

Negotiated Salary Increases for Trial Court Employees—

\$57.5 million to fund expected costs associated with negotiated salary increases for trial court employees in 2000-01. The Judicial Council in conjunction with the Department of Personnel Administration and court employee unions will develop a long-term plan for salary and benefit increases by December 31, 2000.

Court Technology—\$34.4 million to fund the Judicial Technology Initiative, which will provide \$21 million on a one-time basis for new case management equipment, and \$13.4 million for ongoing licensing support and basic technology provision in the trial courts. The Budget also includes an additional \$22 million on a one-time basis to support updating a revision of existing case processing systems to a statewide tracking format, thereby improving administration of workload in the trial courts.

Family Court—\$10 million for the Family Court Initiative and \$5.7 million for increased costs associated with Juvenile Dependency representation. The Family Court Initiative will provide the courts with new resources to modernize their existing family court programs and increase services in the family court, juvenile care, guardianship and probate, and mental health areas.

HEALTH AND HUMAN SERVICES

TOBACCO SETTLEMENT FUNDS AND OVERALL HEALTH CARE EXPENDITURES

The 1998 master tobacco settlement requires tobacco companies to make payments to the states totaling an estimated \$206 billion nationally through 2025. California is projected to receive an estimated \$25 billion over 25 years. In 2000-01, the State expects to receive approximately \$389 million.

The Budget targets the State's share of tobacco settlement funds entirely for health care purposes and, along with additional General Fund revenues, expands health services to children and low-income and uninsured adults. Specifically, the tobacco settlement funds and additional General Fund monies will increase the number of children enrolled in the Healthy Families Program to all children eligible for the program; allow 250,000 children and 140,000 adults in working families to be covered under the Medi-Cal program; fully assume support of the Child Health and Disability Prevention Program from declining Proposition 99 funds; expand breast and prostate cancer treatment programs for low-income women and men; and increase Medi-Cal and other health program provider rates.

These additional resources provide for the following major General Fund program expansions.

<u>Description</u>	<u>General Fund (in millions)</u>
Health Care Expansion	
Children's Healthy Families	\$38
Elimination of Medi-Cal Eligibility Quarterly Reporting	66
Prevention and Treatment Initiatives	
Child Health and Disability Prevention Program	60
Breast Cancer Treatment Initiative	20
Prostate Cancer Treatment Initiative	10
Health Program Provider Rate Increases	
Medi-Cal	389
Health, Public Health, and Developmental Services	<u>96</u>
Total General Fund	\$679

AGING WITH DIGNITY INITIATIVE

The Budget commits \$516.1 million (\$270.5 million General Fund) to help seniors remain at home and lead independent lives in the community, and to enhance the quality of care in California nursing homes.

2000-01 Governor's Budget Aging with Dignity Initiative (Dollars in Millions)

	Total Positions*	General Fund	Other Funds
Community Programs			
Allow Medi-Cal Seniors to Spend Less on Health Care	-	\$23.5	\$23.5
In-Home Supportive Services Increases	-	100.0	121.6
\$500 Long-Term Tax Credit	-	47.0	-
Senior Housing Information and Support Center	8.0	1.0	-
Senior Wellness Education Campaign	2.0	1.0	-
Long-Term Care Innovation Grants	3.0	14.8	-
Long-Term Care Facility Programs			
Caregiver Recruitment and Training	-	-	25.0
Long-Term Care Facility Wage Increases	6.0	67.0	65.8
Nursing Home Quality Awards	-	8.0	2.0
Increase Unannounced Nursing Home Inspections	100.0	3.0	4.5
Focused Nursing Home Quality Review Program	55.0	2.5	1.5
Guarantee Rapid Response to Nursing Home Complaints	46.5	2.2	1.7
Nursing Home Fiscal Review Advisory Board	1.0	0.5	-
Total	221.5	\$270.5	\$245.6

* Positions include Los Angeles County staff performing licensing and certification services on behalf of the State. New State staff positions total 166.

This Initiative will accomplish the following:

Improve enforcement by increasing unannounced inspections, guaranteeing rapid response to complaints, intensifying review of the poorer performing homes, and providing cash quality awards to exemplary facilities, at a cost of \$25.9 million (\$16.2 million General Fund).

Increase compensation of Medi-Cal nursing home caregivers (7.5 percent) and In-Home Supportive Services public authority caregivers (State share-of-cost of wages and health benefits up to \$8.10 per hour, rising to \$12.10 over five years if revenue targets are met), at a cost of \$354.4 million (\$167 million General Fund).

Establish the Senior Housing Information and Support Center with \$1 million to disseminate information regarding home modification and housing options to allow seniors to remain at home, and establish the Senior Wellness Education Campaign with \$1 million to educate the public on innovative community-based and in-home care alternatives to institutional care.

Establish the Long-Term Care Innovation Grant Program with \$14.8 million of one-time General Fund monies to provide challenge grant funding to implement and expand community-based older adult care alternatives to nursing homes. Through this Program, the Administration challenges foundations and the private sector to partner with the State to provide ongoing private funding.

Establish a caregiver training program with \$25 million (\$15 million Workforce Investment Act funds and \$10 million Welfare-to-Work funds) for the recruitment, training, and retention of employees in caregiver industries, including nursing homes and the In-Home Supportive Services Program. AB 2876 (Chapter 108, Statutes of 2000) includes provisions requiring the Employment Development Department to establish an advisory council to assist in the implementation of this health care provider initiative, and requires the Department to develop labor market information relating to health care occupations.

Allow seniors to spend less on health care by raising the income limits for Medi-Cal for aged, blind, or disabled applicants, at a cost of \$47 million (\$23.5 million General Fund).

Enact a \$500 long-term care tax credit for families caring for seniors at home, at a cost of \$47 million General Fund reduction in revenues.

HEALTH AND HUMAN SERVICES PROVIDER RATE INITIATIVE

Tobacco settlement monies enable the State to provide additional funding for rate increases for a wide range of health and human services providers. The Budget includes augmentations totaling \$940.9 million (\$508.8 million General Fund) for these rate increases. The increases vary, with foster care programs receiving approximately 3 percent to reflect the increase in the California Necessities Index, to an average 10 percent for Medi-Cal providers. The amounts included in the Budget for these rate increases are outlined, by provider category, in the table below.

Provider Rate Summary (Dollars in Millions)

Provider Category	General Fund	Total Funds
Medi-Cal Long-Term Care	\$161.4	\$318.3
Medi-Cal Managed Care	66.9	133.7
Medi-Cal - All Other	160.6	320.7
Public Health	31.4	31.4
Developmental Services	64.8	84.6
Foster Care	17.0	38.5
In-Home Supportive Services (Non-Public Authority, Non-Contract)	3.7	8.7
Drug and Alcohol Prevention	1.1	2.3
Rehabilitation	<u>1.9</u>	<u>2.7</u>
Total	\$508.8	\$940.9

DEPARTMENT OF HEALTH SERVICES

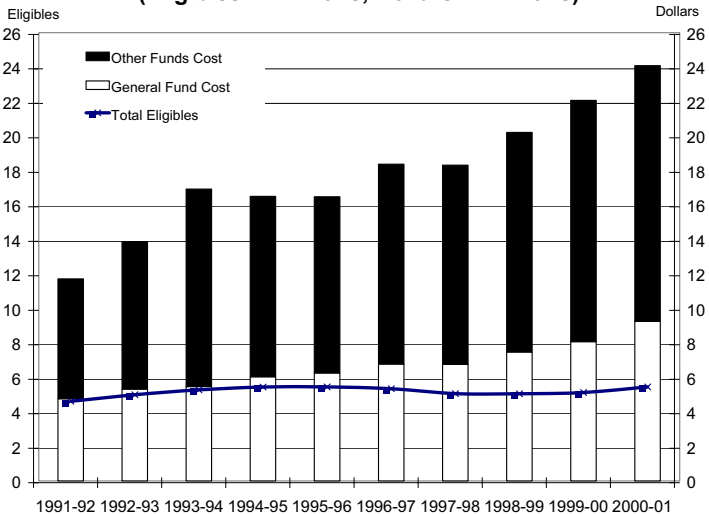
MEDI-CAL

Projected Medi-Cal costs for 2000-01 are \$24.1 billion (\$9.3 billion General Fund).

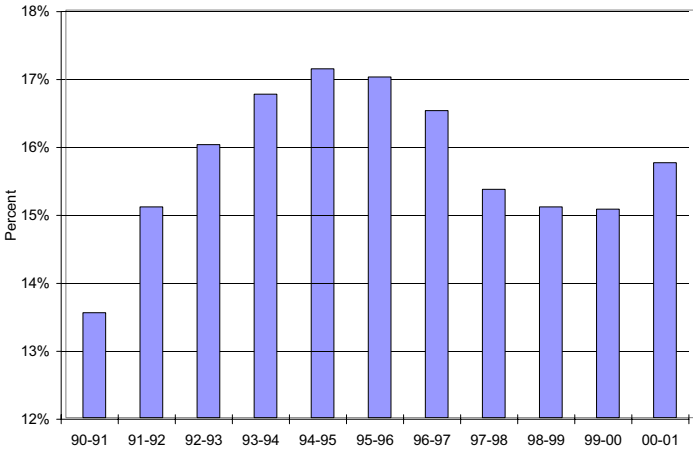
Medi-Cal average monthly caseload is expected to increase by 6.4 percent above 1999-00, due primarily to eligibility expansions. This compares to a 1.7 percent increase in the state population. The average monthly number of persons enrolled in Medi-Cal is about 5.5 million, representing well over one in seven Californians.

Medi-Cal cost increases continue, primarily due to growth in the number of eligibles, increases in the frequency of services, and higher cost per unit of service used.

Medi-Cal Caseload and Costs
(Eligibles in Millions, Dollars in Billions)



Average Monthly Medi-Cal Eligibles as a Percentage of California Population



The Budget includes the following major General Fund augmentations:

\$388.9 million to increase provider rates for Medi-Cal long-term care, managed care and fee-for-service providers to ensure continued access to quality medical care.

\$65.6 million to eliminate Medi-Cal quarterly eligibility reporting requirements for low-income working families to provide and continue coverage for working parents and their children.

\$55 million to further reduce required contributions for Medi-Cal program costs by public disproportionate share hospitals.

\$24.4 million to expand no-cost Medi-Cal to approximately 52,800 more low-income aged, blind, and disabled persons, and to allow former foster children to continue receiving full-scope Medi-Cal benefits to age 21.

PUBLIC HEALTH

Breast Cancer Treatment—The Budget provides \$20 million General Fund to expand the existing breast cancer treatment program. This augmentation quadruples the existing funding level. It provides for program expansion, including breast cancer treatment of an unlimited duration, and increased services, including breast reconstruction and all services that meet the current standard of care. The program will be provided to individuals with incomes up to 200 percent of the federal poverty level.

Prostate Cancer Treatment Initiative—The Budget provides \$10 million General Fund to establish a new program to provide prostate cancer treatment to men with incomes up to 200 percent of the federal poverty level. Treatment will be provided through community-based organizations, private nonprofit groups, or the UC Medical Centers.

Enhanced HIV/AIDS Programs—The Budget provides total funding of \$263.8 million (\$120.7 million General Fund), which includes an augmentation of \$14.7 million (\$7 million General Fund) to provide a new HIV/AIDS drug resistance testing program, expand the education and prevention effort for communities of color, establish a non-names based data reporting system, and address increased AIDS Drug Assistance Program caseload and health care. These activities will make a significant contribution toward preventing the transmission of HIV and in providing effective treatment.

Black Infant Health Program—The Budget provides \$4 million General Fund to expand the existing Black Infant Health Program. This augmentation nearly doubles the existing funding level and will provide needed services to high-risk African-American women of childbearing age.

Teen Pregnancy Prevention Community Challenge Grants—The Budget continues \$20 million by utilizing one-time federal funds for the Community Challenge Grant Program, which provides local grants for teen pregnancy prevention services.

Cigarette and Tobacco Products Surtax Fund – Proposition 99—The availability of the tobacco settlement monies in the General Fund has enabled the Administration to fund the entire Child Health and Disability Prevention Program with General Fund in lieu of declining Proposition 99 funds. This shifts \$60.3 million in Proposition 99 expenditures to the General Fund. This shift allows greater funding flexibility in the various health programs supported by Cigarette and Tobacco Products Surtax Funds. The Budget also includes \$114.6 million to continue the State’s anti-smoking education and media campaign. In addition, the Budget provides an increase of \$3.5 million Proposition 99 funds to the existing \$6.7 million (\$4 million General Fund) base funding for the California Cancer Registry. The funds are provided to ensure thorough and accurate data collection for use in the fight against cancer.

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY

Primary Care Clinics Grant Program—The Budget includes a \$50 million one-time General Fund augmentation to provide grants to finance capital outlay projects for any eligible participating primary care clinic serving indigent, underinsured, and uninsured populations in the state.

MANAGED RISK MEDICAL INSURANCE BOARD

Healthy Families Program—The Budget includes \$414.8 million (\$155.6 million General Fund) for Healthy Families Program caseload. This funding level will provide health care coverage to

an estimated total enrollment of 511,000 children by June 30, 2001, a ten-fold increase in enrollment since January 1999..

Healthy Families Program (HFP) Enrollment

January 1999	50,000 children enrolled in HFP.
May 1999	100,000 children enrolled in HFP.
January 2000	200,000 children enrolled in HFP.
	Governor's 2000-01 Budget proposes funding to increase HFP enrollment to 370,000 children.
May 2000	279,000 children enrolled in HFP.
June 2000	The Budget Act contains funding to increase HFP enrollment to 511,000 children.

Access for Infants and Mothers—An additional \$3.4 million in Proposition 99 funds is included to bring total expenditures for benefits to infants and mothers in this program to \$48.5 million.

Major Risk Medical Insurance Program—An additional one-time \$5 million in Proposition 99 funding is added to reduce the length of the waiting list for this program of subsidized health insurance for otherwise uninsurable individuals. This brings total Proposition 99 funding for this program in 2000-01 to \$45 million, \$15 million in excess of the statutorily required funding level.

**DEPARTMENT OF DEVELOPMENTAL SERVICES
DEVELOPMENTAL CENTERS**

Total 2000 Budget Act funding for developmental centers increases to \$624.6 million (\$127.2 million General Fund), or 11.3 percent over the 1999 Budget Act.

The Budget includes approximately \$15.8 million (\$1.4 million General Fund) for the third year of the four-year

plan to improve active treatment for developmental center clients. This augmentation provides about 43 new positions in the developmental centers, including level-of-care nursing, medical and behavioral services, food services, and other ancillary services. In total, the four-year plan adds approximately 1,700 positions.

To provide the Department of Developmental Services (DDS) flexibility in the placement of clients with severe behavior problems, \$3.7 million (\$282,000 General Fund) and 89.1 positions are included for the full year-costs of the new Sierra Vista facility in northern California, and \$13.2 million (\$10 million General Fund) and 116 positions are included to acquire and activate the new Canyon Springs facility in southern California.

Additionally, the Budget includes \$27.1 million General Fund for critical infrastructure projects and Americans with Disabilities Act improvements. Further, in order to address the issues concerning the aging Developmental Centers, \$250,000 General Fund is included on a one-time basis for DDS to convene a workgroup to explore alternatives for client housing such as rebuilding, refurbishing, or replacing the existing facilities.

REGION L CENTERS

Total 2000 Budget Act funding for regional centers increases to \$1.9 billion (\$980.8 million General Fund), or 6.4 percent over the 1999 Budget Act.

The Budget includes \$246 million (\$227 million General Fund) for regional center costs resulting from increased caseload, service provider rate increases, full-year costs of past wage increases, decreasing the time required to complete client assessments from 120 to 60 days, and additional expenses

incurred as more severely disabled clients move into the community from the developmental centers or other long-term care facilities. Of this amount, \$84.6 million (\$64.8 million General Fund) is included for rate increases for shift nurses, day programs, respite care providers, supportive living service providers, and community care facilities.

DEPARTMENT OF MENTAL HEALTH

Funding Increases—Total 2000 Budget Act funding for the Department of Mental Health (DMH) increases to \$1.8 billion (\$874.7 million General Fund), or 15.5 percent over the 1999 Budget Act.

Mental Health Initiative—The Budget includes \$155 million (\$151 million General Fund) for new and/or expanded programs which are intended to meet specific over-arching mental health goals. Priority for funding has been given to programs that have proven effective in preventing institutionalization and hospitalization, and in reducing crime and meeting other goals and objectives these programs are designed to achieve. Programs to be established or expanded under this Mental Health Initiative include:

Mentally Ill Offender Crime Reduction Grants (\$50 million in the Board of Corrections)

Integrated Services to Homeless Adults (\$35.6 million)

Supportive Housing programs (\$25.1 million)

Statewide expansion and full funding for the Children's System of Care (\$15.5 million)

Expansion and enhancement of substance abuse prevention and treatment services to youth and adults (\$13.4 million in the Department of Alcohol and Drug Programs)

Establishment of local crisis intervention and stabilization assistance services (\$6 million)

Caregiver Resource Centers (\$3 million)

Dual diagnosis programs for underserved populations (\$2 million).

Disabled Victims of Crime—In addition to the funds included for the Mental Health Initiative, the Budget includes \$739,000 from the Crime Victims Restitution Fund for a new program to assist disabled victims of crime identify and report crime and to assist victims in navigating the justice system.

Overall Funding Increase—Including the base budget of approximately \$863 million for these programs, a total of over \$1 billion is provided for mental health services in the 2000 Budget Act. This represents an overall increase of 19 percent. However, the individual increases provided are significant and vary by program, as follows: 15 percent overall increase for programs within the Department of Alcohol and Drug Programs, with youth programs receiving a 43 percent increase; 28 percent increase for programs within the DMH; and 122 percent increase for crime reduction programs within the Board of Corrections.

DEPARTMENT OF ALCOHOL AND DRUG PROGRAMS

Total 2000 Budget Act funding for the Department of Alcohol and Drug Programs increases to \$526.8 million (\$132.6 million General Fund), or 15.7 percent over the 1999 Budget Act.

The Budget places special emphasis on youth and family substance abuse prevention and treatment services, and includes:

\$10 million General Fund to expand Drug Courts to provide treatment services for parents of children who are under the jurisdiction of the family law court, and those who are detained by, wards of, or are dependents of the juvenile court. The purpose of this expansion is to improve the ability of the courts to protect children, strengthen families, increase accountability for juvenile delinquent behavior, and hold parents responsible for drug-related family problems which lead to removal of children from the home.

\$31.3 million (\$5.7 million General Fund) for substance abuse prevention and treatment services for youth and \$2.5 million General Fund to replace expiring federal funding to continue the level of services currently provided to pregnant and parenting substance abusing women and their children.

The Budget also includes an \$18.7 million (\$9.2 million General Fund) increase for Drug Medi-Cal, a 17 percent increase. Residential treatment, case management, and aftercare services were added as services available to all Medi-Cal eligible clients, subject to federal approval of a State Plan amendment.

The Budget also includes an additional \$7.7 million General Fund for the expansion of prevention and treatment services for adults and \$2.8 million General Fund for parolee services.

DEPARTMENT OF SOCIAL SERVICES CHILD WELFARE SYSTEM

The child welfare system in California provides a continuum of services to children who are abused or neglected, and to their families, through three primary programs: Child Welfare Services (CWS), Adoptions, and Foster Care. The Budget includes

\$2.9 billion (\$1.2 billion General Fund) to provide assistance payments, services, and program administration.

CHILDREN'S SERVICES INITIATIVE

The Budget provides an augmentation of \$99.9 million (\$60 million General Fund) to assist counties with their CWS and adoptions caseloads as well as to provide improved benefits for foster care children and providers. The funding includes:

CWS Social Workers—\$58.1 million (\$34.3 million General Fund) for additional social workers on an interim basis, pending an evaluation of potential redesigns of the CWS system and budgeting methodology based on recommendations from the CWS Stakeholders Group.

The Budget continues to provide \$67.8 million (\$40 million General Fund) as emergency funding for additional county CWS workers to reduce the workload of caseworkers. This workload relief funding has been provided annually since 1998-99.

Foster Care Rate Increases—\$38.5 million (\$17 million General Fund) for rate increases for Foster Family Agencies, Foster Homes, and Group Homes.

CWS Stakeholders Group—\$800,000 (\$500,000 General Fund) to convene stakeholders to review CWS program documentation and recommend ways to improve and integrate CWS with other services.

Adoptions Social Workers—\$22 million (\$12.7 million General Fund) in one-time funding to increase the number of social workers in county adoption agencies to reduce the backlog of children waiting for finalized adoptions.

Clothing Allowance for Foster Children—\$7.7 million (\$4.4 million General Fund) to develop a standardized clothing allowance of \$100 per child.

Stipends for Emancipated Youth—\$3.5 million General Fund to provide stipends for affordable housing, college textbooks, employment searches, emergency personal needs, and transportation for emancipated foster youth.

Kinship Emergency Fund—\$1.7 million (\$1 million General Fund) to establish a Kinship Fund, on a pilot basis, to support relative caregivers by providing one-time assistance and short-term support services.

Live Scan Technology for County Welfare Departments—One-time costs of \$4.9 million (\$2.9 million General Fund) to purchase and install 100 Live Scan units for on-site processing of fingerprint clearances for relative providers. Additionally, the Budget provides \$1.2 million (\$700,000 General Fund) for ongoing maintenance and support for the equipment.

ALIFORNIA WORK OPPORTUNITY AND RESPONSIBILITY TO KIDS

The Budget includes total California Work Opportunity and Responsibility to Kids-related (CalWORKs) expenditures of \$7 billion, \$5.9 billion budgeted within the Department of Social Services (DSS) and the remaining \$1.1 billion budgeted in other State programs and in county budgets.

Caseload Trend—Caseload is projected to decrease for the sixth consecutive year in 2000-01, a significant turnaround from the rapid growth of the early 1990s, when the former Aid to Families with Dependent Children program caseload peaked in 1994-95 at 921,000. Full implementation of CalWORKs and continued, though moderating, job growth in 2000-01 is expected to result in

a further decline in caseload to 541,000 cases from 579,000 in 1999-00.

Maintenance-of-Effort Reduction—The 2000-01 CalWORKs budget reflects California's success in having recipients meet the federally mandated work participation requirements. With that goal being met, the federally imposed maintenance-of-effort level for California is reduced from \$2.9 billion to \$2.7 billion, saving \$181.8 million General Fund for use in other priority programs.

Grant Levels—The Budget includes an October 2000 cost-of-living adjustment (COLA) of 2.96 percent based on the California Necessities Index. The October 2000 COLA costs \$89 million, and will increase the monthly cash grant level for a family of three in Region I from \$626 to \$645 and from \$596 to \$614 in Region II.

County Block Grant—The Budget provides block grant funding for counties that may be used to divert recipients from public assistance or to provide employment services, child care, and other supportive services to help transition aid recipients to unsubsidized employment. This block grant provides counties with the necessary fiscal discretion to manage their CalWORKs program to ensure local success. The block grant available to counties in 2000-01 is approximately \$1.6 billion.

CalWORKs Child Care—The Budget funds the projected child care need for CalWORKs recipients. Over \$1.3 billion will be available to provide CalWORKs child care services in 2000-01. Of that amount, \$468.1 million is to be allocated by the DSS to counties for CalWORKs child care. In addition, the budgets for the Department of Education and the CCC include \$704.9 million and \$15 million, respectively, to provide CalWORKs child care services. There also is a \$127.9 million reserve to be used for either DSS or Department of Education child care providers, as needed.

Fiscal Incentives—The Budget includes \$250 million for performance incentive payments to counties, an amount that will be applied first to pay prior year incentive claims from counties. The incentives are the result of savings from (1) recipients' successful exit from the program due to employment, (2) grant savings due to increased earnings, and (3) up-front diversions from initial entry onto aid. The incentives may be reinvested in programs that reflect local priorities and innovative approaches to transition recipients from welfare to work. The statutory framework for incentive payments has been modified beginning in 2000-01 to ensure sufficient future funding for grant payments, employment services, child care, and other CalWORKs program demands.

Needy Families Definition—The CalWORKs needy families definition will be broadened from 125 percent to 200 percent of the federal poverty level for purposes of providing services, such as child care and transportation. Counties will be authorized to spend up to 25 percent of their performance incentive funding on families newly eligible under this expanded definition. Also, pursuant to federal law, counties may use their performance incentive funding to continue to provide services to prevent out-of-wedlock pregnancies and encourage the maintenance of two-parent families, such as after-school programs for teens and domestic violence prevention and treatment, to families with incomes above 125 percent of the federal poverty level.

Federal Welfare-to-Work Grant—The federal Balanced Budget Act of 1997 established the U.S. Department of Labor Welfare-to-Work program to provide grants to states and local communities to assist them in meeting the goals of the federal Temporary Assistance for Needy Families (TANF) program. California uses the funds from this program to supplement the CalWORKs program. The State has received a total of \$367.6 million and has appropriated these funds to the Employment Development Department for allocation to local Service Delivery Areas. The State is required to match every \$2 of this funding with \$1 in state funding within the overall

time frame that the federal funds are being spent. The 2000 Budget Act includes \$48.9 million General Fund, as part of this match. To address the pressing need of caregivers in the health care industry, the Budget targets \$9.9 million of the matching funds for recruitment, retention, and training of workers in nursing homes and for the In-Home Supportive Services Program.

TANF Bonus Awards—The Budget includes \$20 million federal funds awarded to California by the U.S. Department of Health and Human Services for being one of the top five states in the nation with the largest reduction in the ratio of out-of-wedlock births to total births. This one-time bonus is transferred to the Department of Health Services budget for continuation of the Community Challenge Grant Program for teen pregnancy prevention.

The Budget also includes a High Performance Bonus award of \$45.5 million which has been appropriated as part of a \$55.7 million TANF Block Grant reserve to be available for unanticipated needs in any DSS program for which TANF funds are appropriated, including CalWORKs benefit, employment services, and county administration costs. This one-time bonus was awarded to states for their successes in moving welfare recipients to work and sustaining their participation in the workforce.

SUPPLEMENTAL SECURITY INCOME /STATE SUPPLEMENTARY PAYMENT PROGRAM

Caseload is projected to increase to 1,094,300 recipients in 2000-01, a 2.9 percent increase over 1999-00. Total Supplemental Security Income/State Supplementary Payment (SSI/SSP) General Fund expenditures are projected to be \$2.6 billion, compared to \$2.5 billion in 1999-00.

In January 2001, SSI/SSP recipients will receive an estimated 2.96 percent COLA, based on the California Necessities Index. This will increase monthly grants for aged/disabled recipients by

\$20 to \$712 for an individual and by \$36 to \$1,265 for a couple. The monthly grants for blind recipients will increase by \$22 to \$771 for an individual and by \$42 to \$1,466 for a couple. California's SSI/SSP payment standards continue to be the highest among the ten most populous states.

I -HOME SUPPORTIVE SERVICES

The 2000-01 average monthly caseload is projected to be 243,000 cases, an increase of 5.2 percent over the 1999-00 caseload of 231,000. Total In-Home Supportive Services (IHSS) General Fund expenditures are projected to be \$2.1 billion (\$816.3 million General Fund), an increase of 34.1 percent above estimated 1999-00 expenditures.

As part of the Aging with Dignity Initiative, and included in the IHSS total above, the Budget includes an increase of \$221.6 million (\$100 million General Fund) to provide the State share-of-cost for public authority provider wage and health benefit increases, with wages and benefits funded at up to \$8.10 per hour in 2000-01, increasing in subsequent years contingent upon specified growth in General Fund revenues. This \$221.6 million augmentation also provides for a rate increase and service expansion under the contract mode of service. An additional augmentation of \$8.7 million (\$3.7 million General Fund) is included for the State share-of-cost for a 3 percent increase in wages for non-public authority providers.

SH ASSIST E PROGRAM FOR IMMIGRANTS

The Budget includes \$57 million General Fund for the Cash Assistance Program for Immigrants (CAPI) in 2000-01. The program provides benefits to documented persons in the country prior to August 22, 1996, who were not receiving SSI/SSP benefits on September 30, 1998. In addition, the one-year expansion of the CAPI program to include documented persons arriving in the

country after August 22, 1996, has been extended for one year and is scheduled to expire on September 30, 2001.

CALIFORNIA FOOD ASSISTANCE PROGRAM

The Budget includes \$51.1 million General Fund for the California Food Assistance Program (CFAP) in 2000-01. The program provides food coupons to documented persons who entered this country before August 22, 1996, and who are not eligible for federal food stamps solely because of their immigration status. Effective October 1, 1999, the CFAP was expanded for one year to include documented persons who entered this country after August 22, 1996. The 2000-01 Budget includes full-year funding for the expanded CFAP, because the Program has been extended for one additional year, through September 30, 2001.

SUBSTANCE ABUSE PREVENTION

The Budget includes a \$2 million General Fund augmentation to establish pilot programs that provide outpatient drug and alcohol services to low-income women.

DEPARTMENT OF REHABILITATION

Americans With Disabilities Act Compliance—The Budget includes \$60 million (\$20 million General Fund) in new statewide funding to remove architectural barriers to the disabled. This is in addition to specific Americans with Disabilities Act special repair project funds appropriated for individual departments. The Department of Rehabilitation will take the lead in determining the various agencies' projects that will qualify for this statewide program.

EMPLOYMENT DEVELOPMENT DEPARTMENT

Workforce Investment Act—The Budget includes \$629.9 million federal funds for Workforce Investment Act (WIA) programs, representing an increase of \$118 million over the 1999-00 allocation level under the predecessor Job Training Partnership Act (JTPA). The federal WIA, which replaced the JTPA on July 1, 2000, provides for employment and training services targeted to adults, youth, and dislocated workers. The funding and program enhancements under WIA will afford the State the flexibility to integrate existing federal and State programs into a comprehensive and coordinated system of employment training.

Employment Assistance by Faith-Based Organizations—The Budget includes \$5 million General Fund to engage faith-based organizations more directly in the State's effort to deliver employment services. Faith-based organizations are uniquely suited to provide services to certain individuals facing multiple barriers inhibiting their assimilation into the workforce.

CALIFORNIA WORKFORCE INVESTMENT BOARD

The California Workforce Investment Board (CWIB) was established by Executive Order pursuant to the federal Workforce Investment Act, and its main function is to assist the Governor in establishing policies relevant to the State's workforce investment system. The Budget includes federal funding of \$4.7 million and 33 positions (transferred from the Employment Development Department) for the CWIB to conduct its operations.

DEPARTMENT OF COMMUNITY SERVICES AND DEVELOPMENT

Naturalization Assistance—The Budget provides \$7 million General Fund for naturalization services to assist documented persons in becoming naturalized citizens. This continues a

one-time naturalization assistance effort began in 1998-99 to encourage and facilitate citizenship.

Entertainment Industry Workforce Development—The Budget includes a \$5 million General Fund augmentation for the creation of jobs in the entertainment industry. This one-time funding will be allocated to the Department of Community Services and Development to support a private, nonprofit effort to offer worksite experience, apprenticeships, and job skills advancement within the entertainment industry.

CALIFORNIA DEPARTMENT OF AGING

Aging With Dignity Initiative—The Budget includes three new programs administered by the California Department of Aging as part of the Aging with Dignity Initiative to help seniors and dependent adults live as independently as possible:

A Senior Housing Information and Support Center (\$1 million General Fund) will provide information concerning housing options and home modification alternatives to allow seniors to live independently or with their families.

A Senior Wellness Education Campaign (\$1 million General Fund) will provide information on innovative community-based and in-home care alternatives to institutional care.

A Long-Term Care Innovation Grant program (\$14.8 million one-time General Fund) will provide challenge grant funding to implement and expand community-based adult care alternatives to nursing homes. Foundations and the private sector are challenged to fully fund these innovative grants at \$50 million each year for ten years.

Expansion of Seniors' Programs—The Budget includes additional funding of \$7.2 million (\$5.4 million General Fund) for expansion

of seniors' services programs, including the Multipurpose Senior Services, Health Insurance Counseling and Advocacy, Linkages, and Adult Day Health Care programs.

OFFICE OF STATEWIDE HEALTH PLANNING AND DEVELOPMENT

Seismic Retrofit—The Budget includes \$1.3 million (Hospital Building Fund) for 18 new positions in the Office of Statewide Health Planning and Development to review seismic evaluations, compliance plans, and construction schedules required to bring hospitals into compliance with mandated seismic safety standards; conduct field reviews; and review and approve seismic safety assessments and corrective actions to ensure the State's hospitals remain safe and operational after earthquakes.

Cal-Mortgage Program—The Budget includes an augmentation of 6.5 positions and \$1.8 million in reimbursements to improve Cal-Mortgage loan risk assessment and enable the program to coordinate federally required feasibility studies for hospitals. This will assist California hospitals to qualify for new federal hospital construction loans.

Rural Health Development Grant—The Budget includes a one-time continuation of \$3 million General Fund for the Rural Health Development Grant program to provide grants to licensed non-profit and public rural health care providers for capital improvements and equipment, and to recruit health professionals for rural areas.

HOUSING AND COMMUNITY DEVELOPMENT

The Budget includes over \$580 million General Fund to improve housing opportunities for all Californians. This represents an increase of more than 800 percent over last year's budget for such programs—a historic high in General Fund support for housing.

Jobs-Housing Balance - \$110 million—Recognizing that communities play an important role in supporting the supply of housing, the Budget provides \$100 million for an innovative program to encourage local governments to increase permits for housing production. The program will reward communities that issue more permits by providing grants for capital amenities that may mitigate the impact of new housing. Rewards will be structured to favor in-fill and higher density development in areas with increasing employment. The Budget also includes \$5 million for job development grants in communities with adequate housing stocks and \$5 million for predevelopment loans to help developers of affordable housing start new projects.

Homeownership - \$140 million—The new CalHome Program, funded at \$50 million, provides loans and grants to local governments for a variety of homeowner assistance programs. The California Housing Finance Agency (CHFA) will administer a new \$50 million down payment assistance program for low- and moderate-income first-time homebuyers. Additionally, eligibility was expanded for CHFA's \$40 million school facility fee reimbursement program that provides homeownership assistance.

Teacher Home Purchase Program—This new program is being implemented by the California Debt Limit Allocation Committee (CDLAC) to provide \$50 million this year in homeownership assistance for eligible teachers and principals who commit to serve for five years in a California low performing school. This program provides incentives to eligible teachers and principals with a

reduction of their federal income taxes through a tax credit (mortgage credit) or a reduced interest rate mortgage loan.

Rental Housing - \$188 million—The Budget augments the Multifamily Housing Program by \$177 million to a total of \$188 million in 2000-01. This Program helps promote affordable housing through loans for construction, acquisition, and/or rehabilitation of rental housing, and preservation of existing affordable rental housing at risk of converting to market-rate.

Farmworker Housing - \$53.3 million—The Budget includes \$46.5 million to finance the construction or rehabilitation of rental and owned housing for farmworker households, including pilot programs for using manufactured housing, upgrading substandard housing, and integrating health services with housing. The Budget also includes \$6.8 million for repairs and reconstruction for State-owned migrant housing.

Emergency Shelter - \$39 million—The Budget increases the Emergency Housing Assistance Program to \$39 million to support the development and operation of emergency shelters and related services for the homeless. This amount includes \$25 million specifically for grants to construct or expand shelters.

Downtown Rebound - \$25 million—To revitalize downtowns, the Budget provides \$25 million for a new program that funds local planning activities and projects to convert old industrial and commercial buildings to residential uses as well as to promote in-fill projects.

Other Housing Programs - \$10 million—A total of \$10.2 million is appropriated for technical assistance to self-help housing organizations, preservation of low-income rental housing, housing code enforcement, and local housing planning.

Child Care Facilities - \$16 million—To promote the availability of child care, the Budget includes \$16 million in additional capital for the Child Care and Development Facilities Program administered by the Department of Housing and Community Development and the Trade and Commerce Agency. This program provides loans and loan guaranties for the construction of new childcare facilities.

TRADE AND COMMERCE AGENCY

New Economy Initiative—In total, \$14.6 million is provided in the Budget to support the Administration's New Economy Initiative. Funding includes \$4 million for space commerce and aeronautics, \$5 million in grant funds to match federal and private funds for the Next Generation Internet Centers, \$2.1 million for the E-Commerce in Rural Economic Regions Demonstration Project, \$2.3 million for the California Technology Investment Partnership Program, and \$1.2 million for the Manufacturing Technology Program.

Promoting the Motion Picture Industry—The 2000-01 Budget continues efforts to promote California as a film location, providing \$15.3 million to create the Film California First program to reduce location costs to productions filming in California. The Budget also provides \$1.4 million to the California Film Commission for additional marketing and technical assistance to the industry.

Small Business Assistance—A major engine of economic growth in California is the formation and expansion of small businesses. To assist small businesses to grow beyond the start-up stage, the Budget enhances the Small Business Loan Guarantee program by providing an additional \$11 million in capital and operating funds. These funds, when leveraged, will provide about \$35 million in loans to small businesses that have difficulty accessing conventional financing.

Biomass Conversion—The Budget includes \$10 million to support the continued disposal of agricultural wastes as fuel for biomass-to-energy facilities. Conversion of waste to fuel instead of burning it in the field reduces air pollution that would otherwise contribute to a worsening air quality situation in the Central Valley, and threaten to stifle the growth of all economic activity in the region.

RESOURCES AND ENVIRONMENTAL PROTECTION

Habitat and Land Conservation, Parkland, and Open Space

Neighborhood and State Park Bond

The Budget provides \$1.2 billion from the new 2000 Park Bond for the acquisition, development and protection of recreational, cultural, and natural areas, including:

\$499.7 million for grants to local agencies

\$366.5 million for per-capita grants

\$47.2 million for Murray-Hayden park, youth center, and environmental enhancement grants

\$13.6 million for regional soccer and baseball field grants

\$64.7 million for bond-specified local grants

\$5 million for agricultural land stewardship grants

\$2.7 for urban forestry grants

\$216.1 million for the restoration, preservation, and acquisition of sensitive habitats

\$203.3 million to rehabilitate, restore, and improve units of the State Parks system

\$165.4 million for coastal acquisitions, restoration, and enhancement projects

L D CONSERVATION MATCHING GRANT

The Budget includes \$75 million (\$54 million in the Wildlife Conservation Board and \$21 million in the Coastal Conservancy) for matching grants to purchase parks and open space preserves, and purchase and restore wildlife habitat.

UC MERCED

The Budget provides \$13.8 million to assist development and implementation of various natural resources conservation plans related to construction of UC Merced and protecting the surrounding environment. An additional \$30 million is included in the Budget to acquire approximately 60,000 acres adjacent to the new campus to help ensure the protection of wetlands, waterways, and wildlife around the campus.

PRK FEE REDUCTION

The Budget provides \$36.6 million to reduce entrance fees at State parks to improve accessibility to all Californians and their families.

ISH D GAME

The Budget includes \$26.9 million to enhance the ability of the Department of Fish and Game to carry out its responsibilities. This represents a 73 percent increase in General Fund for the department and will enable it to increase the number of timber harvest and environmental plans reviewed, increase the number of wardens in the field, replace aging vehicles and equipment, and improve administrative operations.

NOR H CO WATERSHED ASSESSMENT

The Budget includes \$11.3 million to develop baseline information on watershed conditions that will be used to establish a scientific framework for improving a range of watershed protection, conservation, and restoration programs.

WATER QUALITY AND WATER SUPPLY *ER BOND*

The Budget includes \$763 million from the new 2000 Water Bond, including:

\$45.2 million for safe drinking water projects

\$149.3 million for flood control projects

\$171.0 million for water supply reliability

\$259.6 million to protect watersheds

\$97.6 million for water treatment and recycling

\$40.6 million for water conservation

\$84.5 million for various river parkway project (This funding is also included in the figures above).

CALFED

The Budget provides \$136.1 million to continue the State's commitment to address environmental restoration and water management in the San Francisco Bay and the Sacramento-San Joaquin River Delta. An additional \$125 million is set-aside to begin implementation of the Record of Decision recommendations released in June 2000.

ER QUALITY

The Budget includes over \$50 million General Fund to enhance water quality monitoring and assessment, including development and implementation of preventive and corrective measures to address water quality impairments, mitigation of acid mine drainage, cleanup of contaminated sediments in coastal waters, and restoring the Salton Sea.

AIR QUALITY

The Budget includes \$100 million to reduce diesel emissions, including \$45 million to provide grants for projects that reduce emissions from diesel trucks and equipment below levels required under existing regulations, \$5 million for advanced technology projects and the development of an alternative fuels infrastructure, and \$50 million to replace high-polluting school buses and install special exhaust filters.

URBAN CLEANUP

The Budget includes \$85 million to clean up and redevelop abandoned or idled industrial commercial facilities where expansion or redevelopment is complicated by environmental contamination. Funds will be used to provide technical assistance to land owners and developers to determine the condition of known or suspected contaminated properties, and to provide loans to schools, developers, and local governments to clean up contaminated sites.

CHILDREN'S HEALTH

The Budget includes \$5.2 million to ensure that children are adequately protected from environmental pollutants, including:

\$2.8 million to assist in investigations and provide technical assistance related to the cleanup of hazardous substances at school sites.

\$1.0 million to evaluate indoor air quality in portable classrooms.

\$843,000 to evaluate the cancer risk to children from exposure to nonair pollutants and to develop school risk assessment guidelines.

\$608,000 to implement pest management plans at schools to reduce the use of chemical pesticides and exposure of children to chemicals.

ENVIRONMENTAL ENFORCEMENT

The Budget includes an increase of \$4.9 million to strengthen environmental protection efforts through an integrated statewide enforcement program that will shorten the amount of time needed between identifying a problem and taking action, and increase criminal and civil legal actions when necessary.

CAPITAL OUTLAY

The Budget and subsequent legislation include over \$2 billion for infrastructure statewide, excluding funding for transportation infrastructure. The General Fund contributes \$436.8 million of the total, and the balance is from various bond and special funds.

Most notable are:

\$670.4 million from the 1998 Higher Education Capital Outlay Bond Fund to complete numerous construction projects for the UC, the CSU, and the CCCs.

\$600 million in lease revenue bonds to correct seismic deficiencies at UC hospitals.

\$75 million General Fund to design and construct three California Institutes for Science and Innovation. These Institutes will be centers for strategic innovations that combine excellence in cutting-edge research with collaboration and training for our next generation of scientists and technical leaders.

\$25 million from the 2000 Neighborhood and State Park Bond Fund for various capital outlay projects within the Department of Parks and Recreation. (See further discussion of all State Park Bond expenditures in the "Resources and Environmental Protection" section.)

\$96 million General Fund for the construction of a state-of-the-art crime laboratory to serve the Los Angeles region.

\$14.1 million from the Department of Justice to complete the Santa Rosa and Redding replacement forensic laboratories, and purchase the Freedom replacement laboratory.

GENERAL GOVERNMENT

DEPARTMENT OF VETERANS AFFAIRS

The Administration is committed to assuring that the Veterans Homes of California provide top quality health care to our veteran residents. The Budget Act includes funding for improvements to the Barstow and Yountville Veterans Homes to ensure that our resident veterans receive top-notch nursing and medical care, and that each resident's quality of life is enhanced by plentiful recreational and rehabilitative activities, as follows:

Improved Patient Care—\$9.0 million to provide recruitment and retention incentives to patient care staff, implement a statewide quality assurance program in the veterans homes, and hire additional medical and related staff such as licensed administrators, nurse practitioners, physicians, and other essential support positions.

Program Supplements and Expansions—\$966,000 for additional therapeutic and recreational activity staff, an increase in the Yountville Home food budget, a pilot program for Barstow Home residents with Post Traumatic Stress Disorder, and an on-site clinical laboratory to enhance Barstow Home services.

Infrastructure Improvements—\$3.0 million for environmental and facility improvements in the veterans homes including special repairs at the Yountville Home chapel, automatic faucets at the Barstow Home, lifting devices to prevent healthcare worker injuries, and additional environmental maintenance staff for the upkeep of the Yountville Home.

OFFICE OF THE INSPECTOR GENERAL FOR VETERANS AFFAIRS

The Budget funds the Office of the Inspector General for Veterans Affairs by providing a program augmentation of \$425,000 for support staff, office space, and equipment. The Office of the Inspector General is responsible for reviewing the operations and financial condition of each California veterans home, the Cal-Vet Farm and Home Purchase Program, and other veterans programs supported by the State.

MILITARY DEPARTMENT

State Honor Guard Expenses—The Budget includes \$1.3 million and 27 temporary help personnel years to ensure that California’s veterans are provided proper military burial honors. Consistent with the Administration’s commitment to honor the State’s veterans, the California National Guard will establish two-member regional teams to render military honors at funerals for deceased veterans.

California Cadet Corps—The Budget contains \$1.5 million General Fund and six personnel years to reestablish state management and oversight of the California Cadet Corps program. The Corps is a statewide, school-based education and prevention program that provides specialized academic and military style training to address problematic behavior, substandard academic performance, self-esteem issues, and other at-risk factors.

Oakland Military Institute—Reflective of the Administration’s commitment to explore alternative educational models, funding of up to \$1.3 million General Fund is included in a budget trailer bill (AB 2866, Chapter 127, Statutes of 2000) to provide the first year of funding for the Oakland Military Institute, in a cooperative partnership with the City of Oakland and a local school district. The Institute will provide a structured, disciplined, nonresidential, college preparatory setting for 162 seventh-grade students in an

environment that will develop academic and leadership skills while building self-esteem and a strong sense of community.

DEPARTMENT OF GENERAL SERVICES

One-Stop E-Business Center—Currently, business interactions with government can be cumbersome, excessively complicated, and costly in terms of time and money. The Budget includes \$4.6 million to create a single Internet portal that will provide direct and easy access to government by businesses.

Ensuring the Reliability of Emergency Communications—Effective communication between public safety agencies during disasters, crimes, and other emergencies saves lives and property. The proposed Public Safety Radio Integrated Systems Management (PRISM) project would make an integrated communication system available to all major state public safety agencies, which currently use separate and often incompatible radio systems. The Budget includes \$1.8 million for engineering and design related to the PRISM system, as a precursor to a potential pilot project in a six-county region centered on Sacramento.

Alternative Fuel Vehicles—Consistent with the Administration's goal of reducing air pollution and California's dependence on petroleum, the Budget includes \$12.3 million for the purchase, operation, and maintenance of 584 alternative fuel vehicles and \$1.9 million to construct three refueling stations for these vehicles in Sacramento, Oakland, and Los Angeles.

DEPARTMENT OF CONSUMER AFFAIRS

The Budget contains \$47 million for the Smog Check Consumer Assistance Program. This Program will provide enhanced repair assistance benefits to income eligible individuals whose vehicles have failed a smog check inspection, as well as to individuals whose vehicles failed after being directed to a Test-Only station for

smog inspection. The program will also provide up to \$1,000 to vehicle owners who elect to retire their vehicles after failing the smog check inspection.

DEPARTMENT OF INFORMATION TECHNOLOGY

The Budget includes \$1.8 million to provide greater oversight of State information technology (IT) efforts to minimize project risk and optimize the return on the State's IT investment.

STATE PERSONNEL BOARD

Dymally-Alatorre Bilingual Services Act—The Budget includes \$585,000 for the State Personnel Board to develop an oversight strategy for state agency compliance with the provisions of the Dymally-Alatorre Bilingual Services Act to ensure that non-English speaking persons are provided the same level of services as English-speaking individuals.

DEPARTMENT OF FAIR EMPLOYMENT AND HOUSING

The Budget includes \$1 million to establish a pilot Mediation Unit to offer employees and employers assistance in resolving employment complaint cases outside of the existing investigation and litigation process.

The Budget also provides \$113,000 for a Public Information and Technical Assistance Unit to enhance public awareness of the rights and remedies available under California's civil rights laws, and to improve the delivery of assistance to employers and housing providers.

CALIFORNIA ARTS COUNCIL

The Budget includes \$10 million for the Arts in Education Program, which will focus on arts education using adopt-a-school partnerships, K-12 arts education programs, and professional development assistance for classroom teachers.

The Budget provides \$2 million for the Multicultural Arts Development Program. These funds will be for culturally specific organizations or artists who have a demonstrated commitment to cultural art.

The Budget provides \$3 million for the Simon Wiesenthal Center, Museum of Tolerance project "Finding Our Families, Finding Ourselves." This exhibit will focus on the personal histories of people whose families came to this country as immigrants.

The Budget also includes \$2 million for the Simon Wiesenthal Center, Museum of Tolerance to provide training to approximately 5,000 teachers in K-12 public schools on tolerance and diversity.

DEPARTMENT OF INDUSTRIAL RELATIONS

The Budget contains \$3.0 million to implement the provisions of Chapter 554, Statutes of 1999, which establishes the Garment Manufacturers Inspection Program and requires the Department of Industrial Relations (DIR) to establish new procedures for the resolution of claims for unpaid wages and overtime for workers in the garment industry.

The Budget includes \$2.3 million for increased enforcement of occupational safety and labor standards to implement the provisions of Chapter 615, Statutes of 1999. Chapter 615 requires the DIR to increase civil and criminal penalties for violations of occupational health and safety standards, and

extends the period in which discrimination complaints can be filed against employers.

The Budget provides \$2.1 million to establish the Permanent Amusement Ride Safety Inspection Program. This program requires mechanical and operational inspections of all permanent amusement rides, and requires owners of these rides to submit an annual certificate of compliance to the DIR.

The Budget contains \$575,000 for the Division of Labor Statistics and Research to conduct prevailing wage reviews, labor market investigations, and area practices investigations.

DEPARTMENT OF FOOD AND AGRICULTURE

The Budget includes \$6.9 million for State and local agencies to combat Pierce's Disease and its vectors. This funding augments the \$6.9 million appropriated by Chapter 21, Statutes of 2000 (SB 671) for this purpose.

The Budget provides approximately \$1.5 million for the Integrated Food Safety Program to conduct additional inspections related to enforcement of and compliance with milk and dairy food standards and to the illegal production of dairy products.

The Budget includes an additional \$2.4 million to reduce the growing threat to California from invasive pests, including \$1.3 million to expand the trapping of those pests, \$630,000 to expand the Preventative Med-fly Release Program in the Los Angeles basin, and \$500,000 to expand public outreach and education activities related to the Program.

The Budget also includes \$250,000 for a two-year pilot program involving a coalition with New Mexico, Florida, Arizona, and Texas to gain attention and consideration at the

national level of important agricultural issues in the areas of research, conservation, risk management, international trade, animal and plant health, pest prevention programs, and agricultural labor.

OFFICE OF EMERGENCY SERVICES

The Budget includes \$5 million to provide matching grants to public television stations to purchase and install digital broadcasting equipment which will increase emergency broadcasting capabilities and provide greater access to emergency information.

The Budget also includes \$1.8 million to purchase seven new fire engines to replace older vehicles, thereby helping local fire and rescue teams function at maximum efficiency to preserve lives and property.

An additional \$2.6 million is included to purchase certain equipment, including base station radios for the dispatch and deployment of mutual aid fire engines to provide a more reliable means of communication in emergencies.

The Budget provides \$51.2 million for payment of disaster response and recovery costs incurred by local governments for various past disasters, including the Northridge Earthquake.

MANAGED CARE

On July 1, 2000, the Department of Managed Care assumes responsibility from the Department of Corporations for licensing and regulating health care service plans and for implementing the 1999 package of health care reform legislation. The Budget includes \$34 million for the new department, a 119 percent increase over the funding provided in last year's budget for oversight of managed care.

To assist in this transfer of responsibilities, the Budget provides \$7.6 million for one-time and other transition costs. The Budget also includes \$1.4 million for increased regulatory enforcement efforts to address deficiencies uncovered through licensing, surveys, and examinations of health plans and from consumer complaints; \$3.3 million to improve responsiveness to consumer requests for assistance; \$2.0 million for consumer education; \$988,000 to implement the new Office of Patient Advocate; \$794,000 to establish the Financial Standards Solvency Board that will address health care plan and provider fiscal accountability; and \$1.4 million for the independent medical review process to quickly resolve disputes between consumers and plans about treatment decisions.

LOCAL GOVERNMENT

The 2000 Budget Act provides significant assistance to local governments as described below:

Financial Assistance to Local Governments—The Budget sets aside \$200 million for one-time discretionary funding to local governments. The allocation of these funds will be determined in subsequent legislation.

Local Public Safety—The Budget provides significant funding for local public safety purposes as follows:

Citizens' Option for Public Safety (COPS)—\$121.3 million for the COPS program, which is \$21.3 million above the 1999-00 level to ensure that all local law enforcement agencies will receive at least \$100,000. The COPS program supports local front-line law enforcement, sheriffs' departments for jail construction and operations, and district attorneys for prosecution. The extension of the program and the minimum funding level of \$100,000 will encourage the hiring of additional sworn peace officers. In addition, the Administration supports subsequent legislation that would provide funding for proven juvenile justice programs at the local level.

Technology Funding for Local Law Enforcement—\$75 million in one-time funding to local law enforcement agencies for the purchase of high-technology equipment. Local agencies will receive a minimum of \$100,000 and an additional per-capita amount. These funds will help local law enforcement agencies address crime prevention and suppression problems through the use of high technology equipment.

Joint City-County Crime Lab in Los Angeles—\$96 million for a one-time local assistance grant to the City of Los Angeles and Los Angeles County to construct a joint state-of-the-art crime laboratory to house forensic services and training components of the Los Angeles Police and Sheriffs Departments.

Juvenile Detention Facilities—\$75 million for allocation by the Board of Corrections to counties for capital construction of local juvenile detention facilities. In addition, \$37.5 million in federal grant funds are also available for the construction of juvenile detention facilities.

DNA profiling—\$50 million to conduct DNA analysis of evidence to establish innocence and determine guilt in unsolved sexual assault cases. This funding will be available for three years to provide local law enforcement agencies with the resources necessary to process 18,000 rape investigation kits.

Housing—Local government will receive \$115 million in grants for several programs to increase housing production and match economic development with housing, as follows:

\$100 million for incentive grants under the Jobs-Housing Balance Program to counties and cities that increase their issuance of housing building permits. The program rewards developments that provide housing that is affordable, close to growth in employment, and in-fill or higher density in nature. Grants may be used for any community capital amenities that may mitigate the impact of new housing.

Three \$5 million grant programs for economic development planning in areas with high ratios of housing stock to local jobs, building code enforcement, and interregional planning.

Transportation—Legislation accompanying the Budget provides \$2 billion to establish the Traffic Congestion Relief Fund, which

when fully funded will provide over \$4.9 billion in additional General Funds towards transportation projects that benefit the state's most congested areas. Many of these projects will be funded in partnership with local government and are high priorities to local planners. Additionally, \$400 million for deferred maintenance of local streets and roads will be allocated by formula grant in 2000-01. Chapter 91, Statutes of 2000, dedicates 100 percent of the General Fund sales tax on gas to transportation purposes over five years, beginning in 2001-02. In addition to completing the funding of the Traffic Congestion Relief Fund, these sales tax revenues on fuel will provide over \$108 million annually for street and road maintenance, over \$25 million annually for local transit operating costs and over \$80 million annually in regionally programmed State Transportation Improvement Program funding.

Resources and Environmental Protection—\$85 million is provided for the Urban Cleanup Initiative to assist in the cleanup and redevelopment of contaminated properties throughout the state. Additionally, the Budget includes \$1.2 billion from the new Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Act of 2000 to purchase and restore local and state parks lands and sensitive natural habitats, and enhance recreational and cultural opportunities for the citizens of the state. The Budget also provides \$763 million from the Safe Drinking Water, Clean Water, Watershed Protection and Flood Protection Act of 2000 to make the state's drinking water safe, reduce water pollution, improve flood protection and increase the state's water supply.

Health and Human Services—The Budget provides for significant funding local health and human services purposes, as follows:

Mental Health—The Budget provides \$150.5 million for mental health programs:

On a one-time basis, \$50 million for the Adult Mentally Ill Offender Crime Reduction Program that addresses the specific needs of those who have been involved in the criminal justice system and the communities in which they reside.

\$35.6 million in increased funds for the Integrated Services for Homeless Adults Program to actively seek out and provide treatment services to thousands of adults who are homeless or at-risk of criminal involvement and who do not request treatment.

\$25 million in Supportive Housing Grants to construct supportive housing, including housing for young adults leaving foster care and persons with a variety of disabilities.

Social Services—The Budget provides an augmentation of \$52.6 million for social services programs, including:

\$34.3 million for Child Welfare Services Emergency Workload Relief

\$12.7 million to reduce the backlog of children waiting for finalized adoptions.

STATEWIDE

Benefit Funding for Janitor and Other Contract Employees—The Budget includes \$6.0 million to fund the costs of providing benefits, such as health, dental, and vision coverage, to certain contract employees. A related trailer bill, AB 2866, requires personal services contracts for janitors and other specified workers to include provisions for these benefits at a level roughly comparable to that provided to State employees performing similar duties.

State Teachers' Retirement System—The General Fund will contribute \$1.0 billion to the Teachers' Retirement Fund for enhanced retirement benefits for teachers and to maintain the purchasing power protection benefit at 75 percent.

Employee Compensation—The Administration successfully negotiated two-year agreements with the 21 State employee collective bargaining units in 1999. These contracts include provisions for a 4 percent general salary increase effective September 1, 2000. The 2000-01 cost of this increase, \$347.5 million (\$173.8 million General Fund), is reflected in departmental budgets.

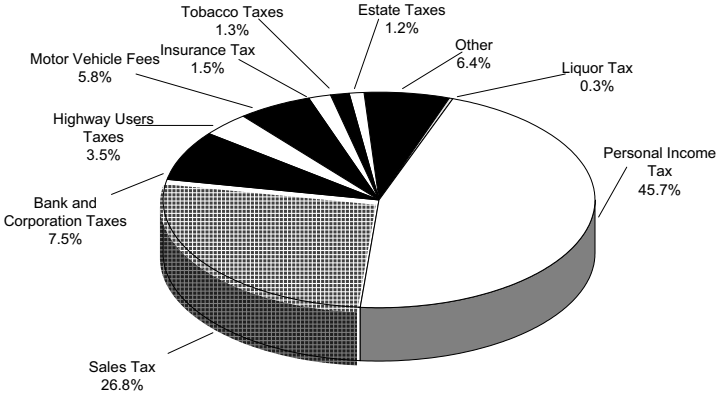
The Budget includes \$60 million (\$30 million General Fund) to provide additional compensation adjustments to State employees. These adjustments include:

\$11.1 million (\$3.9 million General Fund) to fund negotiated compensation increases for employees in Information Technology classifications.

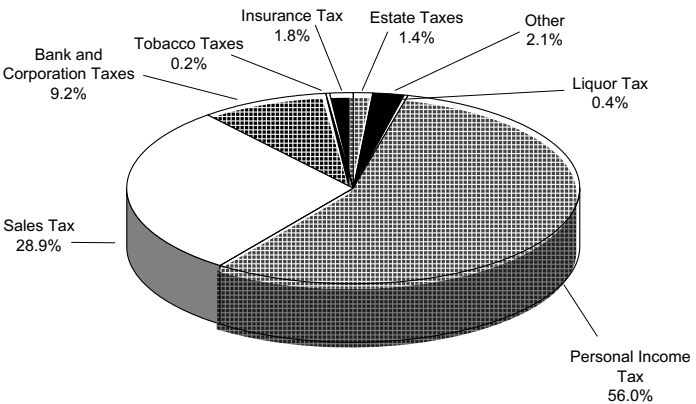
\$48.9 million (\$26.1 million General Fund) to fund other employee compensation adjustments, including an employer contribution to a 401(k) plan for excluded employees.

REVENUES 2000-01 FISCAL YEAR

Total Revenues and Transfers

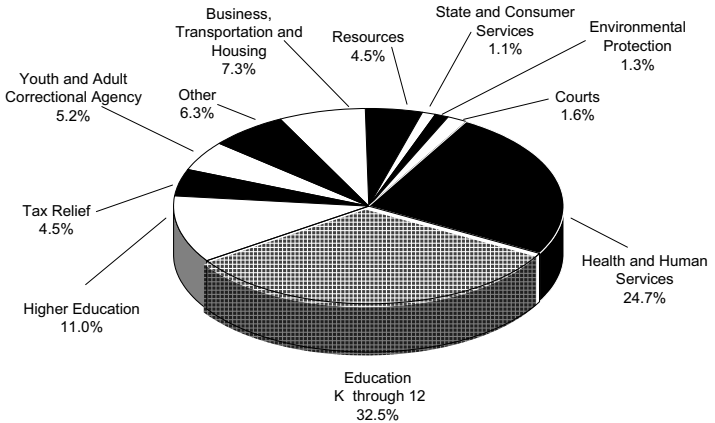


General Fund Revenues and Transfers

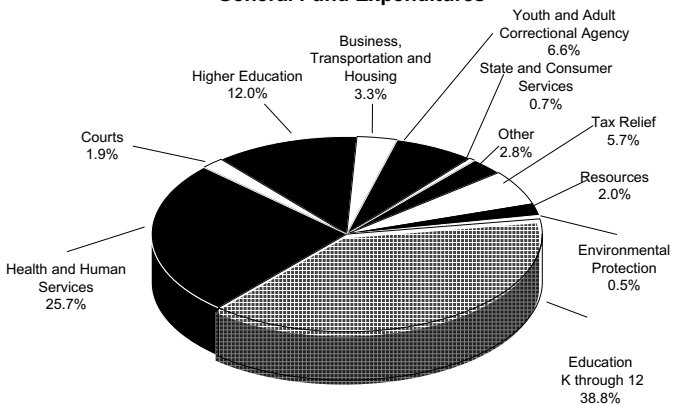


EXPENDITURES 2000-01 FISCAL YEAR

Total Expenditures
(Including Selected Bond Funds)



General Fund Expenditures



2000-01 Revenue Sources (Dollars in Millions)

	General Fund	Special Fund
Personal Income Tax	\$41,339	--
Sales Tax	21,318	\$2,903
Bank and Corporation Tax	6,800	--
Highway Users Taxes	--	3,172
Motor Vehicle Fees	27	5,199
Insurance Tax	1,321	--
Estate Taxes	1,047	--
Liquor Tax	287	--
Tobacco Taxes	132	1,077
Horseracing Fees	1	33
Other	1,590	4,139
Total	\$73,862	\$16,523

2000-01 General Fund Budget Summary (Dollars in Millions)

	1999-00	2000-01
Prior Year Balance	\$3,851	\$7,827
Revenues and Transfers	\$71,162	\$73,862
Total Resources Available	\$75,013	\$81,689
Expenditures	\$67,186	\$78,816
Fund Balance	\$7,827	\$2,873
Budget Reserves:		
Reserve for Liquidation of Encumbrances	\$592	\$592
Set aside for Litigation	\$0	\$500
Special Fund for Economic Uncertainties	\$7,235	\$1,781

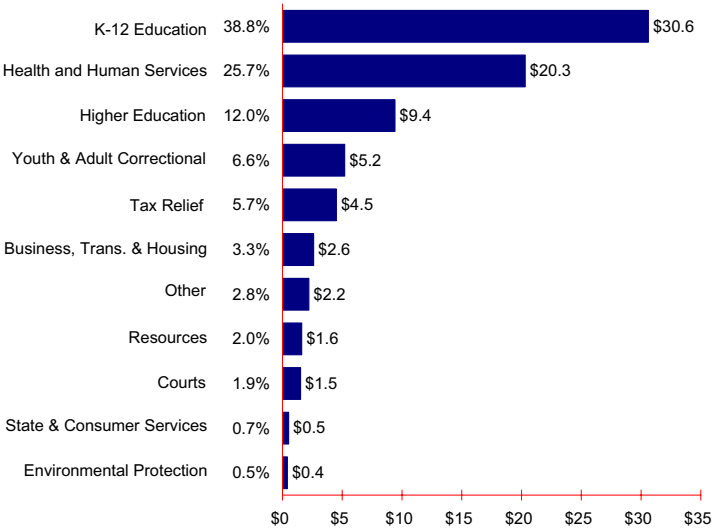
2000-01 Expenditures By Fund
(Dollars in Millions)

Function	General Fund	Special Funds	Bond Funds	Total
Education (K-12)	\$30,603	\$46	\$1,707	\$32,356
Health and Human Services	20,284	4,271	--	24,555
Higher Education	9,445	686	767	10,898
Business, Transportation and Housing	2,586	4,301	333	7,220
Trade and Commerce	108	9	--	117
Tax Relief	4,488	--	--	4,488
Local Government Subventions	523	3,230	--	3,753
Youth and Adult Corrections	5,179	18	--	5,197
Resources	1,599	1,046	1,879	4,524
Environmental Protection	418	578	334	1,330
State and Consumer Services	533	496	27	1,056
Other	3,050	879	1	3,930
Total	\$78,816	\$15,560	\$5,048	\$99,424

**General Fund Expenditures
by Agency**
(Dollars in Millions)

	1999-00	2000-01
Legislative, Judicial, Executive	\$2,336	\$2,616
State and Consumer Services	492	533
Business, Transportation & Housing	398	2,586
Trade and Commerce	483	109
Resources	1,442	1,599
Environmental Protection	178	418
Health and Human Services	17,724	20,284
Youth and Adult Correctional	4,836	5,179
K-12 Education	27,483	30,603
Higher Education	8,066	9,445
General Government	3,748	5,444
Total	\$67,186	\$78,816

**2000-01 General Fund Expenditures
(Dollars in Billions)**



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CHIEF DEPUTY DIRECTOR
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SANDY HARRISON
ASSISTANT DIRECTOR
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FLOYD SHIMOMURA
CHIEF COUNSEL
324-4856

BUDGET PROGRAM AREAS

Revenue Forecasting, Economic Projections, Demographic Research, Local Government, Business, Transportation and Housing, and Trade and Commerce	Shelley Mateo	322-2263
Education	Kathryn Gaither	445-0328
Health and Human Services	Stan Cubanski	445-6423
Youth and Adult Correctional, Justice, Judiciary, General Government, and State and Consumer Services	Calvin Smith	445-8913
Resources, Environment, and Capital Outlay	Fred Klass	324-0043
Employee Relations, Retirement Systems	Robert Straight	327-0201
Budget Planning and Preparation, Cash Management, Statewide Issues	Carl Rogers	445-5332

California's Budget on the Internet

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