

2009-10 MAY REVISION

Workload Budget (estimated on May 26, 2009)

(Dollars in Millions)

	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11*</u>
Prior Year Balance	\$2,308	-\$6,270	-\$18,208
Revenues and Transfers	<u>\$85,946</u>	<u>\$88,805</u>	<u>\$90,656</u>
Total Resources Available	\$88,254	\$82,535	\$72,448
Non-Proposition 98 Expenditures	\$59,216	\$60,397	\$67,438
Proposition 98 Expenditures	<u>\$35,308</u>	<u>\$40,345</u>	<u>\$40,443</u>
Total Expenditures	\$94,524	\$100,742	\$107,881
Fund Balance	-\$6,270	-\$18,208	-\$35,433
Budget Reserves:			
Reserve for Liquidation of Encumbrances	\$1,079	\$1,079	\$1,079
Special Fund for Economic Uncertainties	-\$7,349	-\$19,286	-\$36,511

* Preliminary

2009-10 MAY REVISION
With all Proposed Solutions
Including Solutions to Backfill RAWs
(Dollars in Millions)

	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11*</u>
Prior Year Balance	\$2,308	-\$3,146	\$3,168
Revenues and Transfers	<u>\$85,946</u>	<u>\$92,218</u>	<u>\$90,993</u>
Total Resources Available	\$88,254	\$89,072	\$94,161
Non-Proposition 98 Expenditures	\$57,708	\$49,252	\$55,262
Proposition 98 Expenditures	<u>\$33,691</u>	<u>\$36,652</u>	<u>\$36,428</u>
Total Expenditures	\$91,399	\$85,904	\$91,690
Fund Balance	-\$3,146	\$3,168	\$2,471
Budget Reserves:			
Reserve for Liquidation of Encumbrances	\$1,079	\$1,079	\$1,079
Special Fund for Economic Uncertainties	-\$4,225	\$2,090	\$1,392

* Preliminary

Additional General Fund Reduction Proposals for 2009-10 May Revision

(Dollars in Millions)

#	Title and Short Description	Impact on GF Reserve		
		2008-09 and Prior	2009-10	2010-11
1	Rural Health Care Equity Program - Eliminate funding for certain health care reimbursements currently provided to state employees who do not have access to health maintenance organizations.	\$0.0	\$15.7	\$15.7
2	Furloughs - Assume savings if the proposed labor agreements with Service Employees International Union Local 1000 are not ratified by the Legislature and a 2-day furlough is maintained for all employees.	60.0	150.0	0.0
3	CaIPERS PPO - Surplus reserves in PPO will fund a premium holiday for 2 months	0.0	100.0	0.0
4	Reduce UC and CSU Budgets --This option further reduces the segments to the Federal State Fiscal Stabilization Fund maintenance of effort level.	415.0	335.0	335.0
5	Phase out Calgrants --This eliminates new awards for the High School Entitlement and Community College Transfer Entitlement programs and CalGrant C program. The amount is the net remaining cost of new CalGrant awards after previous cost containment measures, including proposals to eliminate new awards for the CalGrant Competitive program and lower costs of other new awards for UC, CSU and private colleges.	0.0	173.0	450.0
6	Complete Decoupling of Cal Grant Renewals --This eliminates the increase in award amounts for renewals associated with UC and CSU fee increases. The amount is net of the Partial Decoupling proposal included in the Governor's Budget.	0.0	28.0	28.0
7	Eliminate Funding for Hastings College of Law --Reduces to the minimum level prescribed in statute (EC 92212) without having to pay back to the heirs of S.C. Hastings, with accumulated interest, the original \$100,000 bequest.	0.0	10.3	10.3

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(Dollars in Millions)

#	Title and Short Description	Impact on GF Reserve		
		2008-09 and Prior	2009-10	2010-11
8	Eliminate funding for CALFIRE Equipment Replacement --One time elimination of funding for equipment replacement.	0.0	17.0	0.0
9	Eliminate General Fund funding for State Parks --Eliminate all General Fund support and require department to operate on fee revenue and special funding.	0.0	70.0	143.4
10	Special Projects --Eliminate the Multipurpose Senior Services Program and Community-Based Service programs. Funding for Adult Day Health Care will continue in support of the California Department of Aging's responsibility for Medi-Cal certification of program providers.	0.0	24.2	35.3
11	Medi-Cal - Eliminating Certain State Only Programs --Services include: Undocumented non-emergency services (breast and cervical cancer treatment and postpartum care, and excluding prenatal and long term care), Institutions for Mental Disease ancillary services payments, dialysis, non-digestive nutrition, and breast and cervical cancer treatment for women over 65, and men.	0.0	34.4	57.8
12	Medi-Cal--Assume Additional Savings from Federal Flexibility --This policy increases the amount of relief from federal requirements previously proposed to enable California to secure essential program flexibilities to slow the rate of program growth and manage program costs within available resources.	0.0	250.0	500.0
13	Medi-Cal - Skilled Nursing Facility COLA --Suspend an estimated 5.0 percent cost of living increase effective August 1, 2009, for skilled nursing facilities (AB1629 and non-AB1629).	0.0	67.1	109.8

Additional General Fund Reduction Proposals for 2009-10 May Revision

(Dollars in Millions)

#	Title and Short Description	Impact on GF Reserve		
		2008-09 and Prior	2009-10	2010-11
14	Reduce General Fund for AIDS Drug Assistance Program (ADAP) and for other Office of AIDS program. Specific proposals include: expanding client cost sharing and limiting the formulary in the AIDS Drug Assistance Program; and reducing and eliminating other HIV/AIDS programs such as HIV Counseling and Testing, Epidemiologic Studies/Surveillance, Therapeutic Monitoring Program, and Home and Community Based Care.	0.0	55.5	58.9
15	Eliminate Healthy Families Program-- This option eliminates remaining funding for the program (see related reductions proposed previously). Estimate assumes that the program phases out as quickly as possible after providing notice to beneficiaries and providers.	0.0	247.8	322.4
16	Reduce Mental Health Managed Care Services and Early and Periodic Screening, Diagnosis, and Treatment Services (EPSDT). Mental Health Managed Care services retained include acute inpatient services and prescription drugs for Medi-Cal enrollees only. EPSDT savings result from eliminating GF support for county programs identified as new programs in 2007-08 and 2008-09.	0.0	92.0	92.0
17	Eliminate California Work Opportunity and Responsibility to Kids Program	0.0	1,309.1	1,765.2
18	Eliminate State Funding for Community Care Licensing-- This reduction in expenditures would be partially offset by a fee increase to maintain critical health and safety standards.	0.0	19.5	39.0

Additional General Fund Reduction Proposals for 2009-10 May Revision

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#	Title and Short Description	Impact on GF Reserve		
		2008-09 and Prior	2009-10	2010-11
19	Offset GF Highway bond debt service with local share of gas tax--Reduce local share from \$1.05 billion to \$300 million and redirect \$750 million to pay current and prior year debt service on highway bonds. The amount is 25 percent of total fuel tax revenues as allowed under Article XIX, Sec. 5.	0.0	744.0	745.0
20	Reduce GF Support for Courts by Another 10 percent and Require Electronic Court Reporting	0.0	181.6	190.8
21	Additional Reduction to Prison Population--Commute sentences of nonviolent, non-serious, non-sex offenders one year early.	0.0	120.5	0.0
22	Reduce Corrections Contract Expenditures, Reduce Rehabilitation Program and Make Other Reductions to CDCR. Impacted programs include a range of rehabilitative services, such as substance abuse counseling, vocational training, and educational programs. In addition, funding for building maintenance is being eliminated on a one-time basis in 2009-10 and other operational savings will be achieved.	0.0	788.5	914.4
23	Eliminate Funding for Various Community Clinic Programs-- This proposal eliminates funding for Indian Health, Seasonal and Agricultural and Migratory Workers, Rural Health Services Development, and Expanded Access to Primary Care.	0	34.2	34.2
24	Eliminate Remaining General Fund in Maternal, Child, and Adolescent Health-- This is in addition to the General Fund reduction included in the "Contingency Reductions" in the May Revision.	0	10.2	10.2

Additional General Fund Reduction Proposals for 2009-10 May Revision

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#	Title and Short Description	Impact on GF Reserve		
		2008-09 and Prior	2009-10	2010-11
25	Reduce Financing Costs by Implementing Additional Cash Solutions--Reduce size of external financing by adopting cash solutions that would reduce the imbalance in timing of receipts and disbursements throughout the fiscal year.	0	210.0	210.0
	Totals	\$475.0	\$5,087.6	\$6,067.4
	Total of 2008-09 and 2009-10		\$5,562.6	