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		<u>2006-07*</u>	<u>2007-08*</u>	<u>2008-09*</u>
<b>20</b>	<b>ELECTIONS</b>			
	<b>State Operations:</b>			
0001	General Fund	\$-	\$34,324	\$23,481
0228	Secretary of State's Business Fees Fund	-	3,281	-
0890	Federal Trust Fund	-	116,896	41,674
0995	Reimbursements	-	<u>8</u>	-
	<b>Totals, State Operations</b>	<b>\$-</b>	<b>\$154,509</b>	<b>\$65,155</b>
	<b>Local Assistance:</b>			
0890	Federal Trust Fund	\$-	\$-	\$914
	<b>Totals, Local Assistance</b>	<b>\$-</b>	<b>\$-</b>	<b>\$914</b>
	<b>PROGRAM REQUIREMENTS</b>			
<b>30</b>	<b>ARCHIVES</b>			
	<b>State Operations:</b>			
0001	General Fund	\$-	\$11,119	\$10,499
0228	Secretary of State's Business Fees Fund	-	<u>1,701</u>	-
	<b>Totals, State Operations</b>	<b>\$-</b>	<b>\$12,820</b>	<b>\$10,499</b>
	<b>TOTALS, EXPENDITURES</b>			
	State Operations	-	<u>212,578</u>	<u>124,679</u>
	<b>Totals, Expenditures</b>	<b>\$-</b>	<b>\$212,578</b>	<b>\$124,679</b>
	<b>PROGRAM REQUIREMENTS</b>			
<b>80.05</b>	<b>BUSINESS PROGRAMS</b>			
	<b>State Operations:</b>			
0228	Secretary of State's Business Fees Fund	\$34,038	\$-	\$-
0995	Reimbursements	7,325	-	-
3042	Victims of Corporate Fraud Compensation Fund	<u>24</u>	-	-
	<b>Totals, State Operations</b>	<b>\$41,387</b>	<b>\$-</b>	<b>\$-</b>
	<b>ELEMENT REQUIREMENTS</b>			
80.05	10 - Business Programs	28,285	-	-
80.05	15 - Executive Distribution	2,514	-	-
80.05	20 - Management Services Distribution	5,512	-	-
80.05	30 - Information Technology Distribution	5,076	-	-
	<b>PROGRAM REQUIREMENTS</b>			
<b>80.10</b>	<b>ELECTIONS</b>			
	<b>State Operations:</b>			
0001	General Fund	\$16,030	\$-	\$-
0890	Federal Trust Fund	11,390	-	-
0995	Reimbursements	<u>6,047</u>	-	-
	<b>Totals, State Operations</b>	<b>\$33,467</b>	<b>\$-</b>	<b>\$-</b>
	<b>ELEMENT REQUIREMENTS</b>			
80.10	10 - Election - General	15,935	-	-
80.10	20 - Ballot Pamphlet Printing	8,037	-	-
80.10	30 - Voter Registration Card Printing	5,018	-	-
80.10	40 - Ballot Pamphlet Mailing	1,337	-	-
80.10	50- Voter Registration Card Mailing	1,031	-	-
80.10	51 - Election Night Reporting	156	-	-
80.10	55 - Executive Distribution	394	-	-
80.10	60 - Management Services Distribution	822	-	-
80.10	70 - Information Technology Distribution	737	-	-
	<b>PROGRAM REQUIREMENTS</b>			

\* Dollars in thousands, except in Salary Range.

## 0890 Secretary of State - Continued

	2006-07*	2007-08*	2008-09*
<b>80.15 POLITICAL REFORM</b>			
<b>State Operations:</b>			
0001 General Fund	\$3,368	\$-	\$-
0995 Reimbursements	8	-	-
<b>Totals, State Operations</b>	<b>\$3,376</b>	<b>\$-</b>	<b>\$-</b>
<b>ELEMENT REQUIREMENTS</b>			
80.15 10 - Political Reform	2,351	-	-
80.15 15 - Executive Distribution	210	-	-
80.15 20 - Management Services Distribution	431	-	-
80.15 30 - Information Technology Distribution	384	-	-
<b>PROGRAM REQUIREMENTS</b>			
<b>80.30 ARCHIVES</b>			
<b>State Operations:</b>			
0001 General Fund	\$12,165	\$-	\$-
<b>Totals, State Operations</b>	<b>\$12,165</b>	<b>\$-</b>	<b>\$-</b>
<b>ELEMENT REQUIREMENTS</b>			
80.30 10 - Archives	9,364	-	-
80.30 18 - Executive Distribution	694	-	-
80.30 20 - Management Services Distribution	1,182	-	-
80.30 30 - Information Technology Distribution	925	-	-
<b>PROGRAM REQUIREMENTS</b>			
<b>82 EXECUTIVE ADMINISTRATION</b>			
<b>ELEMENT REQUIREMENTS</b>			
82.10 Executive	3,812	-	-
82.20 Executive Distribution	-3,812	-	-
<b>PROGRAM REQUIREMENTS</b>			
<b>85 MANAGEMENT SERVICES</b>			
<b>State Operations:</b>			
0001 General Fund	\$330	\$-	\$-
0995 Reimbursements	14	-	-
<b>Totals, State Operations</b>	<b>\$344</b>	<b>\$-</b>	<b>\$-</b>
<b>ELEMENT REQUIREMENTS</b>			
85.10 Management Services	8,291	-	-
85.20 Management Services Distribution	-7,947	-	-
<b>PROGRAM REQUIREMENTS</b>			
<b>88 INFORMATION TECHNOLOGY</b>			
<b>ELEMENT REQUIREMENTS</b>			
88.10 Information Technology	7,122	-	-
88.20 Information Technology Distribution	-7,122	-	-
<b>TOTALS, EXPENDITURES</b>			
State Operations	90,739	212,578	124,679
Local Assistance	-	-	914
<b>Totals, Expenditures</b>	<b>\$90,739</b>	<b>\$212,578</b>	<b>\$125,593</b>

## EXPENDITURES BY CATEGORY (Summary By Object)

	Positions			Expenditures		
	2006-07	2007-08	2008-09	2006-07*	2007-08*	2008-09*
1 State Operations						
PERSONAL SERVICES						

\* Dollars in thousands, except in Salary Range.

**0890 Secretary of State - Continued**

1 State Operations	Positions			Expenditures		
	2006-07	2007-08	2008-09	2006-07*	2007-08*	2008-09*
Authorized Positions (Equals Sch. 7A)	436.4	498.0	494.0	\$22,889	\$24,586	\$24,902
Total Adjustments	-	-	11.0	-	2,166	2,129
Estimated Salary Savings	-	-34.2	-40.8	-	-1,685	-2,365
<b>Net Totals, Salaries and Wages</b>	<b>436.4</b>	<b>463.8</b>	<b>464.2</b>	<b>22,889</b>	<b>25,067</b>	<b>24,666</b>
Staff Benefits	-	-	-	9,003	8,998	9,077
<b>Totals, Personal Services</b>	<b>436.4</b>	<b>463.8</b>	<b>464.2</b>	<b>31,892</b>	<b>34,065</b>	<b>33,743</b>
OPERATING EXPENSES AND EQUIPMENT				\$30,861	\$155,143	\$78,422
SPECIAL ITEMS OF EXPENSE						
Parallel Monitoring				\$-	\$-	\$95
Printing ballot pamphlets				8,037	11,087	5,181
Mailing ballot pamphlets				5,018	7,866	4,363
Printing registration cards				1,337	1,762	1,610
Mailing registration cards				1,031	2,255	1,060
Election night reporting				156	400	205
<b>Totals, Special Items of Expense</b>				<b>\$15,579</b>	<b>\$23,370</b>	<b>\$12,514</b>
LEASE REVENUE BOND						
Base Rental Fee				\$12,358	\$-	\$-
Structural Insurance				49	-	-
<b>Totals, Lease Revenue Bond</b>				<b>\$12,407</b>	<b>\$-</b>	<b>\$-</b>
<b>TOTALS, POSITIONS AND EXPENDITURES, ALL FUNDS (State Operations)</b>				<b>\$90,739</b>	<b>\$212,578</b>	<b>\$124,679</b>
<b>2 Local Assistance</b>						
P.L. 107-252 - Help America Vote Act of 2002				\$-	\$-	\$914
<b>TOTALS, EXPENDITURES, ALL FUNDS (Local Assistance)</b>				<b>\$-</b>	<b>\$-</b>	<b>\$914</b>

**DETAIL OF APPROPRIATIONS AND ADJUSTMENTS (Reconciliation with Appropriations)**

1 STATE OPERATIONS	2006-07*	2007-08*	2008-09*
<b>0001 General Fund</b>			
APPROPRIATIONS			
001 Budget Act appropriation	\$22,603	\$47,822	\$35,052
Allocation for employee compensation	393	256	-
Allocation for contingencies or emergencies	536	-	-
Deficiency from special appropriations bill	5,583	-	-
Adjustment per Section 3.60	50	-19	-
Adjustment per Section 15.25	-	415	-
Transfer from Item 8640-001-0001 (Political Reform Act)	782	782	-
Transfer from Item 3790-001-0001 per Provision 6	563	-	-
003 Budget Act appropriation	9,432	-	-
Adjustment per Section 4.30 (Lease-Revenue)	-3	-	-
<b>Totals Available</b>	<b>\$39,939</b>	<b>\$49,256</b>	<b>\$35,052</b>
Unexpended balance, estimated savings	-8,046	-	-
<b>TOTALS, EXPENDITURES</b>	<b>\$31,893</b>	<b>\$49,256</b>	<b>\$35,052</b>
<b>0228 Secretary of State's Business Fees Fund</b>			
APPROPRIATIONS			
001 Budget Act appropriation	\$32,317	\$36,854	\$38,936
Allocation for employee compensation	1,334	743	-

\* Dollars in thousands, except in Salary Range.

**0890 Secretary of State - Continued**

<b>1 STATE OPERATIONS</b>	<b>2006-07*</b>	<b>2007-08*</b>	<b>2008-09*</b>
Adjustment per Section 3.60	151	-43	-
Adjustment per Section 15.25	-	-102	-
003 Budget Act appropriation	<u>2,978</u>	<u>-</u>	<u>-</u>
<b>Totals Available</b>	<b>\$36,780</b>	<b>\$37,452</b>	<b>\$38,936</b>
Unexpended balance, estimated savings	<u>-2,742</u>	<u>-</u>	<u>-</u>
<b>TOTALS, EXPENDITURES</b>	<b>\$34,038</b>	<b>\$37,452</b>	<b>\$38,936</b>
<b>0890 Federal Trust Fund</b>			
APPROPRIATIONS			
001 Budget Act appropriation	\$6,297	\$10,365	\$41,674
Allocation for employee compensation	4	3	-
Adjustment per Section 3.60	2	-1	-
Revised expenditure authority per Provision 5 of Item 0890-001-0890, Budget Act of 2007	-	111,340	-
Budget Adjustment	<u>5,087</u>	<u>-4,811</u>	<u>-</u>
<b>TOTALS, EXPENDITURES</b>	<b>\$11,390</b>	<b>\$116,896</b>	<b>\$41,674</b>
<b>0995 Reimbursements</b>			
APPROPRIATIONS			
Reimbursements	\$13,394	\$7,347	\$7,339
<b>3042 Victims of Corporate Fraud Compensation Fund</b>			
APPROPRIATIONS			
001 Budget Act appropriation	<u>\$1,624</u>	<u>\$1,627</u>	<u>\$1,678</u>
<b>Totals Available</b>	<b>\$1,624</b>	<b>\$1,627</b>	<b>\$1,678</b>
Unexpended balance, estimated savings	<u>-1,600</u>	<u>-</u>	<u>-</u>
<b>TOTALS, EXPENDITURES</b>	<b>\$24</b>	<b>\$1,627</b>	<b>\$1,678</b>
<b>TOTALS, EXPENDITURES, ALL FUNDS (State Operations)</b>	<b>\$90,739</b>	<b>\$212,578</b>	<b>\$124,679</b>
<b>2 LOCAL ASSISTANCE</b>			
<b>0890 Federal Trust Fund</b>			
APPROPRIATIONS			
101 Budget Act appropriation	<u>\$-</u>	<u>\$-</u>	<u>\$914</u>
<b>TOTALS, EXPENDITURES</b>	<b>\$-</b>	<b>\$-</b>	<b>\$914</b>
<b>TOTALS, EXPENDITURES, ALL FUNDS (Local Assistance)</b>	<b>\$-</b>	<b>\$-</b>	<b>\$914</b>
<b>TOTALS, EXPENDITURES, ALL FUNDS (State Operations and Local Assistance)</b>	<b>\$90,739</b>	<b>\$212,578</b>	<b>\$125,593</b>

**FUND CONDITION STATEMENTS**

	<b>2006-07*</b>	<b>2007-08*</b>	<b>2008-09*</b>
<b>0228 Secretary of State's Business Fees Fund <sup>s</sup></b>			
BEGINNING BALANCE			
	\$6	\$1	-
Prior year adjustments	<u>1,972</u>	<u>-</u>	<u>-</u>
Adjusted Beginning Balance	\$1,978	\$1	-
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
124100 Domestic Corporation Fees	10,947	11,040	\$11,540
124200 Foreign Corporation Fees	1,086	1,095	1,095
124300 Notary Public License Fees	1,869	1,832	1,832
124400 Filing Financing Statements	3,337	2,804	2,804
125600 Other Regulatory Fees	6,357	6,318	6,318
142000 General Fees--Secretary of State	26,518	26,864	28,760
150300 Income From Surplus Money Investments	503	510	510
161400 Miscellaneous Revenue	45	45	45

\* Dollars in thousands, except in Salary Range.

**0890 Secretary of State - Continued**

	2006-07*	2007-08*	2008-09*
Transfers and Other Adjustments:			
TO0001 To General Fund per Government Code Section 12176	-18,595	-13,003	-13,937
Total Revenues, Transfers, and Other Adjustments	<u>\$32,067</u>	<u>\$37,505</u>	<u>\$38,967</u>
Total Resources	\$34,045	\$37,506	\$38,967
<b>EXPENDITURES AND EXPENDITURE ADJUSTMENTS</b>			
Expenditures:			
0840 State Controller (State Operations)	6	54	31
0890 Secretary of State (State Operations)	<u>34,038</u>	<u>37,452</u>	<u>38,936</u>
Total Expenditures and Expenditure Adjustments	<u>\$34,044</u>	<u>\$37,506</u>	<u>\$38,967</u>
FUND BALANCE	\$1	-	-
Reserve for economic uncertainties	1	-	-
<b>3042 Victims of Corporate Fraud Compensation Fund <sup>5</sup></b>			
BEGINNING BALANCE	\$5,684	\$7,735	\$8,193
<b>REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS</b>			
Revenues:			
124100 Domestic Corporation Fees	1,750	1,755	1,755
150300 Income From Surplus Money Investments	<u>325</u>	<u>330</u>	<u>330</u>
Total Revenues, Transfers, and Other Adjustments	<u>\$2,075</u>	<u>\$2,085</u>	<u>\$2,085</u>
Total Resources	\$7,759	\$9,820	\$10,278
<b>EXPENDITURES AND EXPENDITURE ADJUSTMENTS</b>			
Expenditures:			
0890 Secretary of State (State Operations)	<u>24</u>	<u>1,627</u>	<u>1,678</u>
Total Expenditures and Expenditure Adjustments	<u>\$24</u>	<u>\$1,627</u>	<u>\$1,678</u>
FUND BALANCE	\$7,735	\$8,193	\$8,600
Reserve for economic uncertainties	7,735	8,193	8,600

**CHANGES IN AUTHORIZED POSITIONS**

	Positions			Expenditures		
	2006-07	2007-08	2008-09	2006-07*	2007-08*	2008-09*
Totals, Authorized Positions	436.4	498.0	494.0	\$22,889	\$24,586	\$24,902
Salary Adjustments	-	-	-	-	2,166	1,857
<b>Proposed New Positions:</b>				<b>Salary Range</b>		
Archivist II	-	-	1.0	4,435-5,388	-	59
Associate Govt'l Program Analyst	-	-	1.0	4,400-5,348	-	42
Staff Services Analyst	-	-	4.0	2,817-4,446	-	97
Program Technician I	<u>-</u>	<u>-</u>	<u>5.0</u>	<u>2,280-2,975</u>	<u>-</u>	<u>74</u>
<b>Totals, Proposed New Positions</b>	<u>-</u>	<u>-</u>	<u>11.0</u>	<u>\$-</u>	<u>\$-</u>	<u>\$272</u>
<b>Total Adjustments</b>	<u>-</u>	<u>-</u>	<u>11.0</u>	<u>\$-</u>	<u>\$2,166</u>	<u>\$2,129</u>
<b>TOTALS, SALARIES AND WAGES</b>	<u>436.4</u>	<u>498.0</u>	<u>505.0</u>	<u>\$22,889</u>	<u>\$26,752</u>	<u>\$27,031</u>

**0950 State Treasurer**

The State Treasurer, a constitutionally established office, provides banking services for state government with goals to minimize interest and service costs and to maximize yield on investments. The Treasurer is responsible for the custody of all monies and securities belonging to or held in trust by the state; investment of temporarily idle state monies; administration of the sale of state bonds, their redemption and interest payments; and payment of warrants drawn by the State Controller and other state agencies.

**3-YR EXPENDITURES AND POSITIONS (Summary of Program Requirements)**

\* Dollars in thousands, except in Salary Range.

## 0950 State Treasurer - Continued

	Positions			Expenditures		
	2006-07	2007-08	2008-09	2006-07*	2007-08*	2008-09*
10 Investment Services	17.1	16.2	17.1	\$2,752	\$2,939	\$3,071
20 Cash Management	49.5	49.7	54.4	7,813	8,349	8,847
30 Public Finance	40.8	52.3	52.3	5,702	7,323	7,655
35 Securities Management	19.6	26.3	26.3	3,951	4,708	4,746
50.01 Administration and Information Services	78.6	84.0	89.2	10,432	11,186	11,916
50.02 Distributed Administration	-	-	-	-8,251	-8,603	-8,679
<b>TOTALS, POSITIONS AND EXPENDITURES (All Programs)</b>	<b>205.6</b>	<b>228.5</b>	<b>239.3</b>	<b>\$22,399</b>	<b>\$25,902</b>	<b>\$27,556</b>
<b>FUNDING</b>				<b>2006-07*</b>	<b>2007-08*</b>	<b>2008-09*</b>
0001 General Fund				\$3,804	\$6,993	\$7,154
0995 Reimbursements				18,595	18,909	20,402
<b>TOTALS, EXPENDITURES, ALL FUNDS</b>				<b>\$22,399</b>	<b>\$25,902</b>	<b>\$27,556</b>

## LEGAL CITATIONS AND AUTHORITY

## DEPARTMENT AUTHORITY

California Constitution Article XVI, Sections 1.5 and 7; and Government Code Sections 12300-12333, 16300-16600, 53661.

## BUDGET-BALANCING REDUCTIONS

- A reduction of \$715,000 in 2008-09 for the State Treasurer's Office. This is an unallocated reduction and the implications will not be known until the Treasurer allocates the reduction to programs. The Administration expects the reduction will be allocated in a manner that minimizes any adverse impact on program, services, or General Fund revenues.

## DETAILED BUDGET ADJUSTMENTS

	2007-08*			2008-09*		
	General Fund	Other Funds	Positions	General Fund	Other Funds	Positions
<b>Baseline Adjustment Descriptions</b>						
• Cash Management Division Workload Increase	\$-	\$-	-	\$81	\$345	4.7
• Price Increase	-	-	-	53	86	-
• Pooled Money Investment Account Loan Program Workload Increase	-	-	-	-	277	-
• Information Technology Division Workload Increase	-	-	-	-	269	2.4
• Investment Division Workload Increase	-	-	-	-	108	0.9
• Other Baseline Adjustments	222	597	1.9	249	386	-
<b>Totals, Baseline Adjustments</b>	<b>\$222</b>	<b>\$597</b>	<b>1.9</b>	<b>\$383</b>	<b>\$1,471</b>	<b>8.0</b>
<b>Policy Adjustment Descriptions</b>						
• Financial Information Systems for California (FI\$Cal)	\$-	\$-	-	\$-	\$619	4.7
<b>Totals, Policy Adjustments</b>	<b>\$-</b>	<b>\$-</b>	<b>-</b>	<b>\$-</b>	<b>\$619</b>	<b>4.7</b>
<b>TOTALS, BUDGET ADJUSTMENTS</b>	<b>\$222</b>	<b>\$597</b>	<b>1.9</b>	<b>\$383</b>	<b>\$2,090</b>	<b>12.7</b>
<b>Other Adjustments<sup>11</sup></b>						
• Budget-Balancing Reductions	-	-	-	-715	-	-
<b>REVISED TOTALS, BUDGET ADJUSTMENTS</b>	<b>\$222</b>	<b>\$597</b>	<b>1.9</b>	<b>-\$332</b>	<b>\$2,090</b>	<b>12.7</b>

<sup>11</sup> These dollars and PYs are included in the General Government agency, therefore not included in the other fiscal statements for this department. These totals are also not included in the applicable Summary Schedules for this department.

## PROGRAM DESCRIPTIONS (Program Objectives Statement)

## 10 - INVESTMENT SERVICES

\* Dollars in thousands, except in Salary Range.

**0950 State Treasurer - Continued**

The Investment Division is responsible for investment of state monies from the date of receipt through the date of redemption. During the 2006-07 fiscal year, this Division handled 11,100 security investment transactions totaling \$403.0 billion. The Pooled Money Investment Board program accounted for 7,246 of these transactions totaling \$344.7 billion; time deposits accounted for 2,202 transactions totaling \$50.3 billion. The remaining \$8.0 billion is invested on behalf of the state's special funds, such as those associated with the California Housing Finance Agency, the Department of Fish and Game, the state's retirement system, etc. The Division also administers the Local Agency Investment Fund (LAIF), a voluntary investment program created to offer California local agencies greater access to the financial markets through the Pooled Money Investment Board program. In the 2006-07 fiscal year, 2,609 local agencies participated in LAIF, with deposits averaging \$17.2 billion for the fiscal year.

**20 - CASH MANAGEMENT**

The Cash Management Division is responsible for managing the state's cash resources as mandated by the Pooled Money Investment Board and Government Code Sections 16500 through 16510. The Division is also responsible for administering the Centralized Treasury System (CTS), which encompasses the Treasurer's demand bank accounts. The State Treasurer maintains demand bank accounts with seven statewide banks for the purpose of providing the necessary depository coverage for the remittance of funds collected by various state agencies.

The goal of the CTS is to have all idle State money invested each day. This goal is accomplished by: (1) completing daily, weekly and monthly forecasts of agency revenue collections and disbursements and analyzing their impact on the Treasurer's Pooled Money Investment Portfolio; (2) maintaining balances with each demand account bank to compensate the banks for banking services and to meet warrant redemption requirements, and (3) using compensating balances to allow for the variances in cash flow that are a natural consequence when forecasting the movement of cash

The Division is also responsible for processing, redeeming, and reconciling state warrants and agency checks presented by the banks for payment, processing stop payment and forgery items, and reconciling all of the state's deposits within the Treasury System. The Division also administers the Electronic Fund Transfer (EFT) and Pre-Sort Deposit Contracts, both of which involve the collection of over \$100 billion in state revenue.

In addition, the Division is responsible for maintaining the state's vault which is used for the safekeeping of moneys and securities pursuant to Government Code Section 12320 and for providing security in the handling and processing of billions of dollars in negotiable securities.

**30 - PUBLIC FINANCE**

The Public Finance Division is responsible for selling all State of California general obligation bonds, revenue anticipation notes, commercial paper notes, revenue bonds, and any other indebtedness including securitization of assets. The Division also provides trust services for most state bonds. Interim financing from the Pooled Money Investment Account is also arranged to meet the immediate cash needs of the various bond programs. Interest costs are minimized through a planned bond-marketing program. This program includes disseminating information to bondholders through the Investor Relations Program.

The Division also assures compliance with federal tax laws applicable to state debt by investing and reinvesting bond sale proceeds as needed to meet federal yield restriction requirements, tracking expenditures, and computing and rebating arbitrage profit or other payments to the federal government.

**35 - SECURITIES MANAGEMENT**

The Securities Management Division consists of the Securities Clearance Section and the Debt and Data Management Section.

The Securities Clearance Section is responsible for the clearance, settlement, income collection, and accountability of all securities purchased or sold for investment by the State Treasurer; pledged to the State Treasurer to secure the performance of an act or duty; and held as collateral for the Treasurer's Time and Demand Deposit Programs. Securities are held in outside depositories as well as the State Vault.

The Debt and Data Management Section is responsible for safekeeping personal property and other items in the State Vault at the request of State Agencies; monitoring and managing the State's fiscal agent accounts; debt service payments on Book-Entry bonds to the Trust Depository and certificated bonds to the Fiscal Agent bank; as well as the payments for Revenue Anticipation Notes (RAN's) and Warrants (RAW's). The Section performs accountability and reconciliation on Debt Service Reporting, Un-presented Accountability and Cash Accountability.

**50 - ADMINISTRATION AND INFORMATION SERVICES**

The Administration Division, Executive Office, and the Information Services Division provide executive direction and support services to programs in the State Treasurer's Office. Services include budgeting, personnel, accounting, information systems, business services, technical support, and production operations.

**DETAILED EXPENDITURES BY PROGRAM (Program Budget Detail)**

	2006-07*	2007-08*	2008-09*
<b>PROGRAM REQUIREMENTS</b>			
<b>10 INVESTMENT SERVICES</b>			

\* Dollars in thousands, except in Salary Range.

## 0950 State Treasurer - Continued

		2006-07*	2007-08*	2008-09*
<b>State Operations:</b>				
0001	General Fund	\$524	\$656	\$678
0995	Reimbursements	2,228	2,283	2,393
<b>Totals, State Operations</b>		<b>\$2,752</b>	<b>\$2,939</b>	<b>\$3,071</b>
<b>PROGRAM REQUIREMENTS</b>				
<b>20</b>	<b>CASH MANAGEMENT</b>			
<b>State Operations:</b>				
0001	General Fund	\$852	\$2,675	\$2,779
0995	Reimbursements	6,961	5,674	6,068
<b>Totals, State Operations</b>		<b>\$7,813</b>	<b>\$8,349</b>	<b>\$8,847</b>
<b>PROGRAM REQUIREMENTS</b>				
<b>30</b>	<b>PUBLIC FINANCE</b>			
<b>State Operations:</b>				
0001	General Fund	\$924	\$1,803	\$1,831
0995	Reimbursements	4,778	5,520	5,824
<b>Totals, State Operations</b>		<b>\$5,702</b>	<b>\$7,323</b>	<b>\$7,655</b>
<b>PROGRAM REQUIREMENTS</b>				
<b>35</b>	<b>SECURITIES MANAGEMENT</b>			
<b>State Operations:</b>				
0001	General Fund	\$1,363	\$1,757	\$1,764
0995	Reimbursements	2,588	2,951	2,982
<b>Totals, State Operations</b>		<b>\$3,951</b>	<b>\$4,708</b>	<b>\$4,746</b>
<b>PROGRAM REQUIREMENTS</b>				
<b>50</b>	<b>ADMINISTRATION AND INFORMATION SERVICES</b>			
<b>State Operations:</b>				
0001	General Fund	\$141	\$102	\$102
0995	Reimbursements	2,040	2,481	3,135
<b>Totals, State Operations</b>		<b>\$2,181</b>	<b>\$2,583</b>	<b>\$3,237</b>
<b>ELEMENT REQUIREMENTS</b>				
50.01	Administration and Information Services	10,432	11,186	11,916
50.02	Distributed Administration	-8,251	-8,603	-8,679
<b>TOTALS, EXPENDITURES</b>				
State Operations		22,399	25,902	27,556
<b>Totals, Expenditures</b>		<b>\$22,399</b>	<b>\$25,902</b>	<b>\$27,556</b>

## EXPENDITURES BY CATEGORY (Summary By Object)

1 State Operations	Positions			Expenditures		
	2006-07	2007-08	2008-09	2006-07*	2007-08*	2008-09*
PERSONAL SERVICES						
Authorized Positions (Equals Sch. 7A)	205.6	238.3	238.3	\$12,509	\$14,340	\$14,689
Total Adjustments	-	2.0	13.5	-	707	1,480
Estimated Salary Savings	-	-11.8	-12.5	-	-727	-782
<b>Net Totals, Salaries and Wages</b>	<b>205.6</b>	<b>228.5</b>	<b>239.3</b>	<b>\$12,509</b>	<b>\$14,320</b>	<b>\$15,387</b>
Staff Benefits	-	-	-	4,360	5,775	5,809
<b>Totals, Personal Services</b>	<b>205.6</b>	<b>228.5</b>	<b>239.3</b>	<b>\$16,869</b>	<b>\$20,095</b>	<b>\$21,196</b>
OPERATING EXPENSES AND EQUIPMENT				\$5,530	\$5,807	\$6,360
<b>TOTALS, POSITIONS AND EXPENDITURES, ALL FUNDS (State Operations)</b>				<b>\$22,399</b>	<b>\$25,902</b>	<b>\$27,556</b>

\* Dollars in thousands, except in Salary Range.

## 0950 State Treasurer - Continued

## DETAIL OF APPROPRIATIONS AND ADJUSTMENTS (Reconciliation with Appropriations)

1 STATE OPERATIONS	2006-07*	2007-08*	2008-09*
<b>0001 General Fund</b>			
APPROPRIATIONS			
001 Budget Act appropriation	\$6,132	\$6,771	\$7,154
Allocation for employee compensation	371	250	-
Adjustment per Section 3.60	39	-17	-
Adjustment per Section 15.25	-	-10	-
Transfer to Legislative Claims (9670)	-	-1	-
<b>Totals Available</b>	<b>\$6,542</b>	<b>\$6,993</b>	<b>\$7,154</b>
Unexpended balance, estimated savings	-2,738	-	-
<b>TOTALS, EXPENDITURES</b>	<b>\$3,804</b>	<b>\$6,993</b>	<b>\$7,154</b>
<b>0995 Reimbursements</b>			
APPROPRIATIONS			
Reimbursements	\$18,595	\$18,909	\$20,402
<b>TOTALS, EXPENDITURES, ALL FUNDS (State Operations)</b>	<b>\$22,399</b>	<b>\$25,902</b>	<b>\$27,556</b>

## FUND CONDITION STATEMENTS

	2006-07*	2007-08*	2008-09*
<b>3059 Fiscal Recovery Fund<sup>s</sup></b>			
BEGINNING BALANCE	\$612,196	\$637,907	\$637,907
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
115100 Retail Sales and Use Tax-Fiscal Recovery	1,411,392	1,443,000	1,522,000
150300 Income From Surplus Money Investments	9,906	-	-
Total Revenues, Transfers, and Other Adjustments	\$1,421,298	\$1,443,000	\$1,522,000
Total Resources	\$2,033,494	\$2,080,907	\$2,159,907
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
9618 Economic Recovery Financing Committee			
State Operations	10,708	14,430	15,220
Unclassified	1,384,879	1,428,570	1,506,780
Total Expenditures and Expenditure Adjustments	\$1,395,587	\$1,443,000	\$1,522,000
FUND BALANCE	\$637,907	\$637,907	\$637,907
Reserve for economic uncertainties	637,907	637,907	637,907
<b>3090 Deficit Recovery Bond Retirement Sinking Fund Subaccount, Budget</b>			
<b>Stabilization Account<sup>s</sup></b>			
BEGINNING BALANCE	\$12,038	\$1,267	\$1,267
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
150300 Income From Surplus Money Investments	6,780	-	-
160400 Sale of Fixed Assets	1,450	31,683	44,484
Transfers and Other Adjustments:			
FO1011 From Budget Stabilization Account per Article XVI, Section 20(f) of the California Constitution	471,770	1,022,621	-
Total Revenues, Transfers, and Other Adjustments	\$480,000	\$1,054,304	\$44,484
Total Resources	\$492,038	\$1,055,571	\$45,751
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			

\* Dollars in thousands, except in Salary Range.

## 0950 State Treasurer - Continued

	2006-07*	2007-08*	2008-09*
Expenditures:			
9618 Economic Recovery Financing Committee (Unclassified)	490,771	1,054,304	44,484
Total Expenditures and Expenditure Adjustments	\$490,771	\$1,054,304	\$44,484
FUND BALANCE	\$1,267	\$1,267	\$1,267
Reserve for economic uncertainties	1,267	1,267	1,267

## CHANGES IN AUTHORIZED POSITIONS

	Positions			Expenditures		
	2006-07	2007-08	2008-09	2006-07*	2007-08*	2008-09*
Totals, Authorized Positions	205.6	238.3	238.3	\$12,509	\$14,340	\$14,689
Salary Adjustments	-	-	-	-	534	547
<b>Proposed New Positions:</b>				<b>Salary Range</b>		
Investment Division:						
Treasury Program Manager I	-	-	1.0	5,079-6,127	-	67
Information Technology Division:						
Staff Programmer Analyst	-	-	1.0	5,065-6,466	-	69
Systems Software Specialist I	-	-	0.5	5,063-6,465	-	36
Associate Info Systems Analyst	-	-	1.0	4,619-5,897	-	63
Cash Management Division:						
Treasury Program Manager I	-	-	2.0	5,079-6,127	-	134
Program Technician II-Supervisory	-	-	1.0	2,953-3,590	-	39
Program Technician II	-	-	1.0	2,638-3,209	-	35
Program Technician I	-	-	1.0	2,280-2,975	-	32
FI\$Cal Project:						
C.E.A. II	-	-	1.0	7,815-8,616	-	107
Treasury Program Manager III	-	1.0	1.0	7,118-7,848	91	98
Treasury Program Manager II	-	1.0	2.0	5,857-7,064	82	170
Senior Programmer Analyst-Specialist	-	-	1.0	5,571-7,109	-	83
<b>Totals, Proposed New Positions</b>	<b>-</b>	<b>2.0</b>	<b>13.5</b>	<b>\$-</b>	<b>\$173</b>	<b>\$933</b>
<b>Total Adjustments</b>	<b>-</b>	<b>2.0</b>	<b>13.5</b>	<b>\$-</b>	<b>\$707</b>	<b>\$1,480</b>
<b>TOTALS, SALARIES AND WAGES</b>	<b>205.6</b>	<b>240.3</b>	<b>251.8</b>	<b>\$12,509</b>	<b>\$15,047</b>	<b>\$16,169</b>

## 0954 Scholarshare Investment Board

The ScholarShare Investment Board is the administrator for the Golden State ScholarShare College Savings Trust Program (ScholarShare), the Governor's Scholarship Program (GSP) and the California Memorial Scholarship Program (CMS). These programs encourage California citizens to pursue higher education by making education more affordable. ScholarShare encourages families to save for higher education costs, while GSP granted scholarships to students for use at eligible higher education institutions. CMS provides scholarships to surviving dependents of California residents killed in the terrorist attacks on September 11, 2001.

## 3-YR EXPENDITURES AND POSITIONS (Summary of Program Requirements)

	Positions			Expenditures		
	2006-07	2007-08	2008-09	2006-07*	2007-08*	2008-09*
10 Golden State Scholarshare Trust Program	3.5	6.0	6.0	\$830	\$1,345	\$1,369
20 Governor's Scholarship Program	1.4	1.0	1.0	963	1,028	1,052
<b>TOTALS, POSITIONS AND EXPENDITURES (All Programs)</b>	<b>4.9</b>	<b>7.0</b>	<b>7.0</b>	<b>\$1,793</b>	<b>\$2,373</b>	<b>\$2,421</b>
<b>FUNDING</b>				<b>2006-07*</b>	<b>2007-08*</b>	<b>2008-09*</b>
0001 General Fund				\$963	\$1,028	\$1,052
0564 Scholarshare Administrative Fund				830	1,345	1,369

\* Dollars in thousands, except in Salary Range.

**0954 Scholarshare Investment Board - Continued**

FUNDING	2006-07*	2007-08*	2008-09*
<b>TOTALS, EXPENDITURES, ALL FUNDS</b>	<b>\$1,793</b>	<b>\$2,373</b>	<b>\$2,421</b>

**LEGAL CITATIONS AND AUTHORITY**

PROGRAM AUTHORITY

10-Golden State ScholarShare College Savings Trust Program:

Education Code Sections 69980 to 69994.

20-Governor's Scholarship Program:

Education Code Sections 69999.6 to 69999.8.

30-California Memorial Scholarship Program:

Education Code Sections 70010 to 70011.9, and Vehicle Code Section 5066.

**BUDGET-BALANCING REDUCTIONS**

- The Budget includes a General Fund reduction of \$105,000 in 2008-09 for the Governor's Scholarship Program.

**DETAILED BUDGET ADJUSTMENTS**

	2007-08*			2008-09*		
	General Fund	Other Funds	Positions	General Fund	Other Funds	Positions
<b>Baseline Adjustment Descriptions</b>						
• Price Increase	\$-	\$-	-	\$24	\$19	-
• Salary Adjustment	1	11	-	1	12	-
• Employee Benefits Adjustment	1	4	-	1	5	-
• Increase Funding for Pro Rata	-	-	-	-	3	-
• Retirement Cost Adjustment per Section 3.60	-	-1	-	-	-1	-
• Reduce Current Year Funding for Price Increase per Section 4.04	-22	-	-	-22	-	-
<b>Totals, Baseline Adjustments</b>	<b>-\$20</b>	<b>\$14</b>	<b>-</b>	<b>\$4</b>	<b>\$38</b>	<b>-</b>
<b>TOTALS, BUDGET ADJUSTMENTS</b>	<b>-\$20</b>	<b>\$14</b>	<b>-</b>	<b>\$4</b>	<b>\$38</b>	<b>-</b>
<b>Other Adjustments <sup>11</sup></b>						
• Budget-Balancing Reductions	-	-	-	-105	-	-
<b>REVISED TOTALS, BUDGET ADJUSTMENTS</b>	<b>-\$20</b>	<b>\$14</b>	<b>-</b>	<b>-\$101</b>	<b>\$38</b>	<b>-</b>

<sup>11</sup> These dollars and PYs are included in the General Government agency, therefore not included in the other fiscal statements for this department. These totals are also not included in the applicable Summary Schedules for this department.

**PROGRAM DESCRIPTIONS (Program Objectives Statement)**

**10 - GOLDEN STATE SCHOLARSHARE COLLEGE SAVINGS TRUST PROGRAM**

The Golden State ScholarShare College Savings Trust Program is a state-sponsored college savings program set up for the purpose of helping families save for higher education costs. Funds placed in the trust receive tax benefits and are used for qualified higher education expenses, such as tuition, fees, supplies, books, and certain room and board expenses.

**20 - GOVERNOR'S SCHOLARSHIP PROGRAM**

The Governor's Scholarship Program (GSP) rewarded public school students who demonstrated high academic achievement with scholarships. Students received a \$1,000 Governor's Scholars Award if they had earned scores on certain standardized tests in the years 2000, 2001 or 2002 that placed them: (1) in the top five percent of public school students statewide in their grade, or (2) in the top ten percent of students within their comprehensive public school in their grade. Students could also have earned a supplemental \$2,500 Governor's Distinguished Mathematics and Science Scholars Award when they attained specific scores on particular Advanced Placement or International Baccalaureate exams administered before December 31, 2002. GSP was made inoperative and repealed in fiscal year 2002-03; however, the ScholarShare Investment Board continues to administer 2000, 2001 and 2002 awards.

\* Dollars in thousands, except in Salary Range.

## 0954 Scholarshare Investment Board - Continued

### 30 - CALIFORNIA MEMORIAL SCHOLARSHIP PROGRAM

The California Memorial Scholarship Program provides scholarships to surviving dependents of California residents killed as a result of the terrorist attacks on September 11, 2001. These scholarships are used to defray higher education costs and are funded by California vehicle owners who purchase a special California memorial license plate.

#### DETAILED EXPENDITURES BY PROGRAM (Program Budget Detail)

		2006-07*	2007-08*	2008-09*
<b>PROGRAM REQUIREMENTS</b>				
<b>10</b>	<b>GOLDEN STATE SCHOLARSHARE TRUST PROGRAM</b>			
<b>State Operations:</b>				
0564	Scholarshare Administrative Fund	\$830	\$1,345	\$1,369
	<b>Totals, State Operations</b>	<b>\$830</b>	<b>\$1,345</b>	<b>\$1,369</b>
<b>PROGRAM REQUIREMENTS</b>				
<b>20</b>	<b>GOVERNOR'S SCHOLARSHIP PROGRAM</b>			
<b>State Operations:</b>				
0001	General Fund	\$963	\$1,028	\$1,052
	<b>Totals, State Operations</b>	<b>\$963</b>	<b>\$1,028</b>	<b>\$1,052</b>
<b>TOTALS, EXPENDITURES</b>				
	State Operations	1,793	2,373	2,421
	<b>Totals, Expenditures</b>	<b>\$1,793</b>	<b>\$2,373</b>	<b>\$2,421</b>

#### EXPENDITURES BY CATEGORY (Summary By Object)

	1 State Operations			Expenditures		
	Positions					
	2006-07	2007-08	2008-09	2006-07*	2007-08*	2008-09*
<b>PERSONAL SERVICES</b>						
Authorized Positions (Equals Sch. 7A)	4.9	7.0	7.0	\$314	\$402	\$389
Total Adjustments	-	-	-	-	12	13
<b>Net Totals, Salaries and Wages</b>	<b>4.9</b>	<b>7.0</b>	<b>7.0</b>	<b>\$314</b>	<b>\$414</b>	<b>\$402</b>
Staff Benefits	-	-	-	126	132	135
<b>Totals, Personal Services</b>	<b>4.9</b>	<b>7.0</b>	<b>7.0</b>	<b>\$440</b>	<b>\$546</b>	<b>\$537</b>
<b>OPERATING EXPENSES AND EQUIPMENT</b>				\$1,353	\$1,827	\$1,884
<b>TOTALS, POSITIONS AND EXPENDITURES, ALL FUNDS (State Operations)</b>				<b>\$1,793</b>	<b>\$2,373</b>	<b>\$2,421</b>

#### DETAIL OF APPROPRIATIONS AND ADJUSTMENTS (Reconciliation with Appropriations)

1 STATE OPERATIONS		2006-07*	2007-08*	2008-09*
<b>0001 General Fund</b>				
<b>APPROPRIATIONS</b>				
001	Budget Act appropriation	\$1,124	\$1,048	\$1,052
	Allocation for employee compensation	11	2	-
	Adjustment per Section 4.04	-	-22	-
	<b>Totals Available</b>	<b>\$1,135</b>	<b>\$1,028</b>	<b>\$1,052</b>
	Unexpended balance, estimated savings	-172	-	-
<b>TOTALS, EXPENDITURES</b>		<b>\$963</b>	<b>\$1,028</b>	<b>\$1,052</b>
<b>0564 Scholarshare Administrative Fund</b>				
<b>APPROPRIATIONS</b>				
001	Budget Act appropriation	\$1,079	\$1,331	\$1,369

\* Dollars in thousands, except in Salary Range.

**0954 Scholarshare Investment Board - Continued**

<b>1 STATE OPERATIONS</b>	<b>2006-07*</b>	<b>2007-08*</b>	<b>2008-09*</b>
Allocation for employee compensation	12	15	-
Adjustment per Section 3.60	<u>3</u>	<u>-1</u>	<u>-</u>
<b>Totals Available</b>	<b>\$1,094</b>	<b>\$1,345</b>	<b>\$1,369</b>
Unexpended balance, estimated savings	<u>-264</u>	<u>-</u>	<u>-</u>
<b>TOTALS, EXPENDITURES</b>	<b>\$830</b>	<b>\$1,345</b>	<b>\$1,369</b>
<b>3033 California Memorial Scholarship Fund</b>			
APPROPRIATIONS			
Prior year balances available:			
Chapter 677, Statutes of 2005	<u>\$30</u>	<u>\$30</u>	<u>\$30</u>
<b>Totals Available</b>	<b>\$30</b>	<b>\$30</b>	<b>\$30</b>
Balance available in subsequent years	<u>-30</u>	<u>-30</u>	<u>-30</u>
<b>TOTALS, EXPENDITURES</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>
<b>TOTALS, EXPENDITURES, ALL FUNDS (State Operations)</b>	<b>\$1,793</b>	<b>\$2,373</b>	<b>\$2,421</b>

**FUND CONDITION STATEMENTS**

	<b>2006-07*</b>	<b>2007-08*</b>	<b>2008-09*</b>
<b>3033 California Memorial Scholarship Fund<sup>s</sup></b>			
BEGINNING BALANCE	<u>\$43</u>	<u>\$43</u>	<u>\$43</u>
FUND BALANCE	\$43	\$43	\$43
Reserve for economic uncertainties	43	43	43

**CHANGES IN AUTHORIZED POSITIONS**

	<u>Positions</u>			<u>Expenditures</u>		
	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2006-07*</u>	<u>2007-08*</u>	<u>2008-09*</u>
Totals, Authorized Positions	4.9	7.0	7.0	\$314	\$402	\$389
Salary Adjustments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12</u>	<u>13</u>
<b>Total Adjustments</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$-</u>	<u>\$12</u>	<u>\$13</u>
<b>TOTALS, SALARIES AND WAGES</b>	<b>4.9</b>	<b>7.0</b>	<b>7.0</b>	<b>\$314</b>	<b>\$414</b>	<b>\$402</b>

**0956 California Debt and Investment Advisory Commission**

The mission of the California Debt and Investment Advisory Commission (CDIAC) is to promote and improve the practice of public finance in California by providing responsive and reliable information, education, and advice. CDIAC assists state and local governments by providing education and information related to the effective and efficient issuance, monitoring, and management of public debt and prudent and safe investment of public funds.

The Commission consists of nine members including the State Treasurer, who serves as chairperson; the Governor or, upon his designation, the Director of Finance; the State Controller; two local government finance officers appointed by the State Treasurer; two members of the Assembly appointed by the Speaker of the Assembly; and two members of the Senate appointed by the Senate Committee on Rules.

**3-YR EXPENDITURES AND POSITIONS (Summary of Program Requirements)**

	<u>Positions</u>			<u>Expenditures</u>		
	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2006-07*</u>	<u>2007-08*</u>	<u>2008-09*</u>
10 California Debt and Investment Advisory Commission	<u>13.0</u>	<u>14.0</u>	<u>17.0</u>	<u>\$2,011</u>	<u>\$2,321</u>	<u>\$2,568</u>
<b>TOTALS, POSITIONS AND EXPENDITURES (All Programs)</b>	<b>13.0</b>	<b>14.0</b>	<b>17.0</b>	<b>\$2,011</b>	<b>\$2,321</b>	<b>\$2,568</b>
<b>FUNDING</b>				<b>2006-07*</b>	<b>2007-08*</b>	<b>2008-09*</b>
0171 California Debt and Investment Advisory Commission Fund				\$1,911	\$2,221	\$2,418
0995 Reimbursements				<u>100</u>	<u>100</u>	<u>150</u>
<b>TOTALS, EXPENDITURES, ALL FUNDS</b>				<b>\$2,011</b>	<b>\$2,321</b>	<b>\$2,568</b>

\* Dollars in thousands, except in Salary Range.

## 0956 California Debt and Investment Advisory Commission - Continued

### LEGAL CITATIONS AND AUTHORITY

#### DEPARTMENT AUTHORITY

Government Code Sections 8855-8859.

### DETAILED BUDGET ADJUSTMENTS

	2007-08*			2008-09*		
	General Fund	Other Funds	Positions	General Fund	Other Funds	Positions
<b>Baseline Adjustment Descriptions</b>						
• Price Increase for CDIAC	\$-	\$-	-	\$-	\$24	-
• Other Baseline Adjustments	-	45	-	-	51	-
<b>Totals, Baseline Adjustments</b>	<b>\$-</b>	<b>\$45</b>	<b>-</b>	<b>\$-</b>	<b>\$75</b>	<b>-</b>
<b>Policy Adjustment Descriptions</b>						
• Technical Assistance Section Reorganization	\$-	\$-	-	\$-	\$167	2.0
• Increase in Reimbursement Authority	-	-	-	-	50	-
• Staff Augmentation funded through redirection of OE and E - Editorial Technician and Graphic Designer	-	-	-	-	-	1.0
<b>Totals, Policy Adjustments</b>	<b>\$-</b>	<b>\$-</b>	<b>-</b>	<b>\$-</b>	<b>\$217</b>	<b>3.0</b>
<b>TOTALS, BUDGET ADJUSTMENTS</b>	<b>\$-</b>	<b>\$45</b>	<b>-</b>	<b>\$-</b>	<b>\$292</b>	<b>3.0</b>

### PROGRAM DESCRIPTIONS (Program Objectives Statement)

#### 10 - CALIFORNIA DEBT AND INVESTMENT ADVISORY COMMISSION

CDIAC's primary objective is to enhance the knowledge of public officials with respect to the administration and issuance of public debt and the investment of public funds. CDIAC achieves this objective by performing functions in three principal areas, including:

- Data Collection and Analysis - CDIAC serves as a clearinghouse of debt issued by California public entities and nonprofit student loan corporations.
- Continuing Education - CDIAC provides educational seminars, workshops, and conferences to public officials on municipal debt and public fund investment topics. In addition, CDIAC provides technical assistance to public officials and taxpayers through direct interaction and public forums to disseminate relevant information.
- Policy Research - CDIAC undertakes original research on the issuance and administration of public debt and on the investment of public funds. Research results are published in the form of reports, issue briefs, or articles and are disseminated in printed and electronic forms.

### DETAILED EXPENDITURES BY PROGRAM (Program Budget Detail)

		2006-07*	2007-08*	2008-09*
<b>PROGRAM REQUIREMENTS</b>				
<b>10</b>	<b>CALIFORNIA DEBT AND INVESTMENT ADVISORY COMMITTEE</b>			
	<b>State Operations:</b>			
0171	California Debt and Investment Advisory Commission Fund	\$1,911	\$2,221	\$2,418
0995	Reimbursements	100	100	150
	<b>Totals, State Operations</b>	<b>\$2,011</b>	<b>\$2,321</b>	<b>\$2,568</b>
<b>TOTALS, EXPENDITURES</b>				
	State Operations	2,011	2,321	2,568
	<b>Totals, Expenditures</b>	<b>\$2,011</b>	<b>\$2,321</b>	<b>\$2,568</b>

### EXPENDITURES BY CATEGORY (Summary By Object)

\* Dollars in thousands, except in Salary Range.

**0956 California Debt and Investment Advisory Commission - Continued**

1 State Operations	Positions			Expenditures		
	2006-07	2007-08	2008-09	2006-07*	2007-08*	2008-09*
PERSONAL SERVICES						
Authorized Positions (Equals Sch. 7A)	13.0	14.0	14.0	\$851	\$890	\$903
Total Adjustments	-	-	3.0	-	48	162
<b>Net Totals, Salaries and Wages</b>	<b>13.0</b>	<b>14.0</b>	<b>17.0</b>	<b>\$851</b>	<b>\$938</b>	<b>\$1,065</b>
Staff Benefits	-	-	-	272	326	351
<b>Totals, Personal Services</b>	<b>13.0</b>	<b>14.0</b>	<b>17.0</b>	<b>\$1,123</b>	<b>\$1,264</b>	<b>\$1,416</b>
OPERATING EXPENSES AND EQUIPMENT				\$888	\$1,057	\$1,152
<b>TOTALS, POSITIONS AND EXPENDITURES, ALL FUNDS (State Operations)</b>				<b>\$2,011</b>	<b>\$2,321</b>	<b>\$2,568</b>

**DETAIL OF APPROPRIATIONS AND ADJUSTMENTS (Reconciliation with Appropriations)**

1 STATE OPERATIONS	2006-07*	2007-08*	2008-09*
0171 California Debt and Investment Advisory Commission Fund			
APPROPRIATIONS			
001 Budget Act appropriation	\$2,088	\$2,176	\$2,418
Allocation for employee compensation	56	48	-
Adjustment per Section 3.60	9	-3	-
<b>Totals Available</b>	<b>\$2,153</b>	<b>\$2,221</b>	<b>\$2,418</b>
Unexpended balance, estimated savings	-242	-	-
<b>TOTALS, EXPENDITURES</b>	<b>\$1,911</b>	<b>\$2,221</b>	<b>\$2,418</b>
0995 Reimbursements			
APPROPRIATIONS			
Reimbursements	\$100	\$100	\$150
<b>TOTALS, EXPENDITURES, ALL FUNDS (State Operations)</b>	<b>\$2,011</b>	<b>\$2,321</b>	<b>\$2,568</b>

**FUND CONDITION STATEMENTS**

	2006-07*	2007-08*	2008-09*
0171 California Debt and Investment Advisory Commission Fund <sup>s</sup>			
BEGINNING BALANCE	\$7,668	\$8,492	\$8,926
Prior year adjustments	80	-	-
Adjusted Beginning Balance	\$7,748	\$8,492	\$8,926
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
125600 Other Regulatory Fees	2,269	2,269	2,269
150300 Income From Surplus Money Investments	387	387	387
Total Revenues, Transfers, and Other Adjustments	\$2,656	\$2,656	\$2,656
Total Resources	\$10,404	\$11,148	\$11,582
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
0840 State Controller (State Operations)	1	1	1
0956 California Debt and Investment Advisory Commission (State Operations)	1,911	2,221	2,418
Total Expenditures and Expenditure Adjustments	\$1,912	\$2,222	\$2,419
FUND BALANCE	\$8,492	\$8,926	\$9,163
Reserve for economic uncertainties	8,492	8,926	9,163

**CHANGES IN AUTHORIZED POSITIONS**

\* Dollars in thousands, except in Salary Range.

**0956 California Debt and Investment Advisory Commission - Continued**

	Positions			Expenditures		
	2006-07	2007-08	2008-09	2006-07*	2007-08*	2008-09*
Totals, Authorized Positions	13.0	14.0	14.0	\$851	\$890	\$903
Salary Adjustments	-	-	-	-	48	52
<b>Proposed New Positions:</b>				<b>Salary Range</b>		
Data Collection Unit:						
Staff Services Manager I	-	-	1.0	5,079-6,127	-	67
Associate Program Specialist	-	-	1.0	4,400-5,348	-	-
Technical Assistance Section:						
Graphic Designer	-	-	1.0	3,227-3,922	-	43
<b>Total Proposed New Positions</b>	<b>-</b>	<b>-</b>	<b>3.0</b>	<b>\$-</b>	<b>\$-</b>	<b>110</b>
<b>Total Adjustments</b>	<b>-</b>	<b>-</b>	<b>3.0</b>	<b>\$-</b>	<b>\$48</b>	<b>\$162</b>
<b>TOTALS, SALARIES AND WAGES</b>	<b>13.0</b>	<b>14.0</b>	<b>17.0</b>	<b>\$851</b>	<b>\$938</b>	<b>\$1,065</b>

**0959 California Debt Limit Allocation Committee**

The California Debt Limit Allocation Committee's mission is to allocate tax-exempt private activity bond authority for the State of California. Private activity bonds may only be used by the private sector for projects and programs that provide a public benefit. The major public benefit in California is the creation of affordable housing.

The federal government limits the amount of tax-exempt private activity bond authority that can be issued in a state on an annual basis. The limit of bond authority in 2007 is calculated by multiplying the state population by \$85. California has the largest population, and thus has the largest debt (or tax-exempt bond) limit, which totaled over \$3.09 billion in 2007.

The Committee's allocation of tax-exempt bond authority results in the issuance of bonds by cities, counties, joint powers authorities, and state agencies. The bonds are purchased and used by the private sector and are not an obligation of the state or of the federal government.

The Committee administers six programs that are funded through the allocation and issuance of tax-exempt private activity bonds. Those programs are: (1) the Qualified Residential Rental Project Program, (2) the Single-Family Housing Program, (3) the Extra Credit Home Purchase Program, (4) the Industrial Development Bond Project Program, (5) the Exempt Facility Program, and (6) the Student Loan Program.

The Committee is comprised of the State Treasurer as Chairperson, the Governor, or upon his designation, the Director of Finance, and the State Controller. The Committee is funded on a fee-supported basis.

**3-YR EXPENDITURES AND POSITIONS (Summary of Program Requirements)**

	Positions			Expenditures		
	2006-07	2007-08	2008-09	2006-07*	2007-08*	2008-09*
10 California Debt Limit Allocation Committee	7.9	9.0	9.0	\$958	\$1,222	\$1,238
<b>TOTALS, POSITIONS AND EXPENDITURES (All Programs)</b>	<b>7.9</b>	<b>9.0</b>	<b>9.0</b>	<b>\$958</b>	<b>\$1,222</b>	<b>\$1,238</b>
<b>FUNDING</b>				<b>2006-07*</b>	<b>2007-08*</b>	<b>2008-09*</b>
0169 California Debt Limit Allocation Committee Fund				\$958	\$1,222	\$1,238
<b>TOTALS, EXPENDITURES, ALL FUNDS</b>				<b>\$958</b>	<b>\$1,222</b>	<b>\$1,238</b>

**LEGAL CITATIONS AND AUTHORITY**

DEPARTMENT AUTHORITY

Government Code Section 8869.80 et seq.

**DETAILED BUDGET ADJUSTMENTS**

Baseline Adjustment Descriptions	2007-08*			2008-09*		
	General Fund	Other Funds	Positions	General Fund	Other Funds	Positions
• Price Increase for CDLAC	\$-	\$-	-	\$-	\$11	-

\* Dollars in thousands, except in Salary Range.

**0959 California Debt Limit Allocation Committee - Continued**

	2007-08*			2008-09*		
	General Fund	Other Funds	Positions	General Fund	Other Funds	Positions
• Other Baseline Adjustments	-	22	-	-	27	-
<b>Totals, Baseline Adjustments</b>	<b>\$-</b>	<b>\$22</b>	<b>-</b>	<b>\$-</b>	<b>\$38</b>	<b>-</b>
<b>TOTALS, BUDGET ADJUSTMENTS</b>	<b>\$-</b>	<b>\$22</b>	<b>-</b>	<b>\$-</b>	<b>\$38</b>	<b>-</b>

**PROGRAM DESCRIPTIONS (Program Objectives Statement)**

10 - CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE

**Qualified Residential Rental Project Program:**

State and local governmental agencies and joint powers authorities can issue tax-exempt housing revenue bonds. These bonds assist developers of multifamily rental housing units to acquire land and construct new units or purchase and rehabilitate existing units. The tax-exempt bonds lower the interest rate on a mortgage to be paid by the developers. The developers in turn produce affordable and market rate rental housing for low and very low-income households by reducing rental rates to these individuals and families. Projects that receive an award of bond authority have the right to apply for non-competitive four-percent tax credits.

**Single-Family Housing Program:**

State and local governmental agencies and joint powers authorities can issue tax-exempt mortgage revenue bonds (MRBs) or mortgage credit certificates (MCCs) to assist first-time homebuyers with purchasing homes. These agencies and authorities may issue MRBs, the proceeds of which back below-market interest rate mortgages. As an alternative to issuing MRBs, state and local governmental agencies and joint powers authorities may issue MCCs. Homebuyers use the MCCs to reduce their federal tax liability by applying the credit to their net tax due. Homebuyers may purchase single-family homes, either freestanding detached, condominiums or townhouses. Program participants must meet program income limits and must purchase a home that falls within the program's purchase price limitations.

**Extra Credit Home Purchase Program:**

State and local governmental agencies and joint powers authorities can issue MRBs or MCCs to assist teachers, principals and other eligible school staff with purchasing homes. These agencies and authorities may issue MRBs, the proceeds of which back below-market interest rate mortgages. As an alternative to issuing MRBs, state and local governmental agencies and joint powers authorities may issue MCCs. Homebuyers use the MCC to reduce their federal tax liability by applying the credit to their net tax due.

**Industrial Development Bond Project Program:**

Small-Issue Industrial Development Bonds (IDBs) are tax-exempt private activity bonds that are issued through state and local governmental agencies to assist manufacturing facilities finance capital expenditures. IDBs offer interest rate savings to small and midsize manufacturers in contrast to conventional loans. When used by manufacturers, IDBs serve to retain and create new jobs within their communities.

**Exempt Facility Program:**

Exempt Facility Bonds are tax-exempt private activity bonds that are issued by state and local governmental agencies to finance solid waste disposal and waste recycling facilities. The tax-exempt bonds provide facility owners with low-cost financing in the form of below-market interest rate loans. The interest rate savings enable the project owners to maintain lower customer rates or minimize customer rate increases, while at the same time assisting the communities they serve meet their mandated requirements to protect and enhance the environment.

**Student Loan Program:**

Student Loan Bonds are tax-exempt private activity bonds issued by authorized agencies for the purpose of either financing direct loans to college students and their parents or purchasing bundles of already-originated loans on the secondary market. When used for direct lending programs, tax-exempt bond allocation allows lenders to pass on interest rate savings to financially needy students via below-market interest rate loans. Financially needy students are borrowers for whom the cost to attend college exceeds their ability to pay, as determined by their school's financial aid office.

**DETAILED EXPENDITURES BY PROGRAM (Program Budget Detail)**

		2006-07*	2007-08*	2008-09*
<b>PROGRAM REQUIREMENTS</b>				
<b>10</b>	<b>CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE</b>			
	<b>State Operations:</b>			
0169	California Debt Limit Allocation Committee Fund	\$958	\$1,222	\$1,238
	<b>Totals, State Operations</b>	<b>\$958</b>	<b>\$1,222</b>	<b>\$1,238</b>
<b>TOTALS, EXPENDITURES</b>				
	State Operations	958	1,222	1,238
	<b>Totals, Expenditures</b>	<b>\$958</b>	<b>\$1,222</b>	<b>\$1,238</b>

\* Dollars in thousands, except in Salary Range.

## 0959 California Debt Limit Allocation Committee - Continued

### EXPENDITURES BY CATEGORY (Summary By Object)

1 State Operations	Positions			Expenditures		
	2006-07	2007-08	2008-09	2006-07*	2007-08*	2008-09*
PERSONAL SERVICES						
Authorized Positions (Equals Sch. 7A)	7.9	9.0	9.0	\$473	\$521	\$538
Total Adjustments	-	-	-	-	24	26
<b>Net Totals, Salaries and Wages</b>	<b>7.9</b>	<b>9.0</b>	<b>9.0</b>	<b>\$473</b>	<b>\$545</b>	<b>\$564</b>
Staff Benefits	-	-	-	161	182	175
<b>Totals, Personal Services</b>	<b>7.9</b>	<b>9.0</b>	<b>9.0</b>	<b>\$634</b>	<b>\$727</b>	<b>\$739</b>
OPERATING EXPENSES AND EQUIPMENT				\$324	\$495	\$499
<b>TOTALS, POSITIONS AND EXPENDITURES, ALL FUNDS (State Operations)</b>				<b>\$958</b>	<b>\$1,222</b>	<b>\$1,238</b>

### DETAIL OF APPROPRIATIONS AND ADJUSTMENTS (Reconciliation with Appropriations)

1 STATE OPERATIONS	2006-07*	2007-08*	2008-09*
<b>0169 California Debt Limit Allocation Committee Fund</b>			
APPROPRIATIONS			
001 Budget Act appropriation	\$1,147	\$1,200	\$1,238
Allocation for employee compensation	34	24	-
Adjustment per Section 3.60	5	-2	-
<b>Totals Available</b>	<b>\$1,186</b>	<b>\$1,222</b>	<b>\$1,238</b>
Unexpended balance, estimated savings	-228	-	-
<b>TOTALS, EXPENDITURES</b>	<b>\$958</b>	<b>\$1,222</b>	<b>\$1,238</b>
<b>TOTALS, EXPENDITURES, ALL FUNDS (State Operations)</b>	<b>\$958</b>	<b>\$1,222</b>	<b>\$1,238</b>

### FUND CONDITION STATEMENTS

	2006-07*	2007-08*	2008-09*
<b>0169 California Debt Limit Allocation Committee Fund<sup>s</sup></b>			
BEGINNING BALANCE	\$1,058	\$5,631	\$6,608
Prior year adjustments	-122	-	-
Adjusted Beginning Balance	\$936	\$5,631	\$6,608
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
125600 Other Regulatory Fees	1,859	2,134	2,328
150300 Income From Surplus Money Investments	166	66	72
150500 Interest Income From Interfund Loans	129	-	-
Transfers and Other Adjustments:			
FO0001 From General Fund loan repayment per Item 0959-011-0169, Budget Act of 2004	3,500	-	-
Total Revenues, Transfers, and Other Adjustments	\$5,654	\$2,200	\$2,400
Total Resources	\$6,590	\$7,831	\$9,008
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
0840 State Controller (State Operations)	1	1	1
0959 California Debt Limit Allocation Committee (State Operations)	958	1,222	1,238
Total Expenditures and Expenditure Adjustments	\$959	\$1,223	\$1,239
FUND BALANCE	\$5,631	\$6,608	\$7,769
Reserve for economic uncertainties	5,631	6,608	7,769

\* Dollars in thousands, except in Salary Range.

**0959 California Debt Limit Allocation Committee - Continued**

**CHANGES IN AUTHORIZED POSITIONS**

	Positions			Expenditures		
	2006-07	2007-08	2008-09	2006-07*	2007-08*	2008-09*
Totals, Authorized Positions	7.9	9.0	9.0	\$473	\$521	\$538
Salary Adjustments	-	-	-	-	24	26
<b>Total Adjustments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$-</b>	<b>\$24</b>	<b>\$26</b>
<b>TOTALS, SALARIES AND WAGES</b>	<b>7.9</b>	<b>9.0</b>	<b>9.0</b>	<b>\$473</b>	<b>\$545</b>	<b>\$564</b>

**0965 California Industrial Development Financing Advisory Commission**

The California Industrial Development Financing Advisory Commission's (CIDFAC) creates employment opportunities and supports local economic development. CIDFAC meets this goal by approving local entities' issuance of Industrial Development Bonds (IDBs). The IDBs provide manufacturers with a low-cost financing option to build or expand their operations. CIDFAC independently reviews IDB applications to ensure compliance with federal and state statutes and approves the sale of IDBs by local authorities. Additionally, CIDFAC provides technical assistance to local issuers of IDBs, including cities, counties, industrial development authorities, redevelopment agencies, and joint powers authorities.

The State Treasurer serves as chairperson of the CIDFAC. The other members are the Director of the Department of Finance, the State Controller, the Secretary of the Business Transportation Housing Agency, and the Commissioner of the Department of Corporations.

**3-YR EXPENDITURES AND POSITIONS (Summary of Program Requirements)**

	Positions			Expenditures		
	2006-07	2007-08	2008-09	2006-07*	2007-08*	2008-09*
10 California Industrial Development Financing Advisory Commission	0.5	1.0	1.0	\$98	\$335	\$331
<b>TOTALS, POSITIONS AND EXPENDITURES (All Programs)</b>	<b>0.5</b>	<b>1.0</b>	<b>1.0</b>	<b>\$98</b>	<b>\$335</b>	<b>\$331</b>
<b>FUNDING</b>				<b>2006-07*</b>	<b>2007-08*</b>	<b>2008-09*</b>
0215 Industrial Development Fund				\$53	\$260	\$256
0995 Reimbursements				45	75	75
<b>TOTALS, EXPENDITURES, ALL FUNDS</b>				<b>\$98</b>	<b>\$335</b>	<b>\$331</b>

**LEGAL CITATIONS AND AUTHORITY**

DEPARTMENT AUTHORITY

Government Code Sections 91500 to 91574, Insurance Code Section 1192.

**DETAILED BUDGET ADJUSTMENTS**

Baseline Adjustment Descriptions	2007-08*			2008-09*		
	General Fund	Other Funds	Positions	General Fund	Other Funds	Positions
• Price Increase for CIDFAC	\$-	\$-	-	\$-	\$4	-
• Other Baseline Adjustments	-	-	-	-	-8	-
<b>Totals, Baseline Adjustments</b>	<b>\$-</b>	<b>\$-</b>	<b>-</b>	<b>\$-</b>	<b>-\$4</b>	<b>-</b>
<b>TOTALS, BUDGET ADJUSTMENTS</b>	<b>\$-</b>	<b>\$-</b>	<b>-</b>	<b>\$-</b>	<b>-\$4</b>	<b>-</b>

**PROGRAM DESCRIPTIONS (Program Objectives Statement)**

10 - CALIFORNIA INDUSTRIAL DEVELOPMENT FINANCING ADVISORY COMMISSION

The core program area is the Industrial Development Bond (IDB) Program, under which CIDFAC, as required by state law, serves as the mandatory approval agency for local IDB issuers. Once potential borrowers (manufacturers and processing

\* Dollars in thousands, except in Salary Range.

## 0965 California Industrial Development Financing Advisory Commission - Continued

companies) apply through their local government agency for low cost tax-exempt financing, CIDFAC carefully reviews the public benefits generated by the proposed project, particularly those benefits associated with job creation, and determines whether these benefits will significantly outweigh any detrimental public effects. Eligible capital expenditures include the acquisition of land, building construction, building renovation, and the purchase of machinery and equipment. Bond proceeds also can be used to cover the cost of architects, engineers, attorneys, permits, and the cost of bond issuance. The local issuer can be a city, county, economic development authority, redevelopment agency, or a joint power authority.

Federal law authorizes the issuance of IDBs in local Empowerment Zone Bonds (EZ Bonds). CIDFAC's EZ Bond Program augments the benefits of the IDB program to further support economic development in California's most distressed communities. The EZ Bond Program expands the eligibility of borrowers to manufacturers, retailers, and any service that operates in an Empowerment Zone. The EZ Bond program removes the maximum dollar restriction (applicable to IDBs) on the size of the issuance. There are five federally designated Empowerment Zones in California: Los Angeles, Santa Ana, San Diego, Fresno and an unincorporated section of Riverside County. These communities received this federal designation based on their high unemployment and high poverty rates.

### DETAILED EXPENDITURES BY PROGRAM (Program Budget Detail)

	2006-07*	2007-08*	2008-09*
<b>PROGRAM REQUIREMENTS</b>			
<b>10 CALIFORNIA INDUSTRIAL DEVELOPMENT FINANCING ADVISORY COMMISSION</b>			
<b>State Operations:</b>			
0215 Industrial Development Fund	\$53	\$260	\$256
0995 Reimbursements	45	75	75
<b>Totals, State Operations</b>	<b>\$98</b>	<b>\$335</b>	<b>\$331</b>
<b>TOTALS, EXPENDITURES</b>			
State Operations	98	335	331
<b>Totals, Expenditures</b>	<b>\$98</b>	<b>\$335</b>	<b>\$331</b>

### EXPENDITURES BY CATEGORY (Summary By Object)

1 State Operations	Positions			Expenditures		
	2006-07	2007-08	2008-09	2006-07*	2007-08*	2008-09*
<b>PERSONAL SERVICES</b>						
Authorized Positions (Equals Sch. 7A)	0.5	1.0	1.0	\$54	\$107	\$107
<b>Net Totals, Salaries and Wages</b>	<b>0.5</b>	<b>1.0</b>	<b>1.0</b>	<b>\$54</b>	<b>\$107</b>	<b>\$107</b>
Staff Benefits	-	-	-	15	24	44
<b>Totals, Personal Services</b>	<b>0.5</b>	<b>1.0</b>	<b>1.0</b>	<b>\$69</b>	<b>\$131</b>	<b>\$151</b>
<b>OPERATING EXPENSES AND EQUIPMENT</b>						
				\$29	\$204	\$180
<b>TOTALS, POSITIONS AND EXPENDITURES, ALL FUNDS (State Operations)</b>				<b>\$98</b>	<b>\$335</b>	<b>\$331</b>

### DETAIL OF APPROPRIATIONS AND ADJUSTMENTS (Reconciliation with Appropriations)

1 STATE OPERATIONS	2006-07*	2007-08*	2008-09*
<b>0215 Industrial Development Fund</b>			
<b>APPROPRIATIONS</b>			
001 Budget Act appropriation	\$482	\$260	\$256
<b>Totals Available</b>	<b>\$482</b>	<b>\$260</b>	<b>\$256</b>
Unexpended balance, estimated savings	-429	-	-
<b>TOTALS, EXPENDITURES</b>	<b>\$53</b>	<b>\$260</b>	<b>\$256</b>
<b>0995 Reimbursements</b>			
<b>APPROPRIATIONS</b>			
Reimbursements	\$45	\$75	\$75
<b>TOTALS, EXPENDITURES, ALL FUNDS (State Operations)</b>	<b>\$98</b>	<b>\$335</b>	<b>\$331</b>

\* Dollars in thousands, except in Salary Range.

**0965 California Industrial Development Financing Advisory Commission - Continued****FUND CONDITION STATEMENTS**

	2006-07*	2007-08*	2008-09*
<b>0215 Industrial Development Fund <sup>5</sup></b>			
BEGINNING BALANCE	\$19	\$146	\$76
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
125600 Other Regulatory Fees	178	187	196
150300 Income From Surplus Money Investments	2	3	3
Total Revenues, Transfers, and Other Adjustments	<u>\$180</u>	<u>\$190</u>	<u>\$199</u>
Total Resources	\$199	\$336	\$275
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
0965 California Industrial Development Financing Advisory Commission (State Operations)	53	260	256
Total Expenditures and Expenditure Adjustments	<u>\$53</u>	<u>\$260</u>	<u>\$256</u>
FUND BALANCE	\$146	\$76	\$19
Reserve for economic uncertainties	146	76	19

**0968 California Tax Credit Allocation Committee**

The mission of the California Tax Credit Allocation Committee (CTCAC) is to form public/private partnerships to assist in the development and maintenance of quality rental housing communities affordable to low-income Californians.

CTCAC works in public/private partnerships to assist with project development, while fulfilling its responsibilities as a credit agency through project compliance monitoring. CTCAC coordinates its functions with state and local housing fund providers and with private fund investors, when providing and maintaining quality, affordable housing.

The CTCAC consists of seven members, including the Treasurer who is designated as chairman, the Governor or Director of Finance, the State Controller, the Director of the Department of Housing and Community Development, the Executive Director of the California Housing Finance Agency, and two local government representatives.

**3-YR EXPENDITURES AND POSITIONS (Summary of Program Requirements)**

	Positions			Expenditures		
	2006-07	2007-08	2008-09	2006-07*	2007-08*	2008-09*
10 California Tax Credit Allocation Committee	23.0	28.0	28.0	\$2,949	\$4,106	\$3,887
20 Community Revitalization Program	-	1.0	1.0	11	84	85
<b>TOTALS, POSITIONS AND EXPENDITURES (All Programs)</b>	<b>23.0</b>	<b>29.0</b>	<b>29.0</b>	<b>\$2,960</b>	<b>\$4,190</b>	<b>\$3,972</b>
<b>FUNDING</b>				<b>2006-07*</b>	<b>2007-08*</b>	<b>2008-09*</b>
0448 Occupancy Compliance Monitoring Account, Tax Credit Allocation Fee Account				\$1,235	\$2,092	\$1,833
0457 Tax Credit Allocation Fee Account				1,638	1,954	1,994
0995 Reimbursements				76	60	60
3038 Community Revitalization Fee Fund				11	84	85
<b>TOTALS, EXPENDITURES, ALL FUNDS</b>				<b>\$2,960</b>	<b>\$4,190</b>	<b>\$3,972</b>

**LEGAL CITATIONS AND AUTHORITY**

## DEPARTMENT AUTHORITY

Internal Revenue Code Section 42; California Health and Safety Code Sections 50199.4 through 50199.22; California Revenue and Taxation Code Sections 12205.5, 12206, 17057.5, 17058, 23610.4, and 23610.5; Federal Tax Reform Act of 1986, Section 252 of Public Law No. 99-514 (October 22, 1986); Chapter 658, California Statutes of 1987, as amended; Chapter 1138, California Statutes of 1987, as amended; California Health and Safety Code Section 50199.51; California Revenue and Taxation Code Sections 17053.14, 23608.2, and 23608.3; California Health and Safety Code Section 50199.70; Internal Revenue Code, Title 26, Subtitle A, Chapter 1, Subchapter X, Section 1400E et seq., as amended.

\* Dollars in thousands, except in Salary Range.

## 0968 California Tax Credit Allocation Committee - Continued

### DETAILED BUDGET ADJUSTMENTS

	2007-08*			2008-09*		
	General Fund	Other Funds	Positions	General Fund	Other Funds	Positions
<b>Baseline Adjustment Descriptions</b>						
• Price Increase for CTCAC	\$-	\$-	-	\$-	\$33	-
• Other Baseline Adjustments	-	68	-	-	-183	-
<b>Totals, Baseline Adjustments</b>	<b>\$-</b>	<b>\$68</b>	<b>-</b>	<b>\$-</b>	<b>-\$150</b>	<b>-</b>
<b>TOTALS, BUDGET ADJUSTMENTS</b>	<b>\$-</b>	<b>\$68</b>	<b>-</b>	<b>\$-</b>	<b>-\$150</b>	<b>-</b>

### PROGRAM DESCRIPTIONS (Program Objectives Statement)

#### 10 - CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

##### The Federal Low Income Housing Tax Credit Program:

Congress authorized the federal program in 1986. It replaced traditional housing tax incentives, such as accelerated depreciation, with a tax credit that enables developers of affordable rental housing to raise project equity through the "sale" of tax benefits to investors.

Each state has an annual housing credit ceiling of \$1.95 per state resident, and may qualify for a share of credits available annually in a national pool comprised of states' unused credits. The annual housing credit ceiling is indexed for inflation. Investors can take the annual credit each year for a ten-year period.

##### The State Low Income Housing Tax Credit Program:

Recognizing the high cost of developing housing in California, the California Legislature authorized the State Low Income Housing Tax Credit Program to augment the federal tax credit program.

The annual state credit ceiling is currently \$70 million, indexed for inflation (in addition to any unused or returned credits from previous years). Investors take the state credit over a four-year period in contrast to the ten-year federal allocation period. The full four-year state credit allocated to a project is deducted from the annual state credit ceiling, while only the annual federal credit allocated to a project is deducted from the federal ceiling.

##### Tax-Exempt Bond Financed Program:

Developments that are financed with the proceeds of tax-exempt bonds may also receive federal tax credit. In this instance, the developer/owner of a tax-exempt development must apply to the Committee and must conform to the federal and state statutory and regulatory requirements, but there is no annual "cap" on the amount of credit that may be awarded by the state to such developments. The credit available is based on approximately four percent (instead of the nine percent for projects that are not financed by a federal subsidy) of the "qualified basis" of the development, that is, the costs attributable to the units that will be income and rent restricted for a minimum of 30 years.

Under federal law, credit projects must remain affordable for at least 15 years; however, California's program generally requires maintaining affordability for 55 years. Land use agreements are recorded against each credit project to ensure compliance.

##### Farmworker Housing Tax Credit Program:

In 1996, the California Tax Credit Allocation Committee (CTCAC) received authorization from the California Legislature to administer an additional tax credit program to assist farmworkers, known as the Farmworker Housing Tax Credit Program. Annually, up to \$500,000 of state tax credits is available for the construction of farmworker housing.

#### 20 - COMMERCIAL REVITALIZATION DEDUCTION PROGRAM

In 2002, CTCAC received authorization to administer the Commercial Revitalization Deduction Program, a federal program designed to stimulate job growth and economic development in designated Renewal Communities nationwide. California currently has five Renewal Communities, which are portions of the Cities of San Francisco, Los Angeles, and San Diego, as well as the rural communities of Orange Cove and Parlier. CTCAC can allocate up to \$12 million in federal tax deductions to qualifying businesses in each of the Renewal Communities. These deductions are available to qualified businesses that acquire and renovate property, rehabilitate existing structures, or build property for commercial use.

### DETAILED EXPENDITURES BY PROGRAM (Program Budget Detail)

		<u>2006-07*</u>	<u>2007-08*</u>	<u>2008-09*</u>
<b>PROGRAM REQUIREMENTS</b>				
<b>10</b>	<b>CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE</b>			
	<b>State Operations:</b>			

\* Dollars in thousands, except in Salary Range.

**0968 California Tax Credit Allocation Committee - Continued**

	<u>2006-07*</u>	<u>2007-08*</u>	<u>2008-09*</u>
0448 Occupancy Compliance Monitoring Account, Tax Credit Allocation Fee Account	\$1,235	\$2,092	\$1,833
0457 Tax Credit Allocation Fee Account	1,532	1,818	1,858
0995 Reimbursements	<u>76</u>	<u>60</u>	<u>60</u>
<b>Totals, State Operations</b>	<b>\$2,843</b>	<b>\$3,970</b>	<b>\$3,751</b>
<b>Local Assistance:</b>			
0457 Tax Credit Allocation Fee Account	<u>\$106</u>	<u>\$136</u>	<u>\$136</u>
<b>Totals, Local Assistance</b>	<b>\$106</b>	<b>\$136</b>	<b>\$136</b>
<b>PROGRAM REQUIREMENTS</b>			
<b>20 COMMUNITY REVITALIZATION PROGRAM</b>			
<b>State Operations:</b>			
3038 Community Revitalization Fee Fund	<u>\$11</u>	<u>\$84</u>	<u>\$85</u>
<b>Totals, State Operations</b>	<b>\$11</b>	<b>\$84</b>	<b>\$85</b>
<b>TOTALS, EXPENDITURES</b>			
State Operations	2,854	4,054	3,836
Local Assistance	<u>106</u>	<u>136</u>	<u>136</u>
<b>Totals, Expenditures</b>	<b>\$2,960</b>	<b>\$4,190</b>	<b>\$3,972</b>

**EXPENDITURES BY CATEGORY (Summary By Object)**

	<b>1 State Operations</b>			<b>Expenditures</b>		
	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2006-07*</u>	<u>2007-08*</u>	<u>2008-09*</u>
<b>PERSONAL SERVICES</b>						
Authorized Positions (Equals Sch. 7A)	23.0	29.0	29.0	\$1,261	\$1,556	\$1,609
Total Adjustments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>73</u>	<u>89</u>
<b>Net Totals, Salaries and Wages</b>	<b>23.0</b>	<b>29.0</b>	<b>29.0</b>	<b>\$1,261</b>	<b>\$1,629</b>	<b>\$1,698</b>
Staff Benefits	<u>-</u>	<u>-</u>	<u>-</u>	<u>447</u>	<u>472</u>	<u>453</u>
<b>Totals, Personal Services</b>	<b>23.0</b>	<b>29.0</b>	<b>29.0</b>	<b>\$1,708</b>	<b>\$2,101</b>	<b>\$2,151</b>
<b>OPERATING EXPENSES AND EQUIPMENT</b>						
				\$1,146	\$1,947	\$1,679
<b>SPECIAL ITEMS OF EXPENSE</b>						
				<u>\$-</u>	<u>\$6</u>	<u>\$6</u>
<b>TOTALS, POSITIONS AND EXPENDITURES, ALL FUNDS (State Operations)</b>				<b>\$2,854</b>	<b>\$4,054</b>	<b>\$3,836</b>
<b>2 Local Assistance</b>						
				<u>2006-07*</u>	<u>2007-08*</u>	<u>2008-09*</u>
Grants and Subventions				<u>\$106</u>	<u>\$136</u>	<u>\$136</u>
<b>TOTALS, EXPENDITURES, ALL FUNDS (Local Assistance)</b>				<b>\$106</b>	<b>\$136</b>	<b>\$136</b>

**DETAIL OF APPROPRIATIONS AND ADJUSTMENTS (Reconciliation with Appropriations)**

<b>1 STATE OPERATIONS</b>	<b>2006-07*</b>	<b>2007-08*</b>	<b>2008-09*</b>
<b>0448 Occupancy Compliance Monitoring Account, Tax Credit Allocation Fee Account</b>			
<b>APPROPRIATIONS</b>			
001 Budget Act appropriation	\$1,356	\$2,064	\$1,833
Allocation for employee compensation	41	30	-
Adjustment per Section 3.60	<u>9</u>	<u>-2</u>	<u>-</u>
<b>Totals Available</b>	<b>\$1,406</b>	<b>\$2,092</b>	<b>\$1,833</b>
Unexpended balance, estimated savings	<u>-171</u>	<u>-</u>	<u>-</u>
<b>TOTALS, EXPENDITURES</b>	<b>\$1,235</b>	<b>\$2,092</b>	<b>\$1,833</b>
<b>0457 Tax Credit Allocation Fee Account</b>			

\* Dollars in thousands, except in Salary Range.

## 0968 California Tax Credit Allocation Committee - Continued

1 STATE OPERATIONS	2006-07*	2007-08*	2008-09*
APPROPRIATIONS			
001 Budget Act appropriation	\$1,685	\$1,774	\$1,852
Allocation for employee compensation	57	41	-
Adjustment per Section 3.60	6	-3	-
Health and Safety Code Section 50199.9(b)	<u>-</u>	<u>6</u>	<u>6</u>
<b>Totals Available</b>	<b>\$1,748</b>	<b>\$1,818</b>	<b>\$1,858</b>
Unexpended balance, estimated savings	<u>-216</u>	<u>-</u>	<u>-</u>
<b>TOTALS, EXPENDITURES</b>	<b>\$1,532</b>	<b>\$1,818</b>	<b>\$1,858</b>
<b>0995 Reimbursements</b>			
APPROPRIATIONS			
Reimbursements	\$76	\$60	\$60
<b>3038 Community Revitalization Fee Fund</b>			
APPROPRIATIONS			
001 Budget Act appropriation	\$89	\$82	\$85
Allocation for employee compensation	<u>3</u>	<u>2</u>	<u>-</u>
<b>Totals Available</b>	<b>\$92</b>	<b>\$84</b>	<b>\$85</b>
Unexpended balance, estimated savings	<u>-81</u>	<u>-</u>	<u>-</u>
<b>TOTALS, EXPENDITURES</b>	<b>\$11</b>	<b>\$84</b>	<b>\$85</b>
<b>TOTALS, EXPENDITURES, ALL FUNDS (State Operations)</b>	<b>\$2,854</b>	<b>\$4,054</b>	<b>\$3,836</b>
<b>2 LOCAL ASSISTANCE</b>			
<b>0457 Tax Credit Allocation Fee Account</b>			
APPROPRIATIONS			
Health and Safety Code Section 50199.9(b)	<u>\$106</u>	<u>\$136</u>	<u>\$136</u>
<b>TOTALS, EXPENDITURES</b>	<b>\$106</b>	<b>\$136</b>	<b>\$136</b>
<b>TOTALS, EXPENDITURES, ALL FUNDS (Local Assistance)</b>	<b>\$106</b>	<b>\$136</b>	<b>\$136</b>
<b>TOTALS, EXPENDITURES, ALL FUNDS (State Operations and Local Assistance)</b>	<b>\$2,960</b>	<b>\$4,190</b>	<b>\$3,972</b>
<hr/>			
<b>FUND CONDITION STATEMENTS</b>			
	2006-07*	2007-08*	2008-09*
<b>0448 Occupancy Compliance Monitoring Account, Tax Credit Allocation Fee Account <sup>s</sup></b>			
BEGINNING BALANCE	\$13,133	\$54,243	\$56,760
Prior year adjustments	<u>303</u>	<u>-</u>	<u>-</u>
Adjusted Beginning Balance	\$13,436	\$54,243	\$56,760
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
125600 Other Regulatory Fees	4,222	4,433	4,433
150300 Income From Surplus Money Investments	1,099	177	177
150500 Interest Income From Interfund Loans	1,720	-	-
161400 Miscellaneous Revenue	2	-	-
Transfers and Other Adjustments:			
FO0001 From General Fund loan repayment per Item 0968-011-0448, Budget Act of 2004	<u>35,000</u>	<u>-</u>	<u>-</u>
Total Revenues, Transfers, and Other Adjustments	<u>\$42,043</u>	<u>\$4,610</u>	<u>\$4,610</u>
Total Resources	\$55,479	\$58,853	\$61,370
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
0840 State Controller (State Operations)	1	1	1
0968 California Tax Credit Allocation Committee (State Operations)	<u>1,235</u>	<u>2,092</u>	<u>1,833</u>
Total Expenditures and Expenditure Adjustments	\$1,236	\$2,093	\$1,834

\* Dollars in thousands, except in Salary Range.

**0968 California Tax Credit Allocation Committee - Continued**

	<u>2006-07*</u>	<u>2007-08*</u>	<u>2008-09*</u>
FUND BALANCE	\$54,243	\$56,760	\$59,536
Reserve for economic uncertainties	54,243	56,760	59,536
<b>0457 Tax Credit Allocation Fee Account <sup>s</sup></b>			
BEGINNING BALANCE	\$5,832	\$41,726	\$44,684
Prior year adjustments	<u>-308</u>	<u>-</u>	<u>-</u>
Adjusted Beginning Balance	\$5,524	\$41,726	\$44,684
<b>REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS</b>			
Revenues:			
125600 Other Regulatory Fees	4,499	4,724	4,724
150300 Income From Surplus Money Investments	1,198	189	189
150500 Interest Income From Interfund Loans	1,143	-	-
161400 Miscellaneous Revenue	1	-	-
Transfers and Other Adjustments:			
FO0001 From General Fund loan repayment per Item 0968-011-0457, Budget Act of 2003 and 2004	31,000	-	-
Total Revenues, Transfers, and Other Adjustments	<u>\$37,841</u>	<u>\$4,913</u>	<u>\$4,913</u>
Total Resources	\$43,365	\$46,639	\$49,597
<b>EXPENDITURES AND EXPENDITURE ADJUSTMENTS</b>			
Expenditures:			
0840 State Controller (State Operations)	1	1	1
0968 California Tax Credit Allocation Committee			
State Operations	1,532	1,818	1,858
Local Assistance	<u>106</u>	<u>136</u>	<u>136</u>
Total Expenditures and Expenditure Adjustments	<u>\$1,639</u>	<u>\$1,955</u>	<u>\$1,995</u>
FUND BALANCE	\$41,726	\$44,684	\$47,602
Reserve for economic uncertainties	41,726	44,684	47,602
<b>3038 Community Revitalization Fee Fund <sup>s</sup></b>			
BEGINNING BALANCE	\$2	\$43	\$18
<b>REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS</b>			
Revenues:			
125600 Other Regulatory Fees	51	57	67
150300 Income From Surplus Money Investments	<u>1</u>	<u>2</u>	<u>2</u>
Total Revenues, Transfers, and Other Adjustments	<u>\$52</u>	<u>\$59</u>	<u>\$69</u>
Total Resources	\$54	\$102	\$87
<b>EXPENDITURES AND EXPENDITURE ADJUSTMENTS</b>			
Expenditures:			
0968 California Tax Credit Allocation Committee (State Operations)	<u>11</u>	<u>84</u>	<u>85</u>
Total Expenditures and Expenditure Adjustments	<u>\$11</u>	<u>\$84</u>	<u>\$85</u>
FUND BALANCE	\$43	\$18	\$2
Reserve for economic uncertainties	43	18	2

**CHANGES IN AUTHORIZED POSITIONS**

	<u>Positions</u>			<u>Expenditures</u>		
	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2006-07*</u>	<u>2007-08*</u>	<u>2008-09*</u>
Totals, Authorized Positions	23.0	29.0	29.0	\$1,261	\$1,556	\$1,609
Salary Adjustments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>73</u>	<u>89</u>
<b>Total Adjustments</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$-</u>	<u>\$73</u>	<u>\$89</u>
<b>TOTALS, SALARIES AND WAGES</b>	<b>23.0</b>	<b>29.0</b>	<b>29.0</b>	<b>\$1,261</b>	<b>\$1,629</b>	<b>\$1,698</b>

\* Dollars in thousands, except in Salary Range.

## 0971 California Alternative Energy and Advanced Transportation Financing Authority

The California Alternative Energy and Advanced Transportation Financing Authority was established by Chapter 908, Statutes of 1980, as the California Alternative Energy Source Financing Authority, to "promote the prompt and efficient development of energy sources which are renewable or which more efficiently utilize and conserve scarce energy resources." Recognizing the importance of developing a secure energy future to protect the environment and ensure economic stability, the intent of the legislation was to promote energy sources designed to reduce the degradation of the environment. The Authority later became the California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA) in 1994, when the statute was amended to include development and commercialization of advanced transportation technologies. CAEATFA consists of five members: the State Treasurer, who serves as the chairperson of CAEATFA, the State Controller, the Director of Finance, the Chairperson of the State Energy Resources Conservation and Development Commission (the California Energy Commission), and the President of the Public Utilities Commission.

### 3-YR EXPENDITURES AND POSITIONS (Summary of Program Requirements)

	Positions			Expenditures		
	2006-07	2007-08	2008-09	2006-07*	2007-08*	2008-09*
10 California Alternative Energy and Advanced Transportation Financing Authority	0.1	1.0	1.0	\$10	\$202	\$204
<b>TOTALS, POSITIONS AND EXPENDITURES (All Programs)</b>	<b>0.1</b>	<b>1.0</b>	<b>1.0</b>	<b>\$10</b>	<b>\$202</b>	<b>\$204</b>
<b>FUNDING</b>				<b>2006-07*</b>	<b>2007-08*</b>	<b>2008-09*</b>
0528 California Alternative Energy Authority Fund				\$10	\$202	\$204
<b>TOTALS, EXPENDITURES, ALL FUNDS</b>				<b>\$10</b>	<b>\$202</b>	<b>\$204</b>

### LEGAL CITATIONS AND AUTHORITY

DEPARTMENT AUTHORITY

Public Resources Code Sections 26004-26017.

### DETAILED BUDGET ADJUSTMENTS

Baseline Adjustment Descriptions	2007-08*			2008-09*		
	General Fund	Other Funds	Positions	General Fund	Other Funds	Positions
• Price Increase for CAEATFA	\$-	\$-	-	\$-	\$2	-
<b>Totals, Baseline Adjustments</b>	<b>\$-</b>	<b>\$-</b>	<b>-</b>	<b>\$-</b>	<b>\$2</b>	<b>-</b>
<b>TOTALS, BUDGET ADJUSTMENTS</b>	<b>\$-</b>	<b>\$-</b>	<b>-</b>	<b>\$-</b>	<b>\$2</b>	<b>-</b>

### PROGRAM DESCRIPTIONS (Program Objectives Statement)

#### 10 - ALTERNATIVE ENERGY AND ADVANCED TRANSPORTATION FINANCING AUTHORITY

The Authority is authorized to issue up to \$1 billion in revenue bonds to finance alternative energy and advanced transportation projects pursuant to Chapter 227, Statutes of 2004. As of June 30, 2007, \$181.6 million of bonds have been issued.

### DETAILED EXPENDITURES BY PROGRAM (Program Budget Detail)

		2006-07*	2007-08*	2008-09*
<b>PROGRAM REQUIREMENTS</b>				
<b>10</b>	<b>CALIFORNIA ALTERNATIVE ENERGY AND ADVANCED TRANSPORTATION FINANCING AUTHORITY</b>			
	<b>State Operations:</b>			
0528	California Alternative Energy Authority Fund	\$10	\$202	\$204
	<b>Totals, State Operations</b>	<b>\$10</b>	<b>\$202</b>	<b>\$204</b>
<b>TOTALS, EXPENDITURES</b>				
	State Operations	10	202	204
	<b>Totals, Expenditures</b>	<b>\$10</b>	<b>\$202</b>	<b>\$204</b>

\* Dollars in thousands, except in Salary Range.

## 0971 California Alternative Energy and Advanced Transportation Financing Authority - Continued

### EXPENDITURES BY CATEGORY (Summary By Object)

1 State Operations	Positions			Expenditures		
	2006-07	2007-08	2008-09	2006-07*	2007-08*	2008-09*
PERSONAL SERVICES						
Authorized Positions (Equals Sch. 7A)	0.1	1.0	1.0	\$9	\$88	\$88
<b>Net Totals, Salaries and Wages</b>	<b>0.1</b>	<b>1.0</b>	<b>1.0</b>	<b>\$9</b>	<b>\$88</b>	<b>\$88</b>
Staff Benefits	-	-	-	-	38	39
<b>Totals, Personal Services</b>	<b>0.1</b>	<b>1.0</b>	<b>1.0</b>	<b>\$9</b>	<b>\$126</b>	<b>\$127</b>
OPERATING EXPENSES AND EQUIPMENT				\$1	\$76	\$77
<b>TOTALS, POSITIONS AND EXPENDITURES, ALL FUNDS (State Operations)</b>				<b>\$10</b>	<b>\$202</b>	<b>\$204</b>

### DETAIL OF APPROPRIATIONS AND ADJUSTMENTS (Reconciliation with Appropriations)

1 STATE OPERATIONS	2006-07*	2007-08*	2008-09*
<b>0528 California Alternative Energy Authority Fund</b>			
APPROPRIATIONS			
001 Budget Act appropriation	\$194	\$202	\$204
Allocation for employee compensation	4	-	-
Adjustment per Section 3.60	1	-	-
<b>Totals Available</b>	<b>\$199</b>	<b>\$202</b>	<b>\$204</b>
Unexpended balance, estimated savings	-189	-	-
<b>TOTALS, EXPENDITURES</b>	<b>\$10</b>	<b>\$202</b>	<b>\$204</b>
<b>TOTALS, EXPENDITURES, ALL FUNDS (State Operations)</b>	<b>\$10</b>	<b>\$202</b>	<b>\$204</b>

## 0974 California Pollution Control Financing Authority

The California Pollution Control Financing Authority (CPCFA) provides California businesses with a reasonable method of financing pollution control facilities and fosters compliance with government imposed environmental standards and requirements. Over the last thirty years CPCFA has evolved to meet California's needs as follows:

- In the solid waste industry through its Pollution Control Tax-Exempt Bond Program.
- For small businesses through the California Capital Access Program.
- With the reuse and redevelopment of brownfields through the California Recycle Underutilized Sites Program.
- With financial assistance to cities and counties in their community planning and development efforts through the Sustainable Communities Grant and Loan Program.

The CPCFA consists of the State Treasurer (Chairperson), the State Controller, and the Director of the Department of Finance.

### LEGAL CITATIONS AND AUTHORITY

#### DEPARTMENT AUTHORITY

Health and Safety Code Sections 44500-44520 and 44526-44548.

### PROGRAM DESCRIPTIONS (Program Objectives Statement)

#### 10 - POLLUTION CONTROL TAX-EXEMPT BOND PROGRAM

The objective of this program is to provide bond financing to California businesses, irrespective of company size, for the acquisition, construction, or installation of qualified pollution control, waste disposal, waste recovery facilities, and the

\* Dollars in thousands, except in Salary Range.

## 0974 California Pollution Control Financing Authority - Continued

acquisition and installation of new equipment. California Pollution Control Financing Authority (CPCFA) financing assists municipalities in complying with waste diversion mandates of the California Integrated Waste Management Act of 1989. As of June 30, 2007, bonds totaling \$11.8 billion have been issued by the CPCFA for pollution control projects.

### 20 - CALIFORNIA CAPITAL ACCESS PROGRAM FOR SMALL BUSINESSES

The objective of this program is to encourage banks and other financial institutions to make loans to small businesses that fall just outside of conventional underwriting standards. California Capital Access Program for Small Businesses (CalCAP) is a form of loan portfolio insurance that may provide up to 100% coverage on certain loan defaults. By participating in CalCAP, lenders have available to them a proven financing mechanism to meet the financing needs of California's small businesses. The strength of CalCAP rests in its simplicity and its leverage of state funds. The program works through the creation of a loan loss-reserve fund for each participating financial institution. The CPCFA funds this reserve together with the financial institution and the borrower. The reserve serves to reduce loan-loss risk, allowing banks to lend to targeted California small businesses. Additional incentives are provided to lend to businesses located in state-designated Enterprise Zones.

### 30 - CALIFORNIA RECYCLE UNDERUTILIZED SITES PROGRAM

This program assists with the reuse and redevelopment of underutilized properties with real or perceived contamination issues (brownfields). California Recycle Underutilized Sites Program (CALReUSE) addresses a funding and information gap in the development of brownfields to help bring these properties into productive reuse. The CPCFA works with selected strategic partners to administer the program and select projects throughout the state. CALReUSE provides forgivable loans of up to \$125,000 to fund brownfield site assessment and characterization, technical assistance, remedial action plans and site access. Eligible projects include sites with potential beneficial reuse not currently redeveloped due to lack of information about real or perceived contamination, uncertainty about clean up costs, or concerns regarding time frames and the regulatory process. Priority is given to projects located in distressed neighborhoods with demonstrated community support. Additionally, Proposition 1C, The Housing and Emergency Shelter Trust Fund Act of 2006, included provisions to fund brownfield cleanup. The recent State budget included an allocation of \$60 million of these funds to CALReUSE to "administer loans or grants for the purpose of brownfield cleanup that promotes infill residential and mixed-used development, consistent with regional and local land use plans."

### 40 - SUSTAINABLE COMMUNITIES GRANT AND LOAN PROGRAM

The objective of this program is to assist cities and counties to develop and implement sustainable development growth policies, programs and projects. Sustainable Communities Grant and Loan Program has funded specific plans, portions of specific plans, alternative transportation studies, finance plans, redevelopment plans, engineering studies, public projects, and other projects that promote sustainable development principles.

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## 0977 California Health Facilities Financing Authority

The California Health Facilities Financing Authority (CHFFA) issues revenue bonds to assist qualified private nonprofit corporations or associations, counties, and hospital districts in financing or refinancing the construction, equipping or acquiring of health facilities. CHFFA also administers the Children's Hospital Program established by Proposition 61. CHFFA was established by Chapter 1033, Statutes of 1979. CHFFA consists of nine members: the State Treasurer, the Director of Finance, the State Controller, two public members appointed by the Senate, two public members appointed by the Assembly, and two public members appointed by the Governor.

### 3-YR EXPENDITURES AND POSITIONS (Summary of Program Requirements)

	Positions			Expenditures		
	2006-07	2007-08	2008-09	2006-07*	2007-08*	2008-09*
30 Children's Hospital Program	2.8	3.0	3.0	\$68,657	\$180,377	\$250,381
40 Health Facilities Grants and Loans	11.0	11.5	11.5	963	976	989
<b>TOTALS, POSITIONS AND EXPENDITURES (All Programs)</b>	<b>13.8</b>	<b>14.5</b>	<b>14.5</b>	<b>\$69,620</b>	<b>\$181,353</b>	<b>\$251,370</b>
<b>FUNDING</b>				<b>2006-07*</b>	<b>2007-08*</b>	<b>2008-09*</b>
0904 California Health Facilities Financing Authority Fund				\$963	\$976	\$989
6046 Children's Hospital Fund				68,657	180,377	250,381
<b>TOTALS, EXPENDITURES, ALL FUNDS</b>				<b>\$69,620</b>	<b>\$181,353</b>	<b>\$251,370</b>

### LEGAL CITATIONS AND AUTHORITY

#### DEPARTMENT AUTHORITY

Government Code Sections 15430-15463. Health and Safety Code Sections 1179.10-1179.43.

\* Dollars in thousands, except in Salary Range.

## 0977 California Health Facilities Financing Authority - Continued

### DETAILED BUDGET ADJUSTMENTS

	2007-08*			2008-09*		
	General Fund	Other Funds	Positions	General Fund	Other Funds	Positions
<b>Baseline Adjustment Descriptions</b>						
• Revised estimate of Children's Hospital Grants	\$-	-\$103,000	-	\$-	-\$33,000	-
• Other Baseline Adjustments	-	52	-	-	69	-
<b>Totals, Baseline Adjustments</b>	<b>\$-</b>	<b>-\$102,948</b>	<b>-</b>	<b>\$-</b>	<b>-\$32,931</b>	<b>-</b>
<b>TOTALS, BUDGET ADJUSTMENTS</b>	<b>\$-</b>	<b>-\$102,948</b>	<b>-</b>	<b>\$-</b>	<b>-\$32,931</b>	<b>-</b>

### PROGRAM DESCRIPTIONS (Program Objectives Statement)

#### 30 - CHILDREN'S HOSPITAL PROGRAM

On November 2, 2004, the voters approved Proposition 61, which established the Children's Hospital Program. The purpose of the Children's Hospital Program is to improve the health and welfare of California's critically ill children by providing a stable and ready source of funds for capital improvement projects for children's hospitals. Proposition 61 designated the California Health Facilities Financing Authority (CHFFA) as the administering agency and authorized CHFFA to grant \$750 million to eligible children's hospitals. Funding for this program is provided through the issuance of general obligation bonds. CHFFA developed, through regulations, selection criteria and a process for awarding grants. Applications and funding will be available through 2014, or until program funding is exhausted. In the event funding is not exhausted by 2014, CHFFA will amend the regulations to extend the program. As of June 30, 2007, CHFFA has disbursed \$159.3 million to eight hospitals.

#### 40 - HEALTH FACILITIES GRANTS AND LOANS

CHFFA provides assistance in funding or refinancing by making loans to health institutions, by direct purchase and leaseback of the health facility by CHFFA, or by a health institution acting as an agent for CHFFA. CHFFA can determine the location and character of any proposed project and can solicit state and federal mortgage insurance for any funded project. To qualify for funding, the project must be a health facility, operated by a private nonprofit corporation or association, city, city and county, county or hospital district. Numerous statutes enacted between 1983 and 2002 broadened the types of facilities that may be financed by CHFFA.

Prior to September 30, 1998, CHFFA was authorized to have outstanding at any one point-in-time up to \$5.999 billion in revenue bonds. Pursuant to Chapter 1035, Statutes of 1998, there is no longer a limitation on bonds outstanding. As of June 30, 2007, bonds and notes in the amount of \$19.7 billion have been issued and \$7.7 billion were outstanding.

The Federal Tax Reform Act of 1986 does not restrict health facility bonds in terms of the state's "private activity" bond limit. Bonds issued under this program are not a debt or liability or a pledge of faith and credit of the taxing power of the state or any of its political subdivisions. The full faith and credit of the participating institutions are pledged to the payment of bonds.

Chapter 99, Statutes of 2000 established the Cedillo-Alarcon Community Clinic Investment Act of 2000, which authorized CHFFA to award grants to eligible primary care clinics for capital outlay projects. Funds of approximately \$50 million were disbursed. In 2004, as part of the Anthem-Well Point merger, \$35 million dollars was committed to healthcare facilities that provide service to underserved communities throughout California. Distribution of these funds was to be accomplished through the process that was established by the Cedillo-Alarcon Community Clinic Investment Act of 2000. In 2005, the Insurance Commissioner entered into an MOU with CHFFA authorizing them to dispense the funds to clinics. Also, Chapter 493, Statutes of 2005 amended the Cedillo-Alarcon Community Clinic Act of 2000 which authorized CHFFA to disburse appropriated additional funding to eligible clinics using selection criteria developed through regulations. As of June 30, 2007, CHFFA disbursed \$28.7 million to 124 community clinics.

Chapter 478, Statutes of 2002, extends CHFFA's ability to provide grants for capital projects not only to community clinics, but also to small health facilities currently eligible under CHFFA's statute. The legislation also allows CHFFA to use its fund balance to make such grants.

### DETAILED EXPENDITURES BY PROGRAM (Program Budget Detail)

		2006-07*	2007-08*	2008-09*
<b>PROGRAM REQUIREMENTS</b>				
<b>30</b>	<b>CHILDREN'S HOSPITAL PROGRAM</b>			
	<b>State Operations:</b>			
6046	Children's Hospital Fund	\$223	\$377	\$381
	<b>Totals, State Operations</b>	<b>\$223</b>	<b>\$377</b>	<b>\$381</b>
	<b>Local Assistance:</b>			

\* Dollars in thousands, except in Salary Range.

## 0977 California Health Facilities Financing Authority - Continued

	2006-07*	2007-08*	2008-09*
6046 Children's Hospital Fund	\$68,434	\$180,000	\$250,000
<b>Totals, Local Assistance</b>	<b>\$68,434</b>	<b>\$180,000</b>	<b>\$250,000</b>
<b>PROGRAM REQUIREMENTS</b>			
<b>40 HEALTH FACILITIES GRANTS AND LOANS</b>			
<b>State Operations:</b>			
0904 California Health Facilities Financing Authority Fund	\$963	\$976	\$989
<b>Totals, State Operations</b>	<b>\$963</b>	<b>\$976</b>	<b>\$989</b>
<b>TOTALS, EXPENDITURES</b>			
State Operations	1,186	1,353	1,370
Local Assistance	68,434	180,000	250,000
<b>Totals, Expenditures</b>	<b>\$69,620</b>	<b>\$181,353</b>	<b>\$251,370</b>

### EXPENDITURES BY CATEGORY (Summary By Object)

	Positions			Expenditures		
1 State Operations	2006-07	2007-08	2008-09	2006-07*	2007-08*	2008-09*
PERSONAL SERVICES						
Authorized Positions (Equals Sch. 7A)	13.8	14.5	14.5	\$878	\$893	\$906
Total Adjustments	-	-	-	-	6	6
Net Totals, Salaries and Wages	<b>13.8</b>	<b>14.5</b>	<b>14.5</b>	<b>\$878</b>	<b>\$899</b>	<b>\$912</b>
Staff Benefits	-	-	-	306	307	311
<b>Totals, Personal Services</b>	<b>13.8</b>	<b>14.5</b>	<b>14.5</b>	<b>\$1,184</b>	<b>\$1,206</b>	<b>\$1,223</b>
OPERATING EXPENSES AND EQUIPMENT						
				\$2	\$147	\$147
<b>TOTALS, POSITIONS AND EXPENDITURES, ALL FUNDS (State Operations)</b>				<b>\$1,186</b>	<b>\$1,353</b>	<b>\$1,370</b>
<b>2 Local Assistance</b>						
				2006-07*	2007-08*	2008-09*
Grants and Subventions				\$68,434	\$180,000	\$250,000
<b>TOTALS, EXPENDITURES, ALL FUNDS (Local Assistance)</b>				<b>\$68,434</b>	<b>\$180,000</b>	<b>\$250,000</b>

### DETAIL OF APPROPRIATIONS AND ADJUSTMENTS (Reconciliation with Appropriations)

	2006-07*	2007-08*	2008-09*
<b>1 STATE OPERATIONS</b>			
<b>0904 California Health Facilities Financing Authority Fund</b>			
APPROPRIATIONS			
Government Code Section 15439	\$963	\$976	\$989
<b>TOTALS, EXPENDITURES</b>	<b>\$963</b>	<b>\$976</b>	<b>\$989</b>
<b>6046 Children's Hospital Fund</b>			
APPROPRIATIONS			
001 Budget Act appropriation	\$365	\$369	\$381
Allocation for employee compensation	11	9	-
Adjustment per Section 3.60	-	-1	-
<b>Totals Available</b>	<b>\$376</b>	<b>\$377</b>	<b>\$381</b>
Unexpended balance, estimated savings	-153	-	-
<b>TOTALS, EXPENDITURES</b>	<b>\$223</b>	<b>\$377</b>	<b>\$381</b>
<b>TOTALS, EXPENDITURES, ALL FUNDS (State Operations)</b>	<b>\$1,186</b>	<b>\$1,353</b>	<b>\$1,370</b>
<b>2 LOCAL ASSISTANCE</b>			
<b>6046 Children's Hospital Fund</b>	2006-07*	2007-08*	2008-09*

\* Dollars in thousands, except in Salary Range.

**0977 California Health Facilities Financing Authority - Continued**

<b>2 LOCAL ASSISTANCE</b>	<b>2006-07*</b>	<b>2007-08*</b>	<b>2008-09*</b>
APPROPRIATIONS			
Health and Safety Code Section 1179.10-1179.43	\$68,434	\$180,000	\$250,000
<b>TOTALS, EXPENDITURES</b>	<b>\$68,434</b>	<b>\$180,000</b>	<b>\$250,000</b>
<b>TOTALS, EXPENDITURES, ALL FUNDS (Local Assistance)</b>	<b>\$68,434</b>	<b>\$180,000</b>	<b>\$250,000</b>
<b>TOTALS, EXPENDITURES, ALL FUNDS (State Operations and Local Assistance)</b>	<b>\$69,620</b>	<b>\$181,353</b>	<b>\$251,370</b>

**CHANGES IN AUTHORIZED POSITIONS**

	<u>Positions</u>			<u>Expenditures</u>		
	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2006-07*</u>	<u>2007-08*</u>	<u>2008-09*</u>
Totals, Authorized Positions	13.8	14.5	14.5	\$878	\$893	\$906
Salary Adjustments	-	-	-	-	6	6
<b>Total Adjustments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$-</b>	<b>\$6</b>	<b>\$6</b>
<b>TOTALS, SALARIES AND WAGES</b>	<b>13.8</b>	<b>14.5</b>	<b>14.5</b>	<b>\$878</b>	<b>\$899</b>	<b>\$912</b>

**0983 California Urban Waterfront Area Restoration Financing Authority**

Created in 1983, the California Urban Waterfront Area Restoration Financing Authority (CUWARFA) was established to restore, revitalize and develop in an environmentally and economically sound manner, the coastal and inland urban waterfront areas of the state, in cooperation with local governments. CUWARFA consists of five members: the State Treasurer (Chairperson), the Director of Finance, the State Controller, the Secretary of the Resources Agency, and the Executive Director of the State Coastal Conservancy.

**LEGAL CITATIONS AND AUTHORITY**

DEPARTMENT AUTHORITY

Public Resources Code, Division 22, Sections 32000-32208.

**PROGRAM DESCRIPTIONS (Program Objectives Statement)**

10 - The California Urban Waterfront Restoration Financing Authority (CUWARFA) was established to issue up to \$650 million in conduit financing to make loans or acquire title to property and to underwrite or undertake directly a variety of urban waterfront development projects within the coastal zone, the Sacramento-Yolo Port District, the Stockton Port District, and those metropolitan statistical areas meeting specified conditions. The Federal Tax Reform Act of 1986 requires that bonds authorized by CUWARFA generally be within an allocation from the state's "private activity" bond limit in order for the bonds to be federally tax-exempt, unless the issuer qualifies as a private, nonprofit business.

Financing is available for both publicly and privately sponsored projects that provide visitor-serving facilities, waterfront-dependent industries, public recreation, and erosion control facilities. The State Coastal Conservancy must approve both the specific project and a master plan for urban waterfront restoration before any project can obtain CUWARFA approval for revenue bond financing. The Authority has sold \$3.33 million in revenue bonds to date.

**0985 California School Finance Authority**

Created in 1985, the California School Finance Authority (CSFA) oversees the statewide system for the sale of revenue bonds to reconstruct, remodel or replace existing school buildings, and to acquire new school sites and buildings to be made available to public school districts, charter schools, and community colleges, and to provide access to financing for working capital and capital improvements. CSFA consists of the following three members: the State Treasurer who serves as chair, the Superintendent of Public Instruction, and the Director of Finance.

**3-YR EXPENDITURES AND POSITIONS (Summary of Program Requirements)**

	<u>Positions</u>			<u>Expenditures</u>		
	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2006-07*</u>	<u>2007-08*</u>	<u>2008-09*</u>
20 Charter School Facilities Program	3.3	4.9	4.9	\$10,239	\$10,859	\$10,873

\* Dollars in thousands, except in Salary Range.

## 0985 California School Finance Authority - Continued

	Positions			Expenditures		
	2006-07	2007-08	2008-09	2006-07*	2007-08*	2008-09*
<b>TOTALS, POSITIONS AND EXPENDITURES (All Programs)</b>	3.3	4.9	4.9	\$10,239	\$10,859	\$10,873
<b>FUNDING</b>				<b>2006-07*</b>	<b>2007-08*</b>	<b>2008-09*</b>
0890 Federal Trust Fund				\$9,789	\$9,850	\$9,850
6040 Charter School Facilities Account, 2002 State School Facilities Fund				450	-	-
9734 2004 Charter School Facilities Account, 2004 State School Facilities Fund				-	580	594
9735 2006 Charter School Facilities Account, 2006 State School Facilities Fund				-	429	429
<b>TOTALS, EXPENDITURES, ALL FUNDS</b>				<b>\$10,239</b>	<b>\$10,859</b>	<b>\$10,873</b>

### LEGAL CITATIONS AND AUTHORITY

#### DEPARTMENT AUTHORITY

Education Code Sections 17170-17199.5 and 17078.52-17078.66.

### DETAILED BUDGET ADJUSTMENTS

	2007-08*			2008-09*		
	General Fund	Other Funds	Positions	General Fund	Other Funds	Positions
<b>Baseline Adjustment Descriptions</b>						
• Various Baseline Adjustments	\$-	\$14	-	\$-	\$28	-
<b>Totals, Baseline Adjustments</b>	<b>\$-</b>	<b>\$14</b>	<b>-</b>	<b>\$-</b>	<b>\$28</b>	<b>-</b>
<b>TOTALS, BUDGET ADJUSTMENTS</b>	<b>\$-</b>	<b>\$14</b>	<b>-</b>	<b>\$-</b>	<b>\$28</b>	<b>-</b>

### PROGRAM DESCRIPTIONS (Program Objectives Statement)

#### 10 - SMART BONDS PROGRAM

Chapter 1438, Statutes of 1985, as amended by Chapter 598, Statutes of 1987, established the California School Finance Authority (CSFA) and authorized the issuance of \$400 million in revenue bonds or other debt instruments. The proceeds from the sale of the bonds were available for loans to school and community college districts to assist with the acquisition of equipment and new school sites, construction of new facilities, reconstruction of existing facilities, capital improvements, acquisition of portable/relocatable buildings, and to provide working capital. Effective January 1, 1997, Chapter 1071, Statutes of 1996, authorized the issuance of an additional \$400 million in revenue bonds per fiscal year for school districts and county offices of education that agreed to guarantee payment of the bonds with Proposition 98 funds. The total outstanding amount may not exceed \$4 billion at any one time. Pursuant to Chapter 741, Statutes of 1998, effective January 1, 1999, the \$400 million annual issuance cap was eliminated. Based on program amendments effective January 1, 2007, Chapter 325, Statutes of 2006 (AB 2717), CSFA is initiating financing opportunities for charter schools for capital improvements and working capital needs.

#### 20 - CHARTER SCHOOL FACILITIES PROGRAM

Chapter 935, Statutes of 2002, as amended by Chapter 587, Statutes of 2003, created the Charter Schools Facilities Program, that provides funding for the new construction or renovation of charter school facilities. CSFA and the Office of Public School Construction jointly administer the program. The Charter School Facilities Program through the Kindergarten-University Public Education Facilities Bond Acts of 2002, 2004, and 2006, was funded \$100 million in bond proceeds from Proposition 47, \$300 million from Proposition 55, and \$500 million from Proposition 1D. To date, 34 schools have been awarded funding through the program's first two funding rounds. For the third funding round, 92 Program applications for projects totaling over \$1.5 billion have been received and are being reviewed for eligibility.

The program provides a 50% state subsidy for the charter school facilities project costs, with the balance of the project costs being repaid (to the state) by the charter school in the form of a long-term lease. Recipient charter schools must provide site-based instruction, be deemed financially sound by CSFA, and meet other program eligibility requirements.

#### 30 - STATE CHARTER SCHOOL FACILITIES INCENTIVE GRANTS PROGRAM

In 2004, CSFA was awarded a grant under the United States Department of Education's State Charter School Facilities Incentive Grants Program to provide California charter schools with assistance for facilities costs. The \$50 million federal grant is being allocated over a five-year period (through 2009) to eligible charter schools. Grant funds are used toward a charter school's cost of rent, lease, mortgage or debt service payments for existing or new facilities or toward the costs of acquiring land and constructing or renovating a facility. Grants are awarded to charter schools based on preference points allotted for the percentage of low-income students, percentage overcrowded, not-for-profit status, and demonstrated student

\* Dollars in thousands, except in Salary Range.

**0985 California School Finance Authority - Continued**

performance. Eligible charter schools must, at a minimum, be in good standing with their chartering authority, provide site-based instruction, and have completed at least one school year of instructional operations. Additional requirements are listed in the program regulations.

**DETAILED EXPENDITURES BY PROGRAM (Program Budget Detail)**

		<u>2006-07*</u>	<u>2007-08*</u>	<u>2008-09*</u>
<b>PROGRAM REQUIREMENTS</b>				
<b>20</b>	<b>CHARTER SCHOOL FACILITIES PROGRAM</b>			
<b>State Operations:</b>				
0890	Federal Trust Fund	\$64	\$125	\$125
6040	Charter School Facilities Account, 2002 State School Facilities Fund	450	-	-
9734	2004 Charter School Facilities Account, 2004 State School Facilities Fund	-	580	594
9735	2006 Charter School Facilities Account, 2006 State School Facilities Fund	-	429	429
<b>Totals, State Operations</b>		<b>\$514</b>	<b>\$1,134</b>	<b>\$1,148</b>
<b>Local Assistance:</b>				
0890	Federal Trust Fund	\$9,725	\$9,725	\$9,725
<b>Totals, Local Assistance</b>		<b>\$9,725</b>	<b>\$9,725</b>	<b>\$9,725</b>
<b>TOTALS, EXPENDITURES</b>				
State Operations		514	1,134	1,148
Local Assistance		9,725	9,725	9,725
<b>Totals, Expenditures</b>		<b>\$10,239</b>	<b>\$10,859</b>	<b>\$10,873</b>

**EXPENDITURES BY CATEGORY (Summary By Object)**

1 State Operations	<u>Positions</u>			<u>Expenditures</u>		
	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2006-07*</u>	<u>2007-08*</u>	<u>2008-09*</u>
<b>PERSONAL SERVICES</b>						
Authorized Positions (Equals Sch. 7A)	3.3	5.0	5.0	\$244	\$324	\$331
Total Adjustments	-	-	-	-	11	11
Estimated Salary Savings	-	-0.1	-0.1	-	-6	-6
<b>Net Totals, Salaries and Wages</b>	<b>3.3</b>	<b>4.9</b>	<b>4.9</b>	<b>\$244</b>	<b>\$329</b>	<b>\$336</b>
Staff Benefits	-	-	-	79	112	110
<b>Totals, Personal Services</b>	<b>3.3</b>	<b>4.9</b>	<b>4.9</b>	<b>\$323</b>	<b>\$441</b>	<b>\$446</b>
<b>OPERATING EXPENSES AND EQUIPMENT</b>				<b>\$191</b>	<b>\$693</b>	<b>\$702</b>
<b>TOTALS, POSITIONS AND EXPENDITURES, ALL FUNDS (State Operations)</b>				<b>\$514</b>	<b>\$1,134</b>	<b>\$1,148</b>
<b>2 Local Assistance</b>				<u>Expenditures</u>		
				<u>2006-07*</u>	<u>2007-08*</u>	<u>2008-09*</u>
Federal Grant Program				\$9,725	\$9,725	\$9,725
<b>TOTALS, EXPENDITURES, ALL FUNDS (Local Assistance)</b>				<b>\$9,725</b>	<b>\$9,725</b>	<b>\$9,725</b>

**DETAIL OF APPROPRIATIONS AND ADJUSTMENTS (Reconciliation with Appropriations)**

1 STATE OPERATIONS	<u>2006-07*</u>	<u>2007-08*</u>	<u>2008-09*</u>
<b>0890 Federal Trust Fund</b>			
<b>APPROPRIATIONS</b>			
001 Budget Act appropriation	\$125	\$125	\$125
Budget Adjustment	-61	-	-

\* Dollars in thousands, except in Salary Range.

## 0985 California School Finance Authority - Continued

1 STATE OPERATIONS	2006-07*	2007-08*	2008-09*
<b>TOTALS, EXPENDITURES</b>	<b>\$64</b>	<b>\$125</b>	<b>\$125</b>
<b>6040 Charter School Facilities Account, 2002 State School Facilities Fund</b>			
APPROPRIATIONS			
001 Budget Act appropriation	\$547	\$-	\$-
Allocation for employee compensation	14	-	-
Adjustment per Section 3.60	2	-	-
<b>Totals Available</b>	<b>\$563</b>	<b>\$-</b>	<b>\$-</b>
Unexpended balance, estimated savings	-113	-	-
<b>TOTALS, EXPENDITURES</b>	<b>\$450</b>	<b>\$-</b>	<b>\$-</b>
<b>9734 2004 Charter School Facilities Account, 2004 State School Facilities Fund</b>			
APPROPRIATIONS			
001 Budget Act appropriation	\$-	\$566	\$594
Allocation for employee compensation	-	15	-
Adjustment per Section 3.60	-	-1	-
<b>TOTALS, EXPENDITURES</b>	<b>\$-</b>	<b>\$580</b>	<b>\$594</b>
<b>9735 2006 Charter School Facilities Account, 2006 State School Facilities Fund</b>			
APPROPRIATIONS			
001 Budget Act appropriation	\$-	\$429	\$429
<b>TOTALS, EXPENDITURES</b>	<b>\$-</b>	<b>\$429</b>	<b>\$429</b>
<b>TOTALS, EXPENDITURES, ALL FUNDS (State Operations)</b>	<b>\$514</b>	<b>\$1,134</b>	<b>\$1,148</b>
2 LOCAL ASSISTANCE	2006-07*	2007-08*	2008-09*
<b>0890 Federal Trust Fund</b>			
APPROPRIATIONS			
101 Budget Act appropriation	\$9,725	\$9,725	\$9,725
<b>TOTALS, EXPENDITURES</b>	<b>\$9,725</b>	<b>\$9,725</b>	<b>\$9,725</b>
<b>TOTALS, EXPENDITURES, ALL FUNDS (Local Assistance)</b>	<b>\$9,725</b>	<b>\$9,725</b>	<b>\$9,725</b>
<b>TOTALS, EXPENDITURES, ALL FUNDS (State Operations and Local Assistance)</b>	<b>\$10,239</b>	<b>\$10,859</b>	<b>\$10,873</b>

### CHANGES IN AUTHORIZED POSITIONS

	Positions			Expenditures		
	2006-07	2007-08	2008-09	2006-07*	2007-08*	2008-09*
Totals, Authorized Positions	3.3	5.0	5.0	\$244	\$324	\$331
Salary Adjustments	-	-	-	-	11	11
<b>Total Adjustments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$-</b>	<b>\$11</b>	<b>\$11</b>
<b>TOTALS, SALARIES AND WAGES</b>	<b>3.3</b>	<b>5.0</b>	<b>5.0</b>	<b>\$244</b>	<b>\$335</b>	<b>\$342</b>

## 0989 California Educational Facilities Authority

The California Educational Facilities Authority (CEFA) provides funding to assist private non-profit institutions of higher learning in the expansion and construction of educational facilities. CEFA is also authorized to issue bonds, notes and other forms of indebtedness to finance the costs of attendance (student loans) at institutions of higher education. CEFA is a public instrumentality of the state consisting of five members: the Director of Finance, the State Controller, the State Treasurer, and two public members appointed by the Governor. All members serve four-year terms.

### LEGAL CITATIONS AND AUTHORITY

#### DEPARTMENT AUTHORITY

Education Code Sections 94100-94213.

\* Dollars in thousands, except in Salary Range.

## 0989 California Educational Facilities Authority - Continued

### PROGRAM DESCRIPTIONS (Program Objectives Statement)

#### 10 - BOND FINANCING

The California Educational Facilities Authority (CEFA) issues revenue bonds to assist private educational institutions of higher learning in the expansion and construction of educational facilities. Because it is authorized to issue tax-exempt bonds, the Authority may provide more favorable financing to such private institutions than might otherwise be obtainable. Pursuant to Chapter 569, Statutes of 2001, CEFA may include qualifying non-profit entities as eligible program participants for the construction of student and faculty housing. Bonds issued by CEFA are not a debt, liability or claim on the faith and credit or the taxing power of the State of California, or any of its political subdivisions. The full faith and credit of the participating institution is normally pledged to the payment of the bonds. Bonds issued for this purpose are not subject to the state's "private activity" bond ceiling as specified in the Federal Tax Reform Act of 1986.

Prior to January 1, 1999, CEFA was authorized to have outstanding at any one time \$2.6 billion in bonds for educational facilities. Pursuant to Chapter 741, Statutes of 1998, effective January 1, 1999, there is no limitation in bonds outstanding. As of June 30, 2007, bonds and notes in the amount of \$7.5 billion have been issued and \$3.8 billion were outstanding.

#### 20 - FACILITY HOUSING AND GRANT PROGRAM

Chapter 1081, Statutes of 2002, clarifies the authorization for financing faculty housing for colleges and universities, and authorizes the use of up to \$2 million of CEFA funds, on a one-time basis for grants, not to exceed \$250,000 each, to help private colleges expand educational opportunities to low income students. In 2005, CEFA developed, through regulations, selection criteria and a process for awarding grants. Funds were to be disbursed over a three-year period. In fiscal year 2005-06, \$685,783 was disbursed to nine eligible schools, another \$697,732 was approved in 2006-07, and the balance will be paid in 2007-08. The grant program will sunset January 1, 2009.

#### 30 - STUDENT LOAN PROGRAMS

Pursuant to Chapter 917, Statutes of 1995, effective January 1, 1996, the California Student Loan Authority (CSLA) was abolished, and the assets, obligations, and functions were transferred to CEFA. The purpose of the CSLA was to purchase federally reinsured educational loans from eligible lending institutions by issuing tax-exempt revenue bonds, thereby expanding student access to such low-cost federally reinsured loans. Pursuant to Chapter 917, the functions were expanded under CEFA to include direct student lending from proceeds of tax-exempt revenue bonds issued by CEFA. As of June 30, 2007, \$32.3 million in bonds were outstanding, from a total \$265.4 million issued. Bonds for this purpose are subject to the state's "private activity" bond ceiling, as specified in the Federal Tax Reform Act of 1986 and allocated by the California Debt Limit Allocation Committee (CDLAC).

Chapter 318, Statutes of 2005, added the requirement that not-for-profit corporations must seek approval from CEFA before applying for an allocation of a portion of the state's annual private activity volume cap from CDLAC for the purposes of issuing Qualified Scholarship Funding Bonds for Student Loan Programs. This requirement does not pertain to entities that have applied to CDLAC prior to January 1, 2006. Bonds issued for student loans are not a debt, or liability, or a pledge of the faith and credit of the taxing power of the state or any of its political subdivisions. This is a trust activity and all operating expenses must be paid from revenues and other moneys available to CEFA.