	-	1,763	100,706	-	212,334	-	319	212,653	-
EDUCATION	1,605	-	-	1,605	1,716	-	-	1,716	-	1,942	-	-	1,942	-
K thru 12 Education	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Education, Secy	-	-	-	-	-	-	-	-	-	-	-	-	-	-
State Operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Scholarship Investment Board	-	-	-	-	-	-	-	-	-	-	-	-	-	-

SCHEDULE 9 -- Continued
COMPARATIVE STATEMENT OF EXPENDITURES
(Dollars In Thousands)

	Actual 2008-09			Estimated 2009-10			Proposed 2010-11					
	General Fund	Special Fund	Selected Bond Funds	Federal Funds	General Fund	Special Fund	Selected Bond Funds	Federal Funds	General Fund	Special Fund	Selected Bond Funds	Federal Funds
State Operations	725	-	-	725	-	-	-	490	-	497	-	-
Department of Education												
Department of Education	118,106	6,279	2,341	135,988	121,616	3,278	2,507	150,558	130,264	3,087	2,607	138,690
Local Assistance												
Adult Education	646,944	-	-	75,036	671,933	-	-	671,933	647,494	-	-	647,494
Appointments - District and County	18,985,806	-	-	18,985,806	15,946,462	-	-	15,946,462	18,953,223	-	-	18,953,223
Child Development	1,771,585	-	-	528,503	2,114,102	-	-	2,114,102	1,667,925	-	-	1,667,925
Child Nutrition	129,847	-	-	1,840,670	153,871	-	-	2,034,917	164,698	-	-	164,698
Categorical Programs	6,486,224	710,894	-	3,379,474	8,265,499	78,060	-	3,958,005	7,432,343	74,217	-	2,191,376
Pupil Assessment	50,390	-	-	23,202	95,499	-	-	24,010	71,124	-	-	71,124
Special Education	2,622,874	-	-	1,806,988	3,643,170	-	-	1,860,208	3,212,979	-	-	2,823,559
State-Mandated Local Programs	38	-	-	38	-	-	-	38	-	-	-	28,755
Totals, Local Assistance	30,693,708	710,894	-	7,653,873	30,890,574	78,060	-	8,617,314	32,149,766	74,217	-	6,998,924
Capital Outlay	109	-	-	109	-	-	-	-	-	-	-	-
Totals, Department of Education	\$30,811,923	\$717,173	\$2,341	\$7,789,871	\$31,012,190	\$81,338	\$2,507	\$8,767,872	\$32,280,050	\$77,304	\$2,607	\$7,137,614
State Library												
State Operations	14,185	574	1,249	6,375	11,222	753	3,381	6,691	12,683	781	1,790	15,254
Local Assistance	31,056	552	-	10,214	31,056	552	-	31,608	31,056	552	500	32,108
Totals, State Library	\$45,241	\$1,126	\$1,249	\$16,589	\$42,278	\$1,305	\$3,381	\$19,209	\$43,739	\$1,333	\$2,290	\$47,362
Education Audit Appeals Panel												
State Operations	892	-	-	-	1,096	-	-	1,096	1,147	-	-	1,147
Summer School for the Arts												
State Operations	1,361	-	-	-	1,337	-	-	1,337	1,383	-	-	1,383
Teachers Retirement System Contributions												
Local Assistance	1,133,077	-	-	1,133,077	1,248,056	-	-	1,248,056	1,251,275	-	-	1,251,275
Retirement Costs for Community Colleges												
Local Assistance	-89,173	-	-	-89,173	-95,524	-	-	-95,524	-97,455	-	-	-97,455
School Facilities Aid Program												
Local Assistance	-	-	-	-	-	-	-	-	-	-	-	-
Commission on Teacher Credentialing	-	-	3,973,845	3,973,845	-	-	1,628,232	1,628,232	-	-	679,083	679,083
State Operations	-	19,155	-	172	19,569	193	-	193	-	19,931	-	19,931
Local Assistance	26,937	-	-	26,937	26,898	-	-	26,898	32,671	-	-	32,671
Totals, Commission on Teacher Credentialing	\$26,937	\$19,155	\$46,092	\$172	\$26,898	\$19,569	\$1,628,232	\$193	\$32,671	\$19,931	\$19,931	\$193
General Obligation Bonds-K-12												
State Operations	2,159,799	-	-	-	2,315,137	-	-	2,315,137	2,488,980	-	-	2,488,980
Totals, K thru 12 Education	\$34,092,387	\$737,454	\$3,977,435	\$7,806,632	\$34,553,674	\$102,212	\$1,634,120	\$8,787,274	\$36,004,239	\$98,568	\$683,980	\$7,157,584
Higher Education-Community Colleges												
Board of Governors of Community Colleges	8,727	37	1,758	10,522	9,095	158	1,831	162	10,091	208	1,899	12,198
State Operations	3,223,236	23,295	-	3,246,531	3,286,987	9,223	-	3,593,062	3,602,285	9,223	-	3,602,285
Local Assistance	33,100	-	-	33,100	20,037	-	-	20,037	20,037	-	-	20,037
Appointments for Community Colleges	51,269	-	-	51,269	52,884	-	-	52,884	54,995	-	-	54,995
Student Success for Basic Skills Student	-	-	-	-	-	-	-	-	-	-	-	-
Student Financial Aid Administration	-	-	-	-	-	-	-	-	-	-	-	-

**SCHEDULE 9 -- Continued
COMPARATIVE STATEMENT OF EXPENDITURES
(Dollars In Thousands)**

	Actual 2008-09			Estimated 2009-10			Proposed 2010-11		
	General Fund	Special Fund	Federal Funds	General Fund	Special Fund	Federal Funds	General Fund	Special Fund	Federal Funds
Extended Opportunity Program + CARE	122,291	-	122,291	73,605	-	73,605	63,319	-	63,319
Disabled Students	115,011	-	115,011	69,223	-	69,223	68,954	-	68,954
Welfare Reform	43,580	-	43,580	26,695	-	26,695	26,695	-	26,695
Foster Parent Training Programs	5,254	-	5,254	5,254	-	5,254	5,254	-	5,254
Matriculation	101,803	-	101,803	49,183	-	49,183	48,992	-	48,992
Support for Academic Senate	467	-	467	318	-	318	318	-	318
Faculty and Staff Diversity/EEO	1,747	-	1,747	767	-	767	767	-	767
Part-Time Faculty Health Insurance	1,000	-	1,000	490	-	490	490	-	490
Part-Time Faculty Compensation	50,828	-	50,828	24,907	-	24,907	14,907	-	14,907
Part-Time Faculty Office Hours Program	7,172	-	7,172	3,514	-	3,514	3,514	-	3,514
Telecommunications & Technology Services	26,197	-	26,197	15,290	-	15,290	15,290	-	15,290
Fund for Student Success	6,158	-	6,158	3,792	-	3,792	3,792	-	3,792
Economic Development	46,790	-	46,790	22,929	-	22,929	22,929	-	22,929
Transfer Education and Articulation	1,424	-	1,424	698	-	698	698	-	698
Physical Plant & Instructional Support	27,345	-	27,345	-	-	-	-	-	-
Career Technical Education	20,000	-	20,000	48,000	-	48,000	20,000	-	20,000
Campus Childcare Tax Bailout	6,836	-	6,836	3,350	-	3,350	3,337	-	3,337
Math and Science	-	-	-	-	-	-	-	-	58
Nursing Program Support	22,100	-	22,100	13,378	-	13,378	13,378	-	13,378
Local District Fiscal Oversight	570	-	570	570	-	570	570	-	570
Compton CCD Loan Payback	-447	-	-447	-317	-	-317	-316	-	-316
Underrepresented Students	-	-	-	30	-	30	-	-	-
State Mandated Local Costs	-	-	-	3	-	3	-	-	-
One-time P-Tax Backfill	21,648	-	21,648	3,722	-	3,722	-	-	-
Totals, Local Assistance	3,935,379	23,295	3,958,674	3,725,279	9,223	3,734,502	3,980,982	9,223	3,990,205
Capital Outlay	-	273,444	273,444	-	-	593,428	-	-	342,707
Totals, Board of Governors of Community College	\$3,944,106	\$23,332	\$4,242,640	\$3,734,374	\$9,381	\$4,339,014	\$3,991,073	\$9,431	\$4,345,110
General Obligation Bonds-Hi Ed-CC	184,133	-	184,133	265,532	-	265,532	292,209	-	292,209
Retirement Costs-Hi Ed-CC	89,173	-	89,173	95,524	-	95,524	97,455	-	97,455
Totals, Higher Education-Community Colleges	\$4,217,412	\$23,332	\$4,515,946	\$4,095,430	\$9,381	\$4,700,070	\$4,380,737	\$9,431	\$4,734,774
Higher Education-UC, CSU and Other	1,958	-	1,958	1,808	-	1,808	2,013	-	2,013
Postsecondary Education Commission	-	-	-	8,238	-	8,238	-	-	8,579
Totals, Postsecondary Education Commission	\$1,958	-	\$1,958	\$8,602	-	\$1,808	\$2,013	-	\$2,013
University of California	2,418,291	32,465	2,450,756	2,596,066	31,454	3,150,330	3,018,649	30,064	3,317,613
State Operations	-	-	68,636	-	-	346,080	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-
Totals, University of California Institute for Regenerative Medicine	\$2,418,291	\$32,465	\$2,519,392	\$2,596,066	\$31,454	\$3,150,330	\$3,018,649	\$30,064	\$3,317,613

SCHEDULE 9 -- Continued
COMPARATIVE STATEMENT OF EXPENDITURES
(Dollars In Thousands)

	Actual 2008-09				Estimated 2009-10				Proposed 2010-11			
	General Fund	Special Fund	Selected Bond Funds	Federal Funds	General Fund	Special Fund	Selected Bond Funds	Federal Funds	General Fund	Special Fund	Selected Bond Funds	Federal Funds
State Operations	-	-	8,878	8,878	-	-	11,082	11,082	-	-	11,480	11,480
Local Assistance	-	-	136,894	136,894	-	-	269,801	269,801	-	-	327,677	327,677
Totals, Institute for Regenerative Medicine	-	-	\$145,772	\$145,772	-	-	\$280,883	\$280,883	-	-	\$339,157	\$339,157
Hastings College of the Law	10,115	-	-	10,115	-	-	-	8,270	-	-	-	-
State Operations	-	-	65	65	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-	-	-	-
Totals, Hastings College of the Law	\$10,115	\$65	\$10,180	\$10,180	\$8,270	\$8,270	\$8,270	\$8,270	\$8,364	\$8,364	\$8,364	\$8,364
California State University	2,155,261	-	42	2,155,303	769,884	2,350,054	-	18,757	2,368,811	821,263	-	2,723,435
State Operations	-	-	60,288	60,288	-	-	-	154,001	154,001	-	-	82,945
Capital Outlay	-	-	-	-	-	-	-	-	-	-	-	-
Totals, California State University	\$2,155,261	\$60,330	\$2,215,591	\$2,215,591	\$769,884	\$2,350,054	\$172,758	\$2,522,812	\$2,723,435	\$821,263	\$82,945	\$2,806,360
Student Aid Commission	10,810	-	-	10,810	1,542,124	9,848	-	9,848	1,580,979	10,560	-	10,560
State Operations	-	-	-	-	-	-	-	-	-	-	-	-
Local Assistance	877,448	-	877,448	877,448	18,111	999,005	-	999,005	18,538	1,099,645	-	1,099,645
Totals, Student Aid Commission	\$888,258	\$888,258	\$1,560,235	\$1,560,235	\$1,008,853	\$1,008,853	\$1,008,853	\$1,599,517	\$1,110,205	\$1,110,205	\$1,110,205	\$1,599,150
General Obligation Bonds-Hi Ed	407,228	-	-	407,228	-	505,811	-	505,811	-	592,749	-	592,749
State Operations	-	-	-	-	-	-	-	-	-	-	-	-
Totals, Higher Education-UC, CSU and Other	\$5,881,111	\$32,465	\$6,188,379	\$6,188,379	\$5,312,365	\$6,470,862	\$31,454	\$7,302,165	\$7,455,415	\$30,064	\$422,102	\$7,907,581
TOTALS, EDUCATION	\$44,190,910	\$793,251	\$49,511,601	\$49,511,601	\$13,119,212	\$45,119,966	\$143,047	\$3,029,228	\$48,292,241	\$14,367,559	\$14,500,688	\$49,429,142
State Operations	7,493,196	58,510	14,268	7,565,974	5,428,746	8,199,098	55,212	37,686	8,291,996	5,710,610	9,294,976	9,366,823
Local Assistance	36,697,605	734,741	4,110,739	41,543,085	7,690,466	36,920,868	87,835	1,898,033	38,906,736	8,656,949	38,545,415	7,038,250
Capital Outlay	109	-	402,433	402,542	-	-	-	1,093,509	-	-	425,652	-
LABOR AND WORKFORCE DEVELOPMENT	-	-	-	-	-	-	-	-	-	-	-	-
Labor & Workforce Development, Secy	-	175	-	175	-	426	-	426	-	-	413	-
State Operations	-	-	-	-	-	-	-	-	-	-	-	-
Employment Development Department	24,766	85,413	-	110,179	754,648	27,232	71,300	-	98,532	1,030,786	64,275	111,795
State Operations	-	-	-	-	-	-	-	-	-	-	-	-
Local Assistance	-	-	-	-	14,566,882	-	-	-	23,551,274	-	-	18,787,055
Totals, Employment Development Department	\$24,766	\$85,413	\$110,179	\$15,311,530	\$27,232	\$71,300	\$98,532	\$24,582,060	\$47,520	\$64,275	\$111,795	\$19,724,420
Workforce Investment Board	-	-	-	-	-	-	-	-	-	-	-	-
State Operations	-	-	-	2,431	-	-	-	-	-	-	-	3,370
Agricultural Labor Relations Board	4,574	-	-	4,574	-	4,492	-	4,492	-	5,024	-	-
State Operations	-	-	-	-	-	-	-	-	-	-	-	-
Department of Industrial Relations	66,105	233,449	-	299,554	28,115	25,057	-	281,927	27,737	5,859	310,881	316,740
State Operations	\$95,445	\$319,037	\$414,482	\$15,342,076	\$56,781	\$328,596	\$385,377	\$24,612,916	\$58,403	\$375,569	\$433,972	\$19,757,54
TOTALS, LABOR AND WORKFORCE DEVELOPMENT	\$95,445	\$319,037	\$414,482	\$15,342,076	\$56,781	\$328,596	\$385,377	\$24,612,916	\$58,403	\$375,569	\$433,972	\$19,757,54
State Operations	-	-	-	-	-	-	-	-	-	-	-	-
Local Assistance	-	-	-	-	-	-	-	-	-	-	-	-
GENERAL GOVERNMENT	-	-	-	-	-	-	-	-	-	-	-	-
General Administration	-	37,219	-	37,219	-	38,963	-	38,963	-	38,581	-	38,581
Peace Officer Standards & Training Comm	-	18,330	-	18,330	-	20,766	-	20,766	-	20,826	-	20,826
State Operations	-	-	-	-	-	-	-	-	-	-	-	-
Local Assistance	-	-	-	-	-	-	-	-	-	-	-	-

**SCHEDULE 9 -- Continued
COMPARATIVE STATEMENT OF EXPENDITURES
(Dollars In Thousands)**

	Actual 2008-09			Estimated 2009-10			Proposed 2010-11			
	General Fund	Selected Special Fund	Federal Funds	General Fund	Selected Special Fund	Federal Funds	General Fund	Selected Special Fund	Federal Funds	
Totals, Peace Officer Standards & Training Com	-	\$55,549	-	-	\$59,729	-	-	\$59,407	-	\$59,407
State Public Defender	10,756	-	-	9,750	-	9,750	-	-	-	11,005
Arts Council	1,070	824	1,019	999	814	1,120	1,119	883	-	2,002
Totals, Arts Council	\$1,070	\$3,134	\$1,119	\$999	\$3,124	\$1,120	\$1,119	\$3,193	-	\$4,312
Public Employment Relations Board	6,018	-	6,018	5,732	-	5,732	6,386	-	-	6,386
Department of Personnel Administration	22,177	888	23,240	9,749	1,750	11,841	10,268	-	-	10,268
Citizens' Compensation Commission	5	-	5	14	-	14	14	-	-	14
Board of Chiropractic Examiners	-	3,187	3,187	-	3,761	3,761	-	3,627	-	3,627
Horse Racing Board	-	9,403	9,403	-	11,254	11,254	-	11,734	-	11,734
Department of Food & Agriculture	84,977	96,217	181,194	79,975	91,144	172,297	86,650	115,588	1,178	203,416
Local Assistance	10,929	46,646	57,575	42,938	30,365	73,303	42,938	30,365	-	73,303
Capital Outlay	605	-	605	-	-	-	-	-	-	-
Totals, Department of Food & Agriculture	\$96,511	\$142,863	\$48,664	\$122,913	\$121,509	\$70,374	\$129,588	\$145,953	\$1,178	\$276,719
Fair Political Practices Commission	7,761	-	7,761	7,388	-	7,388	8,289	-	-	8,289
Political Reform Act of 1974	-	-	-	-	-	-	2,476	-	-	2,476
Public Utilities Commission	-	-	-	-	-	-	-	-	-	-
Milton Marks Little Hoover Commission	-	1,134,790	1,283	-	1,222,419	2,222	-	1,374,225	-	1,374,225
Commission on the Status of Women	901	-	901	824	-	824	943	-	-	943
Law Revision Commission	473	-	473	430	-	430	487	-	-	487
Commission on Uniform State Laws	649	-	649	588	-	588	-	-	-	-
Bureau of State Audits	148	-	148	148	-	148	-	-	-	-
Department of Finance	8,908	1,857	10,765	10,269	606	10,875	9,359	995	-	10,354
Financial Information System for CA	14,806	609	15,639	17,652	531	18,399	19,164	595	159	19,918
Commission on State Mandates	2,145	-	2,145	2,107	-	2,107	15,951	6,610	-	22,561
Local Assistance	1,414	-	1,414	1,440	-	1,440	1,579	-	-	1,579
Totals	11,000	1,081	12,081	76,420	3,036	79,456	79,925	2,716	-	82,641

SCHEDULE 9 -- Continued
COMPARATIVE STATEMENT OF EXPENDITURES
(Dollars In Thousands)

	Actual 2008-09			Estimated 2009-10			Proposed 2010-11		
	General Fund	Selected Bond Funds	Budget Total	General Fund	Selected Bond Funds	Budget Total	General Fund	Selected Bond Funds	Budget Total
Totals, Commission on State Mandates	\$12,414	\$1,081	\$13,495	\$77,860	\$3,036	\$80,896	\$81,504	\$2,716	\$84,220
Office of Administrative Law									
State Operations	1,465	-	1,465	1,425	-	1,425	-	-	-
Military Department									
State Operations	39,369	52	39,421	42,247	609	42,856	45,618	575	46,193
Local Assistance	50	-	50	60	-	60	60	-	60
Capital Outlay	807	-	807	100	-	100	-	-	-
Totals, Military Department	\$40,226	\$52	\$40,278	\$42,407	\$609	\$43,016	\$45,678	\$575	\$46,253
Department of Veterans Affairs									
State Operations	152,358	324	152,763	179,949	374	180,575	233,427	381	234,090
Local Assistance	2,600	824	3,424	2,600	824	3,424	2,600	824	3,424
Capital Outlay	581	-	581	945	-	945	910	-	910
Totals, Department of Veterans Affairs	\$155,539	\$1,148	\$156,768	\$183,494	\$1,198	\$184,692	\$236,937	\$1,205	\$238,424
Federal Per Diem for Veterans Housing									
State Operations	-28,700	-	-28,700	-30,157	-	-30,157	-33,135	-	-33,135
General Obligation Bonds-Gen Govt									
State Operations	23,358	-	23,358	33,391	-	33,391	32,273	-	32,273
Totals, General Administration	\$376,630	\$1,354,561	\$1,731,671	\$496,983	\$1,429,526	\$1,957,988	\$578,306	\$1,610,835	\$2,190,760
Tax Relief									
Local Assistance									
Senior Citizens Property Tax Deferral	13,077	-	13,077	-	-	-	-	-	-
Homeowners' Property Tax Relief	433,386	-	433,386	437,763	-	437,763	442,184	-	442,184
Subventions for Open Space	33,849	-	33,849	1	-	1	1	-	1
Totals, Local Assistance	480,312	-	480,312	437,764	-	437,764	442,185	-	442,185
Totals, Tax Relief	\$480,312	-	\$480,312	\$437,764	-	\$437,764	\$442,185	-	\$442,185
Local Government Subventions									
Local Government Financing									
Local Assistance	175,169	45,802	220,971	191,149	343,975	363,124	91,300	365,267	456,567
Payment to Counties for Homicide Trials									
Local Assistance	-	-	-	1	-	1	-	-	1
Shared Revenues									
Local Assistance	-	-	220,661	-	-	729,339	-	-	-
Apportionment of Off-Hwy License Fees									
Local Assistance	-	1,047	1,047	-	2,400	2,400	-	2,400	2,400
Apportionment of Fed Rcpts Fld Cntl Lnds									
Local Assistance	-	-	-	141	-	-	-	-	-
Apportionment of Fed Rcpts Forest Rsrvs									
Local Assistance	-	-	-	57,977	-	-	66,141	-	66,141
Apportionment of Fed Rcpts Grazing Land									
Local Assistance	-	-	-	52	-	-	107	-	107
Apportionment of Fed Potash Lease Rntls									
Local Assistance	-	-	-	1,197	-	-	2,173	-	2,173
Apportionment of MV License Fees									

SCHEDULE 9 -- Continued
COMPARATIVE STATEMENT OF EXPENDITURES
(Dollars In Thousands)

	Actual 2008-09			Estimated 2009-10			Proposed 2010-11		
	General Fund	Special Fund	Selected Bond Funds	General Fund	Special Fund	Selected Bond Funds	General Fund	Special Fund	Selected Bond Funds
Local Assistance	11,862	171,365	-	11,862	82,719	-	-	117,656	-
Apportionment of Tideland Revenues	-	-	183,227	-	-	94,581	-	-	117,656
Local Assistance	622	-	622	740	-	740	-	-	740
Apportionment of MV Fuel Tx County Rds	-	322,453	-	-	305,267	-	-	523,187	-
Local Assistance	-	232,373	-	-	221,070	-	-	378,887	-
Apportionment of MV Fuel Tx City Streets	-	135,741	-	-	127,312	-	-	218,195	-
Local Assistance	-	338,654	-	-	332,736	-	-	570,265	-
Apportionment of MV Fuel Co&City/St&Hwy	-	2,105	2,105	-	2,041	-	-	2,041	-
Local Assistance	-	532,934	-	-	568,902	-	-	-	-
Apportionment of Geothermal Rsrcs Dvlp	-	532,934	-	-	568,902	-	-	-	-
Local Assistance	-	532,934	-	-	568,902	-	-	-	-
Apportionment of Local Transportation Fd	-	532,934	-	-	568,902	-	-	-	-
Totals, Shared Revenues	\$12,484	\$1,736,672	\$220,661	\$12,602	\$1,642,447	\$729,339	\$740	\$1,812,631	\$68,801
Totals, Local Government Subventions	\$187,653	\$1,782,474	\$220,661	\$31,752	\$1,986,422	\$729,339	\$92,041	\$2,177,898	\$68,801
Debt Service	-	-	\$219,078	\$59,367	\$2,747,513	\$68,801	-	\$2,289,939	\$68,801
Payment of Interest on PIMA Loans	-	-	-	-	-	-	-	-	-
State Operations	853	-	853	454	-	454	-	-	454
Enhanced Tobacco Asset-Backed Bonds	-	-	-	-	-	-	1	-	1
State Operations	-	-	-	-	-	-	-	-	-
Economic Recovery Financing Committee	-	11,508	11,508	-	11,800	-	-	11,913	-
State Operations	-	1,289,719	1,289,719	-	1,135,560	-	-	1,323,428	-
Unclassified	-	-	-	-	-	-	-	-	-
Totals, Economic Recovery Financing Committee	-	\$1,301,227	\$1,301,227	-	\$1,147,360	-	-	\$1,335,341	-
Cash Management and Budgetary Loans	-	-	-	-	-	-	-	-	-
State Operations	277,228	-	277,228	353,000	-	353,000	598,000	-	598,000
Interest Payments to the Federal Govt	-	-	-	-	-	-	-	-	-
State Operations	13,901	345	14,246	5,000	1,001	6,001	30,000	1,001	31,001
Totals, Debt Service	\$291,982	\$1,301,572	\$1,593,554	\$358,454	\$1,148,361	\$1,506,815	\$628,455	\$1,336,342	\$1,964,797
Statewide Expenditures	-	-	-	-	-	-	-	-	-
Health & Dental Benefits for Annuitants	-	-	-	-	-	-	-	-	-
State Operations	1,146,932	-	1,146,932	1,170,681	-	1,170,681	1,401,286	-	1,401,286
Statewide Accounts Receivable Management	-	-	-	-	-	-	-	-	-
State Operations	-	-	-	1,067	3,125	4,192	1,175	3,125	4,300
Victim Compensation/Government Claims Bd	-	-	-	-	-	-	-	-	-
State Operations	1,422	36	1,458	12,823	20	12,843	-	-	-
Contingencies/Emergencies Augmentations	-	-	-	-	-	-	-	-	-
State Operations	-	-	-	12,500	14,488	26,988	20,000	15,000	35,000
Capital Outlay Planning & Studies	-	-	-	-	-	-	-	-	-
Capital Outlay	1,000	-	1,000	500	-	500	500	-	500
Reserve for Liquidation of Encumbrances	-	-	-	-	-	-	-	-	-
Unclassified	-457,332	-	-457,332	-	-	-	-	-	-
Statewide Proposition 98 Reconciliation	-	-	-	-	-	-	-	-	-

SCHEDULE 9 -- Continued
COMPARATIVE STATEMENT OF EXPENDITURES
(Dollars In Thousands)

	Actual 2008-09			Estimated 2009-10			Proposed 2010-11		
	General Fund	Special Fund	Selected Bond Funds	General Fund	Special Fund	Selected Bond Funds	General Fund	Special Fund	Selected Bond Funds
State Operations	16,868	-	-	-	-	-	-	-	-
Local Assistance	-463,532	-	-81,468	-81,468	-81,468	-	-155,642	-	-155,642
Totals, Statewide Proposition 98 Reconciliation	\$-446,664	\$-446,664	\$-81,468	\$-81,468	\$-81,468	\$-81,468	\$-155,642	\$-155,642	\$-155,642
Section 3.60 Rate Adjustments									
State Operations	-	-	-	-	-	-	129,560	174,495	-
PERS General Fund Payment									
State Operations	377,703	-	415,962	415,962	415,962	-	447,210	-	447,210
Statewide General Admin Exp (Pro Rata)									
State Operations	-508,516	1,261	-351,622	1,295	-350,327	-	-411,235	1,798	-409,437
Various Departments									
State Operations	-57,133	57,133	-	-156,000	-16,000	-	-176,000	-126,000	-302,000
Local Assistance	-	59,816	-	63,186	63,186	-	-1,000,000	63,186	-936,814
Totals, Various Departments	\$-57,133	\$116,949	\$59,816	\$-156,000	\$47,186	\$-108,814	\$-1,176,000	\$-62,814	\$-1,238,814
Department of Justice Legal Services									
State Operations	-	-	-	-	-	-	53,870	-	53,870
Totals, Statewide Expenditures	\$57,412	\$118,246	\$175,658	\$21	\$1,024,443	\$66,114	\$3	\$310,724	\$131,604
Augmentation for Employee Compensation									
State Operations	-	-	-	5,500	5,500	-	25,638	34,321	59,959
Reduction for Employee Compensation									
State Operations	-	-	-	-986,519	-456,039	-	-1,537,804	-771,488	-2,309,292
Totals, Augmentation for Employee Compensation	-	-	-	\$-986,519	\$-450,539	-	\$-1,512,166	\$-737,167	\$-2,249,333
Statewide Savings									
General Fund Credits from Federal Funds									
State Operations	-88,784	-	-88,784	-102,346	-	-	-106,598	-	-106,598
PERS Deferral									
State Operations	-415,962	-	-415,962	-447,210	-	-	-479,600	-	-479,600
Employee Compensation Reform									
State Operations	-	-	-	-48,400	-26,400	-	-47,850	-26,100	-73,950
Totals, Statewide Savings	\$-504,746	\$-504,746	\$-597,956	\$-624,356	\$-624,356	\$-624,356	\$-634,048	\$-26,100	\$-660,148
TOTALS, GENERAL GOVERNMENT	\$889,243	\$4,556,853	\$221,141	\$5,667,237	\$205,849	\$205,849	\$764,921	\$4,553,412	\$1,619
State Operations	1,114,570	1,355,653	480	2,470,703	146,035	253,310	911,015	1,803,316	1,619
Local Assistance	229,012	1,911,481	220,661	2,361,154	59,467	510,066	2,106,909	69,379	2,298,125
Capital Outlay	2,993	-	-	2,993	347	1,545	31,036	658	1,410
Unclassified	-457,332	1,289,719	-	832,387	-	1,135,560	-	1,323,428	-
GRAND TOTAL	\$90,940,420	\$23,843,771	\$7,601,796	\$122,385,987	\$73,089,593	\$86,092,053	\$25,730,250	\$124,676,159	\$6,987,511
State Operations	\$24,230,460	\$12,072,180	\$411,616	\$36,714,256	\$9,833,783	\$23,365,768	\$11,629,355	\$11,410,002	\$24,103,286
Local Assistance	\$65,716,001	\$11,014,856	\$5,700,197	\$82,431,054	\$61,987,962	\$61,085,273	\$13,374,557	\$68,648,335	\$68,491,090
Capital Outlay	\$118,219	\$800,088	\$1,489,983	\$2,408,290	\$135,339	\$1,096,451	\$5,086,367	\$6,318,157	\$2,209,030
Unclassified	\$875,740	\$-43,353	-	\$832,387	-	\$1,505,673	\$-370,113	\$1,135,560	\$5,000
BUDGET ACT TOTALS	\$64,960,520	\$12,151,415	\$2,027,194	\$79,139,129	\$64,405,146	\$59,550,733	\$12,088,215	\$74,440,266	\$65,049,397
State Operations	20,978,894	9,574,229	292,624	30,845,747	4,281,284	18,361,556	9,720,337	803,029	28,884,922
Local Assistance	43,928,943	2,243,767	1,315,127	47,487,837	59,764,325	40,158,496	2,150,395	44,425,207	78,954,359
Capital Outlay	52,683	333,419	419,443	805,545	359,537	30,681	217,483	881,973	1,130,137
Unclassified	-	-	-	-	-	-	-	-	-
TOTALS, GENERAL GOVERNMENT	\$118,219	\$800,088	\$1,489,983	\$2,408,290	\$135,339	\$1,096,451	\$5,086,367	\$6,318,157	\$2,209,030
State Operations	\$24,230,460	\$12,072,180	\$411,616	\$36,714,256	\$9,833,783	\$23,365,768	\$11,629,355	\$11,410,002	\$24,103,286
Local Assistance	\$65,716,001	\$11,014,856	\$5,700,197	\$82,431,054	\$61,987,962	\$61,085,273	\$13,374,557	\$68,648,335	\$68,491,090
Capital Outlay	\$118,219	\$800,088	\$1,489,983	\$2,408,290	\$135,339	\$1,096,451	\$5,086,367	\$6,318,157	\$2,209,030
Unclassified	\$875,740	\$-43,353	-	\$832,387	-	\$1,505,673	\$-370,113	\$1,135,560	\$5,000
BUDGET ACT TOTALS	\$64,960,520	\$12,151,415	\$2,027,194	\$79,139,129	\$64,405,146	\$59,550,733	\$12,088,215	\$74,440,266	\$65,049,397
State Operations	20,978,894	9,574,229	292,624	30,845,747	4,281,284	18,361,556	9,720,337	803,029	28,884,922
Local Assistance	43,928,943	2,243,767	1,315,127	47,487,837	59,764,325	40,158,496	2,150,395	44,425,207	78,954,359
Capital Outlay	52,683	333,419	419,443	805,545	359,537	30,681	217,483	881,973	1,130,137
Unclassified	-	-	-	-	-	-	-	-	-
TOTALS, GENERAL GOVERNMENT	\$118,219	\$800,088	\$1,489,983	\$2,408,290	\$135,339	\$1,096,451	\$5,086,367	\$6,318,157	\$2,209,030
State Operations	\$24,230,460	\$12,072,180	\$411,616	\$36,714,256	\$9,833,783	\$23,365,768	\$11,629,355	\$11,410,002	\$24,103,286
Local Assistance	\$65,716,001	\$11,014,856	\$5,700,197	\$82,431,054	\$61,987,962	\$61,085,273	\$13,374,557	\$68,648,335	\$68,491,090
Capital Outlay	\$118,219	\$800,088	\$1,489,983	\$2,408,290	\$135,339	\$1,096,451	\$5,086,367	\$6,318,157	\$2,209,030
Unclassified	\$875,740	\$-43,353	-	\$832,387	-	\$1,505,673	\$-370,113	\$1,135,560	\$5,000
BUDGET ACT TOTALS	\$64,960,520	\$12,151,415	\$2,027,194	\$79,139,129	\$64,405,146	\$59,550,733	\$12,088,215	\$74,440,266	\$65,049,397
State Operations	20,978,894	9,574,229	292,624	30,845,747	4,281,284	18,361,556	9,720,337	803,029	28,884,922
Local Assistance	43,928,943	2,243,767	1,315,127	47,487,837	59,764,325	40,158,496	2,150,395	44,425,207	78,954,359
Capital Outlay	52,683	333,419	419,443	805,545	359,537	30,681	217,483	881,973	1,130,137
Unclassified	-	-	-	-	-	-	-	-	-
TOTALS, GENERAL GOVERNMENT	\$118,219	\$800,088	\$1,489,983	\$2,408,290	\$135,339	\$1,096,451	\$5,086,367	\$6,318,157	\$2,209,030
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State Operations	20,978,894	9,574,229	292,624	30,845,747	4,281,284	18,361,556	9,720,337	803,029	28,884,922
Local Assistance	43,928,943	2,243,767	1,315,127	47,487,837	59,764,325	40,158,496	2,150,395	44,425,207	78,954,359
Capital Outlay	52,683	333,419	419,443	805,545	359,537	30,681	217,483	881,973	1,130,137
Unclassified	-	-	-	-	-	-	-	-	-
TOTALS, GENERAL GOVERNMENT	\$118,219	\$800,088	\$1,489,983	\$2,408,290	\$135,339	\$1,096,451	\$5,086,367	\$6,318,157	\$2,209,030
State Operations	\$24,230,460	\$12,072,180	\$411,616	\$36,714,256	\$9,833,783	\$23,365,768	\$11,629,355	\$11,410,002	\$24,103,286
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Capital Outlay	\$118,219	\$800,088	\$1,489,983	\$2,408,290	\$135,339	\$1,096,451	\$5,086,367	\$6,318,157	\$2,209,030
Unclassified	\$875,740	\$-43,353	-	\$832,387	-	\$1,505,673	\$-370,113	\$1,135,560	\$5,000
BUDGET ACT TOTALS	\$64,960,520	\$12,151,415	\$2,027,194	\$79,139,129	\$64,405,146	\$59,550,733	\$12,088,215	\$74,440,266	\$65,049,397
State Operations	20,978,894	9,574,229	292,624	30,845,747	4,281,284	18,361,556	9,720,337	803,029	28,884,922
Local Assistance	43,928,943	2,243,767	1,315,127	47,487,837	59,764,325	40,158,496	2,150,395	44,425,207	78,954,359
Capital Outlay	52,683	333,419	419,443	805,545	359,537	30,681	217,483	881,973	1,130,137
Unclassified	-	-	-	-	-	-	-	-	-
TOTALS, GENERAL GOVERNMENT	\$118,219	\$800,088	\$1,489,983	\$2,408,290	\$135,339	\$1,096,451	\$5,086,367	\$6,318,157	\$2,209,030
State Operations	\$24,230,460	\$12,072,180	\$411,616	\$36,714,256	\$9,833,783	\$23,365,768	\$11,629,355	\$11,410,002	\$24,103,286
Local Assistance	\$65,716,001	\$11,014,856	\$5,700,197	\$82,431,054	\$61,987,962	\$61,085,273	\$13,374,557	\$68,648,335	\$68,491,090
Capital Outlay	\$118,219	\$800,088	\$1,489,983	\$2,408,290	\$135,339	\$1,096,451	\$5,086,367	\$6,318,157	\$2,209,030
Unclassified	\$875,740	\$-43,353	-	\$832,387	-	\$1,505,673	\$-370,113	\$1,135,560	\$5,000
BUDGET ACT TOTALS	\$64,960,520	\$12,151,415	\$2,027,194	\$79,139,129	\$64,405,146	\$59,550,733	\$12,088,215	\$74,440,266	\$65,049,397
State Operations	20,978,894	9,574,229	292,624	30,845,747	4,281,284	18,361,556	9,720,337	803,029	28,884,922</

SCHEDULE 10
SUMMARY OF FUND CONDITION STATEMENTS
(Dollars In Thousands)

Fund	Reserves June 30, 2008	Actual Revenues 2008-09	Actual Expenditures 2008-09	Reserves June 30, 2009	Estimated Revenue 2009-10	Estimated Expenditures 2009-10	Reserves June 30, 2010	Estimated Revenues 2010-11	Estimated Expenditures 2010-11	Reserves June 30, 2011
GENERAL FUND	2,313,597	82,772,112	90,940,419	-5,854,710	88,083,471	86,092,049	-3,863,288	89,322,141	82,901,299	2,557,554
SPECIAL FUNDS										
Abandoned Mine Reclamation & Minerals Fd	286	653	209	730	660	540	850	660	550	960
Abandoned Watercraft Abatement Fund	44	500	415	129	500	500	129	650	650	129
Accountancy Fund	25,865	-1,389	8,783	15,693	12,983	11,747	16,929	13,265	12,477	17,717
Acupuncture Fund	4,040	2,492	1,787	4,745	2,445	2,440	4,750	2,698	2,621	4,827
Acute Orphan Well Account, Oil, Gas, Geo	1,096	32	272	856	25	-	881	25	900	6
Administration Acct, Child & Families	26,186	5,804	6,925	25,065	5,232	4,364	25,933	5,144	24,856	6,221
Advanced Services Fund, California	-	79,368	35	79,333	21,554	50,225	50,662	426	25,088	26,000
Aeronautics Account STF	6,919	6,331	6,200	7,050	2,175	3,230	5,995	6,182	7,777	4,400
Agricultural Export Promotion Acct, CA	58	33	38	53	15	10	58	15	10	63
Air Pollution Control Fund	36,396	152,469	143,507	45,358	155,619	165,644	35,333	158,134	175,447	18,020
Air Quality Improvement Fund	-	38,338	37,188	1,150	45,600	46,018	732	45,600	44,215	2,117
Air Toxics Inventory and Assessment Acct	459	658	606	511	951	973	489	951	975	465
Alcohol Beverages Control Fund	13,313	49,168	49,394	13,087	51,637	51,106	13,618	53,306	56,209	10,715
Alcoholic Beverage Control Appeals Fund	847	1,050	902	995	1,123	966	1,152	1,152	1,035	1,269
Alternative & Renewable & Vehicle Tech	4	107,274	4,678	102,600	80,774	178,661	4,713	114,638	112,703	6,648
Analytical Laboratory Account, Food & Ag	1,038	1,272	510	1,800	555	531	1,824	555	500	1,879
Antiterrorism Fund	7,062	-538	3,770	2,754	1,400	2,425	1,729	1,400	879	2,250
Appellate Court Trust Fund	2,496	4,285	5,956	825	4,045	4,281	589	4,045	4,329	305
Apprenticeship Training Contribution Fd	17,706	10,227	6,696	21,237	9,800	6,718	24,319	4,750	11,067	18,002
Architects Board Fund, California	3,083	2,094	2,848	2,329	2,938	3,576	1,691	2,082	3,744	29
Army Discretionary Improvement Account	270	74	64	280	75	158	197	75	169	103
Asbestos Consultant Certification Acct	799	468	365	902	468	331	1,039	468	379	1,128
Asbestos Training Approval Account	249	225	129	345	225	225	449	225	136	538
Assistance for Fire Equipment Acct, State	477	135	12	600	50	100	550	50	100	500
Athletic Commission Fund	942	1,868	1,862	948	2,041	1,886	1,103	2,521	1,959	1,665
Athlct Comm Neutrgl Exmtn Acct, St	402	160	41	521	116	109	528	139	120	547
Attorney General Antitrust Account	649	876	1,266	259	1,354	1,344	269	2,223	2,223	269
Audit Fund, State	4,191	-	1,757	2,434	-	356	2,078	-	995	1,083
AIDS Drug Assistance Program Rebate Fund	104,294	159,958	173,069	91,183	184,300	257,367	18,116	204,757	212,175	10,698
Barbering/Cosmetology Fd, St Bd of	12,153	9,475	15,562	6,066	20,295	17,222	9,139	21,236	18,283	12,092
Beach and Coastal Enhancement Acct, Calif	521	1,776	1,523	774	1,738	2,019	493	1,583	1,570	506
Behavioral Science Examiners Fund	7,158	2,957	5,622	4,493	6,580	6,505	4,568	6,974	8,560	2,982
Beverage Container Recycling Fund, CA	409,295	972,947	1,221,895	160,347	1,049,972	1,155,489	54,830	1,093,809	1,086,883	61,756
Bicycle Transportation Account, STF	6,906	1,833	7,208	1,531	7,799	7,220	2,110	13,799	7,210	8,699
Bimetal Processing Fee Acct, Bev Cont Re	7,899	2,131	390	9,640	2,169	378	11,431	2,169	379	13,221
Bingo Fund, California	-	520	184	336	503	711	128	815	769	174
Birth Defects Monitoring Fund	562	3,047	2,018	1,591	4,106	3,557	2,140	4,245	3,733	2,652
Bldg Strds Admin Special Revolving Fund	-	176	-	176	1,147	500	823	1,228	1,309	742
Breast Cancer Control Account	19,707	13,097	18,977	13,827	14,611	26,015	2,423	12,374	14,185	612
Breast Cancer Fund	4,251	688	551	4,388	-3,739	649	-	767	767	-
Breast Cancer Research Account	1,613	13,150	14,290	473	14,638	14,395	716	12,401	12,466	651
Business Fees Fund, Secty of State's	1,235	35,781	37,016	-	36,104	36,104	-	37,317	37,317	-
Cal- OSHA Targeted Inspection & Consult	4,520	15,193	9,415	10,298	9,193	8,793	10,698	12,193	8,845	14,046

SCHEDULE 10 -- Continued
SUMMARY OF FUND CONDITION STATEMENTS
(Dollars in Thousands)

Fund	Reserves June 30, 2008	Actual Revenues 2008-09	Actual Expenditures 2008-09	Reserves June 30, 2009	Estimated Revenue 2009-10	Estimated Expenditures 2009-10	Reserves June 30, 2010	Estimated Revenues 2010-11	Estimated Expenditures 2010-11	Reserves June 30, 2011
California Memorial Scholarship Fund	39	-	-	39	-	-	-	-	-	39
Cancer Research Fund	3,743	-2,119	-	1,624	-	-	1,624	-1,624	-	-
Cannery Inspection Fund	1,459	2,061	2,149	1,371	2,170	2,068	1,473	2,170	2,344	1,299
Car Wash Worker Fund	737	1,520	132	2,125	700	186	2,639	700	199	3,140
Car Wash Worker Restitution Fund	267	1,408	-	1,675	600	80	2,195	600	80	2,715
Caseload Subacct, Sales Tax Growth Acct	-	-	-	-	-	-	-	146,466	146,466	-
Cemetery Fund	4,008	631	1,760	2,879	1,369	2,155	2,093	2,258	2,388	1,963
Certification Acct, Consumer Affairs Fd	766	1,082	1,036	812	1,050	1,043	819	1,175	1,157	837
Certification Fund	3,620	1,575	1,132	4,063	1,540	1,710	3,893	1,585	1,883	3,595
Certified Access Specialist Fund	-	164	-	164	455	284	335	409	270	474
Certified Unified Program Account, State	1,625	1,579	1,315	1,889	1,398	1,825	1,462	1,420	2,350	532
Charity Bingo Mitigation Fund	-	5,000	1,533	3,467	-	-	3,467	-3,467	-	-
Child Abuse Fund, DOJ	1,132	502	360	1,274	490	360	1,404	491	365	1,530
Child Care Acct, Child & Families Trust	55,645	17,100	19,881	52,864	15,797	14,797	53,864	15,532	59,532	9,864
Child Health and Safety Fund	4,402	4,841	5,523	3,720	4,785	6,446	2,059	5,030	6,806	283
Childhood Lead Poisoning Prevention Fund	38,325	19,496	19,172	38,649	21,371	22,443	37,577	21,371	23,401	35,547
Children & Families First Trust Fd, Cal	2,034	9,694	11,721	7	13,971	13,972	6	16,782	16,782	6
Children's Health & Human Services Sp Fd	-	-	-	-	239,209	193,592	45,617	163,554	209,171	-
Children's Medical Services Rebate Fund	10,234	1,760	1,503	10,491	4,116	4,000	10,607	4,116	4,000	10,723
Chiropractic Examiners Fund	4,936	2,402	3,188	4,150	2,319	3,761	2,708	2,306	3,631	1,383
Cigarette & Tobacco Products Compliance	1,797	1,895	1,132	2,560	1,730	649	3,641	1,730	601	4,770
Cigarette & Tobacco Products Surtax Fund	-	7,361	6,907	454	8,628	8,128	954	9,425	9,537	842
Clandestine Drug Lab Clean-Up Account	14	-	-	14	-	-	14	-	-	14
Clinical Laboratory Improvement Fund	2,367	6,116	5,850	2,633	8,635	5,346	5,922	10,834	9,614	7,142
Clinup Loans Envrnmtl Asst Neighborhood Act	3,092	-78	-897	3,911	-412	-5	3,504	-414	1	3,089
Coachella Valley Mountains Conservancy	14	5	-	19	33	33	19	33	33	19
Coastal Access Account, SCSF	798	1,000	114	1,684	500	1,086	1,098	500	500	1,098
Coastal Act Services Fund	-	925	418	507	881	348	1,040	925	767	1,198
Collins-Dugan Calif Conserv Corps Reimb	9,351	32,027	29,668	11,710	28,105	28,136	11,679	28,255	31,741	8,193
Community Revitalization Fee Fund	43	1	41	3	-	3	-	-	-	-
Conserv Enforcement Svc Ac	26,622	-26,622	-	-	-	-	-	-	-	-
Construction Management Education Acct	412	84	-	496	76	165	407	78	165	320
Contingent Fd of the Medical Board of CA	24,480	45,313	45,430	24,363	51,196	49,605	25,954	51,505	54,445	23,014
Continuing Care Provider Fee Fund	2,668	1,240	1,173	2,735	1,215	1,611	2,339	1,335	1,817	1,857
Contractors' License Fund	36,362	41,836	54,607	23,591	50,079	55,679	17,991	51,014	60,473	8,532
Corporations Fund, State	16,080	67,724	34,416	49,388	32,793	36,157	46,024	32,793	43,919	34,898
Corrections Training Fund	3,007	20,454	21,301	2,160	22,784	21,951	2,993	22,822	22,177	3,638
Courtesy Children & Families Acct	104,432	420,657	420,657	104,432	395,175	394,575	105,032	388,126	493,158	-
Court Collection Account	3,158	70,126	73,106	178	74,337	74,369	146	75,337	74,973	510
Court Facilities Trust Fund	651	54,885	53,022	2,514	90,024	92,289	249	90,815	90,613	451
Court Interpreters' Fund	53	184	154	83	140	161	62	140	160	42
Court Reporters Fund	1,809	565	853	1,521	550	828	1,243	548	798	993
Credit Union Fund	3,173	5,192	5,777	2,588	6,270	6,411	2,447	6,270	7,220	1,497
Dam Safety Fund	-573	10,646	9,828	245	10,646	10,699	192	11,524	11,547	169
Deaf & Disabled Telecomm Prtg Admin Comm	83,089	18,651	69,576	32,164	46,056	69,510	8,710	99,720	69,811	38,619

SCHEDULE 10 -- Continued
SUMMARY OF FUND CONDITION STATEMENTS
(Dollars In Thousands)

Fund	Reserves June 30, 2008	Actual Revenues 2008-09	Actual Expenditures 2008-09	Reserves June 30, 2009	Estimated Revenue 2009-10	Estimated Expenditures 2009-10	Reserves June 30, 2010	Estimated Revenues 2010-11	Estimated Expenditures 2010-11	Reserves June 30, 2011
Dealers' Record of Sale Special Account	8,764	12,597	10,890	10,471	13,747	9,929	14,289	14,815	11,237	17,867
Debt & Investment Advisory Comm Fund, Cal	8,720	-241	2,275	6,204	2,160	2,711	5,653	4,301	2,846	7,108
Debt Limit Allocation Committee Fund, Cal	6,093	-1,246	1,070	3,777	754	1,176	3,355	2,895	1,288	4,962
Deficit Recovery Bond Retirement Sinking	-	317	313	4	10,920	10,918	6	52,285	52,284	7
Delta Flood Protection Fund	12	-	-	12	2	-	14	2	-	16
Dental Assistant Fund, State	-	-	-	-	3,040	1,682	1,358	1,137	1,717	778
Dental Auxiliary Fund, State	1,550	2,917	2,361	2,106	-2,105	-	1	-	-	1
Dental Hygiene Fund, State	-	-	-	-	1,917	1,113	804	1,371	1,292	883
Dentistry Underserved Account	2,664	78	511	2,231	47	126	2,152	46	127	2,071
Dentistry Fund, State	7,563	7,985	8,230	7,318	7,694	9,548	5,464	7,759	11,180	2,043
Department of Agriculture Account, Ag Fd	32,794	99,905	97,879	34,820	114,469	103,052	46,237	124,377	125,484	45,130
Developmental Disabilities Prog Dev Fund	298	3,332	1,423	2,207	2,504	2,776	1,935	3,304	3,588	1,651
Developmental Disabilities Services Acct	130	1	-	131	152	150	133	152	150	135
Diesel Emission Reduction Fund	1,275	347	-	1,622	330	-	1,952	330	-	2,282
Disability Access Account	6,674	4,600	6,327	4,947	5,493	6,335	4,105	7,323	6,993	4,435
Disaster Relief Fund	11	-	-	11	-	-	11	-	-	11
Dispensing Opticians Fund	328	175	156	347	164	293	218	163	309	72
Domestic Violence Trng & Education Fund	1,103	956	1,026	1,033	978	1,103	908	978	1,153	733
Drinking Water Operator Cert Special Act	3,165	56	1,211	2,010	1,712	1,656	2,066	3,352	1,716	3,702
Drinking Water Treatment & Research Fund	9,906	-	4,453	5,453	-	4,467	986	-	2	984
Driver Training Penalty Assessment Fund	751	1,626	1,742	635	1,478	1,493	620	1,563	1,601	582
Driving Under-the-Influence Prog Lic Trs	1,786	1,451	1,406	1,831	1,610	1,422	2,019	1,610	1,693	1,936
Drug and Device Safety Fund	8,301	4,386	4,323	8,364	4,500	5,261	7,603	4,500	5,678	6,425
DNA Identification Fund	30,032	29,110	28,126	31,016	42,179	42,597	30,598	69,623	77,518	22,703
DNA Testing Fund, Department of Justice	295	6	-	301	-301	-	-	-	-	-
Earthquake Emergency Invest Acct-NDA Fd	56	-	-	56	-	-	56	-	-	56
Earthquake Risk Reduction Fund of 1996	123,726	1,000	1,000	-	1,000	1,000	-	1,000	1,000	-
Education Acct, Child & Families TrustFid	14,510	29,014	60,570	92,170	26,161	24,661	93,670	25,720	109,220	10,170
Educational Telecommunication Fund	3,968	-	11,104	3,406	-	2,680	726	-	726	-
Electrician Certification Fund	1,754	2,643	2,151	4,460	2,200	2,623	4,037	2,100	2,724	3,413
Electronic and Appliance Repair Fund	22,304	2,249	1,921	2,082	2,163	2,186	2,059	2,161	2,661	1,559
Electronic Waste Recovery & Recycling	2,462	108,699	92,651	38,352	140,654	91,122	87,884	142,111	92,029	137,966
Elevator Safety Account	174	15,018	17,253	227	14,131	14,334	24	22,440	21,540	924
Emerg Medical Svcs Trng Prog Approvl Fd	471	277	324	127	378	401	104	378	442	40
Emergency Food Assistance Program Fund	444	572	455	588	602	619	571	630	601	600
Emergency Medical Services Personnel Fnd	-	1,348	1,415	377	1,415	1,428	364	1,415	1,571	208
Emergency Medical Technician Cert Fund	-	-	-	-	-	-	-	1,494	1,459	35
Emergency Response Fund	-	-	-	-	-	-	-	238,000	200,792	37,208
Emergency Telephone Number Acct, State	138,838	108,000	100,371	146,467	107,000	127,625	125,842	107,000	129,424	103,418
Employment Development Contingent Fund	7,150	63,736	70,885	1	58,044	58,044	1	49,953	49,953	1
Employment Development Dept Benefit Audit	-	14,544	14,544	-	13,481	13,481	-	14,884	14,884	-
Energy Conservation Assistance Ac, State	18,064	843	-337	19,244	385	19,629	-	375	375	-
Energy Facility License and Compliance	7,230	3,815	2,503	8,542	3,250	2,510	9,282	3,250	2,541	9,991
Energy Resources Programs Account	24,705	57,061	55,562	26,204	57,002	67,457	15,749	60,888	74,974	1,663
Energy Tech Research, Dev, & Demo Acct	2,880	5	-1	2,886	5	2,661	230	5	-1	236

SCHEDULE 10 -- Continued
SUMMARY OF FUND CONDITION STATEMENTS
(Dollars in Thousands)

Fund	Reserves June 30, 2008	Actual Revenues 2008-09	Actual Expenditures 2008-09	Actual Expenditures 2008-09	Reserves June 30, 2009	Estimated Revenue 2009-10	Estimated Expenditures 2009-10	Reserves June 30, 2010	Estimated Revenues 2010-11	Estimated Expenditures 2010-11	Reserves June 30, 2011
Enhanced Fleet Mod Subacct.HIPollRmv/Rpr	-	29,263	-	-	29,263	30,142	4,107	55,298	30,876	16,753	69,421
Environmental Enhancement and Mitigation	7,013	6,059	9,699	3,373	3,434	10,202	10,141	3,434	14,603	10,132	7,905
Environmental Enhancement Fund	1,738	115	16	1,837	1,837	118	348	1,607	124	356	1,375
Environmental Laboratory Improvement Fnd	663	2,732	2,569	826	826	2,710	2,775	761	2,910	3,388	283
Environmental License Plate Fund, Calif	5,938	33,920	39,414	444	444	38,416	36,870	1,990	41,381	42,816	555
Environmental Protection Trust Fund	504	73	-	577	577	-	-	577	-	-	577
Environmental Quality Assessment Fund	135	307	260	182	182	396	357	221	410	555	76
Environmental Water Fund	2,463	-2,378	-	85	85	22	-	107	22	-	129
Equality in Prv & Svcs Domestic Abuse Fd	110	477	426	161	161	60	167	54	60	108	6
Expedited Site Remediation Trust Fund	2,976	2	-	2,978	2,978	1	-	2,979	2	-	2,981
Export Document Program Fund	1,555	328	300	1,583	1,583	360	497	1,446	360	228	1,578
Exposition Park Improvement Fund	6,465	6,270	5,223	7,512	7,512	3,068	6,122	4,458	5,800	5,944	4,314
Fair and Exposition Fund	2,262	16,684	17,286	1,660	1,660	2,874	4,534	-	4,916	4,916	-
False Claims Act Fund	9,169	298	8,380	1,087	1,087	10,297	10,181	1,203	10,690	10,702	1,191
Family Law Trust Fund	2,545	1,949	2,560	1,934	1,934	1,928	2,922	940	1,928	2,722	146
Farm & Ranch Solid Waste Cleanup & Abate	542	1,001	758	785	785	1,020	1,128	677	1,020	1,144	553
Farmworker Remedial Account	537	210	-	747	747	210	102	855	210	102	963
Film Promotion and Marketing Fund	4	5	4	5	5	11	10	6	11	10	7
Financial Institutions Fund	8,222	24,020	23,074	9,168	9,168	24,002	23,067	10,103	23,328	25,385	8,046
Financial Responsibility Penalty Account	1,535	-435	-	1,100	1,100	-	-	1,100	-	-	1,100
Fingerprint Fees Account	15,230	62,482	66,758	10,954	10,954	63,214	65,081	9,087	64,414	67,615	5,886
Fire and Arson Training Fund, Calif	1,751	2,621	1,919	2,453	2,453	2,644	2,686	2,411	2,651	3,040	2,022
Fire Marshal Fireworks Enf & Disp Fd, St	-	1,000	-	1,000	1,000	100	300	800	200	300	700
Fire Marshal Licensing & Cert Fund, St	1,382	1,936	1,955	1,363	1,363	2,105	2,735	733	2,150	2,690	193
Firearm Safety Account	630	481	247	864	864	551	331	1,084	607	335	1,356
Firearms Safety and Enforcement Specl Fd	1,892	4,167	3,177	2,882	2,882	4,439	3,250	4,071	4,892	3,304	5,659
Fiscal Recovery Fund	372,537	1,268,186	1,300,914	339,809	339,809	1,135,000	1,136,442	338,367	1,197,000	1,283,057	252,310
Fish and Game Preservation Fund	67,910	97,365	77,645	87,630	87,630	89,881	123,355	54,156	90,454	106,845	37,765
Fish and Wildlife Pollution Account	4,065	2,451	2,682	3,834	3,834	1,333	2,404	2,763	2,108	2,802	2,069
Food Safety Act, Pesticide Reg Fd, Dept	25	-	-	25	25	-25	-	-	-	-	-
Food Safety Fund	3,079	6,813	5,813	4,079	4,079	6,738	6,012	4,805	6,888	6,898	4,795
Foreclosure Consultant Regulation Fund	-	-	-	-	-	502	-	502	-	500	2
Foster and Small Family Insurance Fund	6,336	-2,800	-769	4,305	4,305	-	-	4,305	-	-	4,305
Funeral Directors and Embalmers Fund, St	2,487	1,270	1,346	2,411	2,411	1,232	1,571	2,072	1,222	1,711	1,583
Gambling Addition Program Fund	93	333	-	426	426	152	150	428	152	166	414
Gambling Control Fund	310	40	36	314	314	80	45	349	80	47	382
Gambling Control Fines & Penalties Acct	14,915	2,095	9,025	7,985	7,985	12,533	10,233	10,285	12,221	10,766	11,740
Garment Industry Regulations Fund	2,163	3,154	2,677	2,640	2,640	2,690	2,719	2,611	2,690	2,878	2,423
Garment Manufacturers Special Account	2,069	377	-	2,446	2,446	326	500	2,272	326	500	2,098
Gas Consumption Surcharge Fund	90,791	428,963	488,025	31,729	31,729	536,560	545,740	22,549	559,896	547,933	34,512
Genetic Disease Testing Fund	8,711	105,201	108,000	5,912	5,912	115,642	113,711	7,843	118,699	117,927	8,615
Geology and Geophysics Fund	964	1,067	1,202	829	829	1,155	1,337	647	1,214	795	1,066
Geothermal Resources Development Account	1,632	3,439	3,579	1,492	1,492	3,500	4,041	951	3,500	4,041	410
Glass Processing Fee Account	409	63,827	63,964	272	272	58,917	54,688	4,501	54,305	54,131	4,675
Graphic Design License Plate Account	4,526	2,681	3,134	4,073	4,073	2,483	3,125	3,431	2,361	3,196	2,596

SCHEDULE 10 -- Continued
SUMMARY OF FUND CONDITION STATEMENTS
(Dollars in Thousands)

Fund	Reserves June 30, 2008	Actual Revenues 2008-09	Actual Expenditures 2008-09	Reserves June 30, 2009	Estimated Revenue 2009-10	Estimated Expenditures 2009-10	Reserves June 30, 2010	Estimated Revenues 2010-11	Estimated Expenditures 2010-11	Reserves June 30, 2011
Guide Dogs for the Blind Fund	230	161	162	229	138	176	191	155	190	156
Habitat Conservation Fund	28,805	8,110	19,618	17,297	6,954	22,744	1,507	6,884	7,986	405
Hatchery and Inland Fisheries Fund	5,647	18,813	15,669	8,791	22,265	20,668	10,388	19,582	18,310	11,660
Hazardous & Idle-Deserted Well Abate Fnd	251	109	149	211	130	100	241	130	100	271
Hazardous Liquid Pipeline Safety Calif	289	3,574	1,182	2,681	3,529	3,156	3,054	3,530	3,179	3,405
Hazardous Waste Control Account	24,506	50,381	50,691	24,196	47,755	47,372	24,579	50,682	50,311	24,950
Health Care Benefits Fund	-	1,656	1,656	-	1,608	1,608	-	1,900	1,900	-
Health Data & Planning Fund, CA	14,843	14,035	22,853	6,025	27,514	26,472	7,067	40,244	28,738	18,573
Health Ed Acct, Cig & Tob Pr Surtax	21,236	76,402	78,223	19,415	69,568	78,362	10,621	69,009	76,812	2,818
Health Statistics Special Fund	17,770	19,182	24,900	12,052	19,887	22,468	9,471	20,074	24,236	5,309
Health Subaccount, Sales Tax Account	-	338,057	338,057	-	310,943	310,943	-	310,943	310,943	-
Hearing Aid Dispensers Account	1,280	720	715	1,285	614	955	944	680	1,160	464
High Polluter Repair or Removal Account	52,237	22,385	53,674	20,948	42,130	61,146	1,932	62,549	64,481	-
High-Cost Fund-A Admin Committee Fd, Cal	77,151	32,259	41,469	67,941	30,241	64,800	33,382	30,556	57,616	6,322
High-Cost Fund-B Admin Committee Fd, Cal	140,637	-14,799	139,001	-13,163	87,850	51,569	23,118	179,250	49,985	152,383
Highway Account, State, STF	745,852	2,665,760	2,954,202	457,410	2,696,076	3,205,779	-52,293	3,686,880	3,730,044	-95,457
Highway Users Tax Account, TTF	24,903	1,042,002	1,030,621	36,284	1,015,758	997,688	64,354	1,645,856	1,692,050	18,160
Historic Property Maintenance Fund	3,607	-1,511	1,512	584	1,424	1,634	374	4,448	1,647	3,175
Home Furnish & Thermal Insulat Fd, Burea	4,139	3,945	3,986	4,098	3,901	4,546	3,453	3,897	4,907	2,443
Horse Racing Fund	-	-	-	-	12,863	11,254	1,609	12,764	11,734	2,639
Hospital Building Fund	84,905	58,098	47,036	95,967	67,000	51,182	111,785	72,000	55,941	127,844
Hospital Quality Assurance Revenue Fund	-	513,920	-	513,920	2,055,680	2,488,334	81,266	1,028,000	1,107,497	1,769
Hospital Svc Acct, Cig & Tob Pr Surtax	3,717	48,940	40,651	12,006	94,424	95,078	11,352	64,017	71,601	3,768
HICAP Fund, State	2,593	2,793	2,402	2,984	2,478	2,464	2,998	2,491	2,482	3,007
Illegal Drug Lab Cleanup Account	6,375	4	1,590	4,789	-	2,018	2,771	1	2,026	746
Immediate and Critical Needs Acct, SCFCF	-	93,608	-	93,608	277,578	106,588	264,598	285,132	178,330	371,400
Indian Gaming Special Distribution Fund	192,766	4,311	60,648	136,429	11,434	30,624	117,239	-1,399	31,182	84,658
Industrial Development Fund	223	146	253	116	276	261	131	276	292	115
Industrial Rel Construction Enforce Fd	1,025	1,113	57	2,081	410	58	2,433	410	65	2,778
Infant Botulism Treatment & Prevention	6,350	4,570	6,332	4,588	4,501	6,766	2,323	4,501	6,492	332
Inland Wetlands Cons Fd, Wildlife Rest	1,440	32	1	1,471	33	500	1,004	30	-	1,034
Insurance Fund	59,386	216,010	217,742	57,654	208,939	212,055	54,538	209,315	206,727	57,126
Int Hlth Info Integrity Qual Imprvmt Acct	-	-	-	-	-	-	-	25	25	-
Integrated Waste Management Account	21,623	41,708	51,528	11,803	48,536	45,977	14,362	41,034	45,695	9,701
Internat Student Exch Visitor Plcmt Org	69	6	-	75	5	-	80	5	-	85
Jobs-Housing Balance Improvement Account	14,564	-	12,297	2,267	350	399	1,868	-	294	1,574
Judicial Admin Efficiency & Modernization	23,853	886	-2,879	27,618	-2,500	426	27,967	228	-	28,195
Labor and Workforce Development Fund	2,288	4,984	175	7,097	32,420	13,970	4,171	2,000	413	5,758
Labor Enforcement and Compliance Fund	-	-	-	-	1,231	1,564	18,450	36,939	36,993	18,396
Lake Tahoe Conservancy Account	1,846	1,198	1,780	1,264	915	1,068	1,575	913	1,136	540
Landscape Architects Fd, CA Bd/Arch Exam	1,728	801	801	1,728	422	1,068	385	422	631	1,352
Law Library Special Account, Calif_State	643	410	503	550	422	587	-	500	-	176
Lead-Related Construction Fund	-	-	-	-	-	-	-	-	-	500
Leaking Undergrnd Stor Tank Cost Recovery	118	-	3	115	-	-	115	-	-	-
Licensed Midwifery Fund	79	24	-	103	22	-	125	22	-	147

SCHEDULE 10 -- Continued
SUMMARY OF FUND CONDITION STATEMENTS
(Dollars in Thousands)

Fund	Reserves June 30, 2008	Actual Revenues 2008-09	Actual Expenditures 2008-09	Reserves June 30, 2009	Estimated Revenue 2009-10	Estimated Expenditures 2009-10	Reserves June 30, 2010	Estimated Revenues 2010-11	Estimated Expenditures 2010-11	Reserves June 30, 2011
Licensing & Certification Fd, Mental Hth	-5	356	350	1	401	379	23	402	384	41
Licensing and Certification Prog Fd, PH	29,389	78,142	72,264	35,267	70,678	74,073	31,872	71,492	86,770	16,594
Lifetime License Trust Acct, Fish & Game	7,089	366	7,455	7,455	356	-	7,811	361	-	8,172
Loc Pub Prosecutors & Pub Defenders Trng	888	872	794	966	864	872	958	864	873	949
Local Agency Deposit Security Fund	326	375	249	452	361	364	449	361	409	401
Local Airport Loan Account	10,232	-5,963	-	4,269	1,426	-	5,695	8,842	-	14,537
Local Govt Geothermal Resource Subacct	4,340	1,475	1,909	3,906	1,501	5,134	273	1,501	1,508	266
Local Jurisdiction Energy Assistance	1,581	2	-	1,583	2	1,585	-	2	-	2
Local Revenue Fund	-	627	627	-	605	605	-	714	714	-
Local Safety and Protection Account, TTF	-	-	-8,801	8,801	-	273	8,528	-	-	8,528
Local Transportation Loan Acct, SHA, STF	3,261	78	-	3,339	60	1,000	2,399	60	1,000	1,459
Low-Level Radioactive Waste Disposal Fnd	125	3	-	128	2	-	130	2	-	132
Main Street Program Fund, California	-	-	-	-	175	175	-	175	175	-
Major Risk Medical Insurance Fund	7,541	48,939	22,335	34,145	33,387	65,132	2,400	34,566	36,966	-
Managed Care Admin Fines & Penalties Fnd	-	1,939	-	1,939	1,179	-	3,118	-1,712	-	1,406
Managed Care Fund	12,083	35,973	39,167	8,889	37,559	42,919	3,529	47,997	49,076	2,450
Marine Invasive Species Control Fund	1,122	3,964	3,892	1,194	4,257	4,572	879	4,505	4,960	424
Mass Media Comm Acct, Child & Fam Trust	74,549	33,361	13,481	94,429	30,593	29,593	95,429	30,066	107,066	18,429
Mass Transportation Fund	6,429	496,517	502,946	-	-	-	-	-	-	-
Medical Marijuana Program Fund	165	373	242	296	552	389	459	607	420	646
Medical Waste Management Fund	810	2,215	1,810	1,215	1,912	2,110	1,017	1,912	2,131	798
Mental Health Practitioner Education Fd	1,020	290	440	870	383	482	771	324	519	576
Mental Health Services Fund	2,232,750	1,037,569	1,120,959	2,149,360	872,890	1,330,797	1,691,453	1,019,769	1,597,355	1,113,867
Mental Health Subaccount, Sales Tax Acct	-	728,466	728,466	-	670,038	670,038	-	670,038	670,038	-
Mexican Amer Vet's Memrl Beautif/Enhance	215	1	17	199	50	50	199	50	51	198
Mine Reclamation Account	1,509	3,934	3,343	2,100	3,846	3,499	2,447	3,846	4,303	1,990
Missing Persons DNA Data Base Fund	5,087	3,258	4,373	3,972	3,209	3,376	3,805	3,207	3,398	3,614
Mobilehome Manufactured Home Revolv Fd	1,247	15,394	15,394	1,247	19,403	15,753	4,897	18,865	16,129	7,633
Mobilehome Park Revolving Fund	2,057	4,840	5,725	1,172	7,091	5,879	2,384	6,882	6,333	2,933
Motor Carriers Safety Improvement Fund	3,750	1,722	1,817	3,655	1,952	2,517	3,090	1,952	2,557	2,485
Motor Vehicle Account, STF	226,584	2,315,067	2,361,266	180,385	2,414,882	2,432,161	163,106	2,497,647	2,570,048	90,705
Motor Vehicle Fuel Account, TTF	26,192	36,356	25,465	37,083	19,529	24,543	32,069	31,240	27,001	36,308
Motor Vehicle Insurance Account, State	28,100	15,118	17,378	25,840	16,000	28,548	13,292	22,000	20,702	14,590
Motor Vehicle License Fee Account, TTF	-21,911	518,418	519,875	-23,368	453,823	429,455	1,000	462,050	462,052	998
Motor Vehicle Parking Facil Moneys Acct	1,033	3,003	3,253	783	3,003	3,450	336	3,300	3,500	136
Narcotic Treatment Program Licensing Trt	310	1,264	1,106	468	1,294	1,260	502	1,296	1,424	374
Native Species Conserv & Enhancement Acc	105	47	-	152	43	-	195	42	-	237
Natural Gas Subaccount, PIRD&D Fund	12,600	21,541	14,016	20,125	24,500	42,325	2,300	23,800	24,030	2,070
Naturopathic Doctor's Fund	77	184	113	148	170	117	201	218	135	284
New Motor Vehicle Board Account	2,269	1,500	1,705	2,064	1,060	1,902	1,222	1,090	2,098	214
Nondesignated Public Hospital Supplementl	87	16	-498	601	52	178	475	52	11	516
Nontoxic Dry Cleaning Incentive Trst Fd	721	349	251	819	1,499	1,523	795	650	652	793
Nuclear Planning Assessment Special Acct	831	4,221	4,244	808	5,388	5,393	803	5,510	5,523	790
Nursing Home Admin St Lic Exam Fund	91	405	275	221	365	326	260	365	445	180
Occupancy Compliance Monitoring Account	60,628	-3,432	2,428	54,768	7,336	2,527	59,577	18,041	2,693	74,925

SCHEDULE 10 -- Continued
SUMMARY OF FUND CONDITION STATEMENTS
(Dollars in Thousands)

Fund	Reserves June 30, 2008	Actual Revenues 2008-09	Actual Expenditures 2008-09	Actual Expenditures 2008-09	Reserves June 30, 2009	Estimated Revenue 2009-10	Estimated Expenditures 2009-10	Reserves June 30, 2010	Estimated Revenues 2010-11	Estimated Expenditures 2010-11	Reserves June 30, 2011
Occupational Lead Poisoning Prev Account	4,372	2,299	3,486	3,185	3,462	3,762	2,885	4,300	3,980	3,980	3,205
Occupational Safety and Health Fund	-	18,726	14,137	4,589	59,167	37,673	26,083	44,394	43,268	43,268	27,209
Occupational Therapy Fund	3,135	962	947	3,150	-1,061	1,350	739	935	1,470	1,470	204
Off Highway License Fee Fund	48	2,436	1,047	1,437	2,447	2,400	1,484	2,447	2,400	2,400	1,531
Off-Highway Vehicle Trust Fund	146,592	31,285	49,186	128,671	58,519	130,852	56,338	80,519	129,223	129,223	7,634
Oil Spill Prevention & Administration Fd	16,524	32,050	34,952	13,622	33,200	34,946	11,876	32,131	39,414	39,414	4,593
Oil Spill Response Trust Fund	56,526	2,004	3,106	55,424	2,030	2,000	55,454	2,206	2,000	2,000	55,660
Oil, Gas and Geothermal Administrative	3,242	20,144	19,920	3,466	21,710	21,550	3,626	25,985	24,166	24,166	5,445
Olympic Training Account, California	21	94	73	42	94	73	63	94	73	73	84
Optometry Fund, State	744	1,118	1,056	806	1,635	1,490	951	1,678	1,720	1,720	909
Osteopathic Medical Bd of Calif Contin Fd	3,993	1,473	1,291	4,175	1,243	1,314	4,104	1,588	1,941	1,941	3,751
Other - Unallocated Special Funds	-	-3,330	1,484	-4,814	8,958	-473,120	477,264	11,024	-696,544	-696,544	1,184,832
Outpatient Setting Fd of Medical Board	195	4	-	199	62	26	235	2	26	26	211
Parks and Recreation Fund, State	4,254	114,991	111,596	7,649	146,650	125,801	28,498	244,550	266,408	266,408	6,640
Payphone Service Providers Committee Fd	407	66	251	222	-	149	73	-	73	73	-
Peace Officers' Training Fund	33,934	44,067	54,913	23,088	55,443	58,148	20,383	54,681	59,407	59,407	15,657
Pedestrian Safety Account, STF	1,704	-1,694	-	10	17	-	27	1,732	-	-	1,759
Penalty Acct, Ca Bev Container Recycle Fd	3,013	257	-	3,270	261	-	3,531	261	-	-	3,792
Perinatal Insurance Fund	5,371	55,357	54,644	6,084	31,346	36,272	1,158	56,577	54,995	54,995	2,740
Pesticide Regulation Fund, Dept of	12,969	66,815	69,064	10,720	68,051	68,178	10,593	70,686	73,734	73,734	7,545
Pharmacy Board Contingent Fund	10,932	9,100	9,031	11,001	8,061	9,812	9,250	8,778	13,493	13,493	4,535
Physical Therapy Fund	628	2,411	1,847	1,192	3,039	2,129	2,102	3,210	2,948	2,948	2,364
Physician Assistant Fund	1,903	1,181	1,135	1,949	1,209	1,210	1,948	1,271	1,403	1,403	1,816
Physician Svc Acct, Cig & Tob Pr Surtax	290	4,479	2,739	2,030	-233	-	1,797	-1,297	475	475	25
Pierce's Disease Management Account	19,198	2,448	14,758	6,888	2,497	5,547	3,838	2,497	5,779	5,779	556
Pilot Commissioners' Special Fd, Board	488	2,447	2,031	904	3,296	3,358	842	3,303	2,232	2,232	1,913
Podiatric Medicine Fund, Board of	1,093	896	966	1,023	875	1,271	627	871	1,401	1,401	97
Pressure Vessel Account	-108	4,497	4,186	203	4,784	4,787	200	5,457	5,334	5,334	323
Private Hospital Supplemental Fund	17,982	16,338	1,038	33,282	21,948	36,242	18,988	21,948	20,863	20,863	20,073
Private Investigator Fund	1,892	747	857	1,782	741	973	1,550	717	965	965	1,302
Private Postsecondary Education Admin Fd	1,013	19	2	1,030	812	415	1,427	9524	8,904	8,904	2,047
Private Security Services Fund	5,603	9,734	8,601	6,736	9,033	9,382	6,387	9,146	10,531	10,531	5,002
Professional Engineer & Land Surveyor Fd	5,530	7,595	9,143	3,982	10,767	9,030	5,719	9,930	9,597	9,597	6,052
Professional Fiduciary Fund	874	-499	297	78	278	211	145	183	293	293	35
Professional Forester Registration Fund	507	135	213	429	137	216	350	133	213	213	270
Propane Safety Insp/Enforcmt Prog Trust	1	1	-	2	-	-	2	-	-	-	2
Property Acquisition Law Money Account	2,718	2,079	3,544	1,253	7,768	6,128	2,883	3,615	3,279	3,279	3,219
Psychiatric Technicians Account	1,243	1,257	1,615	885	2,724	2,193	1,416	1,740	2,974	2,974	182
Psychology Fund	4,475	879	2,775	2,579	3,350	3,341	2,588	3,333	3,956	3,956	1,965
Pub Sch Phg Desgn & Constr Rev Revlv Fd	72,963	-16,311	48,363	8,289	41,997	48,805	1,481	51,997	53,328	53,328	150
Publ Utilities Comm Utilities Reimb Acct	-4,506	102,083	85,362	12,215	101,323	86,327	27,211	101,081	88,943	88,943	39,349
Public Beach Restoration Fund	4,355	6,500	6,500	4,355	8,000	12,200	155	6,500	6,500	6,500	155
Public Int Res, Dev & Demonstratn Progrm	118,905	66,913	84,917	100,901	65,200	129,186	36,915	66,400	75,507	75,507	27,808
Public Res Acct, Cig & Tob Pr Surtax	2,549	15,093	15,243	2,399	13,902	12,462	3,839	13,762	16,751	16,751	850
Public Rights Law Enforcement Special Fd	5,457	669	1,487	4,639	5,665	5,623	4,681	5,765	5,732	5,732	4,714

SCHEDULE 10 -- Continued
SUMMARY OF FUND CONDITION STATEMENTS
(Dollars in Thousands)

Fund	Reserves June 30, 2008	Actual Revenues 2008-09	Actual Expenditures 2008-09	Actual Expenditures 2008-09	Reserves June 30, 2009	Estimated Revenue 2009-10	Estimated Expenditures 2009-10	Reserves June 30, 2010	Estimated Revenues 2010-11	Estimated Expenditures 2010-11	Reserves June 30, 2011
Public Transportation Account, STF	41,861	1,155,210	711,043	1,285,519	486,028	1,285,519	172,253	1,599,294	-278,724	420,819	899,751
Public Util Comm Transport Reimb Acct	3,255	10,512	11,229	11,073	2,538	11,073	11,837	1,774	10,512	11,967	319
Public Works Enforcement Fund, State	-	-	-	1,283	-	1,283	1,178	105	12,750	1,313	11,542
PET Processing Fee Acct, Bev Cont Rec Fd	509	44,079	44,400	51,676	188	51,676	49,610	2,254	94,098	60,377	35,975
PUC Ratepayer Advocate Account	1,391	22,943	22,494	23,704	1,840	23,704	23,640	1,904	23,871	23,890	1,885
Radiation Control Fund	7,029	19,763	20,817	20,100	5,975	20,100	21,099	4,976	20,100	23,007	2,069
Real Estate Appraisers Regulation Fund	18,696	-12,715	4,056	7,937	1,925	7,937	4,462	5,400	3,395	5,045	3,750
Real Estate Fund	37,712	24,392	39,945	39,775	22,159	39,775	40,763	21,171	47,147	46,868	21,450
Recreational Health Fund	-	-	-	200	-	200	-	200	400	402	198
Recycling Market Development Rev Loan	16,846	1,438	8,171	1,476	10,113	1,476	3,497	8,092	1,122	3,208	6,006
Reg Environmental Health Specialist Fd	608	370	356	407	622	407	395	634	407	512	529
Registered Nurse Education Fund	2,815	1,514	1,580	2,219	2,749	2,219	2,048	2,920	1,838	2,122	2,636
Registered Nursing Fund, Board of	21,297	17,470	20,644	18,778	18,123	18,778	22,404	14,497	20,378	28,926	5,949
Registry of Charitable Trusts Fund	1,990	3,220	2,872	2,853	2,338	2,853	2,831	2,360	2,880	2,862	2,378
Removal & Remedial Action Acct	5,684	3,286	3,019	3,390	5,951	3,390	1,685	7,656	2,950	3,221	7,385
Renewable Resource Trust Fund	138,671	64,921	45,666	41,500	157,926	41,500	69,176	130,250	112,700	72,645	170,305
Research & Devel Acct, Child & Fam Trust	69,229	17,428	12,857	15,997	73,800	15,997	14,797	75,000	15,732	75,532	15,200
Research Acct, Cig & Tob Pr Surtax	3,308	19,454	20,245	17,586	2,517	17,586	18,306	1,797	17,446	18,293	950
Residential & Outpatient Prog Lic Fund	1,928	3,478	1,832	3,996	3,574	3,996	3,375	4,195	3,335	4,492	3,038
Residential Earthquake Recovery Fund, CA	178	-178	-	-	-	-	-	-	-	-	-
Respiratory Care Fund	1,597	2,350	2,157	2,393	1,790	2,393	2,794	1,389	2,418	3,091	716
Responsibility Area Fire Protection Fund	41	-	-	41	-	41	-	41	-	-	41
Restitution Fund	131,226	41,827	127,264	123,545	45,789	123,545	138,323	31,011	123,163	147,657	6,517
Retail Food Safety and Defense Fund	20	-	-	20	20	20	21	19	20	22	17
Rigid Container Account	266	-	14	162	252	162	165	249	162	162	249
Rural CUPA Reimbursement Account	1,309	-	-	-	1,309	-	-	1,309	-	-	1,309
Safe Drinking Water and Toxic Enforcement	6,307	3,524	856	1,549	8,975	1,549	3,904	6,620	1,549	4,128	4,041
Safe Drinking Water Account	6,831	10,773	12,867	12,577	4,737	12,577	12,100	5,214	13,075	13,474	4,815
Sale of Tobacco to Minors Control Acct	874	564	55	560	1,383	560	103	1,840	560	326	2,074
Salmon & Steelhead Trout Restoration Acc	110	-	-	-	110	-	-	110	-	-	110
San Fran Bay Area Conservancy Prog Acct	466	10	-	10	476	10	434	52	10	-	62
San Joaquin River Conservancy Fund	86	343	56	300	373	300	116	557	300	119	738
Satellite Wagering Account	3,682	12,475	14,293	1,864	1,864	1,100	1,950	1,014	982	1,996	-
Schl Dist Acct, Volgrd Strg Tnk Clnp Fnd	-	-	-	10,000	-	10,000	10,000	-	10,000	10,000	-
School Facilities Fee Assistance Fund	858	19	-	24	877	24	-	901	20	-	921
School Fund, State	12,243	61,487	69,560	61,487	4,170	61,487	61,487	4,170	61,487	61,487	4,170
School Land Bank Fund	59,613	-57,294	311	30	2,008	30	297	1,741	7,817	282	9,276
Science Center Fund	-	-	-	-	-	-	-	-	12,000	12,000	-
Self-Insurance Plans Fund	4,043	4,179	3,209	2,350	5,013	2,350	3,507	3,856	3,150	3,838	3,168
Senate Operating Fund	308	-	-	-	308	-	-	308	-	-	308
Sexual Habitual Offender, DOJ	3,183	1,103	1,926	2,126	2,360	2,126	2,016	2,470	2,127	2,205	2,392
Sexual Predator Public Information Acct	313	158	83	154	388	154	171	371	154	171	354
Site Operation and Maintenance Account	1,363	12	149	29	1,226	29	420	835	-9	422	404
Site Remediation Account	4,631	8,747	11,404	9,181	1,974	9,181	10,075	1,080	9,043	9,201	922
Social Services Subaccount, Sales Tx Acc	-	1,378,957	1,378,957	1,268,355	-	1,268,355	1,268,355	-	1,268,355	1,268,355	-

SCHEDULE 10 -- Continued
SUMMARY OF FUND CONDITION STATEMENTS
(Dollars in Thousands)

Fund	Reserves June 30, 2008	Actual Revenues 2008-09	Actual Expenditures 2008-09	Reserves June 30, 2009	Estimated Revenue 2009-10	Estimated Expenditures 2009-10	Reserves June 30, 2010	Estimated Revenues 2010-11	Estimated Expenditures 2010-11	Reserves June 30, 2011
Soil Conservation Fund	1,757	1,536	1,750	1,543	1,550	1,889	1,204	2,570	2,550	1,224
Solid Waste Disposal Site Cleanup Tr Fd	6,225	5,436	5,593	6,068	219	5,627	660	5,219	5,677	202
Speech-Language Pathology & Audiology	886	784	758	912	794	702	1,004	825	759	1,070
State Court Facilities Construction Fund	331,611	143,489	135,911	339,189	103,742	158,858	284,073	146,173	97,941	332,305
Strong-Motion Instrument & Seismic Mapping	12,573	5,626	6,355	11,844	5,020	8,990	7,874	4,670	10,149	2,395
Structural Pest Cntrl Educ&Enforcemnt Fd	655	325	362	618	310	385	543	308	386	465
Structural Pest Control Fund	2,793	2,514	3,825	1,482	2,585	3,588	479	4,239	4,222	496
Structural Pest Control Research Fund	283	136	142	277	116	213	180	116	288	8
Substance Abuse Treatment Trust Fund	-61	-	-61	-	-	-	-	-	-	-
Surface Impoundment Assessment Account	223	1	217	7	1	-	8	1	-	9
Surface Mining and Reclamation Account	861	2,005	1,950	916	2,005	1,934	987	2,005	2,109	883
Tax Credit Allocation Fee Account	45,222	-5,129	1,836	38,257	5,467	4,333	39,391	16,172	2,256	53,307
Teacher Credentials Fund	6,379	14,309	14,445	6,243	13,115	14,210	5,148	12,960	15,335	2,773
Technical Assistance Fund	454	21,122	21,236	340	23,270	23,091	519	23,726	23,091	1,154
Teleconnect Fd Admin Comm Fd, Cal	41,458	18,937	32,249	28,146	23,201	16,038	35,309	44,398	69,965	9,742
Telephone Medical Advice Services Fund	370	218	116	472	115	144	443	206	149	500
Test Development and Admin Acct, Tc Fd	5,045	4,852	4,722	5,175	3,057	5,379	2,853	5,049	4,660	3,242
Tire Recycling Management Fund, Calif	60,269	19,136	31,829	47,576	26,265	42,394	31,447	37,159	42,888	25,718
Tissue Bank License Fund	1,075	516	291	1,300	560	440	1,420	610	492	1,538
Toxic Substances Control Account	44,917	49,776	44,012	50,681	48,298	51,450	47,529	48,162	59,345	36,346
Traffic Congestion Relief Fund	737,307	23,416	174,946	585,777	83,416	98,393	570,800	143,416	93,448	620,768
Transcript Reimbursement Fund	309	308	193	424	304	308	420	304	310	414
Transportation Debt Services Fund	4,718	308,360	313,078	-	57,076	57,076	-	929,088	929,088	-
Transportation Deferred Investment Fund	282,415	-83,416	-40,088	239,087	-83,416	-83,416	239,087	-83,416	-83,416	239,087
Transportation Investment Fund	427,282	-266,467	-345,216	506,031	-284,451	-322,605	544,185	-	886	543,299
Transportation Rate Fund	1,697	2,165	2,740	1,122	2,308	2,853	577	2,453	2,919	111
Traumatic Brain Injury Fund	528	892	1,141	279	1,088	1,172	195	1,091	1,172	114
Travel Seller Fund	3,261	736	1,076	2,921	1,375	1,348	2,948	1,394	1,367	2,975
Trial Court Improvement Fund	108,419	73,511	146,319	35,611	69,247	100,864	3,994	68,884	62,671	10,207
Trial Court Trust Fund	150,554	1,242,883	1,219,561	173,876	1,294,466	1,383,295	85,047	1,642,403	1,617,682	109,768
Unallocated Acct, Cig & Tob Pr Surtax	3,163	68,396	65,960	5,599	36,925	36,259	6,265	41,508	45,377	2,396
Unallocated Acct, Child & Families Trust	23,787	10,866	8,603	26,050	10,564	9,864	26,750	10,388	28,688	8,450
Underground Storage Tank Cleanup Fund	46,529	230,365	170,252	106,642	239,460	237,020	109,082	307,460	400,572	15,970
Underground Storage Tank Fund	123	1	-	124	1	-	125	1	-	126
Underground Storage Tank Tester Account	136	27	32	131	27	39	119	27	64	82
Undgrnd Strg Tnk Prlm Cnt Orphn St Cln	-	17	-	17	20,017	20,000	34	10,017	10,000	51
Unfair Competition Law Fund	4,960	1,112	3,213	2,859	3,278	3,251	2,886	7,529	9,757	658
Unified Program Account	6,175	3,988	3,391	6,772	5,840	6,786	5,826	7,590	7,176	6,240
Universal Lifeline Telpne Svc Trst Admin	99,598	229,683	236,599	92,682	263,800	293,325	63,157	408,800	420,303	51,654
Unlawful Sales Reduction Fund	95	4	-	99	55	-	154	55	-	209
Upper Newport Bay Ecological Maint&Presv	1,002	-800	12	190	-	-	190	-	-	190
Used Oil Recycling Fund, California	4,225	15,518	18,314	1,429	21,484	19,101	3,812	26,484	25,371	4,925
Vectorborne Disease Account	203	142	88	257	121	80	298	121	99	320
Vehicle Inspection and Repair Fund	70,326	86,730	118,239	38,817	109,827	121,437	27,207	111,103	127,611	10,699
Vehicle License Collection Acct, LRF	-	14,000	14,000	-	14,000	14,000	-	14,000	14,000	-

SCHEDULE 10 -- Continued
SUMMARY OF FUND CONDITION STATEMENTS
(Dollars In Thousands)

Fund	Reserves June 30, 2008	Actual Revenues 2008-09	Actual Expenditures 2008-09	Reserves June 30, 2009	Estimated Revenue 2009-10	Estimated Expenditures 2009-10	Reserves June 30, 2010	Estimated Revenues 2010-11	Estimated Expenditures 2010-11	Reserves June 30, 2011
Vehicle License Fee Account	-	1,553,917	1,553,917	-	1,439,979	1,439,979	-	1,439,979	1,439,979	-
Vehicle License Fee Growth Account	-	-	-	-	-	-	-	28,799	28,799	-
Veterans Cemetery Perpetual Maint Fd	-	-	81	-81	-	75	-156	-	83	-239
Veterans Service Office Fund	1,203	629	598	1,234	625	606	1,253	637	611	1,279
Veterinary Medical Board Contingent Fund	1,300	2,298	2,187	1,411	2,176	2,683	904	2,169	2,724	349
Victim - Witness Assistance Fund	3,724	14,128	16,563	1,289	19,078	16,668	3,699	19,078	16,820	5,957
Victims of Corporate Fraud Compensation	9,726	1,970	78	11,618	1,857	1,557	11,918	1,944	1,561	12,301
Vietnam Veterans Memorial Account	7	-	-	7	-	-	7	-	-	7
Vocational Nurse Education Fund	474	168	41	601	203	146	658	180	224	614
Vocational Nursing & Psychiatric Tech Fd	4,965	5,825	6,519	4,271	8,938	8,709	4,500	8,222	12,174	548
Waste Discharge Permit Fund	9,739	79,367	80,902	8,204	76,166	76,499	7,871	76,976	84,829	18
Wastewater Operator Certification Fund	-	-	-	-	-	-	-	668	668	-
Water Device Certification Special Acct	668	199	190	677	214	231	660	219	250	629
Water Fund, California	1,140	-1,090	-	50	-	-	50	-	-	50
Water Rights Fund	5,489	7,865	7,836	5,518	6,946	10,827	1,637	15,946	17,490	93
Waterfowl Habitat Preservation Acct, Cal	2,773	62	152	2,683	146	241	2,588	130	243	2,475
Welcome Center Fund	37	66	54	49	75	77	47	75	103	19
Wildlife Restoration Fund	13,185	921	1,524	12,582	2,461	2,631	12,412	2,461	2,529	12,344
Wine Safety Fund	184	-	4	180	-	56	124	-	59	65
Winter Recreation Fund	572	248	353	467	325	336	456	325	371	410
Workers' Comp Administration Revolv Fund	70,401	150,421	171,781	49,041	192,665	157,689	84,017	158,377	170,800	71,594
Workers' Compensation Managed Care Fund	480	185	120	545	25	347	223	25	91	157
Workers' Compensation Return-to-Work Fd	483	-	-	483	-	-	483	-	-	483
Workers' Occupational Sfty & Health Ed	1,034	864	1,232	666	1,100	1,202	564	1,100	1,236	428
Wr Pltn Cntrl Rvl Fnd Smll Cmty Crnt Fd	-	-	-	-	1,000	1,000	-	1,000	1,000	-
Yosemite Foundation Acct, ELPF	19	920	677	262	920	840	342	920	840	422
Totals, Special Funds	\$10,537,163	\$23,547,321	\$23,843,790	\$10,240,694	\$25,359,658	\$25,730,247	\$9,870,105	\$27,605,535	\$28,866,673	\$8,608,967
GRAND TOTALS	\$12,850,760	\$106,319,433	\$114,784,209	\$4,385,984	\$113,443,129	\$111,822,296	\$6,006,817	\$116,927,676	\$111,767,972	\$11,166,521

SCHEDULE 11
STATEMENT OF GENERAL OBLIGATION BOND & COMMERCIAL PAPER DEBT OF THE STATE OF CALIFORNIA
(Dollars in Thousands)

(This statement does not include bonds issued under authority of State instrumentalities that are not general obligations of the State of California)

Fund	Bond Act	Final Maturity	General Obligation Bonds				Proposed Sales		Commercial Paper	
			As of December 31, 2009	Unissued	Outstanding	Redeemed	Jan-Jun 2010	Jul-Dec 2010	As of December 31, 2009	Outstanding
			Authorized					Finance Cmte. Authorization	Total	
6032	LEGISLATIVE, JUDICIAL, EXECUTIVE	2018	\$200,000	\$64,495	\$82,185	\$53,320	\$0	\$64,495	\$0	
	Voting Modernization (2002)		\$200,000	\$64,495	\$82,185	\$53,320	\$0	\$64,495	\$0	
	Total, Legislative, Judicial, Executive									
0703	BUSINESS, TRANSPORTATION & HOUSING	2039	\$1,990,000	\$174,580	\$1,011,435	\$803,985	\$0	\$158,950	\$0	
0714	Clean Air & Transp Improv (1990)	2023	150,000	-	3,800	146,200	-	-	-	
6037	Housing & Homeless (1990)	2039	2,100,000	260,140	1,690,900	148,960	35,000	122,249	-	
6066	Housing and Emergency Shelter (2002)	2039	2,850,000	2,161,625	688,375	-	950,000	2,161,625	-	
6053	Highway Safe, Traffic Red, Air Qual, For Sec (2006)	2039	19,925,000	13,859,140	6,065,595	20,275	2,100,000	3,187,160	3,014	
0736	Passenger Rail & Clean Air (1990)	2022	1,000,000	-	282,710	707,280	-	-	-	
0733	Safe, Reliable High-Speed Passenger Train Bond Act (2008)	2039	5,000,000	9,691,605	29,595	-	-	222,405	-	
0653	Seismic Retrofit (1986)	2039	1,000,000	-	1,594,790	445,210	-	-	-	
	Total, Business, Transportation & Housing		\$39,965,000	\$26,147,090	\$11,545,990	\$2,271,920	\$3,085,000	\$5,852,389	\$3,014	
0722	NATURAL RESOURCES	2039	\$370,000	\$1,100	\$32,765	\$398,135	\$0	\$0	\$0	
0721	Ca Park & Recreational Facil (1984)	2024	285,000	-	6,490	278,510	-	-	-	
0707	Ca Safe Drinking Water (1976)	2027	175,000	2,500	12,405	160,095	-	-	-	
0707	Ca Safe Drinking Water (1986)	2030	75,000	-	6,715	68,285	-	-	-	
0707	Ca Safe Drinking Water (1988)	2030	100,000	-	36,370	63,630	-	-	-	
0793	Ca Safe Drinking Water (2000)	2039	75,000	2,015	39,110	33,875	2,015	2,015	-	
6001	Ca Safe Drinking Water (2006)	2039	1,970,000	282,145	1,539,905	147,950	201,985	13,354	1,896	
6051	Ca Safe Drinking Water (2006)	2039	5,388,000	4,103,385	1,283,695	920	600,000	989,420	40,429	
0786	Ca Wildlife, Coast, & Park Land Cons (1988)	2032	776,000	7,330	207,550	561,120	-	-	-	
0734	Clean Water (1970)	2011	250,000	-	1,000	249,000	-	-	-	
0734	Clean Water (1974)	2011	250,000	-	1,995	248,015	-	-	-	
0730	Clean Water (1984)	2024	2,365,000	-	23,740	2,341,260	-	-	-	
6020	Community Parks (1986)	2026	2,000,000	676,740	1,867,495	29,660	210,000	407,583	86,925	
0716	Community Parks (1986)	2022	100,000	-	10,935	89,065	-	-	-	
0748	Fish & Wildlife Habitat Enhance (1984)	2033	85,000	-	9,325	75,675	-	-	-	
0720	Lake Tahoe Acquisitions (1982)	2017	85,000	-	5,310	79,690	-	-	-	
0402	Safe, Clean, Reliable Water Supply (1996)	2039	995,000	114,630	735,180	145,190	9,000	114,630	-	
0005	Safe Neighborhood Parks (2000)	2039	2,100,000	210,675	1,673,795	215,530	11,000	115,293	70,518	
0742	State, Urban & Coastal Park (1976)	2029	280,000	-	6,630	273,370	-	-	-	
0744	Water Conserv & Water Quality (1986)	2031	150,000	21,060	46,575	82,365	-	21,060	-	
0790	Water Conserv (1988)	2036	60,000	8,735	28,185	23,080	4,000	8,735	-	
	Total, Natural Resources		\$16,494,000	\$5,430,315	\$7,595,960	\$3,467,725	\$1,038,000	\$1,682,090	\$199,768	
0737	ENVIRONMENTAL PROTECTION	2028	\$375,000	\$0	\$8,365	\$366,635	\$0	\$0	\$0	
0764	Clean Water & Water Conserv (1978)	2029	65,000	-	32,910	32,090	-	-	-	
6031	Water Security, Coastal & Beach Protection (2002)	2039	3,440,000	1,187,625	2,189,515	62,860	167,000	518,640	89,716	
	Total, Environmental Protection		\$3,880,000	\$1,187,625	\$2,230,790	\$461,585	\$167,000	\$518,640	\$89,716	
6046	HEALTH AND HUMAN SERVICES	2039	\$750,000	\$97,720	\$657,425	\$4,855	\$87,720	\$87,720	\$38,060	
6079	Children's Hospital Projects (2004)	2039	980,000	685,350	294,650	-	377,280	80,350	-	
	Total, Health and Human Services		\$1,730,000	\$773,070	\$952,075	\$4,855	\$465,000	\$168,070	\$38,060	

SCHEDULE 11
STATEMENT OF GENERAL OBLIGATION BOND & COMMERCIAL PAPER DEBT OF THE STATE OF CALIFORNIA
(Dollars in Thousands)

(This statement does not include bonds issued under authority of State instrumentalities that are not general obligations of the State of California)

Fund	Bond Act	Final Maturity	General Obligation Bonds				Proposed Sales		Commercial Paper	
			As of December 31, 2009	Unissued	Outstanding	Redeemed	Jan-Jun 2010	Jul-Dec 2010	As of December 31, 2009	Authorization
YOUTH AND ADULT CORRECTIONAL										
0711	Co Corr Facility (1988)	2022	\$495,000	\$0	\$63,430	\$431,570	\$0	\$0	\$0	\$0
0736	Co Corr Facility (1988)	2030	500,000	-	163,010	336,990	-	-	-	-
0725	Co Jail Cap Expend (1981)	2011	280,000	-	2,650	277,350	-	-	-	-
0746	New Prison Construction (1986)	2034	900,000	-	31,930	868,070	-	-	-	-
0747	New Prison Construction (1986)	2034	1,000,000	3,170	173,915	926,085	-	-	3,170	-
0751	New Prison Construction (1980)	2029	450,000	605	107,550	342,045	-	-	307	-
	Total, Youth and Adult Correctional		\$3,042,000	\$3,775	\$542,185	\$2,496,040	\$0	\$0	\$3,477	\$0
EDUCATION--K-12										
0794	Ca Library Constr & Renov (1988)	2031	\$75,000	\$2,595	\$27,855	\$44,550	\$0	\$0	\$0	\$0
0795	Ca Library Constr & Renov (1988)	2034	200,000	1,465	1,465	1,465	-	-	40,785	12,864
0796	Ca Library Constr & Renov (1988)	2034	6,200,000	11,865	5,203,970	1,484,265	-	-	11,865	-
0857	Public Education Facil (1996) K-12	2035	2,025,000	12,985	1,295,375	716,660	-	-	12,985	-
6036	Public Education Facil (2002) K-12	2040	11,400,000	886,090	9,856,380	657,550	150,000	150,000	886,090	178,965
6044	Public Education Facil (2004) K-12	2040	10,000,000	2,091,915	7,728,165	179,920	120,800	175,000	2,091,915	252,565
6057	Public Education Facil (2006) K-12	2039	7,329,000	4,474,755	2,847,360	6,885	1,100,000	1,400,000	4,474,755	290,220
0739	School Bldg & Earthquake (1974)	2026	40,000	-	22,645	17,355	-	-	-	-
0789	School Facilities (1988)	2011	800,000	-	108,275	691,725	-	-	-	-
0708	School Facilities (1980)	2033	800,000	-	286,880	503,120	-	-	10,280	-
0745	School Facilities (1992)	2036	1,900,000	10,280	863,155	1,026,565	-	-	-	-
0743	State Sch Bldg Lease-Purch (1984)	2011	480,000	-	5,000	445,000	-	-	-	-
0743	State Sch Bldg Lease-Purch (1986)	2011	800,000	-	20,600	773,200	-	-	-	-
0743	State Sch Bldg Lease-Purch (1986)	2011	800,000	-	18,745	781,255	-	-	2,265	-
0774	1990 School Facil Bond Act (Nov)	2033	800,000	2,125	226,265	571,610	-	-	2,125	-
0765	1992 School Facil Bond Act (Nov)	2035	900,000	1,789	417,724	480,487	-	-	1,789	-
	Total, Education--K-12		\$45,169,000	\$7,537,414	\$29,384,779	\$8,246,807	\$1,273,300	\$1,725,000	\$7,514,819	\$734,614
HIGHER EDUCATION										
0574	Class Size Reduction (Pub. Ed. Facil (1998) H+Ed	2038	\$2,600,000	\$0	\$2,171,560	\$328,440	\$0	\$0	\$0	\$0
0782	Higher Education Facil (1988)	2011	400,000	-	9,000	391,000	-	-	-	-
0782	Higher Education Facil (1988)	2033	600,000	-	125,155	474,845	-	-	-	-
0791	Higher Education Facil (Jun 1990)	2033	450,000	2,110	123,305	324,595	-	-	-	-
0705	Higher Education Facil (Jun 1992)	2033	900,000	5,805	478,950	415,245	1,700	-	5,805	-
0658	Public Education Facil (1996) H+Ed	2033	975,000	37,465	678,215	259,320	-	-	-	-
6028	Public Education Facil (2002) H+Ed	2039	1,650,000	8,820	1,586,055	55,125	-	-	8,820	-
6041	Public Education Facil (2004) H+Ed	2039	2,300,000	186,105	2,076,560	37,335	40,000	36,000	186,105	8,820
6048	Public Education Facil (2006) H+Ed	2039	3,087,000	966,700	2,118,860	1,440	230,000	220,000	793,480	26,474
6047	Stem Cell Research and Cures (2004)	2029	3,000,000	2,083,455	916,545	1,440	250,000	250,000	9,159	-
	Total, Higher Education		\$15,882,000	\$3,290,460	\$10,284,205	\$2,287,335	\$521,700	\$506,000	\$1,003,369	\$113,010
GENERAL GOVERNMENT										
0768	Earthquake Safety & Public Bldg. Rehab (1990)	2029	\$300,000	\$12,410	\$184,870	\$102,720	\$0	\$0	\$12,410	\$0
6052	Disaster Prep and Flood Prevent (2006)	2039	4,090,000	3,030,420	1,059,110	470	450,000	400,000	848,995	113,988
0701	Veterans Homes (2000)	2039	50,000	975	40,345	8,680	-	-	975	-
	Total, General Government		\$4,440,000	\$3,043,805	\$1,284,325	\$111,870	\$450,000	\$400,000	\$862,380	\$113,988
	Total, All Agencies		\$130,782,000	\$47,478,049	\$63,902,494	\$19,401,457	\$7,000,000	\$7,000,000	\$17,669,729	\$1,292,170
SELF-LIQUIDATING BONDS¹										
0768	Ca Water Resources Dev (1959)	2024	\$1,750,000	\$167,600	\$489,665	\$1,093,735	\$0	\$0	\$0	\$0
0701	The Economic Recovery Bond Act	2042	15,000,000	8,675	14,912,500	15,000,000	-	-	-	-
0701	Veterans Bonds	2042	4,210,000	1,163,610	1,086,300	1,960,080	-	-	263,610	-
	Total, Self-Liquidating Bonds		\$20,960,000	\$1,331,210	\$9,944,770	\$9,944,020	\$0	\$0	\$263,610	\$0
	Total		\$151,742,000	\$48,809,259	\$73,847,264	\$29,085,477	\$7,000,000	\$7,000,000	\$17,933,339	\$1,292,170

¹ The California Water Resources Development Bond Act, The Economic Recovery Bond Act, and the Veterans Bond Acts are public service enterprises that have their own revenues to finance their respective debt service expenditures. Source: State Treasurer's Office

SCHEDULE 12A
STATE APPROPRIATIONS LIMIT SUMMARY
(Dollars in Millions)

	2008-09		2009-10		2010-11	
	General Fund	Special Funds	General Fund	Special Funds	General Fund	Special Funds
Schedule 8						
Revenues and Transfers	\$82,772	\$23,547	\$88,084	\$25,360	\$89,322	\$27,606
Less/Add: Transfers	-1,026	1,018	-428	442	526	-468
		Total		Total		Total
		\$106,319	\$113,443	\$116,928		\$116,928
		-8	14	58		
Schedule 12B						
Less: Revenues to Excluded Funds	-	-10,439	-	-12,029	-	-12,027
Schedule 12C						
Less: Non-Tax Revenues to Included Funds	-2,224	-533	-1,703	-538	-2,260	-537
Schedule 12D						
Add: Transfers from Excluded to Included Funds	14	4	11	4	13	4
TOTAL, SAL REVENUES AND TRANSFERS	\$79,536	\$13,597	\$85,964	\$13,239	\$87,601	\$14,578
		\$93,133		\$99,202		\$102,179
Schedule 12E						
Less: Exclusions	-39,687	-5,213	-36,367	-4,986	-38,305	-5,450
TOTAL, SAL APPROPRIATIONS		\$48,233		\$57,849		\$58,424
		\$79,858		\$80,984		\$79,186
CALCULATION OF LIMIT ROOM						
Appropriations Limit (Sec. 12.00)						
Less: Total SAL Appropriations		-48,233		57,849		-58,424
Appropriation Limit Room/(Surplus)		\$31,625		\$23,135		\$20,762

SCHEDULE 12B
REVENUES TO EXCLUDED FUNDS
(Dollars In Thousands)

Source Code	Source	Actual 2008-09	Estimated 2009-10	Proposed 2010-11
MAJOR REVENUES:				
110500	Cigarette Tax	\$872,188	\$815,730	\$807,730
110900	Horse Racing Fees-Licenses	13,908	14,798	14,581
111200	Horse Racing Fees-Unclaimed P-M Tickets	-	1,330	1,330
111300	Horse Racing Miscellaneous	14,061	805	2,847
113300	Insurance Gross Premiums Tax	-	239,209	163,554
114300	Other Motor Vehicle Fees	127,784	134,669	136,325
114400	Identification Card Fees	373	-	-
114900	Retail Sales and Use Taxes	804,877	-	-
115400	Mobilehome In-Lieu Tax	2,388	2,388	2,388
TOTAL, MAJOR TAXES AND LICENSES		\$1,835,579	\$1,208,929	\$1,128,755
MINOR REVENUES:				
REGULATORY TAXES AND LICENSES:				
120200	General Fish and Game Taxes	1,014	1,005	1,005
120300	Energy Resource Surcharge	646,487	758,252	787,174
120600	Quarterly Public Utility Commission Fees	135,881	136,587	136,171
120900	Off-Highway Vehicle Fees	19,517	17,000	17,000
121000	Liquor License Fees	49,039	51,508	53,177
121100	Genetic Disease Testing Fees	108,089	122,668	124,104
121200	Other Regulatory Taxes	57,340	63,431	67,242
121300	New Motor Vehicle Dealer License Fee	1,494	1,050	1,082
121500	General Fish and Game Lic Tags Permits	94,267	93,230	93,848
121600	Duck Stamps	145	5	5
122400	Elevator and Boiler Inspection Fees	17,655	17,133	24,578
122700	Employment Agency License Fees	7,456	5,177	5,177
122900	Teacher Credential Fees	14,151	13,496	12,852
123000	Teacher Examination Fees	4,750	5,152	5,000
123100	Insurance Co License Fees & Penalties	40,842	36,434	38,217
123200	Insurance Company Examination Fees	21,739	22,345	22,345
123400	Real Estate Examination Fees	1,811	1,654	1,651
123500	Real Estate License Fees	20,169	35,553	42,124
123600	Subdivision Filing Fees	3,357	3,413	3,966
123800	Building Construction Filing Fees	4,753	6,639	8,550
124100	Domestic Corporation Fees	8,746	7,616	8,843
124200	Foreign Corporation Fees	965	917	965
124300	Notary Public License Fees	1,209	1,149	1,209
124400	Filing Financing Statements	2,154	2,046	2,154
125100	Beverage Container Redemption Fees	1,110,559	1,225,784	1,119,539
125200	Explosive Permit Fees	12	-	-
125300	Processing Fees	152	455	409
125400	Environmental and Hazardous Waste Fees	77,476	77,526	82,290
125600	Other Regulatory Fees	2,253,423	3,950,775	3,188,229
125700	Other Regulatory Licenses and Permits	434,090	441,276	473,623
125800	Renewal Fees	199,438	200,999	210,411
125900	Delinquent Fees	5,783	5,605	5,598
127100	Insurance Department Fees, Prop 103	26,421	23,800	23,800
127200	Insurance Department Fees, General	23,165	23,635	25,772
127300	Insurance Fraud Assessment, Workers Comp	48,826	50,303	47,062
127400	Insurance Fraud Assessment, Auto	46,434	46,435	46,900
127500	Insurance Fraud Assessment, General	9,564	5,800	5,832
TOTAL, REGULATORY TAXES AND LICENSES		\$5,498,373	\$7,455,853	\$6,687,904
REVENUE FROM LOCAL AGENCIES:				
130600	Architecture Public Building Fees	42,415	31,674	31,674
130700	Penalties on Traffic Violations	94,746	96,827	96,231
130800	Penalties on Felony Convictions	62,175	63,003	63,003
130900	Fines-Crimes of Public Offense	4,636	5,000	5,000
131000	Fish and Game Violation Fines	1,548	1,280	1,590
131100	Penalty Assessments on Fish & Game Fines	509	603	604
131200	Interest on Loans to Local Agencies	6	17	32
131300	Add'l Assmnts on Fish & Game Fines	68	75	80
131600	Fingerprint ID Card Fees	62,516	63,141	64,360
131700	Misc Revenue From Local Agencies	579,634	611,740	611,400
TOTAL, REVENUE FROM LOCAL AGENCIES		\$848,253	\$873,360	\$873,974
SERVICES TO THE PUBLIC:				

SCHEDULE 12B -- Continued
REVENUES TO EXCLUDED FUNDS
(Dollars In Thousands)

Source Code	Source	Actual 2008-09	Estimated 2009-10	Proposed 2010-11
140600	State Beach and Park Service Fees	73,280	83,000	83,000
140900	Parking Lot Revenues	8,281	7,900	7,900
141100	Emergency Telephone Users Surcharge	108,000	107,000	107,000
141200	Sales of Documents	844	922	928
142000	General Fees--Secretary of State	27,318	26,012	27,378
142200	Parental Fees	3,320	2,492	3,292
142500	Miscellaneous Services to the Public	79,299	78,334	80,344
143000	Personalized License Plates	50,287	54,710	57,450
TOTAL, SERVICES TO THE PUBLIC		\$350,629	\$360,370	\$367,292
USE OF PROPERTY AND MONEY:				
150200	Income From Pooled Money Investments	1,791	1,715	1,409
150300	Income From Surplus Money Investments	105,458	85,432	87,193
150400	Interest Income From Loans	1,215	2,448	2,092
150500	Interest Income From Interfund Loans	1,926	-	1,701
150600	Income From Other Investments	693	235	225
151200	Income From Condemnation Deposits Fund	1	1	1
151800	Federal Lands Royalties	68,329	68,415	68,415
152200	Rentals of State Property	6,472	8,843	9,760
152300	Misc Revenue Frm Use of Property & Money	13,879	15,775	13,271
152400	School Lands Royalties	71	72	72
152500	State Lands Royalties	-	21,000	119,000
TOTAL, USE OF PROPERTY AND MONEY		\$199,835	\$203,936	\$303,139
MISCELLANEOUS:				
160100	Attorney General Proceeds of Anti-Trust	875	1,351	2,220
160200	Penalties & Interest on UI & DI Contrib	77,600	70,164	93,950
160400	Sale of Fixed Assets	353	10,919	52,285
160500	Sale of Confiscated Property	203	-	-
160600	Sale of State's Public Lands	640	13	7,800
161000	Escheat of Unclaimed Checks & Warrants	4,905	3,070	3,058
161400	Miscellaneous Revenue	215,942	258,596	534,258
161800	Penalties & Intrst on Personal Income Tx	13,953	12,425	17,556
161900	Other Revenue - Cost Recoveries	102,088	103,213	104,388
162000	Tribal Gaming Revenues	44,355	40,980	40,980
163000	Settlements/Judgments(not Anti-trust)	39,155	7,147	7,246
164100	Traffic Violations	13,877	35,796	35,796
164200	Parking Violations	3,730	26,028	25,990
164300	Penalty Assessments	148,860	138,308	505,023
164400	Civil & Criminal Violation Assessment	141,103	137,342	137,945
164600	Fines and Forfeitures	239,099	240,445	240,445
164700	Court Filing Fees and Surcharges	506,492	573,327	585,524
164800	Penalty Assessments on Criminal Fines	153,131	267,215	271,223
TOTAL, MISCELLANEOUS		\$1,706,361	\$1,926,339	\$2,665,687
TOTAL, MINOR REVENUES		\$8,603,451	\$10,819,858	\$10,897,996
TOTALS, Revenue to Excluded Funds (MAJOR and MINOR)		\$10,439,030	\$12,028,787	\$12,026,751

SCHEDULE 12C
NON-TAX REVENUES IN FUNDS SUBJECT TO LIMIT
(Dollars In Thousands)

Source Code	Source	Actual 2008-09		Estimated 2009-10		Proposed 2010-11	
		General Fund	Special Fund	General Fund	Special Fund	General Fund	Special Fund
MAJOR REVENUES:							
111100	Horse Racing Fines and Penalties	\$339	-	\$220	-	\$220	-
111200	Horse Racing Fees-Unclaimed P-M Tickets	264	-	250	-	250	-
111300	Horse Racing Miscellaneous	-	-	5	-	5	-
114200	Driver's License Fees	-	238,457	-	249,500	-	244,500
114300	Other Motor Vehicle Fees	-	36,061	-	39,030	-	38,530
114400	Identification Card Fees	-	25,525	-	26,000	-	26,000
114500	Lien Sale Application Fees	-	2,229	-	2,251	-	2,274
Total, MAJOR TAXES AND LICENSES		\$603	\$302,272	\$475	\$316,781	\$475	\$311,304
MINOR REVENUES:							
REGULATORY TAXES AND LICENSES:							
120800	Hwy Carrier Uniform Business License Tax	170	-	170	-	170	-
120900	Off-Highway Vehicle Fees	-	6,630	-	6,500	-	7,000
121000	Liquor License Fees	-	409	-	413	-	417
122600	Industrial Homework Fees	-	-	1	-	1	-
122700	Employment Agency License Fees	617	-	631	-	631	-
122800	Employment Agency Filing Fees	95	-	95	-	95	-
124500	Candidate Filing Fee	29	-	922	-	194	-
125600	Other Regulatory Fees	564,803	6,407	418,167	6,138	356,012	6,200
125700	Other Regulatory Licenses and Permits	5,213	32,212	6,648	31,997	6,658	32,482
125900	Delinquent Fees	1	-	1	-	1	-
Total, REGULATORY TAXES AND LICENSES		\$570,928	\$45,658	\$426,635	\$45,048	\$363,762	\$46,099
REVENUE FROM LOCAL AGENCIES:							
130900	Fines-Crimes of Public Offense	15	-	-	-	-	-
131500	Narcotic Fines	2,905	-	1,000	-	1,000	-
131700	Misc Revenue From Local Agencies	231,886	437	180,618	449	179,183	449
131900	Rev Local Govt Agencies-Cost Recoveries	14,944	10,671	13,349	10,778	13,412	10,886
Total, REVENUE FROM LOCAL AGENCIES		\$249,750	\$11,108	\$194,967	\$11,227	\$193,595	\$11,335
SERVICES TO THE PUBLIC:							
140100	Pay Patients Board Charges	22,112	-	14,494	-	14,494	-
140900	Parking Lot Revenues	-	482	-	486	-	491
141200	Sales of Documents	99	3,972	95	4,038	95	4,071
142000	General Fees--Secretary of State	114	-	66	-	90	-
142500	Miscellaneous Services to the Public	2,776	67,469	2,515	68,000	2,513	69,000
142600	Receipts From Health Care Deposit Fund	3,358	-	3,358	-	3,358	-
142700	Medicare Receipts Frm Federal Government	12,196	-	13,900	-	13,900	-
143000	Personalized License Plates	-	7	-	7	-	7
Total, SERVICES TO THE PUBLIC		\$40,655	\$71,930	\$34,428	\$72,531	\$34,450	\$73,569
USE OF PROPERTY AND MONEY:							
152000	Oil & Gas Lease-1% Revenue City/County	501	-	400	-	400	-
152200	Rentals of State Property	23,580	46,077	15,338	38,269	15,585	39,533
152300	Misc Revenue Frm Use of Property & Money	18,279	25,602	12,231	26,240	5,524	26,329
152500	State Lands Royalties	328,263	-	258,010	-	159,807	-
Total, USE OF PROPERTY AND MONEY		\$370,623	\$71,679	\$285,979	\$64,509	\$181,316	\$65,862
MISCELLANEOUS:							
160400	Sale of Fixed Assets	2,587	-	15	-	289,015	-
160500	Sale of Confiscated Property	6,846	-	6,500	-	6,500	-
160700	Proceeds From Estates of Deceased Person	-	-	160	-	2,158	-
160900	Revenue-Abandoned Property	272,286	-	169,874	-	165,871	-
161000	Escheat of Unclaimed Checks & Warrants	35,204	4,570	31,735	3,525	31,712	3,558
161300	Subsequent Injuries Revenue	1	-	-	-	-	-
161400	Miscellaneous Revenue	102,681	4,313	90,493	6,712	531,707	6,817
161900	Other Revenue - Cost Recoveries	46,590	-	44,673	-	47,099	-
162000	Tribal Gaming Revenues	390,998	-	370,100	-	365,000	-
163000	Settlements/Judgments(not Anti-trust)	56,762	-	3,177	-	1,598	-
164000	Uninsured Motorist Fees	2,005	495	2,213	500	2,213	505
164100	Traffic Violations	-	9,378	-	9,472	-	9,567
164200	Parking Violations	11,761	-	9,638	-	9,638	-
164300	Penalty Assessments	58,969	4	28,296	4	29,761	4

SCHEDULE 12C -- Continued
NON-TAX REVENUES IN FUNDS SUBJECT TO LIMIT
(Dollars In Thousands)

Source Code	Source	Actual 2008-09		Estimated 2009-10		Proposed 2010-11	
		General Fund	Special Fund	General Fund	Special Fund	General Fund	Special Fund
164400	Civil & Criminal Violation Assessment	488	12,344	340	7,921	490	8,001
164600	Fines and Forfeitures	3,854	-	3,854	-	3,854	-
164900	Donations	1	-	-	-	-	-
Total, MISCELLANEOUS		\$991,033	\$31,104	\$761,068	\$28,134	\$1,486,616	\$28,452
TOTAL, MINOR REVENUES		\$2,222,989	\$231,479	\$1,703,077	\$221,449	\$2,259,739	\$225,317
TOTALS, Non-Tax Revenue (MAJOR and MINOR)		\$2,223,592	\$533,751	\$1,703,552	\$538,230	\$2,260,214	\$536,621

**SCHEDULE 12D
STATE APPROPRIATIONS LIMIT
TRANSFER FROM EXCLUDED FUNDS TO INCLUDED FUNDS
(Dollars In Thousands)**

	Actual 2008-09		Estimated 2009-10		Proposed 2010-11	
	General Fund	Special Fund	General Fund	Special Fund	General Fund	Special Fund
From Corporations Fund, State (0067) to General Fund (0001) per Item 2180-011-0067, BA of 2008 as added by Chapter 2 3X, Statutes of 2009)	\$4,200	-	-	-	-	-
From Sexual Habitual Offender, DOJ (0142) to General Fund (0001) per Item 0820-012-0142, Budget Act of 2008)	\$1,000	-	-	-	-	-
From Fair and Exposition Fund (0191) to General Fund (0001) (per Item 8570-011-0191, Budget Acts)	\$246	-	\$246	-	\$246	-
From Business Fees Fund, Secty of State's (0228) to General Fund (0001) (per Government Code Section 12176)	\$8,595	-	\$5,373	-	\$7,163	-
From Exposition Park Improvement Fund (0267) to General Fund (0001) per Item 1100-011-0267, Budget Act of 2009)	-	-	\$2,771	-	-	-
From Residential Earthquake Recovery Fund, CA (0285) to General Fund (0001) (per Government Code Section 16346)	\$178	-	-	-	-	-
From Teacher Credentials Fund (0407) to General Fund (0001) per Item 6360-011-0407, Budget Act of 2009)	-	-	\$540	-	-	-
From Test Development and Admin Acct, Tc Fd (0408) to General Fund (0001) per Item 6360-011-0408, Budget Act of 2009)	-	-	\$2,160	-	-	-
From Apprenticeship Training Contribution Fd (3022) to General Fund (0001) Transfer to the General Fund per Item 7350-012-3022, Budget Act of 2010)	-	-	-	-	\$5,000	-
From Horse Racing Fund (3153) to General Fund (0001) (per Item 8550-011-3153, Budget Acts)	-	-	\$300	-	\$300	-
From Environmental License Plate Fund, Calif (0140) to Motor Vehicle Account, STF (0044) (per Public Resources Code Section 21191)	-	\$3,890	-	\$3,890	-	\$3,890
TOTALS	\$14,219	\$3,890	\$11,390	\$3,890	\$12,709	\$3,890

**SCHEDULE 12E
STATE APPROPRIATIONS LIMIT
EXCLUDED APPROPRIATIONS
(Dollars in Millions)**

<u>Budget</u>	<u>Fund</u>	<u>Actual 2008-09</u>	<u>Estimated 2009-10</u>	<u>Estimated 2010-11</u>
DEBT SERVICE:				
9600 Bond Interest and Redemption (9600-510-0001)	General	\$3,790	\$4,833	\$5,010
(9590-501-0001)	General	1	-	-
9618 Economic Recovery Bond Debt Service	Special	1,301	1,147	1,335
TOTAL -- DEBT SERVICE		<u>\$5,092</u>	<u>\$5,980</u>	<u>\$6,345</u>
QUALIFIED CAPITAL OUTLAY:				
Various (Ch. 3 Except DOT)	General	\$118	\$135	\$224
Various (Ch. 3 Except DOT)	Special	8	75	80
Various Qualified Capital Outlay	General	788	720	201
Various Qualified Capital Outlay	Special	-	77	325
Lease-Revenue Bonds (Capital Outlay)	General	543	618	740
Lease-Revenue Bonds (Capital Outlay)	Special	16	20	31
TOTAL -- CAPITAL OUTLAY		<u>\$1,473</u>	<u>\$1,645</u>	<u>\$1,601</u>
SUBVENTIONS:				
6110 K-12 Apportionments (6110-601-0001)	General	\$19,828	\$15,798	\$18,747
6110 K-12 Supplemental Instruction (6110-104/664/657-0001)	General	347	336	335
6110 K-12 Class Size Reduction (6110-234/629/630-0001)	General	1,119	1,485	1,263
6110 K-12 ROCP (6110-105/618/659-0001)	General	377	385	383
6110 K-12 Apprenticeships (6110-103/635/613-0001)	General	15	17	16
6110 Charter Sch Block Grant (6110-211/621/616-0001)	General	152	199	142
State Subventions Not Counted in Schools' Limit	General	-13	-13	-13
6110 County Offices (6110-608-0001)	General	259	209	206
6870 Community Colleges (6870-101/103/295-0001)	General	3,917	3,721	3,979
SUBVENTIONS -- EDUCATION		<u>\$26,001</u>	<u>\$22,137</u>	<u>\$25,058</u>
5195 State-Local Realignment				
Vehicle License Collection Account	Special	\$14	\$14	\$14
Vehicle License Fees	Special	1,554	1,440	1,469
9100 Tax Relief (9100-101-0001, Programs 60, 90)	General	439	442	447
9210 Local Government Financing				
(9210-103-0001)	General	5	2	-
(9210-601-0001)	General	32	-	-
9350 Shared Revenues				
(9430-640-0064)	Special	149	83	118
(9430-601-0001) Trailer VLF GF backfill (Shared Rev.)	General	12	12	12
SUBVENTIONS -- OTHER		<u>\$2,205</u>	<u>\$1,993</u>	<u>\$2,060</u>
COURT AND FEDERAL MANDATES:				
Various Court and Federal Mandates (HHS)	General	\$3,785	\$3,763	\$3,427
Various Court and Federal Mandates	General	4,147	3,705	3,186
Various Court and Federal Mandates	Special	211	209	215
TOTAL -- MANDATES		<u>\$8,143</u>	<u>\$7,677</u>	<u>\$6,828</u>
PROPOSITION 111:				
PTA Gasoline	Special	\$64	\$63	\$0
Motor Vehicle Fuel Tax: Gasoline	Special	1,330	1,305	1,299
Motor Vehicle Fuel Tax: Diesel	Special	255	245	253
Weight Fee Revenue	Special	311	308	311
TOTAL -- PROPOSITION 111		<u>\$1,960</u>	<u>\$1,921</u>	<u>\$1,863</u>
TAX REFUND:				
9100 Tax Relief (9100-101-0001, Programs 10, 30, 50)	General	\$26	-	-
TOTAL -- TAX RELIEF		<u>\$26</u>	<u>-</u>	<u>-</u>
TOTAL EXCLUSIONS:		<u>\$44,900</u>	<u>\$41,353</u>	<u>\$43,755</u>
General Fund		\$39,687	\$36,367	\$38,305
Special Funds		\$5,213	\$4,986	\$5,450

Finance Glossary of Accounting and Budgeting Terms

The following budgetary terms are used frequently throughout the Governor's Budget, the Governor's Budget Summary, and the annual Budget (Appropriations) Bill. Definitions are provided for terminology that is common to all publications. For definitions of terms unique to a specific program area, please refer to the individual budget presentation.

Abatement

A reduction to an expenditure that has already been made. In state accounting, only specific types of receipts are accounted for as abatements, including refund of overpayment of salaries, rebates from vendors or third parties for defective or returned merchandise, jury duty and witness fees, and property damage or loss recoveries. (See *SAM 10220* for more detail.)

Abolishment of Fund

The closure of a fund pursuant to the operation of law. When a special fund is abolished, all of its assets and liabilities are transferred by the State Controller's Office to a successor fund, or if no successor fund is specified, then to the General Fund.

Accrual basis of accounting

The basis of accounting in which revenue is recorded when earned and expenditures are recorded when obligated, regardless of when the cash is received or paid.

Administration

Refers to the Governor's Office and those individuals, departments, and offices reporting to it (e.g., the Department of Finance).

Administration Program Costs

The indirect cost of a program, typically a share of the costs of the administrative units serving the entire department (e.g., the Director's Office, Legal, Personnel, Accounting, and Business Services). "Distributed Administration" costs represent the distribution of the indirect costs to the various program activities of a department. In most departments, all administrative costs are distributed. (See also "Indirect Costs" and "SWCAP.")

Administratively Established Positions

Positions authorized by the Department of Finance during a fiscal year that were not included in the Budget and are necessary for workload or administrative reasons. Such positions terminate at the end of the fiscal year, or, in order to continue, must meet certain criteria under Control Section 31.00. (*SAM 6406, Control Section 31.00*)

Agency

A legal or official reference to a government organization at any level in the state organizational hierarchy. (See the *UCM* for the hierarchy of State Government Organizations.)

OR A government organization belonging to the highest level of the state organizational hierarchy as defined in the *UCM*. An organization whose head (Agency Secretary) is designated by Governor's order as a cabinet member. (*SAM 6610*)

Allocation

A distribution of funds or costs from one account or appropriation to one or more accounts or appropriations (e.g., the allocation of approved deficiency funding from the statewide 9840 Budget Act items to departmental Budget Act items).

Allotment

The approved division of an amount (usually of an appropriation) to be expended for a particular purpose during a specified time period. An allotment is generally authorized on a line item expenditure basis by program or organization. (*SAM 8300 et seq*)

Amendment

A proposed or accepted change to a bill in the Legislature, the California Constitution, statutes enacted by the Legislature, or ballot initiative.

A-pages

A common reference to the Governor's Budget Summary. Budget highlights now contained in the Governor's Budget Summary were once contained in front of the Governor's Budget on pages A-1, A-2, etc., and were, therefore, called the A-pages.

Appropriated Revenue

Revenue which, as it is earned, is reserved and appropriated for a specific purpose. An example is student fees received by state colleges that are by law appropriated for the support of the colleges. The revenue does not become available for expenditure until it is earned.

Appropriation

Authorization for a specific agency to make expenditures or incur liabilities from a specific fund for a specific purpose. It is usually limited in amount and period of time during which the expenditure is to be incurred. For example, appropriations made by the Budget Act are available for encumbrance for one year, unless otherwise specified. Appropriations made by other legislation are available for encumbrance for three years, unless otherwise specified, and appropriations stating "without regard to fiscal year" shall be available from year to year until expended. Legislation or the California Constitution can provide continuous appropriations, and the voters can also make appropriations. An appropriation shall be available for encumbrance during the period specified therein, or if not specified, for a period of three years after the date upon which it first became available for encumbrance. Except for federal funds, liquidation of encumbrances must be within two years of the expiration date of the period of availability for encumbrance, at which time the undisbursed (i.e., unliquidated) balance of the appropriation is reverted back into the fund. Federal funds have four years to liquidate.

Appropriation Without Regard To Fiscal Year (AWRTFY)

An appropriation for a specified amount that is available from year to year until expended.

Appropriations Limit, State (SAL)

The constitutional limit on the growth of certain appropriations from tax proceeds, generally set to the level of the prior year's appropriation limit as adjusted for changes in cost of living and population. Other adjustments may be made for such reasons as the transfer of services from one government entity to another. (*Article XIII B, § 8; GC Sec. 7900 et seq; CS 12.00*)

Appropriation Schedule

The detail of an appropriation (e.g., in the Budget Act), showing the distribution of the appropriation to each of the categories, programs, or projects thereof.

Assembly

California's lower house of the Legislature composed of 80 members who are elected for two-year terms and may serve a maximum of three terms. (*Article IV, § 2 (a)*)

Audit

Typically a review of financial statements or performance activity (such as of an agency or program) to determine conformity or compliance with applicable laws, regulations, and/or standards. The state has three central organizations that perform audits of state agencies: the State Controller's Office, the Department of Finance, and the Bureau of State Audits. Many state departments also have internal audit units to review their internal functions and program activities. (*SAM 20000, etc.*)

Augmentation

An authorized increase to a previously authorized appropriation or allotment. This increase can be authorized by Budget Act provisional language, control sections, or other legislation. Usually a Budget Revision or an Executive Order is processed to implement the increase.

Authorized

Given the force of law (e.g., by statute). For some action or quantity to be authorized, it must be possible to identify the enabling source and date of authorization.

Authorized Positions

As reflected in the Governor's Budget, authorized positions represent a point-in-time number as of July 1 of the current year. For past year, authorized positions represents the number of actual personnel years for that year. For current year, authorized positions include all regular ongoing positions approved in the Budget Act for that year, less positions abolished because of continued vacancy. For budget year, the number of authorized positions is the same as current year except for adjustments for any positions that will expire by the end of the current year. The detail of authorized positions by department and classification is published in the annual "Salaries and Wages Supplement." Changes in authorized positions are listed at the end of each department's budget presentation in the Governor's Budget. (GC 19818; SAM 6406)

Availability Period

The time period during which an appropriation may be encumbered (i.e., committed for expenditure), usually specified by the law creating the appropriation. If no specific time is provided in financial legislation, the period of availability automatically becomes three years. Unless otherwise provided, Budget Act appropriations are available for one year. However based on project phase, capital outlay projects may have up to three years to encumber. An appropriation with the term "without regard to fiscal year" has an unlimited period of availability and may be encumbered at any time until the funding is exhausted. (See also "Encumbrances")

Balance Available

In regards to a fund, it is the excess of assets over liabilities and reserves that is available for appropriation. For appropriations, it is the unobligated balance still available.

Baseline Adjustment

Also referred as Workload Budget Adjustment. See Workload Budget Adjustment.

Baseline Budget

Also referred as Workload Budget. See Workload Budget.

Bill

A draft of a proposed law presented to the Legislature for enactment. (A bill has greater legal formality and standing than a resolution.)

OR An invoice, or itemized statement, of an amount owing for goods and services received.

Board of Control, State

Previous name for the California Victim Compensation and Government Claims Board.

Bond Funds

For legal basis budgeting purposes, funds used to account for the receipt and disbursement of non-self liquidating general obligation bond proceeds. These funds do not account for the debt retirement since the liability created by the sale of bonds is not a liability of bond funds. Depending on the provisions of the bond act, either the General Fund or a sinking fund pays the principal and interest on the general obligation bonds. The proceeds and debt of bonds related to self-liquidating bonds are included in nongovernmental cost funds. (SAM 14400)

Budget

A plan of operation expressed in terms of financial or other resource requirements for a specific period of time. (GC 13320, 13335; SAM 6120)

Budget Act (BA)

An annual statute authorizing state departments to expend appropriated funds for the purposes stated in the Governor's Budget and amended by the Legislature. (SAM 6333)

Budget Bill

Legislation presenting the Governor's proposal for spending authorization for the next fiscal year. This bill is prepared by the Department of Finance and submitted to each house of the Legislature in January (accompanying the Governor's Budget). The bills' authors are typically the budget committee chairpersons.

The California Constitution requires the Legislature to pass the Budget Bill and send it by June 15 each year to the Governor for signature. After signature by the Governor, the Budget Bill becomes the Budget Act. (Art. IV. § 12(c); GC 13338; SAM 6325, 6333)

Budget Change Proposal (BCP)

A proposal to change the level of service or funding sources for activities authorized by the Legislature, propose new program activities not currently authorized, or to delete existing programs. The Department of Finance annually issues a Budget Letter with specific instructions for preparing BCPs. (SAM 6120)

Budget Cycle

The period of time, usually one year, required to prepare a state financial plan and enact that portion of it applying to the budget year. Significant events in the cycle include:

- preparation of the Governor's proposed budget (mostly done between July 1st and January 10)
- submission of the Governor's Budget and Budget Bill to the Legislature (by January 10)
- submission to the Legislature of proposed adjustments to the Governor's Budget
 - April 1 - adjustments other than Capital Outlay and May Revision
 - May 1 - Capital Outlay appropriation adjustments
 - May 14 - May Revision adjustments for changes in General Fund revenues, necessary expenditure reductions to reflect updated revenue, and funding for Proposition 98, caseload, and population
- review and revision of the Governor's Budget by the Legislature
- return of the revised budget to the Governor for signature after any line-item vetoes (which the California Constitution requires be done by June 15)
- signing of the budget by the Governor (ideally by June 30). (SAM 6150) (GC 13308)

Budget, Program or Traditional

A program budget expresses the operating plan in terms of the costs of activities (programs) to be undertaken to achieve specific goals and objectives. A traditional (or object of expenditure) budget expresses the plan in terms of categories of costs of the goods or services to be used to perform specific functions.

The Governor's Budget is primarily a program budget but also includes detailed categorization of proposed expenditures for goods and services (Expenditures by Category) for State Operations for each department. (GC 13336; SAM 6210, 6220)

Budget Revision (BR)

A document, usually approved by the Department of Finance, that cites a legal authority to authorize a change in an appropriation. Typically, BRs either increase the appropriation or make adjustments to the categories or programs within the appropriation as scheduled. (SAM 6533, 6542, 6545)

Budget Year (BY)

The next state fiscal year, beginning July 1 and ending June 30, for which the Governor's Budget is submitted (i.e., the year following the current fiscal year).

CALSTARS

The acronym for the California State Accounting and Reporting System, the state's primary accounting system. Most departments now use CALSTARS. (GC 13300)

Capital Outlay (CO)

A character of expenditure of funds to acquire land, plan and construct new buildings, expand or modify existing buildings, and/or purchase equipment related to such construction. (CS 3.00)

Carryover

The unencumbered balance of an appropriation available for expenditure in years subsequent to the year of enactment. For example, if a three-year appropriation is not fully encumbered in the first year, the remaining amount is carried over to the next fiscal year.

Cash Basis

The basis of accounting that records receipts and disbursements when cash is received or paid.

Cash Flow Statement

A statement of cash receipts and disbursements for a specified period of time. Amounts recorded as accruals, which do not affect cash, are not reflected in this statement.

Category

A grouping of related types of expenditures, such as Personal Services, Operating Expenses and Equipment, Reimbursements, Special Items of Expense, Unclassified, Local Costs, Capital Costs, and Internal Cost Recovery. (UCM)

Category Transfer

An allowed transfer between categories or functions within the same schedule of an appropriation. Such transfers are presently authorized by Control Section 26.00 of the Budget Act (and prior to 1996-97, by Section 6.50 of the Budget Act). The control section specifies the amounts of the allowable transfers and reporting requirements.

Change Book System

The system the Department of Finance uses to record all the legislative changes made to the Governor's Budget and the final actions on the budget taken by the Legislature and Governor. A "Final Change Book" is published after enactment of the Budget Act. It includes detailed fiscal information on the changes made by the Legislature and by the Governor's vetoes. (SAM 6355)

Change in Authorized Positions ("Schedule 2")

A schedule that reflects staffing changes made subsequent to the adoption of the current year budget. This schedule documents transfers, positions established, and selected reclassifications, as well as proposed new positions for the budget year. (SAM 6406)

Chapter

The reference assigned by the Secretary of State to an enacted bill, numbered sequentially in order of enactment each calendar year. The enacted bill is then referred to by this "chapter" number and the

year in which it became law. For example, *Chapter 1, Statutes of 1997*, would refer to the first bill enacted in 1997.

Character of Expenditure

A classification identifying the purpose of an expenditure, such as State Operations, Local Assistance, or Capital Outlay. (*UCM*)

Claim Schedule

A request from a state agency to the State Controller's Office to disburse payment from an appropriation or account for a lawful state obligation. The claim schedule identifies the appropriation or account to be charged, the payee, the amount to be paid, and an affidavit attesting to the validity of the request.

COBCP

Capital outlay budgets are zero-based each year, therefore, the department must submit a written capital outlay budget change proposal for each new project or subsequent phase of an existing project for which the department requests funding. (*SAM 6818*)

Codes, Uniform

See "Uniform Codes Manual."

Conference Committee

A committee of three members (two from the majority party, one from the minority party) from each house, appointed to meet and resolve differences between versions of a bill (e.g., when one house of the Legislature does not concur with bill amendments made by the other house). If resolution cannot be reached, another conference committee can be selected, but no more than three different conference committees can be appointed on any one bill. Budget staff commonly refer to the conference committee on the annual budget bill as the "Conference Committee." (*SAM 6340*)

Continuing Appropriation

An appropriation for a set amount that is available for more than one year.

Continuous Appropriation

Constitutional or statutory expenditure authorization which is renewed each year without further legislative action. The amount available may be a specific, recurring sum each year; all or a specified portion of the proceeds of specified revenues which have been dedicated permanently to a certain purpose; or it may be whatever amount is designated for the purpose as determined by formula, e.g., school apportionments. Note: Government Code Section 13340 sunsets statutory continuous appropriations on June 30 with exceptions specified in the code and other statutes. Section 30.00 of the annual Budget Act traditionally extends the continuous appropriations for one additional fiscal year. (*GC 13340; SAM 8382*)

Continuously Vacant Positions

On July 1, positions which were continuously vacant for six consecutive monthly pay periods during the preceding fiscal year are abolished by the State Controller's Office. The six consecutive monthly pay periods may occur entirely within one fiscal year or between two consecutive fiscal years. The exceptions to this rule are positions exempt from civil service and instructional positions authorized for the California State University. The Department of Finance may authorize the reestablishment of positions in cases where the vacancies were (1) due to a hiring freeze, (2) the department has diligently attempted to fill the position but was unable to complete all steps to fill the position within six months, (3) the position is determined to be hard-to-fill, (4) the position has been designated as a management position for the purposes of collective bargaining and has been held vacant pending the appointment of the director or other chief executive officer of the department as part of the transition from one Governor to the succeeding Governor, or, (5) late enactment of the budget causes the department to delay filling the position, and the Department of Finance approves an agency's written

appeal to continue the positions. In addition, departments may self-certify reestablishments by August 15 for positions that meet specified conditions during the vacancy period.

By October 15 of each year, the State Controller's Office is required to notify the Joint Legislative Budget Committee and the Department of Finance of the continuously vacant positions identified for the preceding fiscal year.

(GC 12439)

Control Sections

Sections of the Budget Act (i.e., 3.00 to the end) providing specific controls on the appropriations itemized in Section 2.00 of the Budget Act. See more detail under "Sections."

Conversion Code Listing

See "Finance Conversion Code Listing."

Cost-of-Living Adjustments (COLA)

Increases provided in state-funded programs that include periodic adjustments predetermined in state law (statutory, such as K-12 education apportionments), or established at optional levels (discretionary) by the Administration and the Legislature each year through the budget process.

Current Year (CY)

A term used in budgeting and accounting to designate the operations of the present fiscal year in contrast to past or future periods. (See also "Fiscal Year.")

Debt Service

The amount of money required to pay interest on outstanding bonds and the principal of maturing bonds.

Deficiency

A lack or shortage of (1) money in a fund, (2) expenditure authority due to an insufficient appropriation, or (3) expenditure authority due to a cash problem (e.g., reimbursements not received on a timely basis). See Budget Act 9840 Items.

Department

A governmental organization, usually belonging to the third level of the state organizational hierarchy as defined in the Uniform Codes Manual. (UCM)

Department of Finance (Finance)

The department that is delegated the responsibility for preparation of the Governor's Budget. The Director of Finance functions as the Governor's chief fiscal advisor. Major activities of the department include:

- Establish appropriate fiscal policies to carry out the Administration's programs
- Prepare, enact, and administer the State's Annual Financial Plan
- Analyze legislation that has a fiscal impact
- Establish and maintain state accounting policies
- Administer and maintain CALSTARS
- Monitor/audit expenditures by state departments to ensure compliance with approved standards and policies
- Develop economic forecasts and revenue estimates
- Develop population and enrollment estimates and projections
- Review expenditures on data processing activities of department

(GC 13000 et seq.)

Detailed Budget Adjustments

Department Detailed Budget Adjustments are included in department budget displays to provide the reader a snapshot of proposed expenditure and position adjustments in the department, why those changes are being proposed, and their dollar and position impact.

The Detailed Budget Adjustments include two adjustment categories: workload and policy. Within the workload section, issues are further differentiated between budget change proposals and other workload budget adjustments. Below are the standard change table categories or headings including definitions:

- **Workload Budget Adjustments** - See "Workload Budget Adjustments."
- **Policy Adjustments** - See "Policy Adjustments."
- **Employee Compensation Adjustments** - See "Employee Compensation/Retirement."
- **Retirement Rate Adjustment** – See "Employee Compensation/Retirement."
- **Limited Term Positions/ Expiring Programs** - Reduction of the budget-year funding and positions for expiring programs or positions.
- **Abolished Vacant Positions** – Positions abolished that are vacant for six consecutive monthly pay periods, irrespective of fiscal years, per Government Code 12439.
- **One-Time Cost Reductions** - Reductions of the budget-year funding and positions to account for one-time costs budgeted in the current year.
- **Full-Year Cost of New Programs** - Increases to the budget year funding and positions to reflect the full-year costs of programs authorized to begin after July 1 of the current fiscal year (does not include the full year effect of employee compensation adjustments that are displayed separately).
- **Carryover/Reappropriation** – See "Carryover" and "Reappropriation."
- **Legislation With an Appropriation** – New legislation with funding to carry out its purpose.
- **Expenditure Transfers** – Transfers of expenditures between two departments but within the same fund.
- **Lease Revenue Debt Service Adjustment** – Expenditures related to changes in lease revenue costs.
- **Miscellaneous Adjustments** – This category includes all workload budget adjustments not included in one of the aforementioned categories. This category may include Pro Rata and Statewide Costs Allocation Plan (SWCAP) adjustments. See Pro Rata and Statewide Cost Allocation.

Detail of Appropriations and Adjustments

A budget display, for each organization, that reflects appropriations and adjustments by fund source for each character of expenditure, (i.e., State Operations, Local Assistance, and Capital Outlay). (SAM 6478)

Element

A subdivision of a budgetary program and the second level of the program structure in the Uniform Codes Manual.

Employee Compensation/Retirement

Salary, benefit, employer retirement rate contribution adjustments, and any other related statewide compensation adjustments for state employees. Various 9800 Items of the Budget Act appropriate funds for compensation increases for most state employees (excluding Higher Education and some others), that is, they appropriate the incremental adjustment proposed for the salary and benefit adjustments for the budget year. The base salary and benefit levels are included in individual agency/departmental budgets.

Encumbrance

The commitment of all or part of an appropriation for future expenditures. Encumbrances are accrued as expenditures by departments at year-end and included in expenditure totals in individual budget displays. On a state-wide basis, an adjustment is made for the General Fund to remove from the

expenditure totals the amount of encumbrances where goods and services have not been received. The amount of encumbrances where goods and services have not been received is shown in the Reserve for Encumbrances. This adjustment and the use of the Reserve for Encumbrances are in accordance with Generally Accepted Accounting Principles and is required by Government Code Section 13306.

Enrolled Bill Report (EBR)

An analysis prepared on Legislative measures passed by both houses and referred to the Governor, to provide the Governor's Office with information concerning the measure with a recommendation for action by the Governor. While approved bill analyses become public information, EBRs do not. Note that EBRs are not prepared for Constitutional Amendments, or for Concurrent, Joint, or single house resolutions, since these are not acted upon by the Governor. (SAM 6965)

Enrollment, Caseload, & Population Adjustments

These adjustments are generally formula or population driven.

Excess Vacant Positions

Positions in excess of those necessary to meet budgeted salary savings. For example, a department which had 95 budgeted personnel years (100 authorized positions less 5 for salary savings) but actual expenditure of only 91 personnel years, would have had 4 "excess vacant positions" (plus or minus other adjustments pursuant to Department of Finance instructions and review).

Executive Branch

One of the three branches of state government, responsible for implementing and administering the state's laws and programs. The Governor's Office and those individuals, departments, and offices reporting to it (the Administration) are part of the Executive Branch.

Executive Order (EO)

A budget document, issued by the Department of Finance, requesting the State Controller's Office to make an adjustment in their accounts. The adjustments are typically authorized by appropriation language, Budget Act control sections, and other statutes. An EO is used when the adjustment makes increases or decreases on a state-wide basis, involves two or more appropriations, or makes certain transfers or loans between funds.

Exempts

State employees exempt from civil service pursuant to subdivision (e), (f), or (g) of Section 4 of Article VII of the California Constitution. Examples include department directors and other gubernatorial appointees. (SAM 0400)

Expenditure

Where accounts are kept on a cash basis, the term designates only actual cash disbursements. For individual departments, where accounts are kept on an accrual or a modified accrual basis, expenditures represent the amount of an appropriation used for goods and services ordered, whether paid or unpaid.

However for the General Fund, expenditures are adjusted on a statewide basis to reflect only amounts where goods and services have been received.

Expenditure Authority

The authorization to make an expenditure (usually by a budget act appropriation, provisional language or other legislation).

Expenditures by Category (Summary by Object)

A budget display, for each department, that reflects actual past year, estimated current year, and proposed budget year expenditures presented by character of expenditure (e.g., State Operations

and/or Local Assistance) and category of expenditure (e.g., Personal Services, Operating Expenses and Equipment).

3-year Expenditures and Positions (Summary of Program Requirements)

A display at the start of each departmental budget that presents the various departmental programs by title, dollar totals, personnel years, and source of funds for the past, current, and budget years.

Feasibility Study Report (FSR)

A document proposing an information technology project that contains analyses of options, cost estimates, and other information. (SAM 4920-4930)

Federal Fiscal Year (FFY)

The 12-month accounting period of the federal government, beginning on October 1 and ending the following September 30. For example, a reference to FFY 2006 means the period beginning October 1, 2005 and ending September 30, 2006. (See also "Fiscal Year.")

Federal Funds

For legal basis budgeting purposes, classification of funds into which money received in trust from an agency of the federal government will be deposited and expended by a state department in accordance with state and/or federal rules and regulations. State departments must deposit federal grant funds in the Federal Trust Fund, or other appropriate federal fund in the State Treasury. (GC 13326 (Finance approval), 13338 approp. of FF, CS 8.50)

Feeder Funds

For legal basis accounting purposes, funds into which certain taxes or fees are deposited upon collection. In some cases administrative costs, collection expenses, and refunds are paid. The balance of these funds is transferable at any time by the State Controller's Office to the receiving fund.

Final Budget

Generally refers to the Governor's Budget as amended by actions taken on the Budget Bill (e.g. legislative changes, Governor's vetoes). Note: Subsequent legislation (law enacted after the Budget Bill is chaptered) may add, delete, or change appropriations or require other actions that affect a budget appropriation.

Final Budget Summary

A document produced by the Department of Finance after enactment of the Budget Act which reflects the Budget Act, any vetoes to language and/or appropriations, technical corrections to the Budget Act, and summary budget information. (See also "Budget Act," "Change Book.") (SAM 6130, 6350)

Finance Conversion Code (FCC) Listing

A listing distributed by the State Controller's Office to departments each spring, which based upon departmental coding updates, will dictate how the salaries and wages detail will be displayed in the Salaries and Wages publication. (SAM 6430)

Finance Letter (FL)

Proposals made, by the Director of Finance to the chairpersons of the budget committees in each house, to amend the Budget Bill and the Governor's Budget from that submitted on January 10 to reflect a revised plan of expenditure for the budget year and/or current year. Specifically, the Department of Finance is required to provide the Legislature with updated expenditure and revenue information for all policy adjustments by April 1, capital outlay technical changes by May 1, and changes for caseload, population, enrollment, updated revenues, and Proposition 98 by May 14. (GC 13308)

Fiscal Committees

Committees of members in each house of the Legislature that review the fiscal impact of proposed legislation, including the Budget Bill. Currently, the fiscal committees include the Senate Budget and Fiscal Review Committee, Senate Appropriations Committee, Assembly Appropriations Committee, and the Assembly Budget Committee. The Senate Budget and Fiscal Review Committee and the Assembly Budget Committee are broken into subcommittees responsible for specific state departments or subject areas. Both houses also have Revenue and Taxation Committees that are often considered fiscal committees.

Fiscal Impact Analysis

Typically refers to a section of an analysis (e.g., bill analysis) that identifies the costs and revenue impact of a proposal and, to the extent possible, a specific numeric estimate for applicable fiscal years.

Fiscal Year (FY)

A 12-month period during which income is earned and received, obligations are incurred, encumbrances are made, appropriations are expended, and for which other fiscal transactions are recorded. In California state government, the fiscal year begins July 1 and ends the following June 30. If reference is made to the state's FY 2008, this is the time period beginning July 1, 2008 and ending June 30, 2009. (See also "Federal Fiscal Year.") (GC 13290)

Floor

The Assembly or Senate chambers or the term used to describe the location of a bill or the type of session. Matters may be referred to as "on the floor".

Form 9

A request by a department for space planning services (e.g., new or additional space lease extensions, or renewals in noninstitutional) and also reviewed by the Department of Finance. (SAM 6454)

Form 22

A department's request to transfer money to the Architectural Revolving Fund (e.g., for building improvements), reviewed by the Department of Finance. (GC 14957; SAM 1321.1)

Fund

A legal budgeting and accounting entity that provides for the segregation of moneys or other resources in the State Treasury for obligations in accordance with specific restrictions or limitations. A separate set of accounts must be maintained for each fund to show its assets, liabilities, reserves, and balance, as well as its income and expenditures.

Fund Balance

Excess of a fund's assets over its liabilities and reserves.

Fund Condition Statement

A budget display, included in the Governor's Budget, summarizing the operations of a fund for the past, current, and budget years. The display includes the beginning balance, prior year adjustments, revenue, transfers, loans, expenditures, the ending balance, and any reserves. Fund Condition Statements are required for all special funds. The Fund Condition Statement for the General Fund is Summary Schedule 1. Other funds are displayed at the discretion of the Department of Finance.

General Fund (GF)

For legal basis accounting and budgeting purposes, the predominant fund for financing state government programs, used to account for revenues which are not specifically designated to be accounted for by any other fund. The primary sources of revenue for the General Fund are the personal income tax, sales tax, and corporation taxes. The major uses of the General Fund are

education (K-12 and higher education), health and human service programs, and correctional programs.

Governmental Cost Funds

Funds that derive revenue from taxes, licenses, and fees.

Governor's Budget

The publication the Governor presents to the Legislature, by January 10 each year. It contains recommendations and estimates for the state's financial operations for the budget year. It also displays the actual revenues and expenditures of the state for the prior fiscal year and updates estimates for the current year revenues and expenditures. This publication is also produced in a web format known as the Proposed Budget Detail on the Department of Finance website. (*Article IV, § 12; SAM 6120, et seq*)

Governor's Budget Summary (or A-Pages)

A companion publication to the Governor's Budget that outlines the Governor's policies, goals, and objectives for the budget year. It provides a perspective on significant fiscal and/or structural proposals. This publication is also produced in a web format known as the Proposed Budget Summary on the Department of Finance web site.

Grants

Typically used to describe amounts of money received by an organization for a specific purpose but with no obligation to repay (in contrast to a loan, although the award may stipulate repayment of funds under certain circumstances). For example, the state receives some federal grants for the implementation of health and community development programs, and the state also awards various grants to local governments, private organizations and individuals according to criteria applicable to the program.

Hot Books

Binders or other compilations of reference materials the Department of Finance budget staff use when testifying on the Governor's Budget before the Legislature.

Indirect Costs

Costs which by their nature cannot be readily associated with a specific organization unit or program. Like general administrative expenses, indirect costs are distributed to the organizational unit(s) or program(s) which benefit from their incurrence.

Initiative

The power of the electors to propose statutes or Constitutional amendments and to adopt or reject them. An initiative must be limited to a single subject and be filed with the Secretary of State with the appropriate number of voter signatures in order to be placed on the ballot. (*Article II, § 8*)

Item

Another word for appropriation.

Judgments

Usually refers to decisions made by courts against the state. Payment of judgments is subject to a variety of controls and procedures.

Language Sheets

Copies of the current Budget Act appropriation items provided to Finance and departmental staff each fall to update for the proposed Governor's Budget. These updated language sheets become the proposed Budget Bill. In the spring, language sheets for the Budget Bill are updated to reflect revisions to the proposed appropriation amounts, Item schedule(s), and provisions, and become the Budget Act.

Legislative Analyst's Office (LAO)

A non-partisan organization that provides advice to the Legislature on fiscal and policy matters. For example, the LAO annually publishes a detailed analysis of the Governor's Budget and this document becomes the initial basis for legislative hearings on the Budget Bill. (SAM 7360)

Legislative Counsel Bureau

A staff of attorneys who draft legislation (bills) and proposed amendments, and review, analyze and render opinions on legal matters for the legislative members.

Legislative Counsel Digest

A summary of what a legislative measure does contrasting existing law and the proposed change. This summary appears on the first page of a bill.

Legislative Information System (LIS)

An on-line system developed and used by the Department of Finance to maintain current information about all bills introduced in the Assembly and Senate for the current two-year session, and for other recently completed sessions. Finance analysts use this system to prepare bill analyses.

Legislature, California

A two-house body of elected representatives vested with the responsibility and power to make laws affecting the state (except as limited by the veto power of the Governor). See also "Assembly" and "Senate."

Limited-Term Position (LT)

Any position that has been authorized only for a specific length of time with a set termination date. Limited-term positions may be authorized during the budget process or in transactions approved by the Department of Finance. (SAM 6515)

Line Item

See "Objects of Expenditure."

Local Assistance (LA)

The character of expenditures made for the support of local government or other locally administered activities.

Mandates

See "State-Mandated Local Program." (UCM)

May Revision

An annual update to the Governor's Budget containing a revised estimate of General Fund revenues for the current and ensuing fiscal years, any proposals to adjust expenditures to reflect updated revenue estimates, and all proposed adjustments to Proposition 98, presented by the Department of Finance to the Legislature by May 14 of each year. (See also "Finance Letter.") (SAM 6130 and GC 13308)

Merit Salary Adjustment (MSA)

A cost factor resulting from the periodic increase in salaries paid to personnel occupying authorized positions. Personnel generally receive a salary increase of five percent per year up to the upper salary limit of the classification, contingent upon the employing agency certifying that the employee's job performance meets the level of quality and quantity expected by the agency, considering the employee's experience in the position.

Merit salary adjustments for employees of the University of California and the California State University are determined in accordance with rules established by the regents and the trustees, respectively.

Funding typically is not provided for MSAs in the budget; any additional costs incurred by a department usually must be absorbed from within existing resources. (GC 19832)

Minor Capital Outlay

Construction projects, or equipment acquired to complete a construction project, estimated to cost less than \$400,000, with specified exemptions in the Resources Agency.

Modified Accrual Basis

For legal basis accounting purposes, the basis of accounting that accrues revenue earned but not received, if it is measurable and estimated to be collected in the ensuing fiscal year, and expenditures when incurred, except for amounts payable from future fiscal year appropriations. This basis is generally used for the General Fund.

Non-add

Refers to a numerical value that is displayed in parentheses for informational purposes but is not included in computing totals, usually because the amounts are already accounted for in the system or display.

Nongovernmental Cost Funds

For legal basis budgeting purposes, used to budget and account for revenues other than general and special taxes, licenses, and fees or certain other state revenues.

Object of Expenditure (Objects)

A classification of expenditures based on the type of goods or services received. For example, the budget category of Personal Services includes the objects of Salaries and Wages and Staff Benefits. The Governor's Budget includes a Expenditures by Category for each department at this level. These objects may be further subdivided into line items such as State Employees' Retirement and Workers' Compensation. (UCM)

Obligations

Amounts that a governmental unit may legally be required to pay out of its resources. These may include unliquidated accruals representing goods or services received but not yet paid for and liabilities not encumbered.

One-Time Cost

A proposed or actual expenditure that is non-recurring (usually only in one annual budget) and not permanently included in baseline expenditures. Departments make baseline adjustments to remove prior year one-time costs and appropriately reduce their expenditure authority in subsequent years' budgets.

Operating Expenses and Equipment (OE&E)

A category of a support appropriation which includes objects of expenditure such as general expenses, printing, communication, travel, data processing, equipment, and accessories for the equipment. (SAM 6451)

Organization Code

The four-digit code assigned to each state governmental entity (and sometimes to unique budgetary programs) for fiscal system purposes. The organization code is the first segment of the budget item/appropriation number. (UCM)

Out-of-State Travel (OST) blanket

A request by a state agency for Governor's Office approval of the proposed out-of-state trips to be taken by that agency's personnel during the fiscal year. (SAM 0760-0765)

Overhead

Those elements of cost necessary in the production of an article or the performance of a service that are of such a nature that the amount applicable to the product or service cannot be determined directly. Usually they relate to those costs that do not become an integral part of the finished product or service, such as rent, heat, light, supplies, management, or supervision. See also "Indirect Costs."

Overhead Unit

An organizational unit that benefits the production of an article or a service but that cannot be directly associated with an article or service to distribute all of its expenditures to elements and/or work authorizations. The cost of overhead units are distributed to operating units or programs within the department. (See "Administration Program Costs.")

Past Year

The most recently completed fiscal year. (See also "Fiscal Year.")

Performance Budget

A budget wherein proposed expenditures are organized and tracked primarily by measurable performance objectives for activities or work programs. A performance budget may also incorporate other bases of expenditure classification, such as character and object, but these are given a subordinate status to activity performance.

Personal Services

A category of expenditure which includes such objects of expenditures as the payment of salaries and wages of state employees and employee benefits, including the state's contribution to the Public Employees' Retirement Fund, insurance premiums for workers' compensation, and the state's share of employees' health insurance. See also "Objects of Expenditure." (SAM 6403, 6506)

Personnel Year (PY)

The actual or estimated portion of a position expended for the performance of work. For example, a full-time position that was filled by an employee for half of a year would result in an expenditure of 0.5 personnel year. This may also be referred to as a personnel year equivalent.

Plan of Financial Adjustment (PFA)

A plan proposed by a department, reviewed by the Department of Finance, and accepted by the State Controller's Office (SCO), to permit the SCO to transfer monies from one item to another within a department's appropriations. A PFA might be used, for example, to allow the department to pay all administrative costs out of its main fund and then to transfer into that fund appropriate amounts from its other funds for their shares of the costs paid. The SCO transfers the funds upon receipt of a letter from the department stating the amount to be transferred based on the criteria for cost distribution in the approved PFA. (SAM 8715)

Planning Estimate (PE)

A document used to record and monitor those current and budget year expenditure adjustments including budget change proposals approved for inclusion in the Governor's Budget. PEs are broken down by department, fund type, character, Budget Bill/Act appropriation number, and "lines"(i.e., expenditure groupings such as employee compensation, price increases, one-time costs). PEs are primarily used to record the incremental decisions made about changes to each base budget, are updated at frequent intervals, and can be used for quick planning or "what if" analyses. PEs identify all proposed expenditure changes (baseline and policy) to the previous year's Budget Act, and once budget preparation is complete, PEs will tie to all other fiscal characterizations of the proposed Governor's Budget. (The term is sometimes used synonymously with Planning Estimate Line, which is one specific expenditure grouping.)

Planning Estimate Line

A separate planning estimate adjustment or entry for a particular expenditure or type. (See "Planning Estimate.")

Policy Adjustments

Changes to existing law or Administration policies. These adjustments require action by the Governor and/or Legislature and modify the workload budget.

Pooled Money Investment Account (PMIA)

A State Treasurer's Office accountability account maintained by the State Controller's Office to account for short-term investments purchased by the State Treasurer's Office as designated by the Pooled Money Investment Board on behalf of various funds.

Pooled Money Investment Board (PMIB)

A board comprised of the Director of Finance, State Treasurer, and the State Controller, the purpose of which is to design an effective cash management and investment program, using all monies flowing through the Treasurer's bank accounts and keeping all available monies invested consistent with the goals of safety, liquidity, and yield. (SAM 7350)

Positions

See "Authorized Positions."

Price Increase

A budget adjustment to reflect the inflation factors for specified operating expenses consistent with the budget instructions from the Department of Finance.

Pro Rata

The amount of state administrative, General Fund costs (e.g., amounts expended by central service departments such as the State Treasurer's Office, State Personnel Board, State Controller's Office, and Department Finance for the general administration of state government) chargeable to and recovered from special funds (other than the General Fund and federal funds) as determined by the Department of Finance. (GC 11270-11277, 13332.03; 22828.5; SAM 8753, 8754)

Program Budget

See "Budget, Program or Traditional."

Program Cost Accounting (PCA)

A level of accounting that identifies costs by activities performed in achievement of a purpose in contrast to the traditional line-item format. The purpose of accounting at this level is to produce cost data sufficiently accurate for allocating and managing its program resources. (SAM 9220)

Programs

Activities of an organization grouped on the basis of common objectives. Programs are comprised of elements, which can be further divided into components and tasks.

Proposed New Positions

A request for an authorization to expend funds to employ additional people to perform work. Proposed new positions may be for limited time periods (limited term) and for full or less than full time. Proposed new positions may be for an authorization sufficient to employ one person, or for a sum of funds (blanket) from which several people may be employed. (See also "Changes in Authorized Positions.")

Proposition 98

An initiative passed in November 1988, and amended in the June 1990 election, that provides a minimum funding guarantee for school districts, community college districts, and other state agencies that provide direct elementary and secondary instructional programs for kindergarten through grade 14

(K-14) beginning with fiscal year 1988-89. The term is also used to refer to any expenditures which fulfill the guarantee. (*Article XVI, § 8*)

Provision

Language in a bill or act that imposes requirements or constraints upon actions or expenditures of the state. Provisions are often used to constrain the expenditure of appropriations but may also be used to provide additional or exceptional authority. (Exceptional authority usually begins with the phrase "notwithstanding...".)

Public Service Enterprise Funds

For legal basis accounting purposes, the fund classification that identifies funds used to account for the transactions of self-supporting enterprises that render goods or services for a direct charge to the user (primarily the general public). Self-supporting enterprises, that render goods or services for a direct charge to other state departments or governmental entities, account for their transactions in a Working Capital and Revolving Fund. (*UCM, Fund Codes—Structure*)

Reappropriation

The extension of an appropriation's availability for encumbrance and/or expenditure beyond its set termination date and/or for a new purpose. Reappropriations are typically authorized by statute for one year at a time but may be for some greater or lesser period.

Recall

The power of the electors to remove an elected officer. (*Article II, § 13*)

Redemption

The act of redeeming a bond or other security by the issuing agency.

Reference Code

A three-digit code identifying whether the item is from the Budget Act or some other source (e.g., legislation), and its character (e.g., state operations). This is the middle segment of the budget item/appropriation number.

Referendum

The power of the electors to approve or reject statutes or parts of statutes, with specified exceptions and meeting specified deadlines and number of voters' signatures. (*Article II, § 9*)

Refund to Reverted Appropriations

A receipt account to record abatements and reimbursements to appropriations that have reverted.

Regulations

A directive, rule, order, or standard of general application issued by a state agency to implement, interpret, or make specific the law enforced or administered by it. With state government, the process of adopting or changing most regulations is subject to the Administrative Procedures Act and oversight of the Office of Administrative Law (OAL). The Department of Finance must also review and approve any non-zero estimate of state or local fiscal impact included in a regulation package before it can be approved by OAL. (*GC 13075, 11342; SAM 6601-6680*)

Reimbursement Warrant (or Revenue Anticipation Warrant)

A warrant that has been sold by the State Controller's Office, as a result of a cash shortage in the General Fund, the proceeds of which will be used to reimburse the General Cash Revolving Fund. The Reimbursement Warrant may or may not be registered by the State Treasurer's Office. The registering does not affect the terms of repayment or other aspects of the Reimbursement Warrant.

Reimbursements

An amount received as a payment for the cost of services performed, or of other expenditures made for, or on behalf of, another entity (e.g., one department reimbursing another for administrative work performed on its behalf). Reimbursements represent the recovery of an expenditure. Reimbursements are available for expenditure up to the budgeted amount (scheduled in an appropriation), and a budget revision must be prepared and approved by the Department of Finance before any reimbursements in excess of the budgeted amount can be expended. (SAM 6463)

Reserve

An amount of a fund balance set aside to provide for expenditures from the unencumbered balance for continuing appropriations, economic uncertainties, future apportionments, pending salary or price increase appropriations, and appropriations for capital outlay projects.

Revenue

Any addition to cash or other current assets that does not increase any liability or reserve and does not represent the reduction or recovery of an expenditure (e.g., reimbursements/abatements). Revenues are a type of receipt generally derived from taxes, licenses, fees, or investment earnings. Revenues are deposited into a fund for future appropriation, and are not available for expenditure until appropriated. (UCM)

Revenue Anticipation Notes (RANs)

A cash management tool generally used to eliminate cash flow imbalances in the General Fund within a given fiscal year. RANs are not a budget deficit-financing tool.

Revenue Anticipation Warrant (RAW)

See Reimbursement Warrant.

Reversion

The return of the unused portion of an appropriation to the fund from which the appropriation was made, normally two years (four years for federal funds) after the last day of an appropriation's availability period. The Budget Act often provides for the reversion of unused portions of appropriations when such reversion is to be made prior to the statutory limit.

Reverted Appropriation

An appropriation that is reverted to its fund source after the date its liquidation period has expired.

Revolving Fund

Generally refers to a cash account known as an office revolving fund (ORF). It is not a fund but an advance from an appropriation. Agencies may use the cash advance to disburse ORF checks for immediate needs, as specified in SAM. The cash account is subsequently replenished by a State Controller's Office warrant. The size of departmental revolving funds is subject to Department of Finance approval within statutory limits. (SAM 8100, et seq)

SAL

See "Appropriations Limit, State".

Salaries and Wages Supplement

An annual publication issued shortly after the Governor's Budget, containing a summary of all positions by department, unit, and classification for the past, current, and budget years, as of July 1 of the current year. This publication is also displayed on the Department of Finance website.

Salary Savings

The estimated or actual personnel cost savings resulting from all authorized positions not being filled at the budgeted level for the entire year due to absences, turnovers (which results in vacancies and downward reclassifications), and processing time when hiring for new positions. The amount of

savings is estimated on the basis of the past experience of departments. For new positions that will be authorized on July 1, five percent is a generally acceptable minimum for the salary savings estimate.

Schedule

The detail of an appropriation in the Budget Bill or Act, showing its distribution to each of the categories, programs, or projects thereof. *OR*

A supplemental schedule submitted by departments to detail certain expenditures. *OR*

A summary listing in the Governor's Budget.

Schedule 2

See "Changes in Authorized Positions."

Schedule 7A

A summary version of the State Controller's Office detailed Schedule 8 position listing for each department. The information reflected in this schedule is the basis for the "Salaries and Wages Supplement" displayed on the Department of Finance website. *(SAM 6415-6419)*

Schedule 8

A detailed listing generated from the State Controller's Office payroll records for a department of its past, current, and budget year positions as of June 30 and updated for July 1. This listing must be reconciled with each department's personnel records and becomes the basis for centralized payroll and position control. The reconciled data should coincide with the level of authorized positions for the department per the final Budget. *(SAM 6424-6429, 6448)*

Schedule 10 (Supplementary Schedule of Appropriations)

A Department of Finance control document listing all appropriations and allocations of funds available for expenditure during the past, current, and budget years. These documents are sorted by state operations, local assistance, and capital outlay. The Schedule 10s reconcile expenditures by appropriation (fund source) and the adjustments made to appropriations, including allocation of new funds. These documents also show savings and carryovers by item. The information provided in this document is summarized in the Detail of Appropriations and Adjustments in the Governor's Budget. *(SAM 6484)*

Schedule 10R (Supplementary Schedule of Revenues and Transfers)

A Department of Finance control document reflecting information for revenues, transfers, and inter-fund loans for the past, current, and budget years. Schedule 10Rs are required for the General Fund and all special funds. Schedule 10R information for special funds is displayed in the Fund Condition Statement for that fund in the Governor's Budget.

Schedule 11

Outdated term for "Supplementary Schedule of Operating Expenses and Equipment."

Schedule of Federal Funds and Reimbursements, Supplementary

A supplemental schedule submitted by departments during budget preparation which displays the federal receipts and reimbursements by source. *(SAM 6460)*

Schedule of Operating Expenses and Equipment, Supplementary

A supplemental schedule submitted by departments during budget preparation which details by object the expenses included in the Operating Expenses and Equipment category. *(SAM 6454, 6457)*

Section 1.50

Section of the Budget Act that 1) specifies a certain format and style for the codes used in the Budget Act, 2) authorizes the Department of Finance to revise codes used in the Budget Act in order to provide compatibility with the Governor's Budget and records of the State Controller's Office, and 3) authorizes the Department of Finance to revise the schedule of an appropriation in the Budget Act for technical changes that are consistent with legislative intent. Examples of such technical changes to the schedule of an appropriation include the elimination of amounts payable, the distribution of administration costs, the distribution of unscheduled amounts to programs or categories, and the augmentation of reimbursement amounts when the Legislature has approved the budget for the department providing the reimbursement.

Section 1.80

Section of the Budget Act that includes periods of availability for Budget Act appropriations.

Section 8.50

The Control Section of the Budget Act that provides the authority to increase federal funds expenditure authority.

Section 20.00

An outdated term sometimes used to refer to Abolished Vacant Positions. Prior to 1982, the authority to abolish continuously vacant positions was contained in Section 20.00 of the Budget Act. See "Continuously Vacant Positions." Current authority to abolish continuously vacant positions is in Government Code Section 12439.

Section 26.00

A Control Section of the Budget Act that provides the authority for the transfer of funds from one category, program or function within a schedule to another category, program or function within the same schedule, subject to specified limitations and reporting requirements. (Prior to 1996-97, this authority was contained in Section 6.50 of the Budget Act.) (SAM 6548)

Section 28.00

A Control Section of the Budget Act which authorizes the Director of Finance to approve the augmentation or reduction of items of expenditure for the receipt of unanticipated federal funds or other non-state funds, and that specifies the related reporting requirements. Appropriation authority for unanticipated federal funds is contained in Section 8.50. (SAM 6551-6557)

Section 28.50

A Control Section of the Budget Act that authorizes the Department of Finance to augment or reduce the reimbursement line of an appropriation schedule for reimbursements received from other state agencies. It also contains specific reporting requirements. (SAM 6555-6557)

Section 30.00

A Control Section of the Budget Act that amends Government Code Section 13340 to sunset continuous appropriations.

Section 31.00

A Control Section of the Budget Act that specifies certain administrative procedures. For example, the section subjects the Budget Act appropriations to various sections of the Government Code, limits the new positions a department may establish to those authorized in the Budget, requires Finance approval and legislative notification of certain position transactions, requires all administratively established positions to terminate on June 30 and allows for such positions to continue if they were established after the Governor's Budget was submitted to the Legislature, and prohibits increases in salary ranges and other employee compensation which require funding not authorized by the budget unless the Legislature is informed.

Senate

The upper house of California's Legislature consisting of 40 members who serve a maximum of two four-year terms. Twenty members are elected every two years. (*Article IV, § 2 (a)*)

Service Revolving Fund

A fund used to account for and finance many of the client services rendered by the Department of General Services. Amounts expended by the fund are reimbursed by sales and services priced at rates sufficient to keep the fund solvent. (*SAM 8471.1*)

Settlements

Refers to any proposed or final settlement of a legal claim (usually a suit) against the state. Approval of settlements and payments for settlements are subject to numerous controls. See also "Judgments." (*GC 965*)

Shared Revenue

A state-imposed tax, such as the gasoline tax, which is shared with local governments in proportion, or substantially in proportion, to the amount of tax collected or produced in each local unit. The tax may be collected either by the state and shared with the localities, or collected locally and shared with the state.

Sinking Fund

A fund or account in which money is deposited at regular intervals to provide for the retirement of bonded debt.

Special Fund for Economic Uncertainties

A fund in the General Fund (a similar reserve is included in each special fund) authorized to be established by statutes and Budget Act Control Section 12.30 to provide for emergency situations. (*GC 16418 , 16418.5*)

Special Funds

For legal basis budgeting purposes, funds created by statute, or administratively per Government Code Section 13306, used to budget and account for taxes, licenses, and fees that are restricted by law for particular activities of the government.

Special Items of Expense

An expenditure category that covers nonrecurring large expenditures or special purpose expenditures that generally require a separate appropriation (or otherwise require separation for clarity). (*SAM 6469; UCM*)

Sponsor

An individual, group, or organization that initiates or brings to a Legislator's attention a proposed law change.

Spot Bill

An introduced bill that makes non-substantive changes in a law, usually with the intent to amend the bill at a later date to include substantive law changes. This procedure provides a means for circumventing the deadline for the introduction of bills.

Staff Benefits

An object of expenditure representing the state costs of contributions for employees' retirement, OASDI, health benefits, and nonindustrial disability leave benefits. (*SAM 6412; UCM*)

State Fiscal Year

The period beginning July 1 and continuing through the following June 30.

State-Mandated Local Program

State reimbursements to local governments for the cost of activities required by legislative and executive acts. This reimbursement requirement was established by Chapter 1406, Statutes of 1972 (SB 90) and further ratified by the adoption of Proposition 4 (a constitutional amendment) at the 1979 general election. (*Article XIII B, § 6; SAM 6601, 6620, 6621*)

State Operations (SO)

A character of expenditure representing expenditures for the support of state government, exclusive of capital investments and expenditures for local assistance activities.

Statewide Cost Allocation Plan (SWCAP)

The amount of state administrative, General Fund costs (e.g., amounts expended by central service departments such as the State Treasurer's Office, State Personnel Board, State Controller's Office, and the Department of Finance for the general administration of state government) chargeable to and recovered from federal funds, as determined by the Department of Finance. These statewide administrative costs are for administering federal programs, which the federal government allows reimbursement. (*GC 13332.01-13332.02; SAM 8753, 8755-8756 et seq.*)

Statute

A written law enacted by the Legislature and signed by the Governor (or a vetoed bill overridden by a two-thirds vote of both houses), usually referred to by its chapter number and the year in which it is enacted. Statutes that modify a state code are "codified" into the respective Code (e.g., Government Code, Health and Safety Code). See also "Bill" and "Chapter." (*Article IV, § 9*)

Subcommittee

The smaller groupings into which Senate or Assembly committees are often divided. For example, the fiscal committees that hear the Budget Bill are divided into subcommittees generally by departments/subject area (e.g., Education, Resources, General Government).

Subventions

Typically used to describe amounts of money expended as local assistance based on a formula, in contrast to grants that are provided selectively and often on a competitive basis.

Summary Schedules

Various schedules in the Governor's Budget Summary which summarize state revenues, expenditures and other fiscal and personnel data for the past, current, and budget years.

Sunset Clause

Language contained in a law that states the expiration date for that statute.

Surplus

An outdated term for a fund's excess of assets (or resources) over liabilities and reserves (or obligations). See "Fund Balance."

Tax Expenditures

Subsidies provided through the taxation systems by creating deductions, credits and exclusions of certain types of income or expenditures that would otherwise be taxable.

Technical

In the budget systems, refers to an amendment that clarifies, corrects, or otherwise does not materially affect the intent of a bill.

Tort

A civil wrong, other than a breach of contract, for which the court awards damages. Traditional torts include negligence, malpractice, assault and battery. Recently, torts have been broadly expanded

such that interference with a contract and civil rights claims can be torts. Torts result in either settlements or judgments. (GC 948, 965-965.9; SAM 6472, 8712; BA Item 9670)

Traditional Budget

See “Budget, Program or Traditional.”

Transfers

As used in Schedule 10Rs and fund condition statements, transfers reflect the movement of resources from one fund to another based on statutory authorization or specific legislative transfer appropriation authority. See also “Category Transfer.”

Trigger

An event that causes an action or actions. Triggers can be active (such as pressing the update key to validate input to a database) or passive (such as a tickler file to remind of an activity). For example, budget “trigger” mechanisms have been enacted in statute under which various budgeted programs are automatically reduced if revenues fall below expenditures by a specific amount.

Unappropriated Surplus

An outdated term for that portion of the fund balance not reserved for specific purposes. See “Fund Balance” and “Reserve.”

Unencumbered Balance

The balance of an appropriation not yet committed for specific purposes. See “Encumbrance.”

Uniform Codes Manual (UCM)

A document maintained by the Department of Finance which sets standards for codes and various other information used in state fiscal reporting systems. These codes identify, for example, organizations, programs, funds, receipts, line items, and objects of expenditure.

Unscheduled Reimbursements

Reimbursements collected by an agency that were not budgeted and are accounted for by a separate reimbursement category of an appropriation. To expend unscheduled reimbursements, a budget revision must be approved by the Department of Finance, subject to any applicable legislative reporting requirements (e.g., Section 28.50).

Urgency Statute/Legislation

A measure that contains an “urgency clause” requiring it to take effect immediately upon the signing of the measure by the Governor and the filing of the signed bill with the Secretary of State. Urgency statutes are generally those considered necessary for immediate preservation of the public peace, health or safety, and such measures require approval by a two-thirds vote of the Legislature, rather than a majority. (Article IV, § 8 (d))

Veto

The Governor’s Constitutional authority to reduce or eliminate one or more items of appropriation while approving other portions of a bill. (Article IV, §10 (e); SAM 6345)

Victim Compensation and Government Claims Board, California

An administrative body in state government exercising quasi-judicial powers (power to make rules and regulations) to establish an orderly procedure by which the Legislature will be advised of claims against the state when no provision has been made for payment. This board was known as the Board of Control prior to January 2001. The rules and regulations adopted by the former Board of Control are in the California Code of Regulations, Title 2, Division 2, Chapter 1.

Warrant

An order drawn by the State Controller directing the State Treasurer to pay a specified amount, from a specified fund, to the person or entity named. A warrant generally corresponds to a bank check but is not necessarily payable on demand and may not be negotiable. (*SAM 8041 et seq*)

Without Regard To Fiscal Year (WRTFY)

Where an appropriation has no period of limitation on its availability.

Working Capital and Revolving Fund

For legal basis accounting purposes, fund classification for funds used to account for the transactions of self-supporting enterprises that render goods or services for a direct charge to the user, which is usually another state department/entity. Self-supporting enterprises that render goods or services for a direct charge to the public account for their transactions in a Public Service Enterprise Fund.

Workload

The measurement of increases and decreases of inputs or demands for work, and a common basis for projecting related budget needs for both established and new programs. This approach to BCPs is often viewed as an alternative to outcome or performance based budgeting where resources are allocated based on pledges of measurable performance.

Workload Budget

Workload Budget means the budget year cost of currently authorized services, adjusted for changes in enrollment, caseload, population, statutory cost-of-living adjustments, chaptered legislation, one-time expenditures, full-year costs of partial-year programs, costs incurred pursuant to Constitutional requirements, federal mandates, court-ordered mandates, state employee merit salary adjustments, and state agency operating expense and equipment cost adjustments to reflect inflation. The compacts with Higher Education and the Courts are commitments by this Administration and therefore are included in the workload budget and considered workload adjustments. A workload budget is also referred to as a baseline budget. (*GC 13308.05*)

Workload Budget Adjustment

Any adjustment to the currently authorized budget necessary to maintain the level of service required to fund a Workload Budget, as defined in Government Code Section 13308.05. A workload budget adjustment is also referred to as a baseline adjustment.

Year of Appropriation (YOA)

Refers to the initial year of an appropriation.

Year of Budget (YOB)

The budget year involved (e.g., in Schedule 10s).

Year of Completion (YOC)

The last fiscal year for which the appropriation is available for expenditure or encumbrance.

* *Abbreviations used in the references cited:*

Article Article of California Constitution
BA Budget Act
CS Control Section of Budget Act
GC Government Code
SAM State Administrative Manual
UCM Uniform Codes Manual