



# *Governor's* **Budget Summary**

*2009-10*



Arnold Schwarzenegger  
Governor  
*State of California*

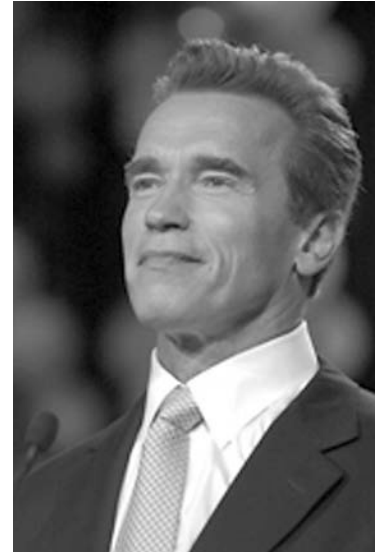
*To the California Legislature  
Regular Session 2009-10*

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GOVERNOR  
ARNOLD SCHWARZENEGGER

January 9, 2009



To the Senate and Assembly of the Legislature of California:

In accordance with Article IV, Section 12 of the California Constitution, I submit to you the Governor's Budget for 2009-2010.

Our state faces the most challenging budget in its history. The combined effect of our structural deficit and the dramatic decline in revenues due to the international economic crisis have produced a two-year deficit of \$41.6 billion – nearly half of our projected 2009-10 revenues.

A problem of this magnitude requires immediate action. Last fall, as the economic situation deteriorated, I realized that we needed to act quickly to bring our current-year budget back into balance. That is why I called a special session on November 16, 2008. When the previous Legislature failed to act, on December 1, I called you into special session in a fiscal emergency pursuant to Proposition 58. When you closed that session without acceptable action to address the problem, I immediately called you back on December 19, again pursuant to Proposition 58.

Now, I am presenting you with my Budget for 2009-10, which not only addresses this year's shortfall, but provides a comprehensive and balanced set of solutions for next year as well. The shortfall is too large to be addressed only with spending cuts, or only with tax increases. We have to use every tool at our disposal.

At the same time, we cannot ask the people of our state to accept cuts in government services and increases in taxes without doing all we can to bring this economy back. That is why I believe that we have to include a sensible, targeted package of fiscal stimulus measures in any budget solution. Similarly, as we ask for sacrifice from our citizens, we must be able to assure them that state government itself is doing everything it can to cut costs and improve efficiency. Thus, my budget has a variety of measures to do both.

There are honest and sincere differences among you regarding how we should resolve this crisis. But, these differences have prevented you so far from seeing that you share a larger duty to compromise on the best possible plan for resolving our budget crisis.

The time of delay is past. The solutions I propose are difficult and unavoidably painful. Delay, however, will only make the ultimate solutions even more painful.

Now it is time to act decisively to bring our state back from the brink of financial catastrophe.

Sincerely,

Arnold Schwarzenegger

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State Capitol □ Room 1145 □ Sacramento CA □ 95814-4998 □ [www.dof.ca.gov](http://www.dof.ca.gov)

January 9, 2009



Dear Governor:

The dramatic decline in General Fund revenues resulting from the current international economic crisis, combined with the state's persistent structural budget deficit, has produced a budget gap of \$14.8 billion. If no corrective action is taken, this gap will grow to \$41.6 billion by the end of 2009-10.

In addition, the state faces a cash-flow crisis that will necessitate deferring payments and paying with Registered Warrants ("IOU's") this spring. At the beginning of the next fiscal year, the state will have to defer or pay with IOU's for most of its obligations.

Because of the looming budget deficit, long-term bond markets are closed to California. The national financial and banking crisis has closed short-term markets and the Pooled Money Investment Account has had to stop making the short-term loans used to finance projects pending a bond. As a result, over \$9 billion in critical infrastructure projects are in jeopardy of being stopped – in many cases, even as work is already underway.

This is the most challenging fiscal situation the state has ever experienced. It can only get worse if not addressed immediately. That is why you have called three special sessions of the Legislature in the last two months to address the shortfall in the current fiscal year. While the Legislature has so far failed to deal with this year's problem, the release of your budget now gives them an opportunity to enact its comprehensive, balanced and urgently needed solutions to not only this year's shortfall, but next year's as well.

There is no time to waste. The budget assumes that the Legislature will adopt over half of the proposed solutions by February 1. Any delay will reduce the budgetary value of the solutions and thus necessitate even more cuts and tax increases.

Sincerely,

Michael C. Genest  
Director of Finance

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# 2009-10 Budget Summary

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## Table of Contents

Introduction.....	1
Summary Charts .....	9
Summary of Major Changes by Major Program Areas .....	17
Economic Outlook .....	55
Revenue Estimates.....	63
Staff Assignments.....	85
Appendices and Schedules	

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# Introduction

California, like the rest of the nation, is in the midst of a severe economic downturn. The combined effect of the state's continuing structural budget deficit and the loss of revenues resulting from the economic downturn results in a budget gap of \$41.6 billion – just under half of the revenues projected for 2009-10. This is the most challenging budget in the state's history. It demands quick action and calls for every type of solution possible, including major spending cuts, revenue increases, borrowing and cash management strategies. The budget proposes a balanced approach that makes use of each of these types of solutions.

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## The Origin of the Budget Gap

In 1998-99, the state's budget was balanced and projected to remain in balance. Figure INT-01 displays General Fund revenue and spending growth since 1998-99. As the figure shows, one year later, revenues increased by 23 percent, due to a stock market and dot-com boom that drove unprecedented increases in stock option and capital gains income. These were magnified from a state revenue perspective, because the state's income tax system relies disproportionately on the very high-end earners most likely to receive such gains.

The surge in revenues resulted in massive – and unsustainable – new spending commitments. When revenues declined, the state relied mostly on one-time measures, such as borrowing, to temporarily reduce spending without cutting back underlying program commitments. Thus, the structural deficit was born.

### **Revenue Volatility and Budget Reform**

Recognizing that revenue volatility is at the heart of the state's chronic cyclical budget problems, the Governor has created the Commission on the 21<sup>st</sup> Century Economy to propose changes to the state's tax system that will, on a revenue-neutral basis, reduce volatility, improve the business climate and encourage job growth. In addition, the Legislature has put on the next ballot a budget reform measure proposed by the Governor that discourages the use of surges in revenues to fund increased ongoing spending programs, and at the same time start to build a rainy day fund that will ultimately grow to an amount equal to 12.5 percent of General Fund revenues. The rainy day fund will only be available for use during economic downturns.

When revenue growth again surged in 2005-06, much of the growth was used to repay loans and backfill for the loss of temporary cost-saving steps.

The budget estimates that workload revenues in the current year will drop dramatically – a year-over-year decline of \$15.1 billion, or 14.7 percent – while, if unchecked, spending would increase by \$1.5 billion or 1.5 percent. The budget projects continued revenue decline and spending increases in 2009-10 in the absence of any policy changes to bring the budget back into balance.

This figure tells a two-part story about the state's budget gap. First, it is partly due to the continued structural budget deficit that began ten years ago and that has never been completely eliminated. Second, a major part of the state's budget gap is due to the dramatic decline in revenues that has resulted from the current recession.

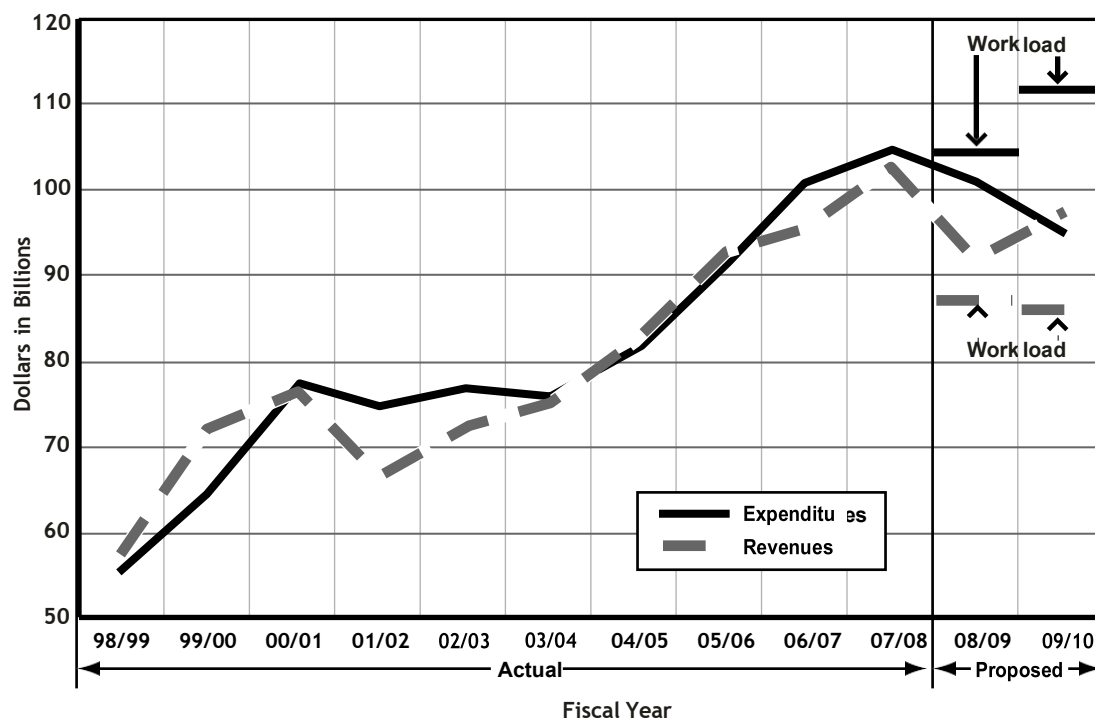
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### **A Balanced Approach to Addressing the \$41.6 Billion Budget Gap**

The budget projects a deficit in the current year of \$14.8 billion. If unaddressed, this deficit would grow to \$41.6 billion by the end of the next fiscal year. The dual causes of the budget gap suggest both permanent and temporary solutions are necessary. Therefore, the budget proposes both.

Most budget solutions, spending cuts or revenue increases require significant time to achieve their full value. Therefore, it is imperative that solutions be enacted immediately, as opposed to waiting until the enactment of the 2009-10 Budget. That is why on November 6 and December 1, 2008, and again on December 19, 2008, the Governor

Figure INT-01  
General Fund Revenue and Spending Growth



"Workload" means the projected levels of spending and revenues if the state were to make no changes to current law or practice.

When the budget reflects spending that is lower than the workload level, that means spending cuts are proposed. When the budget reflects revenues that are higher than the workload level, that means revenue increases are proposed. As the figure shows, the budget proposes both spending cuts and revenue increases in 2008-09 and 2009-10.

declared a fiscal emergency, called special sessions of the Legislature, and asked for the immediate enactment of many of the budget solutions.

Figure INT-02 displays the categories of solutions proposed and shows which are targeted for early enactment and which can be enacted next fiscal year. As the figure shows, the budget proposes a balanced approach to solving the \$41.6 billion budget gap, with spending cuts being the largest category of solutions. While the magnitude of the budget shortfall requires reductions in services to the public, the budget also proposes cost savings in the way the state provides services by consolidating administrative functions and reducing the size and cost of the state's workforce. Specific solutions are described in the Revenue Chapter and in the Summary of Major Changes.

Figure INT-02

## Proposed Budget Solutions (Dollars in Billions)

	December 19 Special Session Proposals		Additional Special Session Proposals		Proposals to be Enacted By July 1*		Total	
Expenditure Reductions	\$9,811	44%	\$4,049	87%	\$3,567	24%	\$17,427	42%
Revenues	12,505	56%	236	5%	1,545	10%	14,286	34%
Lottery	0	0%	0	0%	5,001	34%	5,001	12%
Borrowing	0	0%	358	8%	0	0%	358	1%
RAWs	0	0%	0	0%	4,673	32%	4,673	11%
Total	<u>\$22,316</u>	100%	<u>\$4,643</u>	100%	<u>\$14,786</u>	100%	<u>\$41,745</u>	100%

\* Includes minor policy issues of \$72m (\$102m in revenues and -\$30m in expenditures)

### Proposed Spending In Line with Population Growth and Inflation

As figure one shows, the budget proposal would bring spending and revenues back in line with historical levels. Specifically, the budget would result in spending and revenues in 2009-10 that would equate to an average annual percentage rate of growth since 1998-99 of 4.67 percent for spending and 4.75 percent for revenues. For perspective, the average annual combined increase in the state's population growth and inflation over the same period is 4.59 percent annually.

### Continuing the Work of the California Performance Review

Over the past five years, the Administration has worked to eliminate outdated functions, become more efficient, eliminate redundancy and reduce costs. The state's unprecedented budget shortfall presents an opportunity for state government to increase efficiency, spend less and eliminate duplication and functions that are not absolutely critical.

The administration proposes to follow up on the work of the California Performance Review (CPR) conducted in Governor Schwarzenegger's second year in office. Many of the CPR's recommendations have already been implemented. The budget and its implementing legislation propose the following changes to promote efficiency:



- Consolidate the Postsecondary Education Commission and the Student Aid Commission for a savings of \$2 million.
- Realign the California Conservation Corps, for a savings of \$17 million in 2009-10, growing to \$24 million in the out years.

In addition, the Administration will submit the following legislative proposals to further improve governmental efficiency:

- Streamlining and realignment of certain energy functions now performed by the Public Utilities Commission, the Energy Commission and Department of Water Resources.
- Consolidation of certain state information technology functions under the Office of the Chief Information Officer to improve coordination and efficiency and capture major efficiencies in procurement and technology implementation.
- Consolidation or realignment of recycling and cleanup, spill prevention and pollution prevention programs, including the elimination of the Integrated Waste Management Board.
- Consolidation of the Board of Geologists and Geophysicists into a related entity.
- Consolidation of the Professional Fiduciaries Bureau with the Board of Accountancy.
- Consolidation of Behavioral Sciences, Psychiatric Technicians and the Board of Psychology.
- Consolidation of the Hearing Aid Dispensers Bureau with the Speech-Language Pathology and Audiology Board.
- Consolidation of the Licensed Vocational Nurses with the Board of Registered Nurses.
- Consolidation of real estate functions within the Department of State Parks and the Wildlife Conservation Board.

### **The Budget Will Be Adjusted to Reflect Any Legislative Action in the Special Session.**

The budget assumes that the Legislature will adopt the solutions proposed by the Governor when he called it into special session to address the fiscal emergency. To the extent that the Legislature adopts solutions other than those proposed, the budget will be adjusted to reflect the Legislature's actions.

- Elimination of the Court Reporters Board (continued oversight by the State Bar).
- Elimination of the Inspection and Maintenance Review Committee (continued by Bureau of Automotive Repair).
- Elimination of the Landscape Architects Technical Committee (licensing to continue under the Architects Board).
- Elimination of the Bureau of Naturopathic Medicine.
- Elimination of the Telephone Medical Services Bureau.
- Elimination of Permitting of Child Actors (continued through local school districts, which does all other child labor permits).

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### **Managing the Cash Shortfall and Selling Revenue Anticipation Warrants**

The budget projects that even if the Legislature enacts all of the special session solutions by February 1, 2009, the state will be unable to pay all of its bills beginning in March. This will require deferral of some payments. Absent legislative action or if the solutions adopted by the Legislature fall short of the level proposed by the Governor, it may be necessary for the state to make some payments with registered warrants, or IOUs. In spite of these challenges, there is no reason to expect any delay in paying debt service or in repaying the \$5 billion in short-term Revenue Anticipation Notes (RANs) sold in October.

However, it will not be possible for the state to continue managing its cash flow into the budget year in the absence of a substantial infusion of cash. Therefore, the budget proposes selling Reimbursement Warrants (commonly known as RAWs) in July of 2009. While RANs must be repaid within the fiscal year in which they are sold, RAWs can be repaid in the subsequent fiscal year. Thus, the budget proposes repaying the RAWs no later than June 30 of 2011.

The proposed use of RAWs to manage cash flow over multiple years is consistent with past practice. This sort of cash flow management has always been a last resort in times when a sudden drop in revenues produces a deficit too large to be addressed with spending cuts and revenue increases alone. Moreover, it will be very difficult for the state to sell RAWs in the current credit environment. In order to do so, three conditions will have to be met:

- The state must have a sustainable, balanced budget, with all required statutory changes enacted prior to selling the RAWs.
- The state must have a plausible plan for repaying the RAWs in the subsequent year.
- There will have to be legislation enacted prior to the sale of the RAWs that protects the RAWs holders. Such legislation could include a trigger that automatically increases taxes or cuts programs if future events create uncertainty regarding the prompt payment of the RAWs.

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### **Federal Economic Stimulus Proposals**

It is widely believed that the incoming Congress will enact a major relief bill for states. Relying on funds from a relief bill to balance the state's budget, however, would not be prudent for several reasons. First, the state must balance its budget on its own to have any chance of re-entering the credit markets for General Obligation bonds or cash flow borrowing. Second, any bailout would be temporary, and the state needs to make permanent changes to restore balance to its budget in the longer term. Third, most of the proposals for sending federal funds to states focus on infrastructure construction as a fiscal stimulus— not on giving states unencumbered money to balance their budgets. Finally, it is far from certain that a bailout will be provided or, if so, in what amount.

The administration would, however, support using increased federal funds to repay the RAWs or to reduce the size of the RAWs, if the funds are available in time.

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# Summary Charts

This section provides various statewide budget charts and tables.

Figure SUM-01  
**2009-10 Governor's Budget**  
**General Fund Budget Summary**  
**Workload Budget**  
(Dollars in Millions)

	<b>2008-09</b>	<b>2009-10</b>
<b>Prior Year Balance</b>	\$3,326	-\$13,692
Revenues and Transfers	\$87,471	\$86,300
<b>Total Resources Available</b>	<b>\$90,797</b>	<b>\$72,608</b>
Non-Proposition 98 Expenditures	\$62,109	\$68,708
Proposition 98 Expenditures	\$42,380	\$42,381
<b>Total Expenditures</b>	<b>\$104,489</b>	<b>\$111,089</b>
<b>Fund Balance</b>	<b>-13,692</b>	<b>-38,481</b>
Reserve for Liquidation of Encumbrances	\$1,079	\$1,079
Special Fund for Economic Uncertainties	-\$14,771	-\$39,560
<b>Budget Stabilization Account</b>	-	-
<b>Total Available Reserve</b>	<b>-\$14,771</b>	<b>-\$39,560</b>
Target Reserve		\$2,000
Budget Gap		-\$41,560

Figure SUM-02  
**2009-10 Governor's Budget**  
**General Fund Budget Summary**  
**Workload Budget With December 1 Special Session Proposals**  
(Dollars in Millions)

	<b>2008-09</b>	<b>2009-10</b>
<b>Prior Year Balance</b>	\$3,326	-\$6,771
Revenues and Transfers	\$90,692	\$96,000
<b>Total Resources Available</b>	<b>\$94,018</b>	<b>\$89,229</b>
Non-Proposition 98 Expenditures	\$60,909	\$63,676
Proposition 98 Expenditures	\$39,880	\$41,718
<b>Total Expenditures</b>	<b>\$100,789</b>	<b>\$105,394</b>
<b>Fund Balance</b>	<b>-6,771</b>	<b>-16,165</b>
Reserve for Liquidation of Encumbrances	\$1,079	\$1,079
Special Fund for Economic Uncertainties	-\$7,850	-\$17,244
<b>Budget Stabilization Account</b>	-	-
<b>Total Available Reserve</b>	<b>-\$7,850</b>	<b>-\$17,244</b>
Target Reserve		\$2,000
Budget Gap		-\$19,244

Figure SUM-03  
**2009-10 Governor's Budget**  
**General Fund Budget Summary**  
**With All Proposed Budget Solutions**  
(Dollars in Millions)

	<b>2008-09</b>	<b>2009-10</b>
<b>Prior Year Balance</b>	\$2,375	\$1,079
Revenues and Transfers	\$91,117	\$97,708
<b>Total Resources Available</b>	<b>\$93,492</b>	<b>\$98,787</b>
Non-Proposition 98 Expenditures	\$56,630	\$55,036
Proposition 98 Expenditures	\$35,783	\$40,488
<b>Total Expenditures</b>	<b>\$92,413</b>	<b>\$95,524</b>
<b>Fund Balance</b>	<b>1,079</b>	<b>3,263</b>
Reserve for Liquidation of Encumbrances	\$1,079	\$1,079
Special Fund for Economic Uncertainties	-	\$2,184
<b>Budget Stabilization Account</b>	-	-
<b>Total Available Reserve</b>	-	<b>\$2,184</b>

Figure SUM-04  
**General Fund Revenue Sources**  
(Dollars in Millions)

	<b>2008-09</b>	<b>Revised</b>	<b>Proposed</b>	<b>Change from Revised</b>	
	<b>at Budget Act</b>	<b>2008-09</b>	<b>2009-10</b>	<b>Dollar</b>	<b>Percent</b>
				<b>Change</b>	<b>Change</b>
Personal Income Tax	\$55,720	\$46,807	\$47,942	\$1,135	2.4%
Sales Tax	27,111	27,778	33,793	6,015	21.7%
Corporation Tax	13,073	10,197	10,445	248	2.4%
Motor Vehicle Fees	29	26	27	1	3.8%
Insurance Tax	2,029	1,831	1,798	-33	-1.8%
Liquor Tax	341	599	955	356	59.4%
Tobacco Taxes	114	113	111	-2	-1.8%
Oil Severance Tax	-	358	855	497	138.8%
Other	3,574	3,408	1,782	-1,626	-47.7%
<b>Total</b>	<b>\$101,991</b>	<b>\$91,117</b>	<b>\$97,708</b>	<b>\$6,591</b>	<b>7.2%</b>

Note: Numbers may not add due to rounding.

## Summary Charts

Figure SUM-05  
**General Fund Expenditures by Agency**  
(Dollars in Millions)

	2008-09 at Budget Act	Revised 2008-09	Proposed 2009-10	Change from Revised 2008-09 Dollar Change	Percent Change
Legislative, Judicial, Executive	\$3,816	\$3,779	\$3,772	-\$7	-0.2%
State and Consumer Services	563	566	577	11	1.9%
Business, Transportation & Housing	1,628	1,466	2,336	870	59.3%
Resources	1,832	2,030	1,922	-108	-5.3%
Environmental Protection	81	83	79	-4	-4.8%
Health and Human Services	31,121	30,935	29,996	-939	-3.0%
Corrections and Rehabilitation	10,342	10,310	9,615	-695	-6.7%
K-12 Education	41,579	35,499	39,721	4,222	11.9%
Higher Education	12,113	11,745	12,389	644	5.5%
Labor and Workforce Development	98	102	104	2	2.0%
General Government:					
Non-Agency Department	387	411	595	184	44.8%
Tax Relief/Local Government	779	647	463	-184	-28.4%
Statewide Expenditures	-938	-5,160 <sup>1/</sup>	-6,045 <sup>2/</sup>	-885	17.2%
<b>Total</b>	<b>\$103,401</b>	<b>\$92,413</b>	<b>\$95,524</b>	<b>\$3,111</b>	<b>3.4%</b>

<sup>1/</sup> Includes \$4.7 billion of reimbursements from proceeds of revenue anticipation warrants.

<sup>2/</sup> Includes \$6.1 billion of reimbursements from proceeds of lottery securitization and lottery revenues.

Note: Numbers may not add due to rounding.

Figure SUM-06  
**2009-10  
Total Revenues and Transfers**  
(Dollars in Millions)

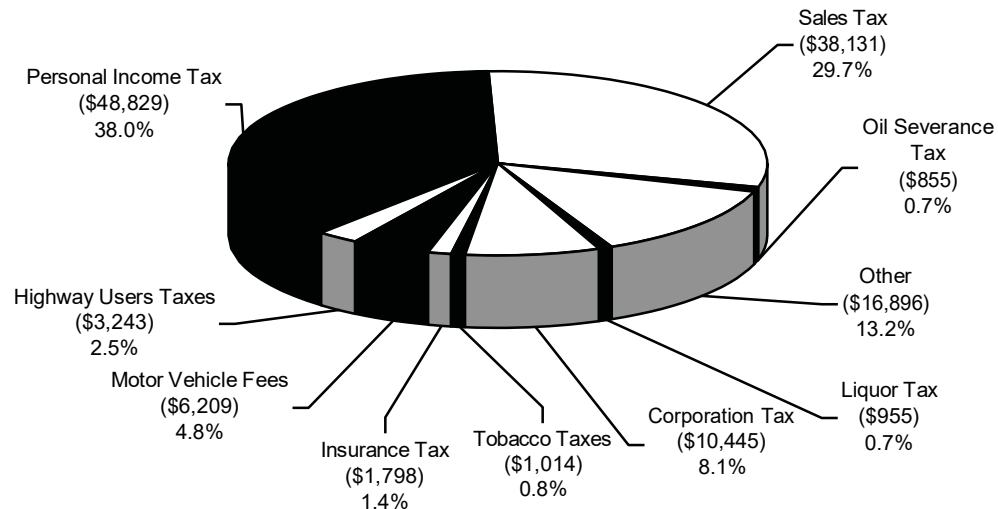




Figure SUM-07  
**2009-10**  
**Total Expenditures**  
**(Including Selected Bond Funds)**  
 (Dollars in Millions)

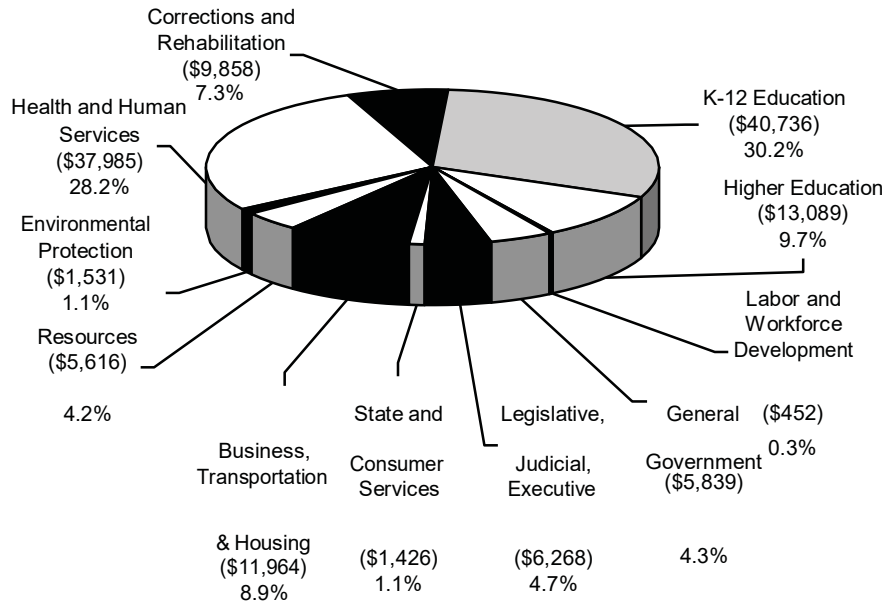


Figure SUM-08  
**2009-10**  
**General Fund Revenues and Transfers**  
 (Dollars in Millions)

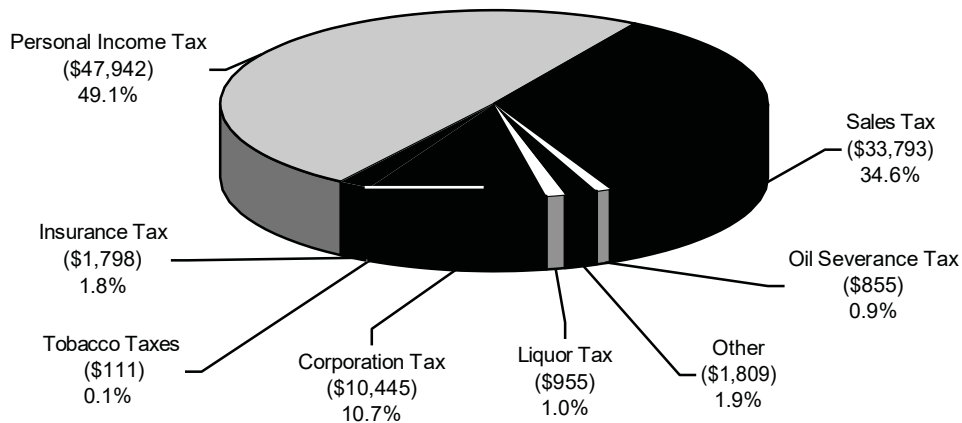


Figure SUM-09  
**2009-10 Revenue Sources**  
(Dollars in Millions)

	General	Special		Change
	Fund	Funds	Total	From
				2008-09
Personal Income Tax	\$47,942	\$887	\$48,829	\$1,041
Sales Tax	33,793	4,338	38,131	4,813
Corporation Tax	10,445	-	10,445	248
Highway Users Taxes	-	3,242	3,242	-47
Motor Vehicle Fees	27	6,181	6,208	597
Insurance Tax	1,798	-	1,798	-33
Liquor Tax	955	-	955	356
Tobacco Taxes	111	903	1,014	-19
Oil Severance Tax	855	-	855	497
Other	1,782	15,116	16,898	5,788
<b>Total</b>	<b>\$97,708</b>	<b>\$30,667</b>	<b>\$128,375</b>	<b>\$13,241</b>

Note: Numbers may not add due to rounding.

Figure SUM-10  
**2009-10**  
**General Fund Expenditures**  
(Dollars in Millions)

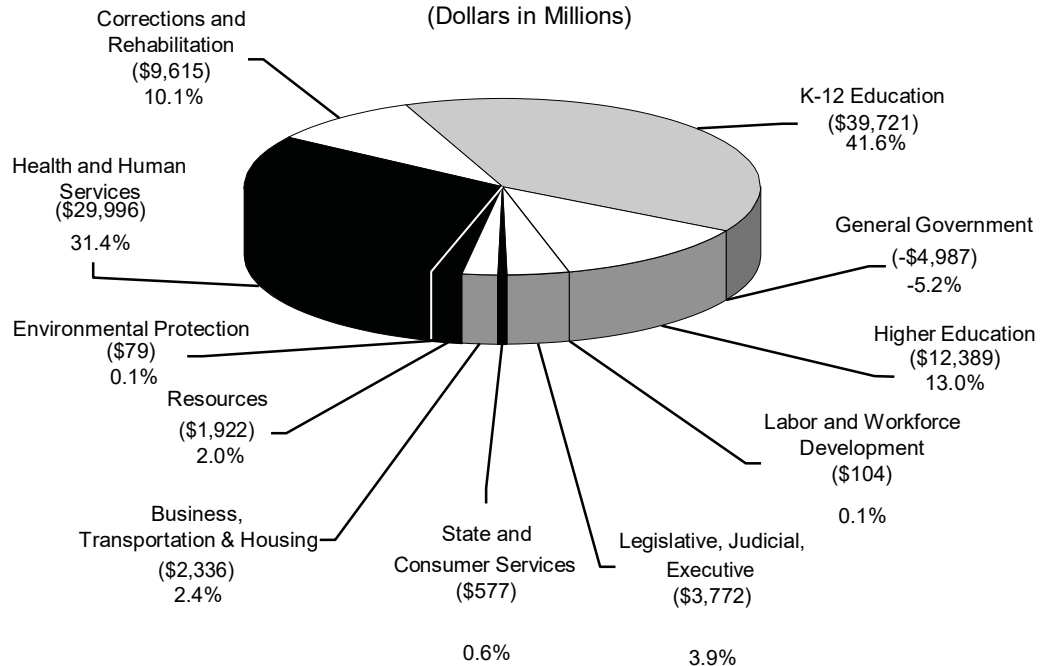


Figure SUM-11

**2009-10 Total Expenditures by Agency**

(Dollars in Millions)

	<b>General Fund</b>	<b>Special Funds</b>	<b>Bond Funds</b>	<b>Totals</b>
Legislative, Judicial, Executive	\$3,772	\$2,253	\$243	\$6,268
State and Consumer Services	577	830	19	1,426
Business, Transportation & Housing	2,336	5,695	3,933	11,964
Resources	1,922	2,154	1,540	5,616
Environmental Protection	79	1,188	264	1,531
Health and Human Services	29,996	7,926	63	37,985
Corrections and Rehabilitation	9,615	242	1	9,858
K-12 Education	39,721	510	505	40,736
Higher Education	12,389	47	653	13,089
Labor and Workforce Development	104	348	0	452
General Government				
Non-Agency Departments	595	1,577	2	2,174
Tax Relief/Local Government	463	2,131	0	2,594
Statewide Expenditures	-6,045	7,116	0	1,071
<b>Total</b>	<b>\$95,524</b>	<b>\$32,017</b>	<b>\$7,223</b>	<b>\$134,764</b>

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## Summary of Major Changes by Major Program Areas

The Budget Act held spending essentially at the same level as spending in 2007-08 and was less than \$2 billion more than the 2006-07 level, reflecting relatively flat spending growth for three years. Given the revenue decline and emergence of a \$14.8 billion of current year General Fund Budget gap, the Governor has proposed savings which, when combined with other adjustments, reduce spending from \$103.4 billion to \$92.4 billion. With the proposed program reductions, 2008-09 General Fund expenditures will decrease by \$11 billion from the 2008 Budget Act level, and then increase by 3.4 percent in 2009-10 compared to the revised 2008-09 expenditure estimate.

The Governor's Budget projects that with the proposed revenue measures, 2008-09 General Fund revenues will still decrease by \$10.9 billion from the 2008 Budget Act level. With the revenue measures proposed, revenues will increase by 7.2 percent in 2009-10 compared to the revised 2008-09 revenue estimate.

Figure MPA-01 reflects the General Fund revenues and expenditures as of 2008 Budget Act. It compares General Fund revenues and expenditures in 2009-10 to the revised 2008-09 revenue and expenditure estimates. Major expenditure changes are highlighted below. For information regarding changes since the 2008 Budget Act, please view specific departmental information under Proposed Budget Detail.

## Summary of Major Changes by Major Program Areas

Figure MPA-01  
**General Fund Revenues and Expenditures**  
**2008-09 vs. 2009-10 Proposed**  
(Dollars in Millions)

	Change from Revised 2008-09				
	2008-09 at Budget Act	Revised 2008-09	Proposed 2009-10	Dollar Change	Percent Change
<b>Revenues and Transfers</b>	<b>\$101,991.4</b>	<b>\$91,116.9</b>	<b>\$97,708.0</b>	<b>\$6,591.1</b>	<b>7.2%</b>
<b><u>Expenditures</u></b>					
Non-Proposition 98					
Legislative, Judicial, and Executive	\$3,786.3	\$3,751.1	\$3,739.7	-\$11.4	-0.3%
State and Consumer Services	557.5	559.8	568.6	8.8	1.6%
Business, Transportation and Housing	1,448.7	1,367.5	1,766.7	399.2	29.2%
Resources	1,210.2	1,429.1	1,171.3	-257.8	-18.0%
Environmental Protection	71.2	73.5	73.4	-0.2	-0.2%
Health and Human Services	31,034.6	30,855.8	29,830.8	-1,025.1	-3.3%
Corrections	9,677.9	9,685.0	8,843.2	-841.9	-8.7%
K-12 Education	1,190.7	1,190.3	1,301.7	111.4	9.4%
Higher Education	6,937.1	6,866.7	6,799.1	-67.7	-1.0%
Labor	98.3	101.9	104.4	2.5	2.5%
General Government:					
Non-Agency Department	377.2	379.1	550.2	171.0	45.1%
Tax Relief/Local Government	778.5	647.3	463.0	-184.3	-28.5%
Statewide Expenditures	-712.0	-4,961.4 <sup>1</sup>	-6,395.7 <sup>2</sup>	-1,434.3	28.9%
Debt Service	4,788.7	4,468.1	5,874.3	1,406.2	31.5%
Infrastructure	212.9	216.6	345.4	128.8	59.5%
<b>Total, Non Proposition 98</b>	<b>\$61,457.8</b>	<b>\$56,630.6</b>	<b>\$55,035.9</b>	<b>-\$1,594.7</b>	<b>-2.8%</b>
<b>Proposition 98</b>	<b>41,943.0</b>	<b>35,782.6</b>	<b>40,487.7</b>	<b>4,705.1</b>	<b>13.1%</b>
<b>Total, All Expenditures</b>	<b>\$103,400.8</b>	<b>\$92,413.2</b>	<b>\$95,523.6</b>	<b>\$3,110.4</b>	<b>3.4%</b>

<sup>1/</sup> Includes \$4.7 billion of reimbursements from proceeds of revenue anticipation warrants.

<sup>2/</sup> Includes \$6.1 billion of reimbursements from proceeds of lottery securitization and lottery revenues.

### Legislative, Judicial, and Executive

General Fund expenditures are proposed to decrease by \$11.4 million, or 0.3 percent.

The major General Fund workload adjustments are as follows:

- Growth Factor Increase for the State Trial Courts—An increase of \$32.5 million for the Trial Courts related to the estimated growth in the State Appropriations Limit.

## Summary of Major Changes by Major Program Areas

- Restoration of one-time Reductions for the Judicial Branch—An increase of \$109.3 million for the State Judiciary and Trial Courts related to the restoration of one-time savings included in the 2008 Budget Act.
- Guardianship and Conservatorship Reform Act—An increase of \$17.4 million related to the implementation of the Guardianship and Conservatorship Reform Act.
- New Judgeships— The Budget proposes \$71.4 million to fund additional Trial Court judgeships. These additional judgeships will increase access to the courts, address backlogs, and provide equitable justice throughout the state. Legislation is required to create the new judgeships for 2009-10.

The major General Fund policy adjustments are as follows:

- Reduction of the Legislature's Budget—A reduction of \$18.3 million in 2008-09 and \$24.9 million in 2009-10 to the Legislature. \$18.3 million in 2008-09 and \$18.3 million in 2009-10 are related to reducing the Legislature's budget by 10 percent, consistent with reductions adopted by state operations and for other constitutional officers reflected in the 2008 Budget Act. The balance is related to not providing funding growth in the budget year.
- Courts Reductions— A reduction of \$146 million to the State Judiciary and Trial Courts related to making permanent the one-time reductions that were included in the 2008 Budget Act, and not providing funding growth in the budget year.
- Delay Implementation of the Guardianship and Conservatorship Reform Act —A reduction of \$17.4 million related to delaying the implementation of the Guardianship and Conservatorship Reform Act.
- Governor's Office Reduction—A decrease of \$191,000 for the Governor's Office related to not providing funding growth in 2009-10.
- Elimination of Cesar Chavez Day Grant Program— A decrease of \$1.5 million in 2008-09 and \$2.5 million in 2009-10 for the Office of Planning and Research related to the elimination of the Cesar Chavez Day grant program.
- Eliminate Public Safety Grants—A decrease of \$23.9 million in 2008-09 and \$57.4 million in 2009-10 for California Emergency Management Agency (CalEMA) related to the elimination of local public safety grant funding. Included in this reduction is funding for Vertical Prosecution Block Grants, Rural Crime Prevention, California Multi-jurisdictional Methamphetamine Enforcement Teams, the High

## Summary of Major Changes by Major Program Areas

Technology Theft Apprehension Program, Sexual Assault Felony Enforcement Teams, and various other public safety programs.

- Board of Equalization (BOE) Facilities Needs— An increase of \$3.3 million General Fund and \$2.5 million special fund to address problems caused by overcrowding in the Sacramento headquarters building. The funds will support relocation and rental costs for approximately 500 employees who have been added to the budget in recent years due to workload growth and efforts to improve collections.
- Flavored Malt Beverage Taxation— An increase of \$1.3 million to collect revenues resulting from BOE regulations that require favored malt beverages to be taxed at the distilled liquor rate of \$3.30 per gallon, as opposed to the beer rate of 20 cents per gallon. BOE estimates the regulations will generate \$38.3 million in General Fund revenue in 2009-10.
- Chief Information Officer Education Data System Strategic Plan— An increase of \$2 million General Fund and one position to develop a strategic plan for education data systems by September 1, 2009, as required by Chapter 8, Statutes of 2008, which would provide an overall structural design to link education data systems.
- Chief Information Officer Workload— An increase of \$3.7 million General Fund and \$2.7 million other funds to fund 28 positions to provide sufficient resources to carry out the duties of the Chief Information Officer to provide information technology strategic vision and planning, enterprise-wide standards, information technology policy, and project approval and oversight.

Non-General Fund expenditures are proposed to decrease by \$205.8 million, or 4.5 percent.

The major Non-General Fund workload adjustments are as follows:

- Trial Court Facilities— An increase of \$17.5 million for the Courts to implement Chapter 311, Statutes of 2008, related to Trial Court facility modifications.
- Removal of One-time Costs— A decrease of \$146.8 million various special funds related to the removal of one-time costs for the Secretary of State, California Gambling Control Commission, Department of Insurance, State Controller's Office, Judiciary, and School Finance Authority.



## Summary of Major Changes by Major Program Areas

- Interoperability Communication Grants—An increase of \$4.5 million Federal Funds for the CalEMA related to Public Safety Interoperability Communications grants.

The major Non-General Fund policy adjustments are as follows:

- Court Case Management System— An increase of \$119.3 million in various special funds in 2008-09 and \$78.4 million in 2009-10 for the Courts to implement a comprehensive case management system.
- Emergency Response Initiative—An increase of \$17.1 million Emergency Response Fund for the CalEMA related to the implementation of the Emergency Response Initiative, intended to enhance the State's emergency response capabilities. This initiative will be funded through a 2.8% surcharge on all residential and commercial property insurance statewide.

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### State and Consumer Services

General Fund expenditures are proposed to increase by \$8.8 million, or 1.6 percent.

The major General Fund workload adjustments are as follows:

- Business License Information Sharing— An increase of \$3.1 million to implement legislation that allows local governments to share business license information with the Franchise Tax Board (FTB) to identify persons and entities who are not filing state tax returns. FTB estimates the associated General Fund revenues at \$4 million in 2009-10, increasing to \$40 million in 2013-14.
- Enterprise Data to Revenue (EDR) Project— An increase of \$3.9 million for first-year information technology project costs to expand the amount of usable information entered into the FTB database from personal income tax and business entity tax returns. These additional data will be leveraged for audit leads and to identify costly errors in multi-page tax returns. The EDR will generate \$14 million in General Fund revenues in 2009-10, due largely to clearing an existing backlog of business entity tax returns. Once fully implemented in 2012-13, FTB estimates EDR will generate a minimum of \$90 million per year in General Fund revenues.
- Enterprise Customer, Asset, Income, and Return Information Technology Project — An increase of \$1.3 million for the first year of a multi-year project to expand the capacity of FTB technology data that serve as a repository for personal income tax and corporation tax returns to facilitate improved collections. This project is expected to produce more revenues than it costs.

## Summary of Major Changes by Major Program Areas

The major General Fund policy adjustments are as follows:

- Delay Science Center Expansion—A reduction of \$4.1 million due to the delay in the planned opening of Phase II—World of Ecology by one year.

Non-General Fund expenditures are proposed to increase by \$1.8 billion, or 7.0 percent.

The major Non-General Fund workload adjustments are as follows:

- Benefit Payments for State Annuitants— An increase of \$758.8 million in the California Public Employees Retirement System to fund benefit payments for state annuitants.
- Benefit Payments for Retired Teachers— An increase of \$972.4 million in the California State Teachers Retirement System to fund benefit payments for retired teachers.

The major Non-General Fund policy adjustments are as follows:

- Comprehensive Healing Arts Board Fingerprinting Program—An increase of \$5.8 million to fingerprint and conduct background checks for all licensees of the Department of Consumer Affairs healing arts boards to enhance consumer protection.
- Energy Efficiency in State-Owned Buildings—A one-time increase of \$7.2 million Service Revolving Fund for the Department of General Services to support retro-commissioning activities that will decrease energy usage in state-owned buildings.

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## Business, Transportation, and Housing

General Fund expenditures are proposed to increase by \$399.2 million, or 29.2 percent.

The major General Fund policy adjustments are as follows:

- The increase in 2009-10 funding over 2008-09 is due to the increase in the Proposition 42 sales tax revenues driven by the 1.5-cent sales tax rate increase and the sales tax on selected services that are proposed as part of the overall General Fund budget solution. Of note, though, base Proposition 42 revenues have declined from the 2008 enacted Budget by \$81.3 million in 2008-09 and \$233.6 million in 2009-10, due to economic conditions.

## Summary of Major Changes by Major Program Areas

While not reflected in expenditure numbers for this Agency, the following policy proposals contribute to balancing the General Fund budget:

- The budget proposes the elimination of \$153.2 million in 2008-09 and \$306 million in 2009-10 for local transit grants previously funded with sales tax on fuels. Funds made available by this proposal are shifted to transportation programs previously funded by the General Fund including Home-to-School Transportation (see Education).
- The budget proposes trailer bill language that would redirect the \$100.8 million in annual tribal gaming revenues from funding transportation projects to the General Fund in 2008-09 and 2009-10 (see Revenues). Because this would result in a \$100.8 million reduction in resources in both years for State Highway Operation and Protection Program (SHOPP) and Traffic Congestion Relief Program (TCRP), the transfer of these revenues to the General Fund would be contingent upon the state receiving at least this amount from a federal stimulus package. These quarterly transfers would stop in the event that litigation that has prevented tribal gaming bonds from being sold is successfully resolved and when the transaction requires the availability of those funds.
- An increase of \$12 in annual vehicle registration fees to support the Department of Motor Vehicles to replace funds shifted to local government public safety programs.

The major Non-General Fund policy adjustments are as follows:

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### State Transit Assistance

- The estimated revenues from fuel sales tax spillover have dropped from the \$1.4 billion level estimated in the 2008 Budget Act to \$1.0 billion in 2008-09, and are forecast to drop to only \$90 million in 2009-10, due to the steep decline in gas prices.
- As part of the Governor's economic stimulus package, the proposed budget provides an additional \$800 million in Proposition 1B funding for local transit projects, and another \$350 million in 2009-10.

## Summary of Major Changes by Major Program Areas

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### Department of Transportation (Caltrans)

- Legislation provides that for all future spillover revenues go to the Mass Transportation Fund to fund transportation programs previously funded by the General Fund. Given current economic projections, it is not likely that there will be much, if any, spillover revenue in the next few years.
- An economic stimulus package that includes \$2.1 billion in 2008-09 and \$165 million in 2009-10 as follows:
  - Exemptions for a limited number of projects from the California Environmental Quality Act (CEQA) to accelerate project delivery. Caltrans estimates that this exemption will bring forward a total of \$822 million in projects funded from Proposition 42, Grant Anticipation Revenue Vehicles (GARVEE) bonds, Proposition 1B bonds, and local reimbursements.
  - Expanded authority for Caltrans to use design-build contracting to accelerate projects.
  - Expanded authority for Caltrans to do performance-based projects.
  - Increased appropriations by an additional \$700 million in Proposition 1B bond funds in 2008-09 for local road maintenance, provided that these funds could be spent by December 31, 2009.
- A 2008-09 increase in federal funds anticipation bonds of \$769 million to accelerate three major State Highway Operation and Protection Program (SHOPP) projects. This action will save the state over \$13.6 million in net debt service costs over multiple years and future cost escalation as compared to when these projects would have been done on a pay-as-you-go basis.
- An increase of \$53.4 million State Highway Account to replace and retrofit Caltrans vehicles to meet state, federal, and local air quality requirements.

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### High-Speed Rail

- An increase of \$123.4 million from Proposition 1A of 2008 bonds for High-Speed Rail projects to begin the detailed engineering, design, and environmental work needed to ready segments for construction funding.

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### California Highway Patrol

- An increase of \$34.9 million Motor Vehicle Account to fund 240 new California Highway Patrol officer and related support positions. This is part of a concerted five-year effort to improve public safety through proactive road patrols and reduced response times to major collisions and to persons needing assistance on state highways.
- An increase of \$11.9 million Motor Vehicle Account to replace the California Highway Patrol Computer-Aided Dispatch (CAD) system. This is part of an effort that will total \$38.8 million to improve dispatching of emergency calls from the public in need of assistance.

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### Department of Motor Vehicles

- An increase of \$11 million Motor Vehicle Account and 16 positions for production of the new driver license/identification/sales person cards. The new cards will meet the enhanced federal security requirements under REAL ID and will require a \$3 increase in driver's license fees. An increase of \$4.2 million and 45.1 positions is proposed to implement improved driver license/identification card procedures to begin to bring California into compliance with the REAL ID Act.

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### Department of Housing and Community Development

- The Budget includes \$487 million from Proposition 1C to assist in the development of affordable housing, including \$190 million for the Infill Incentive Grant program, \$34 million for the Transit-Oriented Development program, and \$10 million for the Housing-Related Parks program.
- The Budget includes \$140 million from federal funds in 2008-09 for local governments to rehabilitate neighborhoods with abandoned or foreclosed homes. Funding may be used by local governments to purchase and rehabilitate these homes to sell or lease them to low- or moderate-income families.

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### Resources

General Fund expenditures are proposed to decrease by \$257.7 million, or 18 percent. This decrease is primarily attributable to the Department of Forestry and Fire Protection's (CAL FIRE's) significant emergency fire suppression expenditures in the current year.

## Summary of Major Changes by Major Program Areas

The major General Fund workload adjustments are as follows:

- A decrease of \$248 million for CAL FIRE's emergency fire suppression expenditures. As a result of the severe summer lightning fires and additional Southern California wildfires in October 2008, CAL FIRE's emergency fire costs are estimated to be \$437 million in 2008-09. The Budget proposes \$189 million for CAL FIRE's emergency fire expenditures in 2009-10, which reflects the historical average of firefighting costs over the past five years and additional federal reimbursements.

The major General Fund policy adjustments are as follows:

- An increase of \$3.8 million to reflect the full-year cost for the Department of Conservation to administer and collect a severance tax on oil extracted from California's soil or water. The proposal to establish a 9.9-percent oil severance tax is estimated to generate \$358 million in 2008-09 and \$855 million in 2009-10.
- A decrease of \$17 million to realign the Conservation Corps. This proposal will provide additional support in future years for the 12 certified non-profit local conservation corps by eliminating the state-level Conservation Corps and increasing state grant funding to the local corps.
- A fund shift of \$11 million in 2008-09 and \$8 million in 2009-10 to Proposition 84 funds for implementation of the Department of Parks and Recreation's Americans with Disabilities Act multi-year compliance plan.

Non-General Fund expenditures are proposed to decrease by \$1.2 billion, or 11 percent.

The major Non-General Fund workload adjustments are as follows:

- A decrease of \$332 million related to the Department of Water Resources' (DWR's) expiring long-term energy contracts entered into during the 2001 energy crisis.

The major Non-General Fund policy adjustments are as follows:

- An increase of \$38.4 million, including \$30.9 million Proposition 84, for recreation and fish and wildlife enhancements at State Water Project facilities. This proposal also includes amendments to the Davis-Dolwig Act to clarify the Legislature's constitutional appropriation authority and provide an annual transfer of \$7.5 million from Harbors and Watercraft Fund to DWR for boating-related recreation and fish and wildlife enhancements.

## Summary of Major Changes by Major Program Areas

- An increase of \$684.5 million in Proposition 84 and 1E bond funds for multiple food control projects and levee improvements in the Delta and Central Valley.
- An increase of \$2.2 million State Water Project funds and 16.1 positions to support the development of an Environmental Impact Report/Environmental Impact Statement for alternative Delta conveyance options, consistent with the recommendations of the Delta Vision Task Force.
- An increase of \$3 million reimbursements and 20.9 positions for the Department of Fish and Game to develop a Natural Community Conservation Plan to facilitate environmental permitting of renewable energy generation projects in the Colorado and Mojave Desert regions. Related to this effort, the California Energy Commission will receive \$2.6 million Energy Resources Programs Account and 10 positions to assist DFG and to work with the Bureau of Land Management to facilitate the development of solar projects while minimizing environmental impacts.
- An increase of \$3 million Fish and Game Preservation Fund for 14.2 additional warden positions to improve enforcement of fish, wildlife, pollution, and habitat protection laws.

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### **Environmental Protection**

General Fund expenditures are proposed to decrease by \$3.9 million, or 4.7 percent.

The major General Fund workload adjustments are as follows:

- A decrease of \$2.7 million for capital outlay and \$1.1 million for general obligation bond debt service.

Non-General Fund expenditures are proposed to decrease by \$155.2 million, or 8.3 percent.

The major Non-General Fund workload adjustments are as follows:

- An increase of \$2.9 million in various special funds to provide grant funding to small, disadvantaged communities for wastewater projects per Chapter 609, Statutes of 2008 and to develop pilot projects in the Tulare Lake Basin and the Salinas Valley that focus on nitrate contamination in groundwater.

## Summary of Major Changes by Major Program Areas

- An increase of \$682,000 Air Pollution Control Fund and 1.9 positions for the Air Resources Board to implement Chapter 728, Statutes of 2008. The Air Resources Board, in consultation with the California Transportation Commission and the Department of Transportation, will prepare specific guidelines for the travel demand models used in the development of transportation plans by regional transportation planning agencies by January 1, 2010, and will maintain such models thereafter, along with providing greenhouse gas emission reduction targets for 2020 and 2035.
- A decrease of \$193.5 million in carryover and one-time expenditures of bond and special funds from Fiscal Year 2008-09.

The major Non-General Fund policy adjustments are as follows:

- An increase of \$8.6 million Tire Recycling Management Fund and 4.3 positions to implement Waste Tire Recycling Management Program activities, including a new equipment loan program, local assistance grants, and public outreach and education.
- An increase of \$1.6 million Motor Vehicle Account and 4.8 positions for the Air Resources Board to provide compliance assistance and outreach to businesses and individuals subject to new heavy-duty diesel-powered vehicle regulations aimed at reducing toxic emissions to meet federal clean air standards.
- An increase of \$675,000 Safe Drinking Water and Toxic Enforcement Fund and 4.3 positions for the Office of Environmental Health Hazard Assessment to identify and list additional chemicals subject to the provisions of Proposition 65.

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## Health and Human Services

The Governor's Budget includes significant reductions necessary to address the state's fiscal shortfall. The Administration remains committed to supporting improved outcomes for children and youth in foster care, ensuring more children are enrolled in no- and low-cost health coverage programs, better linking the needs of seniors and persons with disabilities with appropriate services, protecting the health and safety of Californians served by Health and Human Services Agency-licensed facilities, and ensuring the state's public health system is ready to respond to natural and/or man-made disasters and incidents.

General Fund expenditures are proposed to decrease by \$1.025 billion in 2009-10, or 3.3 percent.



## Summary of Major Changes by Major Program Areas

The major General Fund workload adjustments are as follows:

- An increase of \$2.407 billion for enrollment, caseload and population-driven programs including:
  - \$1.085 billion in the Department of Health Care Services, primarily due to caseload and rate adjustments in the Medi-Cal Program;
  - \$907.4 million in the Department of Social Services, primarily due to caseload increases in the CalWORKs and Supplemental Security Income/State Supplementary Payment programs, as well as caseload growth and provider wage and benefit increases in the In-Home Supportive Services program;
  - \$382.5 million in the Department of Developmental Services, resulting from increased population and service utilization in the Regional Centers; and
  - \$38.7 million in the Department of Mental Health, primarily due to higher services costs, increased service utilization, and increased caseload in the Early and Periodic Screening, Diagnosis, and Treatment program.
- An increase of \$106 million for statutorily required cost-of-living adjustments (COLAs) to monthly benefit payment levels for programs in the Department of Social Services.

The major General Fund policy adjustments are as follows:

- A decrease of \$275 million through elimination of the California Children and Families Commission and redirection of all state funds and 50 percent of local funds to support children's programs administered by the Department of Social Services. This reduction would target resources to high-priority state programs that would otherwise require General Fund support, while also allowing some funding to be retained by counties to continue to fund local priorities. This proposal does not impact local fund reserves.
- A decrease of \$24.7 million for suspending the statutory COLA for County Administration in the Medi-Cal Program.

## Summary of Major Changes by Major Program Areas

- A decrease of \$50.8 million in 2008-09 and \$668.7 million in 2009-10 for various eligibility and benefit changes in the Medi-Cal Program, including:
  - \$39.4 million (\$19.7 million General Fund) in 2008-09 and \$258.8 million (\$129.4 million General Fund) in 2009-10 by eliminating certain Medi-Cal optional benefits for adults, including dental, optometry, and psychology.
  - \$4.4 million (\$9.4 million General Fund and increased federal funds of \$5 million due to diminished recoupments) in 2008-09 and \$64.6 million (\$139.9 million General Fund and increased federal funds of \$75.3 million) in 2009-10 by providing "limited-scope" benefits to newly qualified immigrants and immigrants who permanently reside under the color of law.
  - \$9.6 million (\$4.8 million General Fund) in 2008-09 and \$142.4 million (\$71.2 million General Fund) in 2009-10 by implementing month-to-month eligibility for undocumented immigrants unless a subsequent emergency ensues.
  - \$5.2 million (\$2.6 million General Fund) in 2008-09 and \$176.4 million (\$88.6 million General Fund) by reducing income eligibility for the Medi-Cal 1931(b) program and modifying eligibility for two-parent families by redefining under-employment.
  - \$54.2 million General Fund and an increase of \$54.2 million in federal funds in 2009-10 by reducing reimbursement rates for public hospitals and instead using federal funds for particular public health programs.
  - \$28.6 million (\$14.3 million General Fund) in 2008-09 and \$371.6 million (\$185.8 million General Fund) in 2009-10 by increasing the Medi-Cal share of cost requirement to the 2001 eligibility level for the Aged, Blind, and Disabled program.
- A shift of \$85.5 million from 2008-09 to 2009-10 to reflect a one-month delay in checkwrite payments to Medi-Cal fee-for-service providers. This proposal is in addition to a previously authorized two-week delay under current law.
- A decrease of \$334 million in 2009-10 in the Department of Developmental Services (DDS) Regional Centers. The DDS Regional Centers continue to experience significant and unsustainable expenditure growth. The DDS will work closely with the regional centers to manage program expenditures while meeting consumer service needs within the existing 2008-09 appropriation authority. For 2009-10, the DDS estimates that absent changes to contain costs, there will be significant

## Summary of Major Changes by Major Program Areas

caseload and expenditure growth. The budget establishes a savings target of \$334 million. The DDS will work with the Legislature and stakeholders in the coming months to develop proposals to maintain the 2008-09 fund level and achieve the targeted savings while maintaining the entitlement and ensuring program and service integrity.

- A decrease of \$24.6 million in 2008-09 for DDS regional centers, annualized to \$60.2 million in 2009-10, related to a 3-percent discount of payments made to service providers by regional centers and a reduction of regional center operations costs by 3 percent effective February 1, 2009. The savings in this proposal reflect a reduction of \$4.1 million in 2008-09, and \$12.2 million in 2009-10 to adjust for the proposed reduction of the State Supplemental Payment (SSP) to the federal minimum.
- A decrease of \$226.7 million General Fund in 2009-10 by instead funding Mental Health Managed Care with Proposition 63 funds. This requires amending the non-supplantation requirement of the Mental Health Services Act (Proposition 63) to allow the use of Proposition 63 funds for Mental Health Managed Care. Also, the Department of Mental Health will work with the counties and other stakeholders on changes necessary to provide greater local flexibility regarding the maintenance of effort and non-supplantation requirements of the Act. Implementation of this proposal will require passage of a voter initiative.
- A decrease of \$79.1 million in 2009-10 by suspending the July 2009 CalWORKs COLA.
- A decrease of \$40 million in CalWORKs in 2009-10 by suspending the Pay for Performance county incentive program.
- A decrease of \$27 million in 2009-10 by suspending the June 2010 state Supplemental Security Income/State Supplementary Payment (SSI/SSP) COLA. The annualized savings resulting from this COLA suspension is estimated to be \$323.9 million beginning in 2010-11.
- A decrease of \$14.6 million due to delaying by six months the replacement of Los Angeles County's automated benefit and eligibility determination system.
- A decrease of \$200.1 million in 2008-09 and \$1.247 billion in 2009-10 in the SSI/SSP program by reducing the SSP grant to the federally required minimum and eliminating the Cash Assistance Program for Immigrants.

## Summary of Major Changes by Major Program Areas

- A decrease of \$123.5 million in 2008-09 and \$696.9 million in 2009-10 for the CalWORKs program. These savings would be achieved by modifying the Safety Net program to reward working families who are fully participating in federal work requirements with continued maximum Safety Net benefits, imposing a 60-month time limit on assistance for certain child-only cases, implementing a six-month self sufficiency review requirement to engage families who are not participating in work requirements, and reducing monthly assistance payments by 10 percent. Due to the shifting of federal funds, these proposals also result in General Fund savings of \$24.3 million in the DDS budget and \$192.6 million in the California Student Aid Commission budget.
- A decrease of \$62.7 million in 2008-09 and \$384.2 million in 2009-10 for the In-Home Supportive Services (IHSS) program. These savings would result from providing non-medical services to only the neediest IHSS recipients, eliminating the state's share of cost contribution for the least-needy recipients, and reducing state participation in IHSS provider wages to the minimum wage.
- A decrease of \$37.8 million in 2009-10 from eliminating the California Food Assistance Program effective July 1, 2009.
- An increase of \$584,000 for enhancing Medi-Cal Program Integrity and Eligibility Verification.
- An increase of \$448,000 for readily available pharmaceutical cache supplies to treat patients at state-owned Mobile Field Hospitals in a disaster situation. The pharmaceutical vendor will ensure delivery of appropriate pharmaceutical supplies to the designated location within 48 hours of activation of the Mobile Field Hospitals.
- A decrease of \$8.3 million and an increase of \$8.3 million Cigarette and Tobacco Products Surtax Fund for certain costs for hospital services reimbursed by the Medi-Cal program.

The major Non-General Fund workload adjustments are as follows:

- A decrease of \$511 million Local Revenue Fund attributable to revenue declines in the State-Local Realignment program.
- An increase of \$86.1 million AIDS Drug Assistance Program (ADAP) Rebate Fund for the ADAP to fund a projected increase in prescription drug costs and number of clients served.

## Summary of Major Changes by Major Program Areas

- An increase of \$3.5 million Technical Assistance Fund for the Department of Social Services Community Care Licensing Division to provide for investigations of Registered Sex Offenders and investigation of serious crime arrests of licensees. Licensing fees would be increased as needed to offset the General Fund impact of this proposal.

The major Non-General Fund policy adjustments are as follows:

- A shift of \$365.5 million from the General Fund to the newly created Drug and Alcohol Prevention and Treatment Fund to support existing alcohol and drug programs. Beginning July 1, 2009, these programs will be supported by a proposed increase to the existing alcohol excise tax, estimated to generate an additional \$585 million in General Fund revenues annually. A portion of these revenues will also offset \$219.5 million General Fund costs for alcohol and drug programs administered by the California Department of Corrections and Rehabilitation.

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### **Corrections and Rehabilitation**

General Fund expenditures are proposed to decrease by \$841.9 million, or 8.7 percent.

The major General Fund workload adjustments are as follows:

- Full-Year Cost of Approved Programs— An increase of \$232.1 million to reflect the full-year cost of new and expanded programs, including increases to continue the previously approved rollout of substance abuse and other programs under AB 900 (\$56.7 million), contracted out-of-state beds (\$34.0 million), activation of the Northern California Reentry Facility (\$47.2 million), and rehabilitative programs for female offenders (\$94.2 million).
- Price Increase—An increase of \$88.3 million to adjust the California Department of Corrections and Rehabilitation (CDCR) operating budget for anticipated price increases.

The major General Fund policy adjustments are as follows:

- Substance Abuse Treatment Programs Fund Shift— A decrease of \$219.5 million to reflect a funding shift for correctional drug and alcohol treatment programs from the General Fund to a special fund with revenues to be derived from a proposed increase to the existing Alcohol Excise Tax. Similar fund shifts, which provide

## Summary of Major Changes by Major Program Areas

General Fund relief while instituting a permanent and appropriate new fund source, are proposed in the Department of Drug and Alcohol Programs and the Department of Social Services.

- **Prison and Parole Reforms**—A decrease of \$598.4 million General Fund related to various prison and parole reforms, as proposed by the Administration in the Special Session. This savings would be generated through enhanced credit earnings for inmates, including providing continuous day-for-day credits for inmates who are in jail pending transfer to a state prison and providing program credits for each program successfully completed by an eligible inmate, eliminating parole for non-serious, non-violent, and non-sex offenders, and by adjusting the threshold value for property crimes to reflect inflation since 1982.
- **Unallocated Reduction to Receiver's Budget**— A decrease of \$180.8 million as a result of a 10-percent unallocated reduction to the Receiver's Medical Services Program budget.
- **Reduction of Public Safety Grants**— A reduction of \$181.2 million General Fund for local public safety grants administered by the Corrections Standards Authority. Specifically, the budget proposes to eliminate General Fund local assistance funding of \$151.8 million to support local juvenile probation activities and \$29.4 million to offset costs of operating juvenile camps and ranches. The reduction of General Fund resources for juvenile probation activities is largely offset by a backfill of Vehicle Licensing Fee funds of \$135.9 million.

Non-General Fund expenditures are proposed to increase by \$219.9 million, or 87.2 percent.

The major Non-General Fund policy adjustments are as follows:

- **Substance Abuse Treatment Programs Fund Shift**—An increase of \$219.5 million to reflect expenditures from a special fund with revenues to be derived from a proposed increase to the existing alcohol excise tax (See Revenues).

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### **Higher Education-Non Proposition 98 Programs**

General Fund expenditures for Higher Education agencies, including the University of California (UC), California State University (CSU), Hastings College of Law (HCL), California Postsecondary Education Commission (CPEC), the Student Aid Commission (CSAC), and the California Community Colleges (CCC) are proposed at approximately

## Summary of Major Changes by Major Program Areas

\$6.9 billion for 2008-09 and \$6.8 billion for 2009-10, reflecting a decrease of \$67.7 million, or 1.0 percent.

Non-General Fund expenditures are proposed to increase by \$717.3 million, or 2.9 percent.

All Proposition 98-related program expenditures for the Community Colleges are reflected in a separate Proposition 98 section below. Also, General Obligation Bond and Lease-Revenue Debt Service associated with higher education construction is addressed in a separate Infrastructure Section.

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### General Fund

The major General Fund workload adjustments are as follows:

- \$427.7 million increase pursuant to the Higher Education Compact for UC (\$209.9 million), CSU (\$217.3 million) and HCL (\$531,000) reflecting 4 percent for general operating costs, 1 percent for core needs that impact instruction, and 2.5 percent enrollment growth for UC and CSU. Growth adjustments include \$71.6 million for 8,786 Full Time Equivalent Students (FTES) for CSU and \$56.2 million for 5,086 FTES for UC.
- \$174.1 million increase to CSAC local assistance for projected increased costs in the CalGrant program (\$150.4 million) resulting primarily from a current-year surge in renewals and higher-than-expected new awards, anticipated undergraduate fee increases for UC and CSU (9.3 percent and 10 percent, respectively), plus \$24 million to backfill the use of one-time Student Loan Operating Fund resources. A net current-year estimated shortfall of \$62.6 million General Fund local assistance is recognized, as well.
- \$12.1 million increase for annuitant retirement benefits (primarily \$11.3 million for UC).
- \$6.4 million increase to the State Teacher Retirement System for additional costs for CCC employees based on 8.02 percent of applicable payroll.
- \$5 million increase to UC to backfill use of one-time federal funds in 2008-09 for the Subject Matter Projects.
- \$1.5 million increase to UC to fund the next phase of medical enrollments for the PRIME program.

## Summary of Major Changes by Major Program Areas

- \$5 million decrease to UC to reflect phase-out of the UC Merced campus startup funding.
- \$1 million decrease to CSAC state operations to remove one-time funding for relocation of CSAC.

The major General Fund policy adjustments are as follows:

- \$427.7 million cost avoidance decrease to reflect elimination of the Higher Education Compact funding as part of solutions to address the fiscal crisis.
- \$192.6 million decrease to CSAC local assistance resulting from shifting a portion of CalGrant costs in the budget year to Temporary Assistance for Needy Families (TANF) reimbursements as part of the Administration's proposed solution on TANF Maintenance of Effort.
- \$132.1 million ongoing decreases commencing in the current year for unallocated reductions proposed for UC (\$65.5 million), CSU (\$66.3 million), and HCL (\$402,000).
- \$87.5 million decrease to CSAC's CalGrants local assistance to reflect cost savings measures proposed to keep costs flat from year to year. Those policy proposals include: freezing income eligibility limits (\$7 million); reducing the maximum award for students attending private institutions from \$9,708 to \$8,322 (\$11 million); elimination of the CalGrant Competitive Program (\$52.9 million); and partially decoupling awards to public institutions from fee increases (\$16.6 million — which reflects approximately one-third of the undergraduate fee increases assumed for UC and CSU in 2008-09 as noted below).
- \$2 million decrease for anticipated savings from a proposal to consolidate the functions of CPEC and CSAC through a reorganization proposal and to decentralize the administration of financial aid, including CalGrants, to the higher education segments. This reorganization is intended to eliminate duplicative handling of financial aid awards, to reduce administrative costs at the segment level, to eliminate duplicative overhead costs in state operations, and to create one-stop packaging of financial aid that will benefit students.
- \$79.5 million estimated ongoing increase to replace the segments' shares of Lottery proceeds related to securitization of the Lottery pursuant to Chapter 764, Statutes of 2008 (\$49.6 million for CSU, \$29.8 million for UC and \$170,000 for Hastings).



## Summary of Major Changes by Major Program Areas

- \$3.6 million increase to CSU to fund an additional cohort of 340 undergraduate nursing enrollments at full cost.
- \$1.1 million increase to UC to fund an additional cohort of 50 undergraduate and 42 master's level nursing enrollments at full cost.
- \$280,000 increase to the Chancellor's Office for CCC to address critical state operations workloads.

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### Other Funds

The major Non-General Fund workload adjustments are as follows:

- \$300.7 million increase to reflect assumed fee increases of 9.3 percent for UC (\$166.1 million), 10 percent for CSU (\$130.4 million), and 13 percent for HCL (\$4.2 million). Systemwide undergraduate fees are assumed to increase from \$7,126 to \$7,788 for UC and from \$3,048 to \$3,354 for CSU. These increases would apply to professional and graduate students at UC and CSU. Consistent with current policy, at least one-third of additional fee increase revenue would be set aside for institutional financial aid to preserve equitable access for low-income students. For HCL, enrollment fees will increase from \$26,003 to \$29,383. Fees for most professional schools at UC will increase by an average of about 12 percent ranging from 5 percent to 24 percent.

The major Non-General Fund policy adjustments are as follows:

- \$167.5 million decrease to CCC local assistance for removal of Lottery revenue to reflect the shift to General Fund for the Lottery Securitization proposal in the budget year pursuant to Chapter 764, Statutes of 2008.
- \$79.5 million total decrease for UC, CSU and HCL for removal of Lottery revenue to reflect the shift to General Fund for the Lottery Securitization proposal in the budget year.
- \$132,000 increase in current year (\$92,000) and in budget year (\$40,000) from a federal grant for CCC state operations and local assistance activities to better coordinate math- and science-related professional development improvements.

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### **K-12 Education-Non Proposition 98 Programs**

General Fund expenditures for K-12 agencies, including the Department of Education (CDE), California State Library (CSL), Teacher Credentialing Commission (CTC), and others are proposed at approximately \$1.2 billion in 2008-09 and \$1.3 billion in 2009-10, reflecting an increase of \$111.4 million, or 9.4 percent.

Non-General Fund expenditures are anticipated to decrease by \$5 billion, or 19 percent.

All Proposition-98 related program expenditures for K-12 agencies are reflected in a separate Proposition 98 Section below. Also, General Obligation Bond and Lease-Revenue Debt Service associated with K-12 construction is addressed in a separate Infrastructure Section.

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#### **General Fund**

- The major General Fund workload adjustments are as follows:
- \$108.6 million net increase to the State Teacher Retirement System (STRS) for additional K-12 employee costs, including \$21.1 million for the Defined Benefits Program based on 2.017 percent of applicable payroll, \$30.5 million for the STRS Supplemental Benefits Maintenance Account (SBMA) based on 2.5 percent of applicable payroll, and \$57 million as the first interest payment on settlement of the SBMA lawsuit.
- \$2.2 million increase to CDE for the purpose of funding the next phase of the California Longitudinal Teacher Integrated Data Education System (CALTIDES), the new teacher information database.
- \$195,000 increase for growth in nutrition programs at private entities.
- \$3.4 million net decrease to CSL for one-time costs for the Integrated Library System Replacement project (-\$1.3 million) and for costs of relocation during renovation (-\$2.0 million). The budget continues to provide (\$81,000) and (\$549,000), respectively, for these same programs.
- \$1.7 million decrease to CDE to align High School Exit Examination legal defense costs with expected expenditures.

## Summary of Major Changes by Major Program Areas

The major General Fund policy adjustments are as follows:

- \$3.8 million increase to CDE to offset a reduction to the State Special Schools that was made possible by use of one-time federal funds in the current year.
- \$500,000 increase to the State Board of Education (in CDE budget) for legal defense costs related to Federal Algebra I reporting requirements.

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### Other Funds

The major Non-General Fund workload adjustments are as follows:

- \$3.9 billion current year increase in estimated expenditures of bond funds for the K-12 School Facilities Aid Program. This virtually exhausts balances in the 2002 and 2004 K-12 facilities bond funds, thereby resulting in a large decrease in 2009-10 by comparison.
- \$10.7 million increase to CDE from federal Title VI funds for the next phase of the California Longitudinal Pupil Achievement Data System (CALPADS) implementation and development, which will establish a longitudinal student level database.
- \$1.7 million increase to CDE from federal funds for extension of limited-term positions for the Child Nutrition Information and Payment (CNIPS) System.
- \$1 million increase to CDE from reimbursement authority for local assistance, for a total of \$4 million, pursuant to an interagency agreement with the CCC Chancellor's Office for the second year of the \$12 million Green Partnership Academies program that was funded from the Public Interest Research, Development, and Demonstration Fund in legislation enacted to implement the budget in 2008. This funding provides three-year start-up funding for dozens of new academies throughout the state focused on clean energy and other technologies that improve the environment utilizing the statutory academy funding model.
- \$736,000 increase to CDE from federal funds for the next phase of implementation of the Child Care Provider Accounting and Reporting Information System (PARIS).
- \$568,000 net increase to CDE from federal funds to align the testing appropriation with anticipated contract costs and the one time availability of federal carryover funds.

## Summary of Major Changes by Major Program Areas

- \$474,000 increase to CDE from reimbursements for oversight of State Board of Education-authorized charter schools.
- \$100,000 increase to CDE from reimbursements for the costs of California High School Proficiency Exam.
- \$945,000 decrease to CDE from federal funds for elimination of the Compliance, Monitoring, Intervention, and Sanctions Program. These funds will be shifted to offset General Fund costs related to the next development phase of CALTIDES.

The major Non-General Fund policy adjustments are as follows:

- \$891.6 million decrease to CDE local assistance for removal of Lottery revenue associated with the Lottery Securitization proposal. Under the proposal, this funding is shifted to General Fund in 2009-10.
- \$1 billion increase to CDE local assistance (\$618.7 million in current year and \$398.5 million in budget year) to directly fund Home-to-School Transportation from the Public Transportation Account and Motor Vehicle Transportation Fund.
- \$4 million increase to CDE local assistance from federal funds for the Fresh Fruit and Vegetable Program, which provides an additional free fresh fruit or vegetable snack to students during the school day.
- \$1.2 million increase to CTC from the Teacher Credential Fund for the following state operations purposes: \$248,000 for funding positions for the next phase of CALTIDES development, \$413,000 for the Credential Web Interface Project, and \$515,000 for revalidation of the Formative Assessment for California Teachers.
- \$1.1 million increase to the Scholarshare Investment Board from the Scholarshare Administrative Fund to initiate a new outreach and public education program focused on young families and state employees that promotes systematic saving for college through the Golden State Scholarshare College Savings Trust Program.
- \$172,000 increase in the current year and \$193,000 in the budget year to CTC from federal funds for foreign language professional development.

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## Proposition 98

Total Proposition 98 expenditures are proposed to decrease from the \$58.1 billion amount assumed for the enacted budget to the minimum required guarantee of \$51.5 billion in 2008-09 reflecting a decrease of \$6.6 billion, or 11.4 percent.

The budget also funds the minimum required guarantee in the budget year at \$55.9 billion, reflecting an increase of \$4.4 billion, or 8.5 percent, compared to the current year minimum level.

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### 2008-09

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

- An increase of \$430 million to backfill significant reductions in school district and county office of education property tax revenues. In general, increases in local property tax revenues decrease the amount of state General Fund costs for revenue limit apportionments.

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

- A decrease of \$42 million to reflect expected savings in CalWORKs Stage 2 Child Care (\$27 million) and CalWORKs Stage 3 (\$15 million) caseload-driven programs based on revised estimates.

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

- Although current year property tax revenue estimates are revised down by \$4 million, increases in estimated current year fee revenue plus oil and mineral revenue will more than offset that amount; thus, no deficit in Apportionments should result.

The major General Fund policy adjustments for K-12 entities are as follows:

- The budget includes proposals to reduce the 2008-09 Proposition 98 Guarantee that do not directly reduce program spending in the current year. These include the multi-year deferral of \$2.6 billion of school district revenue limit and K-3 Class Size Reduction program payments from April of the 2008-09 fiscal year to July of the 2009-10 fiscal year, the use of \$1.1 billion in settle-up monies, owed in satisfaction of prior year Proposition 98 minimum guarantees which were underappropriated, for school district revenue limit costs, and the use of \$618.7 million of Public Transportation Account and Mass Transportation Fund resources for the Home-to-School Transportation program.

## Summary of Major Changes by Major Program Areas

- As a result of the proposals identified above to reduce the Proposition 98 Guarantee without reducing program spending, actual reductions proposed in 2008-09 are limited to the elimination of the \$247.1 million cost of living adjustment included in the 2008 Budget Act and a further decrease of \$1.6 billion to school district and county office of education revenue limits to bring Proposition 98 funding to the minimum guarantee for 2008-09.
- A decrease of \$55.5 million in 2008 Budget Act appropriations to reflect anticipated savings in various programs including CDE's Economic Income Aid (\$48.5 million), High Speed Network (\$2 million), National Board Certification (\$2 million), Certificated Staff Mentoring (\$1 million), Pupil Retention Block Grant (\$1 million), and CTC's Paraprofessional Teacher Training (\$1 million).
- These proposals are accompanied by a comprehensive package of flexibility proposals intended to help schools minimize impacts to essential classroom instruction including:
  - Authorizing local education agencies (LEAs) to transfer any categorical allocations received to their general fund for any purpose, without dollar limitation. In order to utilize this flexibility, LEAs would be required to sunshine those decisions in public hearings.
  - Reducing required contributions into restricted routine maintenance accounts from 3 percent of an LEA's general fund expenditures to 1 percent in current and budget year.
  - Eliminating Deferred Maintenance Program matching requirements of one-half of one percent of revenue limit funding.
  - Reducing budget reserve requirements in half for at least the current and budget years.
  - Utilizing prior-year restricted fund reserves, with certain limitations, for any purpose in the current year.

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

- A decrease of \$55 million to reflect a permanent reduction of anticipated savings for child care programs that show significant and recurring amounts of savings each year, including General Child Care and Preschool, among others. No reduction in families served should result.

## Summary of Major Changes by Major Program Areas

- Reappropriation of an additional \$108 million of anticipated savings in prior-year child care programs to address shortfalls in the one-time sources used to partially fund CalWORKs Stage 2 and Stage 3 in the current year.

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

- A decrease of \$230 million to Apportionments to reflect an ongoing deferral of a portion of payments in January and February of the current fiscal year to July of the subsequent fiscal year. This deferral lowers the Proposition 98 guarantee in the current year, but does not reduce program spending.
- A decrease of \$39.8 million to eliminate the partial 0.68-percent COLA authorized in legislation enacted to implement the budget in 2008.
- The proposals above are accompanied by significant categorical spending flexibility, similar to that described for K-12 entities, by authorizing college districts to transfer any categorical allocations received to their General Fund, without dollar limitation, in order to maximize course offerings aligned with the system's highest priorities for transfer, basic skills and career preparation. In order to utilize this flexibility, districts would be required to disclose those decisions in public hearings.

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### 2009-10

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

- An increase of \$268.2 million to backfill significant reductions in property tax revenues. In general, increases in local property tax revenues decrease the amount of state General Fund costs for revenue limit apportionments.
- An increase of \$83.2 million for growth for the following programs: Adult Education (\$19.3 million), Child Nutrition (\$8.4 million), Charter School Categorical Block Grant (\$42.6 million), K-3 Class Size Reduction (\$9.1 million), and Teacher Credentialing Block Grant (\$3.8 million).
- An increase of \$35.5 million to reflect increased Deferred Maintenance program allocations.
- A decrease of \$152.7 million to school district and county office of education revenue limits due to a decline in average daily attendance and other miscellaneous adjustments.

## Summary of Major Changes by Major Program Areas

- A decrease of \$4.5 million to align the testing appropriation with anticipated contract costs and one time availability of federal carryover funds.

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

- An increase of \$287.5 million to backfill one-time sources used to fund the current year and to adjust for revised estimates in the caseload-driven CalWORKs Stage 2 and 3 programs, which are estimated to decrease by \$35.7 million and \$1.4 million, respectively, compared to revised current year costs.
- An increase of \$18.9 million for 1.23-percent statutory growth based on the age 4 and under population change.

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

- An increase of \$185.4 million for 3-percent growth in apportionments and categorical programs. The apportionment growth amount is estimated to fund approximately 36,000 FTES.
- A net decrease of \$24 million for other baseline adjustments, including estimated increases in local property taxes (\$6.1 million), fee revenue (\$17.6 million) and oil and mineral revenues (\$1.2 million) which offset General Fund plus an increase in amounts necessary to compensate colleges for administration of fee waivers (\$934,000).
- A decrease of \$1.3 million in estimated lease purchase payments.

The major General Fund policy adjustments for K-12 entities are as follows:

- A cost avoidance of \$2.5 billion for statutory and discretionary cost-of-living adjustments for K-12 education programs.
- A decrease of \$1.5 billion to school district and county office of education revenue limits to bring Proposition 98 funding to the minimum guarantee for 2009-10.
- A decrease of \$1.1 billion commensurate with allowing school districts to reduce the school year by five days.
- A decrease of \$398.5 million to reflect the use of an identical amount of Public Transportation Account and Mass Transportation Fund resources for the Home-to-School Transportation program. The total funded amount for this program



## Summary of Major Changes by Major Program Areas

in 2008-09 is \$618.7 million from all sources, including \$220.2 million Proposition 98 General Fund.

- Cost avoidance of \$150 million due to prepayment of Proposition 98 settle-up funding owed to schools. This funding was scheduled to be provided to schools to reimburse them for outstanding mandate claims in 2009-10.
- A decrease of \$114.2 million to eliminate the High Priority Schools Grant Program.
- An additional decrease of \$1 million for the National Board Certification Incentive Program to suspend new teacher participants from entering the program.
- An increase of \$891.6 million to replace the allocation of State Lottery revenues to school districts and county offices of education with Proposition 98 General Fund pursuant to Chapter 764, Statutes of 2008.
- An increase of \$65 million to fund Special Education Behavior Intervention plans.
- A net increase of \$13.4 million for K-12 mandates.
  - An increase of \$6.3 million for mandated costs related to interdistrict and intradistrict transfers.
  - An increase of \$7.1 million for mandated costs related to the California High School Exit Exam.

The budget proposes to suspend all education mandates with the exception of the mandates noted above. A recent court decision and a separate ruling by the Commission on State Mandates (CSM), that requires the state to either pay or suspend all education mandates. Pending an appeal of these decisions it would be premature to fund these higher costs. Given local policies and eligibility requirements for UC and CSU, the Administration expects school districts to continue to provide a second science course as part of the current Graduation Requirements.

- An increase of \$5.1 million to replace one-time federal funding included in the 2008 Budget Act to fund State Special School instructional costs.
- Continuation of the comprehensive flexibilities described for 2008-09.
- In recognition of the current fiscal constraints that schools face and to assist them absorb the reductions in state aid that are necessary due to the current economic downturn, the Administration also proposes to allow schools complete

## Summary of Major Changes by Major Program Areas

and permanent flexibility with respect to categorical funding. This will allow schools and districts flexibility to use education funds on the basis of their individual needs. Categorical funds often fall short in providing the targeted assistance needed to significantly improve achievement, particularly with respect to low-achieving students. Under current law and practice, schools and school districts often are forced to focus on how they spend their funds— instead of improving student achievement. While many funding streams offer latitude to use funds in different ways, more local discretion is needed to provide support services and additional instruction to those students most in need.

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

- A cost avoidance of \$79.5 million for the 5.02-percent COLA, consistent with all other Proposition 98 programs.
- A decrease of \$38.7 million to reflect a policy proposal to reduce reimbursement rate limits in voucher-based programs from the 85<sup>th</sup> percentile of the market to the 75<sup>th</sup> percentile, based on the 2007 regional market rate survey, effective July 1, 2009. Although this proposal affects all voucher programs, including the Alternative Payment Program, the savings are only scored in the caseload-driven CalWORKs Stage 2 (\$20.3 million) and Stage 3 (\$18.4 million) programs.
- A decrease of \$14.4 million to reflect a revised family fee schedule. The revised fee schedule retains a flat fee per family, begins at income levels where families currently begin paying fees, increases fees by \$2 per day at the low end, and increases fees thereafter on a sliding scale up to 10 percent of income which occurs at a lower point in the income eligibility spectrum when compared to the current schedule. Although this proposal would apply to all means-tested child care programs, the savings are only scored in the caseload driven CalWORKs Stage 2 (\$5.8 million) and Stage 3 (\$8.6 million) programs. This proposal would not reduce the number of families served because fee revenue augments provider contract amounts.

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

- A cost avoidance of \$322.9 million for the budget year 5.02-percent COLA, consistent with all other Proposition 98 programs.
- A decrease of \$4 million by suspending all community college reimbursable state mandates, consistent with the proposal for K-12 mandates.

## Summary of Major Changes by Major Program Areas

- An increase of \$167.5 million to replace the allocation of State Lottery revenues to community college districts with Proposition 98 General Fund pursuant to Chapter 764, Statutes of 2008.
- Continuation of the categorical flexibility described for 2008-09.
- The Administration will sponsor legislation that will reduce or eliminate the annual uncertainty districts face with regard to property tax revenue which currently funds a substantial portion of the colleges' general purpose revenue.

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### **Labor and Workforce Development**

General Fund expenditures are proposed to increase by \$2.5 million, or 2.5 percent.

The major General Fund workload adjustments are as follows:

- Automated Collection Enhancement System— A net increase of \$6.6 million for continuation of the Employment Development Department's Automated Collection Enhancement System (ACES).

The major General Fund policy adjustments are as follows:

- Division of Labor Standards Enforcement Fund Shift— A reduction of \$2.5 million General Fund to be replaced with \$2.5 million from the Uninsured Employers Benefits Trust Fund (UEF). Activities within the Department of Industrial Relations include identification and enforcement of uninsured employers which are appropriately funded by UEF.

Non-General Fund expenditures are proposed to decrease by \$1.7 billion, or 10.1 percent from the revised 2008-09 Budget.

The major Non-General Fund workload adjustments are as follows:

- Employment Development Department October Benefit Estimate—The October Revised reflects Unemployment Insurance and Disability Insurance benefit payment increases of \$3.1 billion in the current year and \$1.5 billion in the budget year when compared to the May 2008 estimate.

The major Non-General Fund policy adjustments are as follows:

- Employment Training Panel— An increase of \$20 million Employment Training Fund to provide additional training funds to California employers to reduce unemployment.

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### **General Government: Non-Agency Departments**

General Fund expenditures are proposed to increase by \$171 million, or 45.1 percent.

The major General Fund workload adjustments are as follows:

- **Veterans Homes Activation**— An increase of \$18.5 million and 172.5 positions for continued activation of the veterans homes in West Los Angeles, Lancaster, and Ventura. By the end of the 2009-10, these homes will provide residential care, skilled nursing, memory care and adult day health care to more than 100 veterans. When fully operational, these homes will serve approximately 500 veterans.
- **Mandates Payments**— An increase of \$222 million for state reimbursable mandates, consisting of \$131 million for current mandates and \$91 million for the 2009-10 payment of the mandates obligation for costs incurred prior to 2004-05.

The major General Fund policy adjustments are as follows:

- **Education Benefit Program**— An increase of \$1.8 million for the Military Department to establish an education benefit program for members of the California National Guard, to improve retention of Guard members and their respective skill sets, thereby providing a more experienced, effective reserve force. Fifty-one other states and territories offer some sort of education benefit program, which has proven to be an effective recruitment and retention tool for National Guard membership.
- **Service Member Care**— An increase of \$1 million for the Military Department to support the mental health readiness needs of California National Guard service members by providing mental health prevention services, training, intervention, and reintegration assistance during pre- and post-mobilization activities. These resources will also enhance mission readiness, mitigate risk of injury or death, and ensure our commitment to the well-being and fitness of service members.
- **Veterans Homes Resident Fees**—An increase of \$2.8 million (from \$17.2 million to \$20 million) in fees collected from the residents of the Veterans Homes. Currently, residents pay fees based on a percentage of their income, up to a dollar cap, with the percentage and cap increasing as the level of care increases. This proposal would increase resident fees by removing the dollar caps, increasing the percentage for the Residential Care for the Elderly (RCFE), and revising the fee structure for non-veteran spouses to more accurately reflect their share of costs.
- **Mandates Deferral**— A one-time decrease of \$91 million by deferring the 2009-10 payment of the mandates obligation for costs incurred prior to 2004-05 which are statutorily required to be completely paid by 2020-21. The balance will be refinanced over the remaining payment period.

## Summary of Major Changes by Major Program Areas

Non-General Fund expenditures are proposed to increase by \$167.7 million, or 4.0 percent.

The major Non-General Fund policy adjustments are as follows:

- Emergency Response Initiative— An increase of \$2.2 million Emergency Response Fund in 2009-10 to purchase airborne fire suppression systems as part of the enhanced emergency response capability proposed in the Emergency Response Initiative. These new systems will enhance the Military Department's ability to fight wildland fires by providing more accurate water dropping dispersion and increased efficiency in existing helicopters.
- CARE Program— An increase of \$129.6 million Gas Consumption Surcharge Fund to programs for low-income utility customers. The programs are operated by investor-owned utilities (IOUs) and are funded by natural gas surcharges on utility ratepayers. The funding supports weatherization and other programs for low income residents. The IOUs remit surcharges to the State Board of Equalization quarterly, which are in turn deposited into the Gas Consumption Surcharge Fund with the State Treasurer. These monies are continuously appropriated to the Public Utilities Commission (PUC), which reimburses utilities for their costs.
- California Advanced Services Program—An increase of \$25 million for the PUC to implement the California Advanced Services program pursuant to Chapter 393, Statutes of 2008. The program will encourage the deployment of broadband infrastructure in unserved and underserved areas in California.
- Rail Safety and Security Information Management System—An increase of \$1.4 million in various special funds, and one position, to develop the Rail Safety and Security Information Management System. The PUC will develop an integrated work and records management system that will be utilized to address rail safety and security. The system will integrate the PUC's three out dated databases as well as various other electronic and non-electronic media.
- Renewable Portfolio Standard—An increase of \$322,000 Public Utilities Commission Utilities Reimbursement Account and three positions to implement a 33-percent Renewable Portfolio Standard (RPS) by 2020. The requested positions will work to ensure that transmission infrastructure is permitted and constructed on an accelerated basis in order to achieve the RPS goal.

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### **General Government: Tax Relief and Local Government**

The budget proposes to reduce General Fund expenditures in 2008-09 by \$316.2 million, or 41 percent from the baseline level. Expenditures are proposed to decrease by \$184.3 million, or 28.5 percent from 2008-09 to 2009-10.

The major General Fund policy adjustments are as follows:

- The creation of a new Local Safety and Protection Account beginning in 2008-09 to serve as a stable, ongoing funding source for the Citizens Option for Public Safety/Juvenile Justice Crime Prevention Act (COPS/JJ) program, Juvenile Probation grants, and the Booking Fees program. Funding for the Account will come from vehicle license fee revenue formerly used to support the Department of Motor Vehicles (discussed in Business, Transportation and Housing).
- In 2008-09 the COPS/JJ program will be funded with \$53.8 million from the Local Safety and Protection Account. This will increase to \$191.6 million in 2009-10. Of the amount provided for the COPS/JJ program, 50 percent for countywide juvenile crime prevention initiatives, 39.7 percent is for front-line law enforcement activities, 5.15 percent is for county jail operation, and 5.15 percent is for district attorneys. Funds are apportioned on a population basis, with each police department and sheriff's department guaranteed at least \$100,000.
- Juvenile Probation grants are funded at \$38.2 million in 2008-09, and \$135.9 million in 2009-10. The Juvenile Probation program supports a broad spectrum of local juvenile probation activities statewide.
- The Booking Fees program will be funded at \$31.5 million in 2009-10. The program provides payments to county sheriffs departments that eliminate the need for them to charge booking fees to other law enforcement agencies that book arrestees into county jails.
- Overall expenditures for these programs will be reduced by \$60.6 million in 2008-09 and \$38.5 million in 2009-10. This preserves 90 percent of the funding for these programs in 2009-10.
- A decrease of \$18.5 million by eliminating state funding for the Small/Rural Sheriffs program. The program provides \$500,000 grants to 37 specified smaller county sheriffs departments. The funds were used for discretionary law enforcement purposes.

## Summary of Major Changes by Major Program Areas

- A decrease of \$34.7 million for the Williamson Act in both 2008-09 and 2009-10. This represents elimination of reimbursements to local governments that defray the property tax revenues lost due to contracts with landowners who agree to only use of their land for agricultural or open space purposes in exchange for reduced property taxes.
- A decrease of \$32 million by suspending new property tax deferrals under the Senior Citizen's Property Tax Deferral program beginning February 1, 2009. Savings of \$6.5 million are estimated for 2008-09. Year-over-year expenditures are reduced by \$25.5 million. Under specified conditions, this program pays the property tax for eligible senior and blind/disabled citizens. The state is repaid after the recipient relinquishes ownership through death or sale of the property.

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### **General Government: Statewide Expenditures**

The major General Fund workload adjustments are as follows:

- An increase of \$95.7 million to restart state employer contributions to the University of California Retirement System.

The major General Fund policy adjustments are as follows:

- A decrease of \$6.143 billion in 2009-10 to reflect expenditure offsets provided by the securitization of future lottery revenues, including \$5.0 billion in bond proceeds and \$1.143 billion in lottery revenues. A corresponding increase of \$6.143 billion from the Debt Retirement Fund is proposed to reflect the above General Fund offset.
- A decrease of \$4.7 billion in 2008-09 to reflect expenditure offsets provided by the issuance of Revenue Anticipation Warrants in 2009-10 for costs incurred in 2008-09.
- A decrease of \$414.6 million in state employee compensation costs in 2008-09 resulting from: two days furlough per month beginning February 1, 2009 (\$375.8 million); elimination of two state holidays and premium pay for hours worked on holidays (\$26.3 million); and computation of overtime pay based on actual time worked (\$12.5 million).
- A decrease of \$1.006 billion in state employee compensation costs in 2009-10 resulting from: two days furlough per month (one-time, \$901.8 million); elimination of two state holidays and premium pay for hours worked on holidays (\$74.5 million); and the computation of overtime pay based on actual time worked (\$30 million).

## Summary of Major Changes by Major Program Areas

- A decrease of \$150 million through layoff of current state employees as well as efficiencies and other savings.
- A decrease of \$132.2 million in health care costs beginning in January 2010 by contracting for lower cost health care coverage directly from an insurer rather than through CalPERS. Savings beginning in 2010-11 will prefund Other Post-Employment Benefit costs.
- A decrease of \$75.7 million to restart state employer contributions to the University of California Retirement System at \$20 million.

The major Non-General Fund policy adjustments are as follows:

- A decrease of \$283.1 million from various special funds in state employee compensation costs in 2008-09 resulting from: two days furlough per month beginning February 1, 2009 (\$282.4 million); and elimination of two state holidays and premium pay for hours worked on holidays (\$0.8 million).
- A decrease of \$679.9 million from various special funds in state employee compensation costs in 2009-10 resulting from: two days furlough (one-time, \$677.8 million); and elimination of two state holidays and premium pay for hours worked on holidays (\$2.1 million).
- A decrease of \$47.9 million from various special funds in health care costs by contracting for lower cost health care coverage directly from an insurer rather than through CalPERS. Savings beginning in 2010-11 will prefund Other Post-Employment Benefit costs.

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## Debt Service

General Fund expenditures for debt service will increase by \$1.410 billion, or 30.9 percent, due to the projected sale of bonds to pay for infrastructure projects, the complete erosion of debt service offsets provided from the Transportation Debt Service Fund (Spillover), and higher short-term borrowing costs (RANs/RAWs).

The major General Fund workload adjustments are as follows:

- An increase of \$1.219 billion in General Obligation bond debt service to reflect increased sales and reduced transportation bond debt service offsets.



## Summary of Major Changes by Major Program Areas

- An increase of \$82 million in lease revenue bond debt service to reflect recent bond sales.
- An increase of \$106 million in short-term borrowing costs (RANs/RAWs) due to insufficient internal cash flow resources.

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### **Infrastructure**

General Fund expenditures are proposed to increase by \$129 million, or 59.5 percent, which includes carryover funding from the current year to the budget year. Infrastructure budgets are zero-based, whereby funding requirements are determined each year. The budget proposes a total of \$345 million for critical projects that are essential to protect the state's citizens and employees' health and safety.

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# Economic Outlook

Falling home prices, worsening credit availability, shrinking equity values, and growing job losses delivered a crushing blow to the national and California economies in 2008. Consumer and business spending—the core of both economies—plunged during the year. Looking back, the committee of economists that officially dates the troughs and peaks of the national economy decided in late 2008 that the U.S. was in recession and has been since December 2007. While there is no official dating of business cycles for states, it is unlikely that the California economy fared better than the national economy in this difficult environment.

Despite several efforts by the U.S. Treasury, the Federal Reserve, Congress, and the White House to stimulate the national economy and free up credit in 2008, credit appeared to be less available and economic output fell as 2008 unwound. Much more will have to be done in the first half of 2009 to stimulate the economy and free up credit. Economic output will likely fall in 2009 for the first time since 1991.

The outlook for the national economy is for negative growth in 2009, weak growth in 2010, and good growth in 2011:

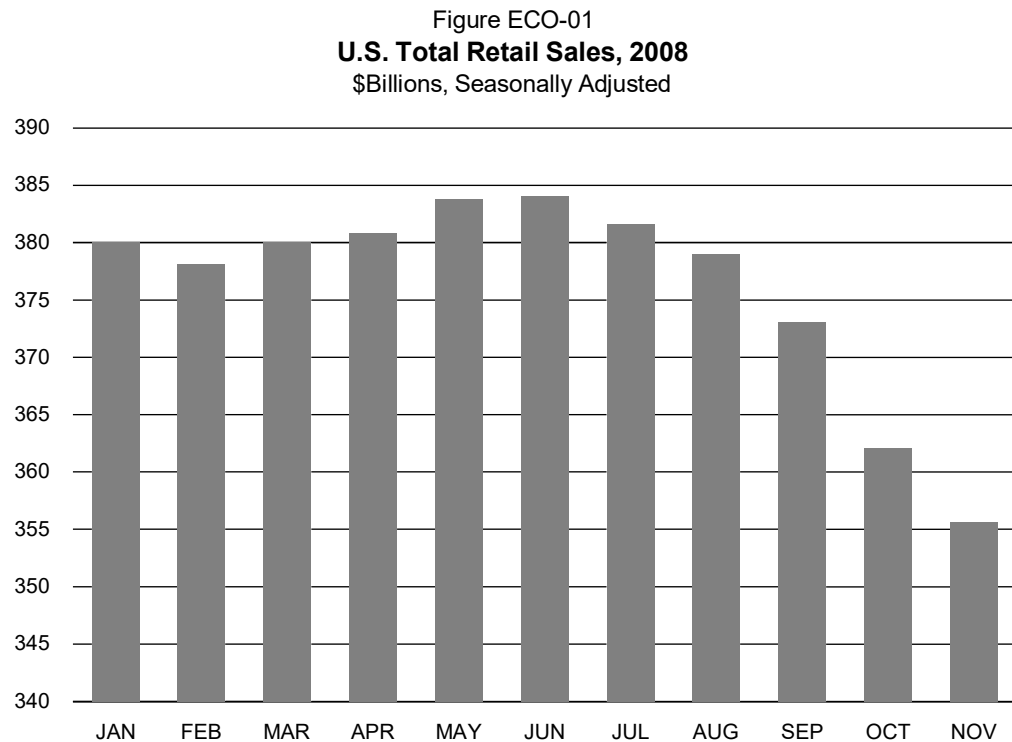
- Real GDP is projected to fall 1.1 percent in 2009, and grow 1.7 percent in 2010 and 2.9 percent in 2011, as compared to the 1.3-percent growth in 2008.
- Nonfarm payroll employment is forecast to fall by 1.5 percent in 2009, and grow 0.1 percent in 2010 and 1.3 percent in 2011, as compared to a decline of 0.1 percent in 2008.

The outlook for the California economy is also for negative growth in 2009, followed by weak growth in 2010, and better growth in 2011:

- Personal income is projected to grow 2 percent in 2009, 2.1 percent in 2010, and 4.6 percent in 2011, as compared to 3.7 percent in 2008.
- Nonfarm payroll employment is forecast to fall by 1.6 percent in 2009 and 0.5 percent in 2010, and grow 1.4 percent in 2011, as compared to a 0.6-percent decline in 2008.

### The Nation—In a Worsening Recession

What started as a housing sector slump in 2005 turned into a generalized economic slump in 2008. Most major industry sectors were affected by year-end, most notably retail trade and manufacturing. Consumers pulled back considerably in the second half of 2008, as evidenced by a string of five consecutive monthly declines in retail sales as of November (Figure ECO-01). Total consumer expenditures, adjusted for inflation, fell for the fifth consecutive month in October.



Source: U.S. Census Bureau

With consumers cutting back, companies have reduced their spending on new equipment and structures. Shipments of and orders for non-defense capital goods, excluding aircraft, plunged in the three months ending in October 2008. In addition, the Institute for Supply Management's manufacturing index fell in November to its lowest level since May 1982 — a level that is consistent with recessions in the manufacturing sector and the general economy.

In the meantime, the nation's housing sector continued to struggle. Housing starts fell in November to their lowest level since records began to be kept in 1959. New home sales remained very low and mortgages difficult to get. Residential construction continues to be a sizable drag on overall growth in the national economy.

The continuing problems in the housing sector, the cooling of the manufacturing sector and, particularly, the cutback in spending by consumers have slowed the national economy considerably. The economy has been in recession for 12 months, and should it remain there for another five months, it would be the longest recession in the post-World War II era. Economic output fell slightly in the fourth quarter of 2007 and the third quarter of 2008, but the monthly data on the fourth quarter of 2008 suggest that economic output fell sharply in the fourth quarter.

Data from the labor markets also portray a worsening recession. Nonfarm payroll employment peaked in December 2007 and has declined every month since then. In addition, nonfarm payroll employment was 0.8 percent higher in December 2007 than a year earlier, while in November 2008, nonfarm payroll employment was 1.4 percent below a year earlier. Also, the national unemployment rate rose from 5 percent in December 2007 to 6.7 percent in November 2008.

### **California—Facing a Similar Challenge**

The California economy decelerated in step with the national economy during 2008. According to the U.S. Commerce Department, total personal income grew more slowly in the second half than in the first half of 2008. The deceleration in taxable sales has been even faster, with third quarter 2008 sales 4 percent lower than second-quarter sales (Figure ECO-02). Deceleration in new vehicle registrations started earlier—in 2007.

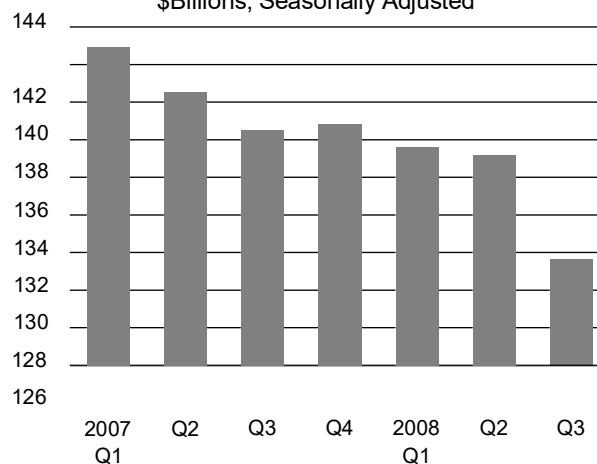
The state's monthly job losses have grown as 2008 has progressed. Through November, California lost 147,400 jobs, or 13,400 jobs per month. But in the first five months of the year, the average monthly loss was 5,200 jobs, whereas in the next six months, the average loss was 20,300. The state's unemployment rate rose from 5.9 percent in January to 8.4 percent in November.

The state's housing sector, however, does not show many signs of additional slowing.

In part, that is because the downturn started there. Residential permits, for example, have stabilized at low levels, and monthly construction job losses have become smaller. Sales of existing homes have picked up considerably, but distressed properties are accounting for a good number

of those sales. Still, sales of non-distressed existing homes will likely be higher in 2008 than in 2007.

Figure ECO-02  
**California Taxable Sales**  
\$Billions, Seasonally Adjusted



Sources: California Board of Equalization  
and California Department of Finance

Private-sector nonresidential building is slowing and will be down considerably from 2007. The value of permits fell every month from July to November.

### The Forecast

The California and national economies will enter 2009 with very little, if any, momentum. As a result, the two economies are likely to be very weak in the first half of the year. How long it will be before the economies will be healthy again is difficult to gauge. The economies are not likely to improve much until credit becomes much more available (Figure ECO-03).

## Demographic Information

### Population Overview

Current administrative records, which are the indicators used in the population estimates methodology, do not show sharp effects on the state's migration or birth rate patterns due to the recent economic downturn. Thus, the projections used for the budget do not reflect any that may occur in the future.

Figure ECO-03

**Selected Economic Data for 2008, 2009, and 2010**

<b>United States</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
	<b>(Est.)</b>	<b>(Projected)</b>	<b>(Projected)</b>
Real gross domestic product (2000 CW* \$, percent change)	1.3	(1.1)	1.7
Personal consumption expenditures	0.4	0.1	1.8
Gross private domestic investment	(6.1)	(15.6)	10.7
Government purchases of goods and services	2.6	0.3	(0.3)
GDP deflator (2000=100, percent change)	2.4	1.8	1.3
GDP (current dollar, percent change)	3.7	0.8	3.1
Federal funds rate (percent)	2.04	0.50	1.20
Personal income (percent change)	4.2	2.1	2.4
Corporate profits before taxes (percent change)	(13.9)	2.5	10.1
Nonfarm wage and salary employment (millions)	137.5	135.4	135.6
(percent change)	(0.1)	(1.5)	0.1
Unemployment rate (percent)	5.7	7.7	8.2
Housing starts (millions)	0.93	0.71	1.08
(percent change)	(30.9)	(23.8)	52.8
New car sales (millions)	6.8	6.8	7.5
(percent change)	(10.2)	(1.0)	10.6
Consumer price index (1982-84=100)	216.0	218.2	222.3
(percent change)	4.2	1.0	1.9
<b>California</b>			
Civilian labor force (thousands)	18,415.2	18,570.4	18,783.1
(percent change)	1.2	0.8	1.1
Civilian employment (thousands)	17,115.2	16,876.7	17,010.0
(percent change)	(0.5)	(1.4)	0.8
Unemployment (thousands)	1,299.9	1,693.7	1,773.1
(percent change)	32.8	30.3	4.7
Unemployment rate (percent)	7.1	9.1	9.4
Nonfarm wage and salary employment (thousands)	15,093.3	14,859.1	14,791.3
(percent change)	(0.6)	(1.6)	(0.5)
Personal income (billions)	1,576.8	1,608.7	1,642.9
(percent change)	3.7	2.0	2.1
Housing units authorized (thousands)	65.3	56.9	80.9
(percent change)	(41.9)	(12.9)	42.2
Corporate profits before taxes (billions)	169.1	164.5	179.9
(percent change)	(6.8)	(2.8)	9.3
New auto registrations (thousands)	1,422.3	1,513.4	1,521.0
(percent change)	(8.4)	6.4	0.5
Total taxable sales (billions)	535.0	503.0	521.4
(percent change)	(4.5)	(6.0)	3.7
Consumer price index (1982-84=100)	225.6	229.2	234.6
(percent change)	3.8	1.6	2.3

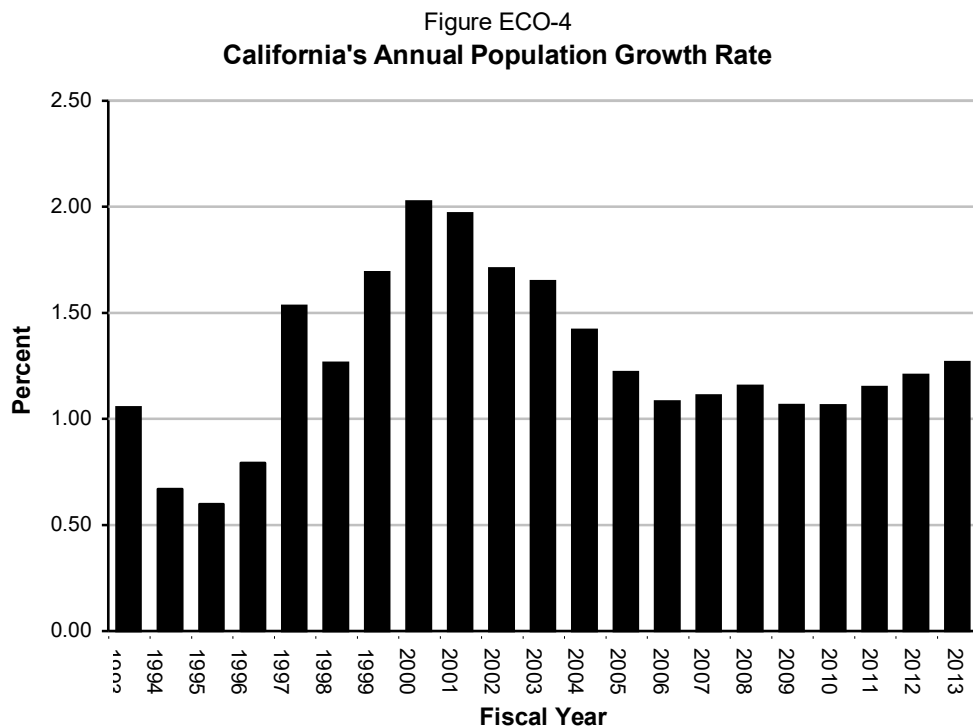
\* CW: Chain Weighted

Note: Percentage changes calculated from unrounded data.

With more than 38 million people as of mid-2008, California's population continues to grow. Despite a slowdown in the mid-1990s, the state has grown in excess of 1 percent per year since 1997.

- The July 1, 2008, estimate of the population is 38,148,000.
- It is forecast to be 38,555,000 in 2009 and 38,965,000 in 2010. This reflects a short-term annual growth rate of almost 1.1 percent.

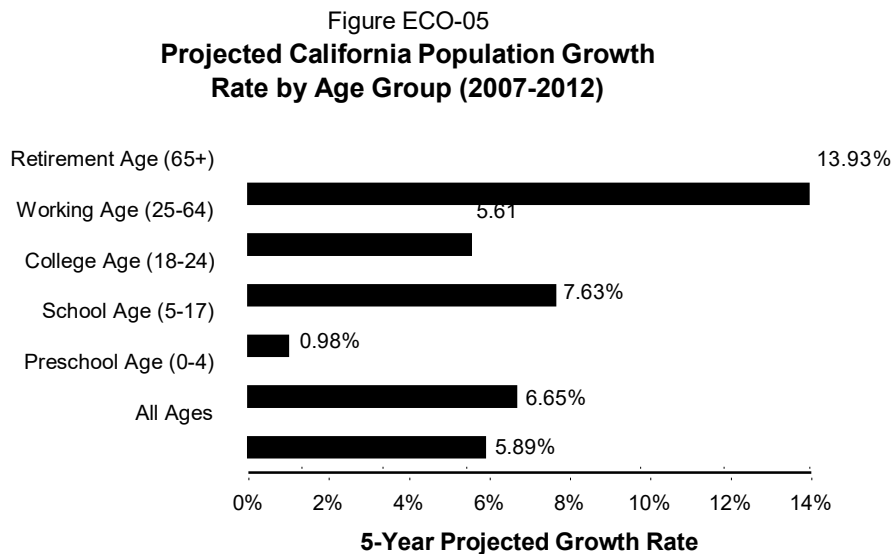
Through the next five years, the state will grow by an average of 449,000 people each year. Natural increase (more children being born than people dying) will account for three times as much growth (76 percent vs. 24 percent) as net migration (people moving to California from other states and other countries, less those moving out). By July 2013, California will add more than 2.2 million people to exceed 40 million, a five-year growth rate of 5.9 percent (Figure ECO-04).



- Population growth rates vary significantly by age group. The state's projected total five-year population growth of 5.9 percent is lower than the 6.7-percent growth in the preschool age group. By far, the slowest growing age group over the next five



years is the school-age group with a growth rate of 1 percent. On the other hand, the college-age group will grow 7.6 percent. The working age population will grow by 1.1 million, or 5.6 percent and retirement-age group will soar nearly 14 percent (Figure ECO-05).



- In fall 2007, K-12 public school enrollment was a little less than 6.3 million students. Starting in 2003 and continuing through 2012, school enrollment growth will be slower than that of the general population because the number of births in the state declined in the 1990s. However, it should be noted that births increased again in 2007 for the sixth year in a row.
- Beginning in 2003 and continuing in 2004, K-12 public school enrollment growth was below 1 percent. Prior to these years, enrollment growth had not been less than 1 percent since 1983. School enrollment growth rates turned negative in 2005 and are expected to continue to decline through 2010, at which point they are expected to turn positive. There was a slight jump in school enrollment in fall 2006, but this was due to a change in reporting rather than an actual increase in school enrollment.

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## Revenue Estimates

The revenue estimates reflect the broad-based decline in the global, national and state economies, which became undeniably apparent in late October 2008. Key factors negatively affecting California's revenue collections include the distressed stock markets, as well as the ongoing credit crunch, and continued fallout from the depressed housing market. As a result, corporate profits, individual income, and consumer spending have all contracted.

Baseline revenues in 2008-09 are now expected to total \$87.5 billion—\$3.9 billion below the 2008-09 November Special Session forecast and \$14.5 billion below the estimate at the time the 2008 Budget was enacted in late September. For 2009-10, baseline revenues are expected to decline further to \$86.3 billion, a 1.4-percent decrease from 2008-09. With the Administration's revenue proposals for addressing the budget shortfall, revenues are estimated to be \$91.1 billion in the current year and \$97.7 billion in budget year.

Figure REV-01 displays the forecast changes between the 2008 Budget Act and the Governor's Budget. The Governor's Budget forecast was prepared in early December, before individuals and corporations made final withholding and estimated payments for the 2008 tax year, and before consumers completed their December purchases. These critical December and January receipts can have a large impact on state revenues. This forecast will be revised in early May when these data and April income tax receipts are available.

### Major Revenue Proposals

- Temporary 1.5-cent increase in the Sales and Use Tax rate.
- Broaden the Sales and Use Tax base to include certain services.
- Increase the Beverage excise tax by a per gallon surtax equivalent to a "nickel-per-drink."
- Adopt a 9.9-percent Oil Severance Tax.
- Reduce the personal income tax dependent exemption credit to equal the personal exemption credit.
- Increase the vehicle registration fees. (See "Special Fund Revenue" section below)
- Shift Tribal Revenues from Transportation to General Fund
- Transfer and borrow balances from special funds

The state's tax system is outlined in Figure REV-02. Tax collections per capita and per \$100 of personal income are displayed in Schedule 2 in the Appendix. The revenue generated from each state tax from 1970-71 through 2009-10 is displayed in Schedule 3 in the Appendix.

### Major Revenue Proposals

The following tax law changes are proposed, including those proposed by the Governor for the 2008-09 November and December Special Sessions:

**Temporary Sales Tax Increase:** Effective March 1, 2009, the General Fund Sales and Use tax rate would be temporarily increased by 1.5 cents, from 5.0 percent to 6.5 percent. The proposed tax rate increase would be in effect through December, 2011. On January 1, 2012, the General Fund Sales and Use tax rate would return to 5 percent. This proposal is expected to generate additional sales tax revenues of \$2.35 billion in 2008-09 and \$7.114 billion in 2009-10 for the General Fund. These amounts include \$356 million that will be transferred under Proposition 42 to the Transportation Investment Fund in 2009-10.

**Broaden the Sales and Use Tax to Include Certain Services:** Effective March 1, 2009, the sales and use tax would be extended to appliance and furniture repair, vehicle repair, and veterinarian services. Effective April 1, 2009, the sales and use tax rate would be applied to amusement parks, sporting events, and golf. Selection of these services was based on ease of implementation as these services are generally provided by entities that already have a relationship with the Board of Equalization. Assuming a 6.5-percent General Fund tax rate, this proposal is expected to generate additional General Fund sales tax revenue of \$272 million in 2008-09 and \$1.154 billion in 2009-10. These estimates assume initially low collections but significant improvements in

Figure REV-01  
**2009-10 Governor's Budget**  
**General Fund Revenue Forecast**  
**Summary Table**  
**Reconciliation with the 2008-09 Budget Act**  
(Dollars in Millions)

Governor's Budget						
	Budget Act	Baseline	Change From Budget Act	Proposed	Change From Budget Act	
Source						
<b>Fiscal 07-08</b>						
Personal Income Tax	\$54,380	\$54,234	-\$146	\$54,234	-\$146	-0.3%
Sales & Use Tax	26,813	26,613	-200	26,613	-200	-0.7%
Corporation Tax	11,926	11,849	-77	11,849	-77	-0.6%
Insurance Tax	2,171	2,173	2	2,173	2	0.1%
Alcoholic Beverage	334	327	-7	327	-7	-2.1%
Cigarette	114	110	-4	110	-4	-3.5%
Other Revenues	6,077	6,031	-46	6,031	-46	-0.8%
Transfers	<u>1,212</u>	<u>1,237</u>	<u>25</u>	<u>1,237</u>	<u>25</u>	<u>2.1%</u>
<b>Total</b>	<b>\$103,027</b>	<b>\$102,574</b>	<b>-\$453</b>	<b>\$102,574</b>	<b>-\$453</b>	<b>-0.4%</b>
<b>Fiscal 08-09</b>						
Personal Income Tax	\$55,721	\$46,807	-\$8,914	\$46,807	-\$8,914	-16.0%
Sales & Use Tax	27,111	25,154	-1,957	27,778	667	2.5%
Corporation Tax	13,073	10,197	-2,876	10,197	-2,876	-22.0%
Insurance Tax	2,029	1,831	-198	1,831	-198	-9.8%
Alcoholic Beverage	341	326	-15	599	258	75.7%
Cigarette	114	113	-1	113	-1	-0.9%
Oil Severance Tax	N/A	0	NA	358	358	N/A
Other Revenues	2,787	2,229	-558	2,323	-464	-16.6%
Transfers	<u>816</u>	<u>819</u>	<u>3</u>	<u>1,111</u>	<u>295</u>	<u>36.2%</u>
<b>Total</b>	<b>\$101,992</b>	<b>\$87,476</b>	<b>-\$14,516</b>	<b>\$91,117</b>	<b>-\$10,875</b>	<b>-10.7%</b>
Change from Fiscal 07-08	-\$1,035	-\$15,098		-\$11,457		
% Change from Fiscal 07-08	-1.0%	-14.7%		-11.2%		
<b>Fiscal 09-10</b>						
Personal Income Tax	\$55,863	\$46,493	-\$9,370	\$47,942	-\$7,921	-14.2%
Sales & Use Tax	29,248	25,515	-3,733	33,793	4,545	15.5%
Corporation Tax	11,982	10,441	-1,541	10,445	-1,537	-12.8%
Insurance Tax	2,135	1,798	-337	1,798	-337	-15.8%
Alcoholic Beverage	348	331	-17	955	607	174.4%
Cigarette	112	111	-1	111	-1	-0.9%
Oil Severance Tax	N/A	0	NA	855	855	N/A
Other Revenues	2,906	1,573	-1,333	1,677	-1,229	-42.3%
Transfers	<u>15</u>	<u>33</u>	<u>18</u>	<u>132</u>	<u>117</u>	<u>780.0%</u>
<b>Total</b>	<b>\$102,609</b>	<b>\$86,295</b>	<b>-\$16,314</b>	<b>\$97,708</b>	<b>-\$4,901</b>	<b>-4.8%</b>
Change from Fiscal 08-09	\$617	-\$1,181		\$6,591		
% Change from Fiscal 08-09	0.6%	-1.4%		7.2%		
<b>Three-Year Total</b>			<b>-\$31,283</b>	<b>-\$16,229</b>		

Figure REV-02  
**Outline of State Tax System**  
**as of January 1, 2009**

Major Taxes and Fees	Base or Measure	Rate	Administering Agency	Fund
<b>Alcoholic Beverage Excise Taxes:</b>				
Beer	Gallon	\$0.20	Equalization	General
Distilled Spirits	Gallon	\$3.30	Equalization	General
Dry Wine/Sweet Wine	Gallon	\$0.20	Equalization	General
Sparkling Wine	Gallon	\$0.30	Equalization	General
Hard Cider	Gallon	\$0.20	Equalization	General
<b>Corporation:</b>				
General Corporation	Net income	8.84% <sup>1</sup>	Franchise	General
Bank and Financial Corp.	Net income	10.84%	Franchise	General
Alternative Minimum Tax	Alt. Taxable Income	6.65% <sup>1</sup>	Franchise	General
<b>Tobacco:</b>				
Cigarette	Package	\$0.87 <sup>2</sup>	Equalization	See below <sup>2</sup>
Other Tobacco Products	Wholesale price	45.13% <sup>3</sup>	Equalization	See below <sup>3</sup>
<b>Energy Resources</b>				
Surcharge	Kilowatt hours	\$0.0002	Equalization	Surcharge Fund
Horse Racing License	Amount wagered	0.4-2.0%	Horse Racing Bd.	See below <sup>4</sup>
Estate	Taxable Fed. Estate	0% <sup>6</sup>	State Controller	General
Insurance	Gross Premiums	2.35% <sup>7</sup>	Insurance Dept.	General
Liquor License Fees	Type of license	Various	Alc. Bev. Control	General
<b>Motor Vehicle:</b>				
Vehicle License Fees (VLF)	Market value	0.65% <sup>8</sup>	DMV	Motor VLF, Local Revenue <sup>9</sup>
Fuel—Gasoline	Gallon	\$0.18	Equalization	Motor Vehicle Fuel <sup>10</sup>
Fuel—Diesel	Gallon	\$0.18	Equalization	Motor Vehicle Fuel
Registration Fees	Vehicle	\$56.00	DMV	Motor Vehicle <sup>11</sup>
Weight Fees	Gross Vehicle Wt.	Various	DMV	State Highway <sup>12</sup>
Personal Income	Taxable income	1.0-9.3%	Franchise	General
Proposition 63 Surcharge	Taxable income > \$1 million	1.0%	Franchise	Mental Health Services
Alternative Minimum Tax	Alt. Taxable Income	7.0%	Franchise	General
Private Railroad Car	Valuation	<sup>13</sup>	Equalization	General
Retail Sales and Use	Sales or lease of taxable item	5.75% <sup>14</sup>	Equalization	See below <sup>14</sup>

<sup>1</sup> Min. tax \$800 per year for existing corporations. New corporations are exempt from the min. tax for the first two years

<sup>2</sup> This tax is levied at the combined rate of 10 cents/pack of 20 cigarettes for the General Fund, 25 cents/pack for the Cigarette and Tobacco Products Surtax Fund, 2 cents/pack for the Breast Cancer Fund, and 50 cents/pack for the California Children and Families First Trust Fund.

<sup>3</sup> A tax equivalent to the tax on cigarettes. The rate reflects the 50 cents/pack established by the California Children and Families First Initiative, with funding for Cigarette and Tobacco Products Surtax Fund and California Children and Families First Trust Fund

<sup>4</sup> The Fair and Exposition Fund supports county fairs and other activities, the Satellite Wagering Account funds construction of Satellite Wagering Facilities and health and safety repairs at fair sites. Wildlife Restoration Fund and General Fund also receive monies.

<sup>6</sup> The Economic Growth and Tax Relief Reconciliation Act of 2001 phases out the federal estate tax by 2010. As part of this, the Act eliminates the State pick-up tax beginning in 2005. The federal Act sunsets after 2010; at that time, the federal estate tax will be reinstated along with the State's estate tax, unless future federal legislation is enacted.

<sup>7</sup> Ocean marine insurance is taxed at the rate of 5 percent of underwriting profit attributable to California business. Special rates also apply to certain pension and profit sharing plans, surplus lines, and nonadmitted insurance.

<sup>8</sup> Department of Motor Vehicles. Beginning January 1, 1999, vehicle owners paid only 75 percent of the calculated tax, and the remaining 25 percent (offset percentage) was paid by the General Fund. Chapter 74, Statutes of 1999, increased the offset to 35 percent on a one-time basis for the 2000 calendar year. Chapters 106 and 107, Statutes of 2000, and Chapter 5, Statutes of 2001, extended the 35-percent offset through June 30, 2001, and provided for an additional 32.5-percent reduction, which was returned to taxpayers in the form of a rebate. Beginning July 1, 2001, the VLF offset was set at 67.5 percent. From June 30, 2003, through November 18, 2003, the VLF reduction was suspended. On November 17, 2003, Governor Schwarzenegger rescinded the suspension, thereby reinstating the offset. Effective January 1, 2005, the VLF rate is 0.65 percent.

<sup>9</sup> For return to cities and counties. Trailer coach license fees are deposited in the General Fund.

<sup>10</sup> For administrative expenses and apportionment to State, counties and cities for highways, airports, and small craft harbors.

<sup>11</sup> For support of State Department of Motor Vehicles, California Highway Patrol, other agencies, and motor vehicle related programs.

<sup>12</sup> For State highways and State Department of Motor Vehicles administrative expense. Chapter 861, Statutes of 2000, replaced the fee schedule for trucks, based on the unladen weight of commercial trucks and trailers, with a new schedule based on the gross weight capacity of trucks alone, in order to comply with the International Registration Plan standards. Chapter 719, Statutes of 2003, increased weight fees to achieve revenue neutrality as specified in Chapter 861.

<sup>13</sup> Average property tax rate in the State during preceding year.

<sup>14</sup> Includes a 5 percent rate for the State General Fund, a 0.25 percent rate for the Economic Recovery Fund, and a 0.50 percent rate for the Local Revenue Fund.

collections over time. This proposal will also generate revenues for local government agencies of \$113 million in 2008-09 and \$479 million in 2009-10, including \$21 million for local public safety funds in 2008-09 and \$89 million in 2009-10.

**Oil Severance Tax:** Effective February 1, 2009, an oil severance tax would be imposed upon any oil producer extracting oil from the earth or water in California. The tax shall be applied to the gross value of each barrel of oil at a rate of 9.9 percent. Any oil produced by a stripper well, in which the average value of oil as of January 1 of the prior year is less than thirty dollars (\$30) per barrel, will be exempt from this tax. This proposal is expected to generate additional revenues of \$358 million in 2008-09 and \$855 million in 2009-10.

**Increase Alcohol and Excise Taxes by 5 Cents a Drink:** Alcohol excise taxes would be raised by five cents per drink beginning February 1, 2009, with the proceeds to be used for substance abuse and prevention treatment programs. A drink is defined as 1.5 ounces of distilled spirits, 12 ounces of beer, or 5 ounces of wine, which equates to a per-gallon tax of \$0.53 for beer, \$1.28 for wine, and \$4.27 for distilled spirits. This increase is estimated to raise \$244 million in 2008-09 and \$585 million in 2009-10. These estimates are adjusted to reflect an estimate of reduced consumption caused by the increase in price. Alcohol taxes were last raised in 1991. The Governor's Budget proposes that beginning July 1, 2009, proceeds generated from the additional excise tax be transferred from the General Fund to a newly created Drug and Alcohol Prevention and Treatment Fund.

**Personal Income Tax Dependent Exemption Credit:** Beginning with the 2009 tax year, the dependent exemption credit would be reduced to equal the amount of the personal exemption credit. Both credits are indexed annually for inflation. For the 1997 tax year, both exemption credits were \$68. Chapter 612, Statutes of 1997, and Chapter 322, Statutes of 1998, increased the dependent exemption credit to \$253 for the 1998 tax year and \$227 for 1999, and indexed the credit for inflation each year thereafter. For the 2008 tax year, the personal exemption credit is \$99 per filer (joint filers may claim \$198) and the dependent exemption credit is \$309 per dependent. Equalizing the credit amounts is expected to generate additional revenues of \$1.44 billion 2009-10.

## General Fund Revenue

General Fund revenues and transfers represent 76 percent of total revenues reported in the Governor's Budget. The remaining 24 percent are special fund revenues dedicated to specific programs. The revenue estimates noted in the following discussion include the impact of the tax proposals noted above under "Major Tax Proposals" as well as \$31 million in 2008-09 and \$61 million in 2009-10 from increased efforts to collect under existing law.

### Personal Income Tax

The personal income tax is the state's largest single revenue source, representing 49.1 percent of all General Fund revenues and transfers in 2009-10. Income tax revenues are expected to decrease by 13.7 percent for 2008-09, and then increase by 2.4 percent for 2009-10. Revenues in 2009-10 reflect \$1.44 billion from the proposed reduction of the dependent exemption credit.

#### Percent of General Fund Revenues and Transfers

Personal income tax	49.1 percent
Sales and use taxes	34.6 percent
Corporation tax	10.7 percent
All other	5.6 percent

Modeled closely on the federal income tax law, California's personal income tax is imposed on net taxable income: that is, gross income less exclusions and deductions. The tax is steeply progressive, with rates ranging from 1 percent to 9.3 percent. Figure REV-03, which shows the percent of total returns and tax paid by adjusted gross income class, illustrates the progressivity. In 2006, the top 15 percent of state taxpayers, those with adjusted gross incomes (AGI) over \$100,000, paid 84 percent of the personal income tax. The top 1 percent of state taxpayers, those with AGI over \$480,940, paid 48 percent of the personal income tax. Changes in the income of a relatively small group of taxpayers can have a significant impact on state revenues.

#### Personal Income Tax Revenue (In Billions)

2007-08	\$54.234
2008-09 (Forecast)	\$46.807
2009-10 (Forecast)	\$47.942

Income ranges for all tax rates are adjusted annually by the change in the California Consumer Price Index. This prevents taxpayers moving into higher tax brackets because of inflation without a real increase in income. Tax rates apply to total



taxable income, after which taxpayers can reduce their gross tax liability by claiming different credits.

An alternative minimum tax, imposed at rate of 7 percent, ensures that income taxpayers do not make excessive use

of deductions and exemptions to avoid paying a minimum level of tax.

Capital gains have a substantial impact on state revenues. Gains reported by taxpayers increased 4.4 percent in 2006 and an estimated 8 percent in 2007;

they are expected to decline 55 percent in 2008 and 10 percent in 2009.

Figure REV-03  
Percent of Taxpayers and Percent of Tax Paid by Adjusted Gross Income Class  
2006 State Tax Data

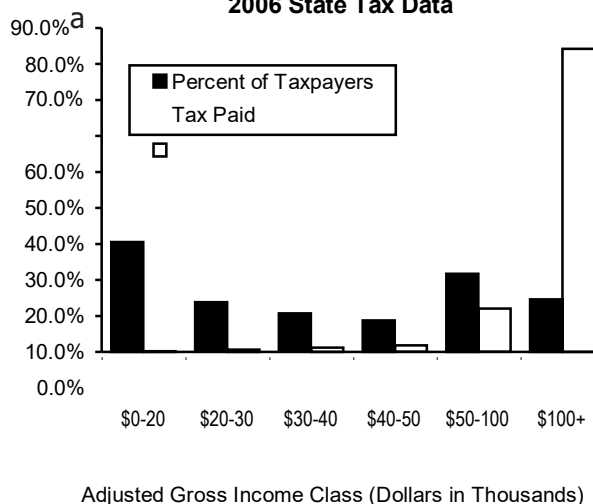


Figure REV-04 shows the portion of General Fund revenues from capital gains.

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

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007 p</u>	<u>2008 e</u>	<u>2009 e</u>
Capital Gains Income	\$91.0	\$117.6	\$50.7	\$35.5	\$47.6	\$76.3	\$112.4	\$117.3	\$126.7	\$57.0	\$51.3
<b>Tax at 9%</b>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Capital Gains Tax	\$8.2	\$10.6	\$4.6	\$3.2	\$4.3	\$6.9	\$10.1	\$10.6	\$11.4	\$5.1	\$4.6
<b>Total General Fund Revenues &amp; Transfers</b>	\$71.9	\$71.4	\$72.3	\$71.3	\$74.9	\$82.2	\$93.5	\$95.5	\$99.3	\$91.1	\$97.7
<b>Capital Gains as % of General Fund</b>											
	<u>99-00</u>	<u>00-01</u>	<u>01-02</u>	<u>02-03</u>	<u>03-04</u>	<u>04-05</u>	<u>05-06</u>	<u>06-07</u>	<u>07-08</u>	<u>08-09</u>	<u>09-10</u>
Capital Gains	11.4%	14.8%	6.3%	4.5%	5.7%	8.3%	10.8%	11.1%	11.5%	5.6%	4.7%

<sup>p</sup> Preliminary

<sup>e</sup> Estimated

Note: Totals may not add due to rounding

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

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

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

## Additional Information

The Franchise Tax Board, which administers the personal income tax and corporation tax, prepares an annual report providing information on income subject to tax, tax rates, tax collections, and taxpayer characteristics. Its website, [www.ftb.ca.gov](http://www.ftb.ca.gov), includes this annual report. Information on personal income tax and corporation tax exclusions, deductions, and credits is also available in the Department of Finance's Tax Expenditure Report, published annually on the Internet at [www.dof.ca.gov](http://www.dof.ca.gov) in "Reports and Periodicals."

Some personal income tax revenue is deposited into a special fund. Proposition 63, passed in November 2004, imposes a surcharge of 1 percent on taxable income over \$1 million in addition to the 9.3 percent rate. Revenue from the surcharge is transferred to the Mental Health Services Fund for county mental health services. Revenues of \$1.512 billion are estimated for the 2007-08 fiscal year. Annual revenues of \$981 million for 2008-09, and \$887 million for 2009-10 are projected, reflecting the substantial declines in incomes of higher income taxpayers. Substantial portions of these revenues are received in the Mental Health Services Fund as settle-up transfers the second year following the year for which they are paid. (See the Department of Mental Health Services budget for information on transfers to and expenditures from the Mental Health Services Fund.)

The General Fund and the Mental Health Services Fund shares of personal income tax revenues for 2007-08 through 2009-10 are shown in Figure REV-05.

Figure REV-05

### Personal Income Tax Revenue (Dollars in Thousands)

	2007-08 Preliminary	2008-09 Forecast	2009-10 Forecast
General Fund	\$54,233,970	\$46,807,000	\$47,942,000
Mental Health Services Fund	1,512,000	981,000	887,000
<b>Total</b>	<b>\$55,745,970</b>	<b>\$47,788,000</b>	<b>\$48,829,000</b>

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## Sales and Use Tax

Receipts from sales and use taxes, the state's second largest revenue source, are expected to contribute 34.6 percent of all General Fund revenues and transfers in 2009-10. Figure REV-06 displays sales and use tax revenues for the General Fund, as well as special funds, for 2006-07 through 2008-09. Revenues in 2008-09 and 2009-10 reflect the proposed sales tax increase and the proposal to extend the sales tax to additional services. The sales tax rate increase is expected to generate revenues of \$2.35 billion in 2008-09 and \$7.114 billion in 2009-10. Broadening the base to include certain services is estimated to raise revenues of \$272 million in 2008-09, and \$1.154 billion in 2009-10.

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

The largest single component of the sales tax base is new motor vehicle dealer sales, accounting for 10.6 percent of all sales in 2006. Service station sales represented 7.8 percent of all sales in 2006, while building-related purchases accounted for 14.1 percent. Detailed taxable sales data by component is not yet available for all of 2007.

Taxable sales grew by an estimated 0.2 percent in 2007 (fourth quarter 2007 sales tax data is preliminary). Preliminary data for the first three quarters indicate that taxable

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Figure REV-06

### Sales Tax Revenue

(Dollars in Thousands)

	<b>2007-08 Preliminary</b>	<b>2008-09 Forecast</b>	<b>2009-10 Forecast</b>
General Fund	\$26,613,264	\$27,778,000	\$33,793,000
Sales and Use Tax-Realignment	2,805,238	2,665,951	2,652,357
Public Transportation Account	535,405	619,639	317,071
Mass Transportation Fund	621,967	939,408	47,447
Economic Recovery Fund	1,397,000	1,315,000	1,321,000
<b>Total</b>	<b>\$31,972,874</b>	<b>\$33,317,998</b>	<b>\$38,130,875</b>

### Sales and Use Tax Revenue (In billions)

2007-08	\$26.613
2008-09 (Forecast)	\$27.778
2009-10 (Forecast)	\$33.793

### Additional Information

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

sales for the year are expected to decline by 4.5 percent in 2008. The slowdown in 2008 is attributed to continued weakness in the housing market, declining auto sales, tight credit markets, and rising unemployment. Taxable sales under current law are anticipated to further decline in 2009 by an estimated 7 percent. In 2010, a modest recovery is expected to yield taxable sales growth of 3.7 percent.

Sales and use tax revenues are forecast relating taxable sales to economic factors such as income, employment, housing starts, new vehicle sales, and inflation.

Current law requires that a portion of the sales tax on gasoline and diesel fuel go to the Public Transportation Account (PTA) and the Mass Transportation Fund (MTF). (The transportation community refers to the gasoline tax portion of this as "spillover" sales tax revenues.) Beginning in 2008-09, the first \$939 million of spillover revenues that would otherwise be transferred to the PTA will be transferred to the MTF. Including the sales tax on diesel fuel, an estimated \$1.557 billion in sales tax revenue will go to the PTA and MTF in 2008-09,

and an estimated \$365 million in 2009-10. Spillover and diesel revenues are expected to decrease significantly in 2009-10 due to much lower fuel prices.

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

Figure REV-07

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

<b>State Rates</b>		
General Fund	4.75% or 5.00%	Pursuant to Sections 6051.3 and 6051.4 of the Revenue and Taxation Code, this rate is 5%, but may be temporarily reduced by 0.25% if General Fund reserves exceed specified levels. During 2001, the rate was 4.75%, and during 2002 and thereafter, this rate is 5.00%.
Local Revenue Fund	0.50%	Dedicated to local governments to fund health and social services programs transferred to counties as part of 1991 state-local realignment.
Economic Recovery Fund	0.25%	Beginning on July 1, 2004, a new temporary 0.25% state sales tax rate was imposed, with a corresponding decrease in the Bradley-Burns rate. These revenues are dedicated to repayment of Economic Recovery Bonds. Once these bonds are repaid, this tax will sunset and the Bradley-Burns rate will return to 1%.
<b>Local Uniform Rates<sup>1</sup></b>		
Bradley-Burns	0.75% <sup>2</sup> or 1.00%	Imposed by city and county ordinance for general purpose use. <sup>3</sup>
Transportation Rate	0.25%	Dedicated for county transportation purposes.
Local Public Safety Fund	0.50%	Dedicated to cities and counties for public safety purposes. This rate was imposed temporarily by statute in 1993 and made permanent by the voters later that year through passage of Proposition 172.
<b>Local Add-on Rates<sup>4</sup></b>		
Transactions and Use Taxes	up to 2.00%	May be levied in 0.125% or 0.25% increments <sup>5</sup> up to a combined maximum of 2.00% in any county. <sup>6</sup> Any ordinance authorizing a transactions and use tax requires approval by the local governing board and local voters.

<sup>1</sup> These locally-imposed taxes are collected by the State for each city and county and are not included in the State's revenue totals.

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

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

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

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

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

Figure REV-08  
**Combined State and Local Sales and Use Tax**  
**Rates by County**  
**(Rates in Effect on October 1, 2008)**

County	Tax Rate	County	Tax Rate	County	Tax Rate
Alameda .....	8.75%	Madera .....	7.75%	San Joaquin <sup>18/</sup> .....	7.75%
Alpine .....	7.25%	Marin <sup>9/</sup> .....	7.75%	San Luis Obispo <sup>19/</sup> ..	7.25%
Amador .....	7.25%	Mariposa .....	7.75%	San Mateo .....	8.25%
Butte .....	7.25%	Mendocino <sup>10/</sup> .....	7.25%	Santa Barbara .....	7.75%
Calaveras .....	7.25%	Merced <sup>11/</sup> .....	7.25%	Santa Clara .....	8.25%
Colusa <sup>1/</sup> .....	7.25%	Modoc .....	7.25%	Santa Cruz <sup>20/</sup> .....	8.00%
Contra Costa <sup>2/</sup> .....	8.25%	Mono .....	7.25%	Shasta .....	7.25%
Del Norte .....	7.25%	Monterey <sup>12/</sup> .....	7.25%	Sierra .....	7.25%
El Dorado <sup>3/</sup> .....	7.25%	Napa .....	7.75%	Siskiyou .....	7.25%
Fresno <sup>4/</sup> .....	7.975%	Nevada <sup>13/</sup> .....	7.375%	Solano .....	7.375%
Glenn .....	7.25%	Orange <sup>14/</sup> .....	7.75%	Sonoma <sup>21/</sup> .....	7.75%
Humboldt <sup>5/</sup> .....	7.25%	Placer .....	7.25%	Stanislaus <sup>22/</sup> .....	7.375%
Imperial .....	7.75%	Plumas .....	7.25%	Sutter .....	7.25%
Inyo .....	7.75%	Riverside .....	7.75%	Tehama .....	7.25%
Kern <sup>6/</sup> .....	7.25%	Sacramento .....	7.75%	Trinity .....	7.25%
Kings .....	7.25%	San Benito <sup>15/</sup> .....	7.25%	Tulare <sup>23/</sup> .....	7.75%
Lake <sup>7/</sup> .....	7.25%	San Bernardino <sup>16/</sup> .....	7.75%	Tuolumne <sup>24/</sup> .....	7.25%
Lassen .....	7.25%	San Diego <sup>17/</sup> .....	7.75%	Ventura .....	7.25%
Los Angeles <sup>8/</sup> .....	8.25%	San Francisco .....	8.50%	Yolo <sup>25/</sup> .....	7.25%
				Yuba .....	7.25%

<sup>1/</sup> 7.75% for sales in the City of Williams.

<sup>2/</sup> 8.75% for sales in the Cities of Richmond, Pinole, and El Cerrito.

<sup>3/</sup> 7.50% for sales in the City of Placerville and 7.75% for sales in the City of South Lake Tahoe.

<sup>4/</sup> 8.475% for sales in the Cities of Reedley and Selma and 8.725% for sales in the City of Sanger.

<sup>5/</sup> 8.25% for sales in the City of Trinidad.

<sup>6/</sup> 8.25% for sales in the City of Delano.

<sup>7/</sup> 7.75% for sales in the City of Clearlake and the City of Lakeport.

<sup>8/</sup> 8.75% for sales in the Cities of Avalon and Inglewood and 9.25% for sales in the City of South Gate.

<sup>9/</sup> 8.25% for sales in the City of San Rafael.

<sup>10/</sup> 7.75% for sales in the Cities of Fort Bragg, Point Arena, Ukiah, and Willits.

<sup>11/</sup> 7.75% for sales in the City of Merced and the City of Los Banos.

<sup>12/</sup> 7.75% for sales in the Cities of Salinas and Sand City and 8.25% in the Cities of Del Rey Oaks, Pacific Grove, and Seaside.

<sup>13/</sup> 7.875% for sales in the Cities of Truckee and Nevada City.

<sup>14/</sup> 8.25% for sales in the City of Laguna Beach.

<sup>15/</sup> 8.00% for sales in the City of San Juan Bautista and 8.25% for sales in the City of Hollister.

<sup>16/</sup> 8.00% for sales in the City of Montclair and the City of San Bernardino.

<sup>17/</sup> 8.25% for sales in the Cities of El Cajon and Vista and 8.75% for sales in National City.

<sup>18/</sup> 8.00% for sales in the City of Stockton and 8.25% for sales in the City of Manteca.

<sup>19/</sup> 7.75% for sales in the Cities of Arroyo Grande, Morro Bay, Grover Beach, San Luis Obispo, and Pismo Beach.

<sup>20/</sup> 8.25% for sales in the Cities of Watsonville and Capitola and 8.50% for sales in the Cities of Scotts Valley and Santa Cruz.

<sup>21/</sup> 8.00% for sales in the City of Sebastopol and the City of Santa Rosa.

<sup>22/</sup> 7.875% for sales in the City of Ceres.

<sup>23/</sup> 8.00% for sales in the City of Visalia. 8.25% for sales in the Cities of Farmersville, Porterville, and Tulare.

8.50% for sales in the City of Dinuba.

<sup>24/</sup> 7.75% for sales in the City of Sonoma.

<sup>25/</sup> 7.75% for sales in the Cities of Woodland, West Sacramento, and Davis.

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## Corporation Tax

Corporation tax revenues are expected to contribute 10.7 percent of all General Fund revenues and transfers in 2009-10. After growth of 14.9 percent in 2007-08, corporation tax revenues are expected to decline 13.9 percent in 2008-09, and grow 2.4 percent in 2009-10.

Corporation tax revenues are derived from the following sources:

- The franchise tax and the corporate income tax are levied at a rate of 8.84 percent on net profits. The former is imposed on corporations that do business in California, while the latter is imposed on corporations that derive income from California sources without doing business in the state. For example, a corporation that maintains a stock of goods in California to fill orders taken by independent dealers would be subject to the corporate income tax.
- Corporations that have a limited number of shareholders and meet other requirements to qualify for state Subchapter S status are taxed at a 1.5-percent rate rather than the 8.84 percent imposed on other corporations.
- Banks and other financial corporations pay the franchise tax plus an additional 2-percent tax on net income. This "bank tax" is in lieu of local personal property and business license taxes.
- The alternative minimum tax is similar to that in federal law. Imposed at a rate of 6.65 percent, the alternative minimum tax ensures that corporate taxpayers do not make excessive use of deductions and exemptions to avoid paying a minimum level of tax.
- A minimum franchise tax of \$800 is imposed on corporations subject to the franchise tax, but not on those subject to the corporate income tax. An \$800 minimum tax is also imposed on Limited Liability Companies, Limited Partnerships and Limited Liability Partnerships.
- In addition to an annual tax of \$800, a fee is imposed on Limited Liability Companies (LLC) based on total income. The fee ranges from \$900 for LLCs with income between \$250,000 and \$499,000, to \$11,790 for LLCs with income of \$5 million or more. LLCs with total income of less than \$250,000 do not pay this fee.
- The corporation tax forecast is based on an analysis of California taxable profits, employment rates, proprietors' income, and actual cash receipts.

### **Corporation Tax Revenue (In Billions)**

2007-08	\$11.849
2008-09 (Forecast)	\$10.197
2009-10 (Forecast)	\$10.445

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

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### **Insurance Tax**

Most insurance written in California is subject to a 2.35-percent gross premiums tax. This premium tax takes the place of all other state and local taxes except those on real property and motor vehicles. In general, the basis of the tax is the amount of "gross premiums" received, less return premiums.

The Department of Finance conducts an annual survey to project insurance premium growth. Responses were received this year from a sample representing about 40 percent of the dollar value of premiums written in California.

### **Insurance Tax Revenue (In Billions)**

2007-08	\$2.173
2008-09 (Forecast)	\$1.831
2009-10 (Forecast)	\$1.798

In 2007, \$124.1 billion in taxable premiums were reported, a decrease of 0.1 percent over 2006. The most recent survey indicates that total premiums will decrease by 7.0 percent, and increase by 1.2 percent in 2008, and 2009, respectively. As reforms in workers' compensation insurance continue to take hold, taxable premiums from workers' compensation insurance continue to decrease. Survey respondents reported declines of 16.3 percent in 2008 and 1.1 percent in 2009.



## Alcoholic Beverage Taxes

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

Alcoholic beverage revenue estimates are based on projections of total and per capita consumption for each type of beverage. Consumption of alcoholic beverages is expected to remain relatively flat over the forecast period.

### Alcoholic Beverage Tax Rates Per Gallon (January 1, 2009)

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

\$0.30 for sparkling wine

\$3.30 for distilled spirits

An increase of \$244 million in 2008-09 and \$585 million in 2009-10 is included to reflect the proposed nickel-per-drink tax increase, effective February 1, 2009. Under the proposal, the alcoholic beverage tax rates per gallon would become \$0.73 for beer, \$1.48 for wine, and \$7.57 for distilled spirits.

Revenues forecasted for 2008-09 and 2009-10 and 2007-08 collections are shown in Figure REV-09.

Figure REV-09  
**Beer, Wine, and Distilled Spirits Revenue**  
(Dollars in Millions)

	<b>2007-08 Preliminary</b>	<b>2008-09 Forecast</b>	<b>2009-10 Forecast</b>
Beer and Wine	\$157.6	\$338.2	\$597.0
Distilled Spirits	<u>169.7</u>	<u>260.8</u>	<u>358.3</u>
<b>Total</b>	<b>\$327.3</b>	<b>\$599.0</b>	<b>\$955.3</b>

## Cigarette Tax

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

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

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

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

Annual per capita consumption (based on population ages 18-64) declined from 123 packs in 1989-90 to 84 packs in 1997-98 and 47 packs in 2007-08, the latest year of actual data available. The long-term downward trend in consumption should continue to reduce cigarette tax revenues.

Figure REV-10 shows the distribution of tax revenues for the General Fund and various special funds for 2007-08 through 2009-10.

Figure REV-10

### **Tobacco Tax Revenue**

(Dollars in Millions)

	<b>2007-08 Preliminary</b>	<b>2008-09 Forecast</b>	<b>2009-10 Forecast</b>
General Fund	\$109.9	\$113.0	\$111.0
Cigarette and Tobacco Products Surtax Fund	327.0	315.0	310.0
Breast Cancer Fund	22.0	23.0	22.0
California Children and Families First Trust Fund	577.0	581.0	570.0
Cigarette and Tobacco Products Compliance Fund	1.9	1.3	1.3
<b>Total</b>	<b>\$1,037.8</b>	<b>\$1,033.3</b>	<b>\$1,014.3</b>

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## Property Taxes

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

Although the property tax is generally considered a local revenue source, the amount of property tax generated each year has a substantial impact on the state budget because local property tax revenues allocated to K-14 schools offset General Fund expenditures. Assessed value growth is estimated based on twice-yearly surveys of county assessors and evaluation of real estate trends. Assessed value is estimated to grow 4.4 percent in 2008-09 and 0.3 percent in 2009-10.

Property taxes received by school districts and reflected in the Department of Education and Community Colleges budgets are significantly below projections used for the 2008-09 Budget. While a recent audit performed by the State Controller indicates local allocations of revenues are being performed correctly, the audit did not provide clear indications regarding the reasons why school property tax receipts are less than estimated using assessed value growth. Estimates for the Governor's Budget reflect \$474 million in lower actual receipts in 2007-08 and that base is carried forward in subsequent years.

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## Estate/Inheritance/Gift Taxes

Proposition 6, adopted in June 1982, repealed the inheritance and gift taxes and imposed a tax known as "the pick-up tax," because it was designed to pick up the maximum state credit allowed against the federal estate tax without increasing total taxes paid by the estate. The pick-up tax is computed based on the federal "taxable estate," with tax rates ranging from 0.8 percent to 16 percent.

The Economic Growth and Tax Relief Reconciliation Act of 2001 phases out the federal estate tax by 2010. The Act reduced the state pick-up tax by 25 percent in 2002, 50 percent in 2003, 75 percent in 2004, and eliminated it beginning in 2005. The provisions of the federal Act sunset after 2010, at which time the federal and state estate taxes will be reinstated.

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

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### Other Revenues

#### Indian Gaming

Indian gaming revenues that are deposited in the General Fund are estimated to be \$362 million in 2008-09 and \$393 million in 2009-10, reflecting reduced estimates of \$123 million and \$192 million respectively, due to the decision by one tribe not to ratify their new compact and the reduction in cash receipts in the last quarter from existing operations, which are driven by the downturn in the economy.

#### Unclaimed Property

The Governor's Budget reflects revenues of \$162 million in 2008-09 and \$153 million in 2009-10 from unclaimed property, reflecting reduced estimates of \$122 million in 2008-09 and 2009-10. This is due to increased returns to property owners and reduced earnings on securities.

#### EdFund

The estimate of \$500 million from the sale of the EdFund has been removed from the revenue estimates for 2009-10. While the Administration is continuing to pursue the sale of EdFund, the timing and value of that sale are unclear at this point given the many changes that have occurred in the capital markets and federal student loan guarantee policy.

#### State Lands Royalties

Royalties on state land oil and gas production is estimated at \$327 million in 2008-09 and \$90 million in 2009-10, reflecting reduced estimates of \$252 million and \$272 million respectively. This is due to the rapid decline in oil prices.

#### Special Fund Loans and Transfers

Additional transfers of surplus balances in special funds of \$34.2 million are proposed in 2008-09. Loans from special funds, which will not harm the essential functions of those special funds' programs, of \$264 million in 2008-09 and \$94.4 million in 2009-10 are also proposed.

## Special Fund Revenue

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

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

Taxes and fees related to motor vehicles comprised about 35 percent of all special fund revenue in 2007-08. The principal sources are motor vehicle fees (registration, weight, and vehicle license fees) and motor vehicle fuel taxes. During 2008-09, it is expected that \$8.9 billion in revenues will be derived from the ownership or operation of motor vehicles, a 3.1-percent increase from 2007-08. About 37 percent of all motor vehicle taxes and fees will be returned to local governments, and the remaining portion will be used for state transportation programs.

## Motor Vehicle Fees

Motor vehicle fees consist of vehicle license, registration, weight, and driver's license fees, and other charges related to vehicle operation. Figure REV-11 displays revenue from these sources from 2007-08 through 2009-10.

Figure REV-11

### Motor Vehicle Fees Revenue

(Dollars in Thousands)

	<b>2007-08 Preliminary</b>	<b>2008-09 Forecast</b>	<b>2009-10 Forecast</b>
Vehicle License Fees	\$557,759	\$533,800	\$544,868
Realignment	1,685,480	1,610,221	1,643,248
Registration, Weight, and Other Fees	<u>2,942,205</u>	<u>3,440,818</u>	<u>3,993,204</u>
<b>Total</b>	<b>\$5,185,444</b>	<b>\$5,584,839</b>	<b>\$6,181,320</b>

**Proposal to Increase Vehicle Registration and Driver's License Fees:** The Budget proposes an increase of \$12 per vehicle to the registration fee to support state vehicle registration operations. This will generate \$92 million in 2008-09 for partial year implementation, increasing to \$359 million for full-year implementation in 2009-10. Vehicle License Fee (VLF) revenues will in turn be directed to local public safety programs. Additionally, the Budget also proposes an increase of \$3 to the driver's license fee, which will generate an estimated \$16.5 million in budget year. The revenues will fund the increased costs of new driver license/identification/sales person cards, as well as increased DMV staffing costs to begin implementation of REAL ID, which strengthens driver license/identification card integrity by requiring minimum security standards.

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

The number of vehicles in the state, the ages of those vehicles, and their most recent sales price affect the amount of VLF raised. The total number of vehicles in California — autos, trucks, trailers, and motorcycles as well as vehicles registered in multiple states — is estimated to be 31,174,000 in 2008-09 and 30,997,000 in 2009-10. The forecast assumes that there will be 1,994,000 new vehicles in 2009-10.

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

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

Chapter 322, Statutes of 1998, established a program to offset a portion of the VLF paid by vehicle owners at the 2-percent rate. The state paid or "offset" a portion of the amount due and taxpayers paid the balance. This General Fund offset gave taxpayers significant tax relief and compensated local governments. A permanent offset of 25 percent of the amount of the VLF owed became operative in 1999. Chapter 74,

Statutes of 1999, increased the offset to 35 percent on a one-time basis for the 2000 calendar year. Chapters 106 and 107, Statutes of 2000, and Chapter 5, Statutes of 2001, extended the 35-percent offset through June 30, 2001, and provided an additional 32.5 percent VLF reduction, which was returned to taxpayers in the form of a rebate. Beginning July 1, 2001, the VLF was reduced by 67.5 percent. As the amount paid by taxpayers decreased, the amount backfilled by the General Fund increased.

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

Chapter 211, Statutes of 2004, eliminated the VLF offset and reduced the VLF tax rate to 0.65 percent. Local governments now receive property tax revenues to compensate them for the loss of VLF revenue. In 2004-05 and 2005-06, that replacement revenue was reduced by \$1.3 billion to assist the state.

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

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

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## Motor Vehicle Fuel Taxes

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

Gasoline consumption fell by 2.7 percent during 2007-08, due primarily to substantially higher pump prices. Gasoline consumption is expected to decrease 1.4 percent in 2008-09 and 1.6 percent in 2009-10.

Because most diesel fuel is consumed by the commercial trucking industry, consumption is affected most significantly by general economic conditions. Diesel fuel

consumption fell 2.9 percent in 2007-08, and is expected to decline 1 percent in 2008-09 and 0.8 percent in 2009-10.

Motor vehicle fuel tax collections are shown in Figure REV-12.

Figure REV-12  
**Motor Vehicle Fuel Tax Revenue**  
(Dollars in Thousands)

	<b>2007-08 Preliminary</b>	<b>2008-09 Forecast</b>	<b>2009-10 Forecast</b>
Gasoline <sup>1</sup>	\$2,826,150	\$2,729,976	\$2,686,986
Diesel	591,824	556,458	552,572
<b>Total</b>	<b>\$3,417,974</b>	<b>\$3,286,434</b>	<b>\$3,239,558</b>

<sup>1</sup> Does not include jet fuel.

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

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

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

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

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



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# **Appendices and Schedules**

# Budget Process Overview

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

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

# Statewide Financial Information

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

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

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

**Schedule 3 Comparative Yield of State Taxes** - Revenues for Major State Taxes from 1970-71 through 2009-10.

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

**Schedule 5A Statement of Estimated Accounts Payable and Accounts Receivable** - Actual payable and receivable amounts as of June 30, 2008, and estimated amounts for June 30, 2009, and June 30, 2010.

**Schedule 5B Actual 2007-08 Fiscal Year Cashflow** - Actual receipts, disbursements, borrowable resources, and cashflow loan balances for the 2007-08 fiscal year.

**Schedule 5C Estimated 2008-09 Fiscal Year Cashflow** - Projected receipts, disbursements, borrowable resources, and cashflow loan balances for the 2008-09 fiscal year.

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

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

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

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

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

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

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

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

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

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

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

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

**SCHEDULE 1**  
**GENERAL BUDGET SUMMARY<sup>1/</sup>**  
(In Thousands)

	Reference to Schedule	General Fund	Special Funds	Selected Bond Fund Expenditures	Expenditure Totals
<b>2007-08</b>					
Prior year resources available	10	\$2,787,370	\$13,156,851		
Revenues and transfers	8	102,573,994	24,620,014		
Expenditures	9	<u>102,985,670</u>	<u>26,673,767</u>	\$8,405,295	\$138,064,732
Fund Balance <sup>2</sup>	10	\$2,375,694	\$11,103,098		
<i>Reserve for Liquidation of Encumbrances <sup>3</sup></i>		1,079,393	--		
<i>Reserves for Economic Uncertainties <sup>4</sup></i>		--	11,103,098		
<i>Special Fund for Economic Uncertainties <sup>4</sup></i>		1,296,301	--		
<b>2008-09</b>					
Prior year resources available	10	\$2,375,694	\$11,103,098		
Revenues and transfers	8	91,116,941	24,016,623		
Expenditures <sup>5</sup>	9	<u>92,413,242</u>	<u>26,498,990</u>	\$16,656,530	\$135,568,762
Fund Balance <sup>2</sup>	10	\$1,079,393	\$8,620,731		
<i>Reserve for Liquidation of Encumbrances <sup>3</sup></i>		1,079,393	--		
<i>Reserves for Economic Uncertainties <sup>4</sup></i>		--	8,620,731		
<i>Special Fund for Economic Uncertainties <sup>4</sup></i>		--	--		
<b>2009-10</b>					
Prior year resources available	10	\$1,079,393	\$8,620,731		
Revenues and transfers	8	97,707,988	30,666,840		
Expenditures	9	<u>95,523,564</u>	<u>32,017,149</u>	\$7,223,365	\$134,764,078
Fund Balance <sup>2</sup>	10	\$3,263,817	\$7,270,422		
<i>Reserve for Liquidation of Encumbrances <sup>3</sup></i>		1,079,393	--		
<i>Reserves for Economic Uncertainties <sup>4</sup></i>		--	7,270,422		
<i>Special Fund for Economic Uncertainties <sup>4</sup></i>		2,184,424	--		

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

<sup>2</sup> The Fund Balance for the General Fund includes amounts for unencumbered balances of continuing appropriations at the end of the 2007-08, 2008-09, and 2009-10 fiscal years of \$988,337; \$234,638; and \$2,728 (in thousands), respectively. The Fund Balance for special funds includes amounts for unencumbered balances of continuing appropriations at the end of the 2007-08, 2008-09, and 2009-10 fiscal years of \$3,508,200; \$2,743,837; and \$653,988 (in thousands), respectively.

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

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

<sup>5</sup> Includes a decrease of \$4.673 billion to reflect expenditure offsets provided by the issuance of Revenue Anticipation Warrants in 2009-10 for costs incurred in 2008-09.

**SCHEDULE 5**  
**SUMMARY OF STATE TAX COLLECTIONS**  
(Excludes Departmental, Interest, and Miscellaneous Revenue)

Fiscal Year Ending	Per Capita Personal Income <sup>1, 2</sup>	State Tax Collections (Dollars in Millions)		Taxes per Capita <sup>1</sup>		Taxes per \$100 of Personal Income <sup>3</sup>	
		General		General		General	
		Fund	Total	Fund	Total	Fund	Total
1968	\$3,878	\$3,558	\$4,676	\$185.55	\$243.86	\$4.78	\$6.29
1969	4,199	3,963	5,173	203.94	266.21	4.86	6.34
1970	4,521	4,126	5,409	208.96	273.94	4.62	6.06
1971	4,806	4,290	5,598	214.08	279.36	4.45	5.81
1972	5,034	5,213	6,597	256.22	324.24	5.09	6.44
1973	5,454	5,758	7,231	279.72	351.28	5.13	6.44
1974	5,944	6,377	7,877	305.57	377.45	5.14	6.35
1975	6,551	8,043	9,572	379.85	452.06	5.80	6.90
1976	7,128	9,050	10,680	420.19	495.87	5.89	6.96
1977	7,824	10,781	12,525	491.48	570.98	6.28	7.30
1978	8,569	12,951	14,825	579.41	663.25	6.76	7.74
1979	9,581	14,188	16,201	621.30	709.45	6.48	7.40
1980	10,752	16,904	19,057	726.83	819.41	6.76	7.62
1981	11,961	17,808	20,000	748.80	840.97	6.26	7.03
1982	13,179	19,053	21,501	784.78	885.62	5.95	6.72
1983	13,771	19,567	22,359	788.83	901.39	5.73	6.55
1984	14,569	22,300	25,674	880.14	1,013.30	6.04	6.96
1985	16,012	25,515	29,039	988.34	1,124.85	6.17	7.03
1986	16,980	26,974	30,898	1,021.63	1,170.25	6.02	6.89
1987	17,700	31,331	35,368	1,158.18	1,307.41	6.54	7.39
1988	18,590	31,228	35,611	1,126.67	1,284.81	6.06	6.91
1989	19,648	35,647	40,613	1,255.49	1,430.39	6.39	7.28
1990	20,639	37,248	43,052	1,278.16	1,477.32	6.19	7.16
1991	21,733	36,828	43,556	1,234.66	1,460.21	5.68	6.72
1992	21,758	40,072	48,856	1,315.62	1,604.01	6.05	7.37
1993	22,482	39,197	48,230	1,264.93	1,556.44	5.63	6.92
1994	22,607	38,351	48,941	1,224.72	1,562.90	5.42	6.91
1995	23,174	41,099	50,648	1,303.75	1,606.67	5.63	6.93
1996	24,682	44,825	54,805	1,413.51	1,728.20	5.73	7.00
1997	25,356	47,955	58,400	1,500.33	1,827.10	5.92	7.21
1998	26,517	53,859	64,826	1,659.61	1,997.56	6.26	7.53
1999	28,482	58,199	69,724	1,770.96	2,121.65	6.22	7.45
2000	29,900	70,027	81,773	2,095.45	2,446.93	7.01	8.18
2001	32,375	75,668	88,147	2,219.31	2,585.32	6.85	7.99
2002	32,655	62,654	73,237	1,802.13	2,106.53	5.52	6.45
2003	32,457	64,879	75,498	1,834.75	2,135.05	5.65	6.58
2004	33,025	70,229	81,629	1,953.83	2,270.99	5.92	6.88
2005	34,727	80,070	93,716	2,196.44	2,570.77	6.32	7.40
2006	36,392	90,468	105,811	2,451.75	2,867.55	6.74	7.88
2007	38,750	93,237	109,374	2,499.76	2,932.40	6.45	7.57
2008 <sup>P</sup>	40,302	95,343	111,781	2,528.15	2,964.02	6.27	7.35
2009 <sup>e</sup>	41,333	87,712	104,065	2,299.23	2,727.89	5.56	6.60
2010 <sup>e</sup>	41,726	95,929	111,518	2,488.13	2,892.46	5.96	6.93

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

<sup>2</sup> Personal income data are on a calendar year basis (e.g., 2007 for 2007-08).

<sup>3</sup> Taxes per \$100 personal income computed using calendar year personal income (e.g. 2007 income related to 2007-08 tax collections).

<sup>P</sup> Preliminary.

<sup>e</sup> Estimated.



**SCHEDULE 3**  
**COMPARATIVE YIELD OF STATE TAXES, 1970-71 THROUGH 2009-10**  
**Includes both General and Special Funds**

(Dollars in Thousands)

Fiscal Year Ending	Sales and Use (a)	Personal Income (b)	Corporation (c)	Tobacco (d)	Estate Inheritance and Gift (e)	Insurance (f)	Alcoholic Beverage (g)	Motor Vehicle Fuel (h)	Vehicle Fees (i)	Proposed Oil Severance
1971	\$1,808,052	\$1,264,383	\$532,091	\$239,721	\$185,699	\$158,423	\$106,556	\$674,635	\$513,202	
1972	2,015,993	1,785,618	662,522	247,424	220,192	170,179	112,091	712,426	547,845	
1973	2,198,523	1,884,058	866,117	253,602	260,119	179,674	114,884	746,196	596,922	
1974	2,675,738	1,829,385	1,057,191	258,921	231,934	201,697	119,312	742,702	644,448	
1975	3,376,078	2,579,676	1,253,673	261,975	242,627	202,991	120,749	752,234	664,453	
1976	3,742,524	3,086,611	1,286,515	268,610	316,648	241,224	125,313	766,555	749,936	
1977	4,314,201	3,761,356	1,641,500	269,384	367,964	322,476	127,485	810,321	807,782	
1978	5,030,438	4,667,887	2,082,208	273,658	365,092	387,560	132,060	850,181	924,410	
1979	5,780,919	4,761,571	2,381,223	268,816	416,955	420,184	140,059	896,591	1,021,856	
1980	6,623,521	6,506,015	2,510,039	290,043	465,611	446,228	138,940	852,752	1,096,640	
1981	7,131,429	6,628,694	2,730,624	278,161	530,185	460,926	142,860	839,994	1,127,293	
1982	7,689,023	7,483,007	2,648,735	276,824	482,300	454,984	139,523	833,446	1,373,354	
1983	7,795,488	7,701,099	2,536,011	271,621	517,875	736,929	136,209	928,633	1,614,993	
1984	8,797,865	9,290,279	3,231,281	263,231	236,452	457,490	137,433	1,213,167	1,906,290	
1985	9,797,564	10,807,706	3,664,593	262,868	296,805	643,139	135,786	1,159,637	2,137,326	
1986	10,317,930	11,413,040	3,843,024	258,141	252,810	839,939	132,262	1,194,172	2,515,295	
1987	10,904,022	13,924,527	4,800,843	255,076	273,089	1,008,804	131,288	1,245,881	2,692,835	
1988	11,650,531	12,950,346	4,776,388	250,572	304,148	1,158,321	128,734	1,293,254	2,966,334	
1989	12,650,893	15,889,179	5,138,009	559,617	335,091	1,317,630	128,264	1,320,512	3,142,484	
1990	13,917,771	16,906,568	4,965,389	787,076	388,527	1,167,684	128,524	1,349,146	3,305,711	
1991	13,839,573	16,852,079	4,544,783	745,074	498,774	1,287,152	129,640	1,999,771	3,513,159	
1992	17,458,521	17,242,816	4,538,451	726,064	446,696	1,167,307	321,352	2,457,229	4,369,862	
1993	16,598,863	17,358,751	4,659,950	677,846	458,433	1,188,181	292,107	2,412,574	4,470,321	
1994	16,857,369	17,402,976	4,809,273	664,322	552,139	1,196,921	275,797	2,547,633	4,518,795	
1995	16,273,800	18,608,181	5,685,618	674,727	595,238	998,868	268,957	2,685,731	4,749,594	
1996	17,466,584	20,877,687	5,862,420	666,779	659,338	1,131,737	269,227	2,757,289	5,009,319	
1997	18,424,355	23,275,990	5,788,414	665,415	599,255	1,199,554	271,065	2,824,589	5,260,355	
1998	19,548,574	27,927,940	5,836,881	644,297	780,197	1,221,285	270,947	2,853,846	5,660,574	
1999	21,013,674	30,894,865	5,724,237	976,513	890,489	1,253,972	273,112	3,025,226	5,610,374	
2000	23,451,570	39,578,237	6,638,898	1,216,651	928,146	1,299,777	282,166	3,069,694	5,263,245	
2001	24,287,928	44,618,532	6,899,322	1,150,869	934,709	1,496,556	288,450	3,142,142	5,286,542	
2002	23,795,936	33,051,107	5,333,030	1,102,806	890,627	1,595,846	292,627	3,295,903	3,836,795	
2003	24,898,676	32,713,830	6,803,583	1,055,505	647,372	1,879,784	290,564	3,202,512	3,965,410	
2004	26,506,911	36,398,983	6,925,916	1,081,588	397,848	2,114,980	312,826	3,324,883	4,415,126	
2005	29,967,136	42,992,007	8,670,065	1,096,224	213,036	2,232,955	314,252	3,366,141	4,873,705	
2006	32,201,082	51,219,823	10,316,467	1,088,703	3,786	2,202,327	318,276	3,393,381	5,078,529	
2007	32,652,011	53,352,905	11,157,897	1,078,553	6,347	2,178,336	333,789	3,399,694	5,176,620	
2008 <sup>p</sup>	31,972,874	55,745,970	11,849,097	1,037,457	6,303	2,172,936	327,260	3,421,457	5,212,811	
2009 *	33,317,998	47,788,000	10,197,000	1,033,271	0	1,831,000	599,000	3,289,292	5,611,473	358,000
2010 *	38,130,875	48,829,000	10,445,000	1,014,271	0	1,798,000	955,300	3,242,491	6,208,550	855,000

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

<sup>p</sup> Preliminary.

\* Estimated.

**SCHEDULE 7**  
**PERSONNEL YEARS AND SALARY COST ESTIMATES**  
(Excludes Staff Benefits<sup>1/</sup>)  
(Dollars in Thousands)

	<b>Personnel Years</b>			<b>Dollars</b>		
	<b>Authorized 2007-08</b>	<b>Estimated 2008-09</b>	<b>Proposed 2009-10</b>	<b>Authorized 2007-08</b>	<b>Estimated 2008-09</b>	<b>Proposed 2009-10</b>
<b>Positions subject to Administration Control</b>						
Executive	14,303.5	14,463.2	14,787.2	\$925,269	\$946,758	\$983,516
State and Consumer Services	13,237.5	13,654.8	13,618.7	772,571	792,245	801,535
Business, Transportation and Housing						
Business and Housing	2,239.0	2,287.0	2,320.8	140,241	142,203	148,329
Transportation	41,604.6	41,395.2	41,843.3	3,003,371	3,025,804	3,105,887
Resources	14,509.5	15,144.5	15,616.6	972,296	996,503	1,042,002
California Environmental Protection	4,759.4	4,874.8	4,887.3	350,615	372,873	377,880
Health and Human Services	32,764.3	32,794.4	33,057.9	2,096,783	2,132,003	2,195,485
Corrections and Rehabilitation	66,426.8	67,862.4	62,706.3	4,880,350	4,898,647	4,605,382
Education						
K thru 12 Education	2,903.4	2,858.6	2,848.6	175,258	177,048	179,564
Higher Education-Community Colleges/Other	400.9	365.8	363.1	28,708	26,694	27,012
Labor and Workforce Development	2,789.7	2,741.4	2,759.6	181,461	183,555	188,827
General Government	6,285.2	6,798.9	7,196.2	368,589	425,773	486,451
<b>NET TOTALS, SALARIES AND WAGES</b>	<b>202,223.8</b>	<b>205,241.0</b>	<b>202,005.6</b>	<b>\$13,895,512</b>	<b>\$14,120,106</b>	<b>\$14,141,870</b>
<b>Positions not subject to Administration Control</b>						
Legislative <sup>1/</sup>	743.0	752.0	752.0	\$59,741	\$61,560	\$63,028
Judicial	1,966.7	1,981.7	2,010.0	197,582	201,539	207,917
Public Employees' Retirement System	2,186.0	2,346.2	2,328.7	134,597	150,807	153,103
State Teachers' Retirement System	779.7	846.9	865.8	47,375	53,777	56,465
California Housing Finance Agency	306.3	312.4	312.4	21,029	21,611	21,611
Forestry and Fire Protection	1,998.8	1,930.9	1,930.9	158,529	155,582	155,582
University of California	85,960.4	85,671.4	85,701.8	5,376,104	5,934,524	5,936,739
Hastings	235.5	244.2	250.2	21,675	23,863	24,860
California State University	45,480.1	46,069.4	46,069.4	2,653,457	2,720,513	2,720,513
Employment Development Department	9,092.6	9,900.0	9,338.0	487,636	543,092	527,839
State Compensation Insurance Fund	8,156.8	7,600.0	7,000.0	355,426	389,692	362,464
Bureau of State Audits	147.0	147.0	147.0	10,151	10,378	10,623
<b>TOTALS</b>	<b>157,052.9</b>	<b>157,802.1</b>	<b>156,706.2</b>	<b>\$9,523,302</b>	<b>\$10,266,938</b>	<b>\$10,240,744</b>

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

**SCHEDULE 4 - Continued**  
**PERSONNEL YEARS AND SALARY COST ESTIMATES**  
(Excludes Staff Benefits<sup>1/</sup>)  
(Dollars in Thousands)

	<b>Personnel Years</b>	<b>Dollars</b>
	<b>Actuals</b>	<b>Actuals</b>
	<b>2007-08</b>	<b>2007-08</b>
<b>Positions subject to Administration Control</b>		
Executive	13,270.3	\$883,039
State and Consumer Services	13,179.5	758,238
Business, Transportation and Housing		
Business and Housing	2,154.7	134,660
Transportation	39,684.6	3,399,438
Resources	14,317.7	1,048,285
California Environmental Protection	4,433.5	336,756
Health and Human Services	29,689.6	1,994,733
Corrections and Rehabilitation	58,284.2	4,888,510
Education		
K thru 12 Education	2,746.8	169,425
Higher Education-Community Colleges/Other	369.2	27,193
Labor and Workforce Development	2,651.1	176,537
General Government	5,926.9	357,918
NET TOTALS, SALARIES AND WAGES	<u>186,708.1</u>	<u>\$14,174,732</u>
<b>Positions not subject to Administration Control</b>		
Legislative <sup>1/</sup>	688.8	\$53,440
Judicial	1,810.8	188,540
Public Employees' Retirement System	1,950.6	127,322
State Teachers' Retirement System	710.2	44,667
California Housing Finance Agency	298.9	18,984
Forestry and Fire Protection	2,117.1	163,887
University of California	84,895.5	5,897,909
Hastings	238.9	21,667
California State University	46,581.8	2,787,685
Employment Development Department	8,962.4	447,176
State Compensation Insurance Fund	8,027.0	448,742
Bureau of State Audits	128.0	8,945
TOTALS	<u>156,410.0</u>	<u>\$10,208,964</u>
	<b>Personnel Years</b>	<b>Dollars</b>
	<b>Proposed</b>	<b>Proposed</b>
	<b>2009-10</b>	<b>2009-10</b>
<b>Position Classification</b>		
Civil Service	221,908.1	\$15,239,965
Constitutional	608.6	67,642
Statutory	193.0	25,512
Exempt		
Various Departments	3,980.7	367,383
Higher Education		
University of California	85,701.8	5,936,739
Hastings College of the Law	250.2	24,860
California State University	46,069.4	2,720,513
NET TOTALS, SALARIES AND WAGES	<u>358,711.8</u>	<u>\$24,382,614</u>

Please note: Total Personnel Years in 2009-10 of 358,711.8 is 25.8 higher than the 358,686.0 appearing on the State Agency Budgets web screen. This total includes 25.8 positions for financing authorities under the State Treasurer's Office that do not appear on the web screen total.

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

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

	<b>Actual 2007-08 Fiscal Year Accruals <sup>1/</sup></b>			<b>Estimated 2008-09 Fiscal Year Accruals</b>			<b>Estimated 2009-10 Fiscal Year Accruals</b>		
	<i>Accounts payable</i>	<i>Accounts receivable</i>	<i>Net accruals</i>	<i>Accounts payable</i>	<i>Accounts receivable</i>	<i>Net accruals</i>	<i>Accounts payable</i>	<i>Accounts receivable</i>	<i>Net accruals</i>
	<i>June 30, 2008</i>	<i>June 30, 2008</i>	<i>June 30, 2008</i>	<i>June 30, 2009</i>	<i>June 30, 2009</i>	<i>June 30, 2009</i>	<i>June 30, 2010</i>	<i>June 30, 2010</i>	<i>June 30, 2010</i>
<b>STATE OPERATIONS</b>									
Legislative/Judicial/Executive	\$419,705	\$735,685	-\$315,980	\$432,296	\$757,756	-\$325,460	\$445,265	\$780,489	-\$335,224
State and Consumer Services	127,361	129,817	-2,456	131,182	133,712	-2,530	135,117	137,723	-2,606
Business, Transportation and Housing	370,683	25,035	345,648	381,803	25,786	356,017	393,257	26,560	366,697
Resources	1,571,665	1,328,548	243,117	1,618,815	1,368,404	250,411	1,667,379	1,409,456	257,923
California Environmental Protection	31,842	7,564	24,278	32,797	7,791	25,006	33,781	8,025	25,756
Health and Human Services:									
Health Care Services	8,732	100,708	-91,976	8,994	103,729	-94,735	9,264	106,841	-97,577
Developmental Services	60,352	99,415	-39,063	62,163	102,397	-40,234	64,028	105,469	-41,441
Mental Health	463,863	499,358	-35,495	477,779	514,339	-36,560	492,112	529,769	-37,657
Other Health and Human Services	190,926	417,914	-226,988	196,654	430,451	-233,797	202,554	443,365	-240,811
Corrections and Rehabilitation	1,985,308	1,348,733	636,575	2,044,867	1,389,195	655,672	2,106,213	1,430,871	675,342
Education:									
Department of Education	256,643	83,871	172,772	264,342	86,387	177,955	272,272	88,979	183,293
University of California	65,616	0	65,616	67,584	0	67,584	69,612	0	69,612
California State University	3,148	637	2,511	3,242	656	2,586	3,339	676	2,663
Other Education	69,418	7,903	61,515	71,501	8,140	63,361	73,646	8,384	65,262
General Government/Labor	284,531	378,524	-93,993	293,067	389,880	-96,813	301,859	401,576	-99,717
<b>Totals, State Operations</b>	<b>\$5,909,793</b>	<b>\$5,163,712</b>	<b>\$746,081</b>	<b>\$6,087,086</b>	<b>\$5,318,623</b>	<b>\$768,463</b>	<b>\$6,269,698</b>	<b>\$5,478,183</b>	<b>\$791,515</b>
<b>LOCAL ASSISTANCE</b>									
Public Schools K-12	\$1,454,313	\$475,267	\$979,046	\$1,497,942	\$489,525	\$1,008,417	\$1,542,880	\$504,211	\$1,038,669
California Community Colleges	111,024	45,822	65,202	114,355	47,197	67,158	117,786	48,613	69,173
Other Education	27,203	3,707	23,496	28,019	3,818	24,201	28,860	3,933	24,927
Alcohol and Drug Abuse	22,643	30,178	-7,535	23,322	31,083	-7,761	24,022	32,015	-7,993
Health Care Services (Non-Medi-Cal)	165,906	67,139	98,767	170,883	69,153	101,730	176,009	71,228	104,781
Developmental Services	170,472	331,236	-160,764	175,586	341,173	-165,587	180,854	351,408	-170,554
Mental Health	526,036	789,211	-263,175	541,817	812,887	-271,070	558,072	837,274	-279,202
Social Services	172,535	401,255	-228,720	177,711	413,293	-235,582	183,042	425,692	-242,650
Other Health and Human Services	301,834	111,033	190,801	310,889	114,364	196,525	320,216	117,795	202,421
Tax Relief	3,527	994	2,533	3,633	1,024	2,609	3,742	1,055	2,687
Other Local Assistance	56,399	64,624	-8,225	58,091	66,563	-8,472	59,834	68,560	-8,726
<b>Totals, Local Assistance</b>	<b>\$3,011,892</b>	<b>\$2,320,466</b>	<b>\$691,426</b>	<b>\$3,102,248</b>	<b>\$2,390,080</b>	<b>\$712,168</b>	<b>\$3,195,317</b>	<b>\$2,461,784</b>	<b>\$733,533</b>
<b>TOTALS, ALL CHARACTERS</b>	<b>\$8,921,685</b>	<b>\$7,484,178</b>	<b>\$1,437,507</b>	<b>\$9,189,334</b>	<b>\$7,708,703</b>	<b>\$1,480,631</b>	<b>\$9,465,015</b>	<b>\$7,939,967</b>	<b>\$1,525,048</b>

<sup>1/</sup> Information per the State Controller's Office.

**Note:** Numbers may not add due to rounding.

**SCHEDULE 5B**  
**ACTUAL 2007-08 FISCAL YEAR CASH FLOW**  
**GENERAL FUND**  
(Dollars in Millions)

<b>2007-08 FISCAL CASHFLOW</b>	<b>JUL</b>	<b>AUG</b>	<b>SEP</b>	<b>OCT</b>	<b>NOV</b>	<b>DEC</b>	<b>JAN</b>	<b>FEB</b>	<b>MAR</b>	<b>APR</b>	<b>MAY</b>	<b>JUN</b>	<b>TOTAL</b>
<b>BEGINNING CASH BALANCE</b>	<b>\$2,462</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,100</b>	<b>\$380</b>	<b>\$2,462</b>
<b>RECEIPTS:</b>													
Alcoholic Beverage Excise Tax	\$37	\$26	\$28	\$25	\$30	\$26	\$33	\$22	\$21	\$29	\$27	\$23	\$327
Corporation Tax	292	161	2,307	381	39	1,403	355	172	1,390	1,643	160	1,821	10,124
Cigarette Tax	19	9	11	9	9	10	9	1	16	9	3	6	111
Inheritance, Gift and Estate Taxes	0	2	1	3	2	0	1	1	0	0	2	2	14
Insurance Tax	22	102	426	24	103	422	20	34	76	491	49	427	2,196
Personal Income Tax	2,846	3,024	5,583	3,234	2,594	4,847	8,310	1,633	1,740	12,995	2,619	5,424	54,849
Retail Sales and Use Tax	895	3,573	2,038	984	3,641	2,060	991	3,548	2,026	888	3,410	2,783	26,837
Income from Pooled Money Investments	0	70	53	53	43	28	35	29	0	54	64	60	489
Transfer from Special Fund for Economic Uncertainties	0	12	0	0	0	0	0	0	0	0	1	12	25
Other	25	767	260	251	579	273	1,697	3,600	157	204	252	379	8,444
<b>TOTAL, Receipts</b>	<b>\$4,136</b>	<b>\$7,746</b>	<b>\$10,707</b>	<b>\$4,964</b>	<b>\$7,040</b>	<b>\$9,069</b>	<b>\$11,451</b>	<b>\$9,040</b>	<b>\$5,426</b>	<b>\$16,313</b>	<b>\$6,587</b>	<b>\$10,937</b>	<b>\$103,416</b>
<b>DISBURSEMENTS:</b>													
State Operations:													
University of California	\$353	\$230	\$269	\$365	\$272	\$332	\$308	\$288	\$292	\$416	\$131	\$23	\$3,279
Debt Service	16	442	457	462	184	266	9	732	290	277	-77	333	3,391
Other State Operations	2,022	1,762	2,059	1,954	1,635	1,602	1,823	1,533	1,084	1,821	1,628	1,241	20,164
Social Services	1,095	1,159	907	835	719	521	774	749	572	788	393	629	9,141
Medi-Cal Assistance for DHCS	1,390	1,275	1,002	1,221	1,115	1,091	1,185	944	1,327	1,061	1,210	1,007	13,828
Other Health Care Services	-4	76	1	110	118	-18	101	57	38	63	6	56	604
Schools	3,943	4,040	5,442	4,820	3,133	3,006	3,750	6,782	3,036	2,920	2,773	530	44,175
Teachers' Retirement	747	0	500	125	0	0	125	0	0	125	0	1	1,623
Transfer to Special Fund for Economic Uncertainties	0	0	0	0	0	0	0	0	0	0	953	0	953
Transfer to Budget Stabilization Account	0	0	1,023	0	0	0	0	0	0	0	0	0	1,023
Other	700	935	908	913	643	1,248	841	468	613	757	289	832	9,149
<b>TOTAL, Disbursements</b>	<b>\$10,262</b>	<b>\$9,919</b>	<b>\$12,568</b>	<b>\$10,805</b>	<b>\$7,819</b>	<b>\$8,048</b>	<b>\$8,916</b>	<b>\$11,553</b>	<b>\$7,252</b>	<b>\$8,228</b>	<b>\$7,306</b>	<b>\$4,652</b>	<b>\$107,330</b>
<b>EXCESS RECEIPTS/(DEFICIT)</b>	<b>-\$6,126</b>	<b>-\$2,173</b>	<b>-\$1,861</b>	<b>-\$5,841</b>	<b>-\$779</b>	<b>\$1,021</b>	<b>\$2,535</b>	<b>-\$2,513</b>	<b>-\$1,826</b>	<b>\$8,085</b>	<b>-\$720</b>	<b>\$6,285</b>	<b>-\$3,914</b>
<b>NET TEMPORARY LOANS:</b>													
Special Fund for Economic Uncertainties	\$1,622	-\$12	\$0	\$0	\$0	-\$96	-\$70	\$0	-\$7	-\$320	\$0	\$335	\$1,452
Budget Stabilization Account	472	0	1,023	0	0	0	-1,494	0	0	0	0	0	0
Other Internal Sources	1,571	2,185	839	5,841	-6,221	-925	-971	2,513	1,833	-6,665	0	0	0
External Borrowing	0	0	0	0	7,000	0	0	0	0	0	0	-7,000	0
<b>TOTAL, Net Temporary Loans</b>	<b>\$3,665</b>	<b>\$2,173</b>	<b>\$1,862</b>	<b>\$5,841</b>	<b>\$779</b>	<b>-\$1,021</b>	<b>-\$2,535</b>	<b>\$2,513</b>	<b>\$1,826</b>	<b>-\$6,985</b>	<b>\$0</b>	<b>-\$6,665</b>	<b>\$1,452</b>
<b>ENDING CASH BALANCE</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,100</b>	<b>\$380</b>	<b>\$0</b>	<b>\$0</b>
<b>AVAILABLE/BORROWABLE RESOURCES:</b>													
Special Fund for Economic Uncertainties	\$1,622	\$1,610	\$1,610	\$1,610	\$1,610	\$1,514	\$1,444	\$1,444	\$1,437	\$1,437	\$2,389	\$2,378	\$2,378
Budget Stabilization Account	472	472	1,494	1,494	1,494	1,494	0	0	0	0	0	0	0
Other Internal Sources	14,087	13,388	13,077	12,979	12,406	12,367	12,932	12,295	11,492	11,811	11,092	11,832	11,832
External Borrowing	0	0	0	0	7,000	7,000	7,000	7,000	7,000	7,000	7,000	0	0
<b>TOTAL, Available/Borrowable Resources</b>	<b>\$16,180</b>	<b>\$15,470</b>	<b>\$16,181</b>	<b>\$16,083</b>	<b>\$22,510</b>	<b>\$22,375</b>	<b>\$21,376</b>	<b>\$20,739</b>	<b>\$19,929</b>	<b>\$20,247</b>	<b>\$20,482</b>	<b>\$14,209</b>	<b>\$14,209</b>
<b>CUMULATIVE LOAN BALANCES:</b>													
Special Fund for Economic Uncertainties	\$1,622	\$1,610	\$1,610	\$1,610	\$1,610	\$1,514	\$1,444	\$1,444	\$1,437	\$1,117	\$1,117	\$1,452	\$1,452
Budget Stabilization Account	472	472	1,494	1,494	1,494	1,494	0	0	0	0	0	0	0
Other Internal Sources	1,571	3,756	4,595	10,436	4,215	3,290	2,319	4,832	6,665	0	0	0	0
External Borrowing	0	0	0	0	7,000	7,000	7,000	7,000	7,000	7,000	7,000	0	0
<b>TOTAL, Cumulative Loan Balances</b>	<b>\$3,664</b>	<b>\$5,837</b>	<b>\$7,699</b>	<b>\$13,540</b>	<b>\$14,319</b>	<b>\$13,298</b>	<b>\$10,763</b>	<b>\$13,276</b>	<b>\$15,102</b>	<b>\$8,117</b>	<b>\$8,117</b>	<b>\$1,452</b>	<b>\$1,452</b>
<b>UNUSED BORROWABLE RESOURCES</b>	<b>\$12,516</b>	<b>\$9,632</b>	<b>\$8,482</b>	<b>\$2,543</b>	<b>\$8,191</b>	<b>\$9,077</b>	<b>\$10,613</b>	<b>\$7,462</b>	<b>\$4,827</b>	<b>\$12,131</b>	<b>\$12,365</b>	<b>\$12,758</b>	<b>\$12,758</b>
<b>CUSHION (cash and unused borrowable resources)</b>	<b>\$12,516</b>	<b>\$9,632</b>	<b>\$8,482</b>	<b>\$2,543</b>	<b>\$8,191</b>	<b>\$9,077</b>	<b>\$10,613</b>	<b>\$7,462</b>	<b>\$4,827</b>	<b>\$13,231</b>	<b>\$12,745</b>	<b>\$12,758</b>	<b>\$12,758</b>

Note: Numbers may not add due to rounding.

**SCHEDULE 5C**  
**ESTIMATED 2008-09 FISCAL YEAR CASHFLOW**  
**GENERAL FUND**  
(Dollars in Millions)

<b>2008-09 FISCAL CASHFLOW</b>	<b>JUL</b>	<b>AUG</b>	<b>SEP</b>	<b>OCT</b>	<b>NOV</b>	<b>DEC</b>	<b>JAN</b>	<b>FEB</b>	<b>MAR</b>	<b>APR</b>	<b>MAY</b>	<b>JUN</b>	<b>TOTAL</b>
<b>BEGINNING CASH BALANCE</b>	<b>\$0</b>	<b>\$0</b>	<b>\$339</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>RECEIPTS:</b>													
Alcoholic Beverage Excise Tax	\$38	\$26	\$27	\$27	\$24	\$32	\$37	\$23	\$69	\$83	\$79	\$81	\$546
Corporation Tax	209	208	1,822	291	-38	1,434	290	199	1,789	2,294	1,400	1,790	11,688
Cigarette Tax	18	9	2	10	8	10	9	8	9	10	9	8	110
Inheritance, Gift and Estate Taxes	2	1	0	3	2	0	0	0	0	0	0	0	8
Insurance Tax	25	89	433	9	64	458	13	23	187	145	113	274	1,833
Personal Income Tax	2,915	2,935	5,556	3,090	2,149	4,560	6,226	1,398	1,336	8,688	1,808	5,783	46,444
Retail Sales and Use Tax	888	3,248	2,110	876	3,013	2,098	724	3,271	1,856	885	4,101	3,378	26,448
Income from Pooled Money Investments	30	29	22	26	13	16	15	16	20	15	13	26	241
Transfer from Special Fund for Economic Uncertainties	148	98	0	0	0	0	428	0	0	0	0	0	674
Other	488	325	122	691	640	134	187	537	158	267	357	456	4,362
<b>TOTAL, Receipts</b>	<b>\$4,761</b>	<b>\$6,968</b>	<b>\$10,094</b>	<b>\$5,023</b>	<b>\$5,875</b>	<b>\$8,742</b>	<b>\$7,929</b>	<b>\$5,475</b>	<b>\$5,424</b>	<b>\$12,387</b>	<b>\$7,880</b>	<b>\$11,796</b>	<b>\$92,354</b>
<b>DISBURSEMENTS:</b>													
State Operations:													
University of California	\$303	\$261	\$212	\$332	\$245	\$307	\$287	\$292	\$328	\$368	\$100	\$131	\$3,166
Debt Service	-74	457	480	789	299	283	-93	801	357	273	173	267	4,012
Other State Operations	2,111	1,686	1,777	2,449	1,675	1,441	2,064	1,336	1,708	1,809	1,678	1,485	21,219
Social Services	760	585	2,175	664	751	731	803	574	376	608	259	159	8,445
Medi-Cal Assistance for DHCS	465	383	2,075	2,158	698	1,278	1,149	890	717	1,874	1,184	1,468	14,339
Other Health and Human Services	189	48	922	1,122	381	309	332	108	341	127	183	12	4,074
Schools	2,865	3,541	4,178	7,199	3,039	3,042	3,295	2,674	2,857	2,390	2,579	505	38,164
Teachers' Retirement	134	0	0	134	299	0	134	0	0	433	0	0	1,134
Transfer to Special Fund for Economic Uncertainties	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfer to Budget Stabilization Account	0	0	0	0	0	0	0	0	0	0	0	0	0
Other	2,103	77	-182	-167	452	641	343	354	468	630	179	1,019	5,917
<b>TOTAL, Disbursements</b>	<b>\$8,856</b>	<b>\$7,038</b>	<b>\$11,637</b>	<b>\$14,680</b>	<b>\$7,839</b>	<b>\$8,032</b>	<b>\$8,314</b>	<b>\$7,029</b>	<b>\$7,152</b>	<b>\$8,512</b>	<b>\$6,335</b>	<b>\$5,046</b>	<b>\$100,470</b>
<b>EXCESS RECEIPTS/(DEFICIT)</b>	<b>-\$4,095</b>	<b>-\$70</b>	<b>-\$1,542</b>	<b>-\$9,656</b>	<b>-\$1,964</b>	<b>\$710</b>	<b>-\$385</b>	<b>-\$1,554</b>	<b>-\$1,729</b>	<b>\$3,874</b>	<b>\$1,545</b>	<b>\$6,751</b>	<b>-\$8,116</b>
<b>NET TEMPORARY LOANS:</b>													
Special Fund for Economic Uncertainties	\$778	-\$98	\$0	\$0	\$0	\$0	-\$429	\$0	\$0	\$0	\$0	\$0	\$251
Budget Stabilization Account	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Internal Sources	3,317	507	1,204	4,656	1,964	-710	814	1,554	1,729	-3,874	-345	-2,951	7,865
External Borrowing	0	0	0	5,000	0	0	0	0	0	0	-1,200	-3,800	0
<b>TOTAL, Net Temporary Loans</b>	<b>\$4,095</b>	<b>\$409</b>	<b>\$1,204</b>	<b>\$9,656</b>	<b>\$1,964</b>	<b>-\$710</b>	<b>\$385</b>	<b>\$1,554</b>	<b>\$1,729</b>	<b>-\$3,874</b>	<b>-\$1,545</b>	<b>-\$6,751</b>	<b>\$8,116</b>
<b>ENDING CASH BALANCE</b>	<b>\$0</b>	<b>\$339</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>AVAILABLE/BORROWABLE RESOURCES</b>													
Special Fund for Economic Uncertainties	\$2,230	\$2,132	\$2,132	\$2,132	\$2,132	\$2,132	\$1,703	\$1,703	\$1,703	\$1,703	\$1,703	\$1,703	\$1,703
Budget Stabilization Account	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Internal Sources	13,385	13,423	12,623	16,592	15,732	14,599	14,918	16,902	16,552	16,393	16,839	16,878	16,878
External Borrowing	0	0	0	5,000	5,000	5,000	5,000	5,000	5,000	5,000	3,800	0	0
<b>TOTAL, Available/Borrowable Resources</b>	<b>\$15,615</b>	<b>\$15,554</b>	<b>\$14,755</b>	<b>\$23,723</b>	<b>\$22,864</b>	<b>\$21,730</b>	<b>\$21,621</b>	<b>\$23,605</b>	<b>\$23,255</b>	<b>\$23,096</b>	<b>\$22,342</b>	<b>\$18,581</b>	<b>\$18,581</b>
<b>CUMULATIVE LOAN BALANCES</b>													
Special Fund for Economic Uncertainties	\$2,230	\$2,132	\$2,132	\$2,132	\$2,132	\$2,132	\$1,703	\$1,703	\$1,703	\$1,703	\$1,703	\$1,703	\$1,703
Budget Stabilization Account	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Internal Sources	3,317	3,824	5,027	9,684	11,647	10,937	11,751	13,306	15,034	11,160	10,815	7,865	7,865
External Borrowing	0	0	0	5,000	5,000	5,000	5,000	5,000	5,000	5,000	3,800	0	0
<b>TOTAL, Cumulative Loan Balances</b>	<b>\$5,546</b>	<b>\$5,955</b>	<b>\$7,159</b>	<b>\$16,815</b>	<b>\$18,779</b>	<b>\$18,069</b>	<b>\$18,454</b>	<b>\$20,009</b>	<b>\$21,737</b>	<b>\$17,863</b>	<b>\$16,318</b>	<b>\$9,568</b>	<b>\$9,568</b>
<b>UNUSED BORROWABLE RESOURCES</b>	<b>\$10,068</b>	<b>\$9,599</b>	<b>\$7,596</b>	<b>\$6,908</b>	<b>\$4,085</b>	<b>\$3,661</b>	<b>\$3,166</b>	<b>\$3,597</b>	<b>\$1,517</b>	<b>\$5,234</b>	<b>\$6,024</b>	<b>\$9,014</b>	<b>\$9,014</b>
<b>Cash and Unused Borrowable Resources</b>	<b>\$10,068</b>	<b>\$9,938</b>	<b>\$7,596</b>	<b>\$6,908</b>	<b>\$4,085</b>	<b>\$3,661</b>	<b>\$3,166</b>	<b>\$3,597</b>	<b>\$1,517</b>	<b>\$5,234</b>	<b>\$6,024</b>	<b>\$9,014</b>	<b>\$9,014</b>

Note: Numbers may not add due to rounding.

Total disbursements include \$1.2 billion for unanticipated cash risks. \$200m in each month between January and June 2009.

**SCHEDULE 5D**  
**ESTIMATED 2009-10 FISCAL YEAR CASHFLOW**  
**GENERAL FUND**  
(Dollars in Millions)

<b>2009-10 FISCAL CASHFLOW</b>	<b>JUL</b>	<b>AUG</b>	<b>SEP</b>	<b>OCT</b>	<b>NOV</b>	<b>DEC</b>	<b>JAN</b>	<b>FEB</b>	<b>MAR</b>	<b>APR</b>	<b>MAY</b>	<b>JUN</b>	<b>TOTAL</b>
<b>BEGINNING CASH BALANCE</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>RECEIPTS:</b>													
Alcoholic Beverage Excise Tax	\$93	\$79	\$84	\$85	\$79	\$78	\$89	\$62	\$67	\$81	\$78	\$80	\$955
Corporation Tax	313	77	2,080	455	-151	1,597	290	140	1,464	1,934	203	1,949	10,351
Cigarette Tax	10	10	10	9	10	9	9	8	8	9	9	9	110
Inheritance, Gift and Estate Taxes	0	0	0	0	0	0	0	0	0	0	0	1	1
Insurance Tax	-7	331	110	0	320	118	-4	14	281	453	175	7	1,798
Personal Income Tax	2,896	2,904	5,675	2,936	2,115	4,312	6,632	1,595	1,601	10,232	1,939	5,390	48,227
Retail Sales and Use Tax	1,438	4,004	2,651	1,426	4,147	2,456	1,493	4,347	2,469	1,356	4,288	3,672	33,747
Income from Pooled Money Investments	11	12	11	8	12	9	8	9	11	10	9	16	126
Transfer from Special Fund for Economic Uncertainties	0	0	0	0	0	0	0	0	0	0	0	0	0
Other	273	494	144	159	356	89	179	355	67	183	362	365	3,026
<b>TOTAL, Receipts</b>	<b>\$5,027</b>	<b>\$7,911</b>	<b>\$10,765</b>	<b>\$5,078</b>	<b>\$6,888</b>	<b>\$8,668</b>	<b>\$8,696</b>	<b>\$6,530</b>	<b>\$5,968</b>	<b>\$14,258</b>	<b>\$7,063</b>	<b>\$11,490</b>	<b>\$98,341</b>
<b>DISBURSEMENTS:</b>													
State Operations:													
University of California	\$354	\$244	\$254	\$321	\$300	\$293	\$304	\$309	\$348	\$390	\$106	\$15	\$3,238
Debt Service	11	524	477	472	528	258	11	900	351	361	691	332	4,916
Other State Operations	1,986	1,745	1,790	1,690	1,200	1,282	1,712	1,011	-3,486	1,694	891	1,525	13,040
Social Services	1,262	241	2,494	746	605	565	721	600	487	613	402	484	9,220
Medi-Cal Assistance for DHCS	1,132	1,184	1,740	1,240	1,188	1,362	1,219	933	1,681	1,080	1,283	844	14,886
Other Health and Human Services	422	256	855	677	188	313	308	73	400	55	162	38	3,747
Schools	5,924	2,954	4,667	6,393	2,579	2,870	2,820	3,422	2,807	2,488	2,290	836	40,050
Teachers' Retirement	198	0	0	141	314	0	141	0	0	455	0	1	1,250
Transfer to Special Fund for Economic Uncertainties	0	0	0	0	0	0	481	0	0	0	0	0	481
Transfer to Budget Stabilization Account	0	0	0	0	0	0	0	0	0	0	0	0	0
Other	988	217	732	794	520	753	423	381	547	456	187	1,039	7,035
<b>TOTAL, Disbursements</b>	<b>\$12,277</b>	<b>\$7,365</b>	<b>\$13,009</b>	<b>\$12,474</b>	<b>\$7,422</b>	<b>\$7,696</b>	<b>\$8,140</b>	<b>\$7,629</b>	<b>\$3,135</b>	<b>\$7,592</b>	<b>\$6,012</b>	<b>\$5,114</b>	<b>\$97,863</b>
<b>EXCESS RECEIPTS/(DEFICIT)</b>	<b>-\$7,249</b>	<b>\$546</b>	<b>-\$2,245</b>	<b>-\$7,396</b>	<b>-\$533</b>	<b>\$972</b>	<b>\$557</b>	<b>-\$1,099</b>	<b>\$2,833</b>	<b>\$6,666</b>	<b>\$1,051</b>	<b>\$6,376</b>	<b>\$478</b>
<b>NET TEMPORARY LOANS:</b>													
Special Fund for Economic Uncertainties	\$0	\$0	\$0	\$0	\$0	\$0	\$481	\$0	\$0	\$0	\$0	\$0	\$481
Budget Stabilization Account	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Internal Sources	2,576	-546	2,245	996	533	-972	-1,038	1,099	-2,833	-6,666	-1,051	24	-5,632
External Borrowing	4,673	0	0	6,400	0	0	0	0	0	0	0	-6,400	4,673
<b>TOTAL, Net Temporary Loans</b>	<b>\$7,249</b>	<b>-\$546</b>	<b>\$2,245</b>	<b>\$7,396</b>	<b>\$533</b>	<b>-\$972</b>	<b>-\$557</b>	<b>\$1,099</b>	<b>-\$2,833</b>	<b>-\$6,666</b>	<b>-\$1,051</b>	<b>-\$6,376</b>	<b>-\$478</b>
<b>ENDING CASH BALANCE</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>AVAILABLE/BORROWABLE RESOURCES</b>													
Special Fund for Economic Uncertainties	\$1,703	\$1,703	\$1,703	\$1,703	\$1,703	\$1,703	\$2,184	\$2,184	\$2,184	\$2,184	\$2,184	\$2,184	\$2,184
Budget Stabilization Account	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Internal Sources	18,143	17,893	16,323	16,225	16,216	15,230	15,541	15,659	15,264	14,901	15,574	15,545	15,545
External Borrowing	4,673	4,673	4,673	11,073	11,073	11,073	11,073	11,073	11,073	11,073	11,073	4,673	4,673
<b>TOTAL, Available/Borrowable Resources</b>	<b>\$24,520</b>	<b>\$24,269</b>	<b>\$22,699</b>	<b>\$29,001</b>	<b>\$28,993</b>	<b>\$28,006</b>	<b>\$28,798</b>	<b>\$28,916</b>	<b>\$28,521</b>	<b>\$28,159</b>	<b>\$28,831</b>	<b>\$22,403</b>	<b>\$22,403</b>
<b>CUMULATIVE LOAN BALANCES</b>													
Special Fund for Economic Uncertainties	\$1,703	\$1,703	\$1,703	\$1,703	\$1,703	\$1,703	\$2,184	\$2,184	\$2,184	\$2,184	\$2,184	\$2,184	\$2,184
Budget Stabilization Account	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Internal Sources	10,440	9,894	12,139	13,134	13,668	12,696	11,658	12,757	9,924	3,259	2,208	2,232	2,232
External Borrowing	4,673	4,673	4,673	11,073	11,073	11,073	11,073	11,073	11,073	11,073	11,073	4,673	4,673
<b>TOTAL, Cumulative Loan Balances</b>	<b>\$16,817</b>	<b>\$16,270</b>	<b>\$18,515</b>	<b>\$25,911</b>	<b>\$26,444</b>	<b>\$25,472</b>	<b>\$24,915</b>	<b>\$26,015</b>	<b>\$23,182</b>	<b>\$16,516</b>	<b>\$15,465</b>	<b>\$9,090</b>	<b>\$9,090</b>
<b>UNUSED BORROWABLE RESOURCES</b>	<b>\$7,703</b>	<b>\$7,999</b>	<b>\$4,184</b>	<b>\$3,090</b>	<b>\$2,548</b>	<b>\$2,534</b>	<b>\$3,883</b>	<b>\$2,902</b>	<b>\$5,340</b>	<b>\$11,643</b>	<b>\$13,366</b>	<b>\$13,313</b>	<b>\$13,313</b>
<b>Cash and Unused Borrowable Resources</b>	<b>\$7,703</b>	<b>\$7,999</b>	<b>\$4,184</b>	<b>\$3,090</b>	<b>\$2,548</b>	<b>\$2,534</b>	<b>\$3,883</b>	<b>\$2,902</b>	<b>\$5,340</b>	<b>\$11,643</b>	<b>\$13,366</b>	<b>\$13,313</b>	<b>\$13,313</b>

Note: Numbers may not add due to rounding.

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

Year	Population <sup>1</sup> (Thousands)	Employees <sup>4</sup>	Employees per 1,000 Population	Personal Income (Billions)	Revenue		Expenditures		Expenditures per Capita		Expenditures per \$100 of Personal Income	
					General Fund	Total	General Fund <sup>2</sup>	Total <sup>3</sup>	General Fund <sup>2</sup>	Total <sup>3</sup>	General Fund <sup>2</sup>	Total <sup>3</sup>
					(Millions)	(Millions)	(Millions)	(Millions)	(Millions)	(Millions)	(Millions)	(Millions)
1950-51	10,643	61,000	5.7	\$20.0	\$672	\$994	\$587	\$1,006	\$55.15	\$94.52	\$2.94	\$5.03
1951-52	11,130	63,860	5.7	23.2	734	1,086	635	1,068	57.05	95.96	2.74	4.60
1952-53	11,638	65,720	5.6	25.7	774	1,151	714	1,177	61.35	101.13	2.78	4.58
1953-54	12,101	69,928	5.8	27.6	798	1,271	809	1,381	66.85	114.12	2.93	5.00
1954-55	12,517	74,099	5.9	28.4	879	1,434	852	1,422	68.07	113.61	3.00	5.01
1955-56	13,004	77,676	6.0	31.3	1,005	1,578	923	1,533	70.98	117.89	2.95	4.90
1956-57	13,581	88,299	6.5	34.3	1,079	1,834	1,030	1,732	75.84	127.53	3.00	5.05
1957-58	14,177	98,015	6.9	36.8	1,111	1,751	1,147	1,891	80.91	133.39	3.12	5.14
1958-59	14,741	101,982	6.9	38.7	1,210	1,925	1,246	1,932	84.53	131.06	3.22	4.99
1959-60	15,288	108,423	7.1	42.4	1,491	2,198	1,435	2,086	93.86	136.45	3.38	4.92
1960-61	15,863	115,737	7.3	44.8	1,598	2,338	1,678	2,525	105.78	159.18	3.75	5.64
1961-62	16,412	122,339	7.5	47.5	1,728	2,451	1,697	2,406	103.40	146.60	3.57	5.07
1962-63	16,951	128,981	7.6	51.3	1,866	2,668	1,881	2,703	110.97	159.46	3.67	5.27
1963-64	17,530	134,721	7.7	54.8	2,137	3,057	2,064	3,182	117.74	181.52	3.77	5.81
1964-65	18,026	143,896	8.0	59.5	2,245	3,295	2,345	3,652	130.09	202.60	3.94	6.14
1965-66	18,464	151,199	8.2	63.4	2,509	3,581	2,580	4,059	139.73	219.83	4.07	6.40
1966-67	18,831	158,404	8.4	68.9	2,895	4,073	3,017	4,659	160.21	247.41	4.38	6.76
1967-68	19,175	162,677	8.5	74.3	3,682	4,927	3,273	5,014	170.69	261.49	4.41	6.75
1968-69	19,432	171,655	8.8	81.5	4,136	5,450	3,909	5,673	201.16	291.94	4.80	6.96
1969-70	19,745	179,583	9.1	89.3	4,330	5,743	4,456	6,302	225.68	319.17	4.99	7.06
1970-71	20,039	181,581	9.1	96.3	4,534	5,919	4,854	6,556	242.23	327.16	5.04	6.81
1971-72	20,346	181,912	8.9	102.4	5,395	6,897	5,027	6,684	247.08	328.52	4.91	6.53
1972-73	20,585	188,460	9.2	112.3	5,780	7,366	5,616	7,422	272.82	360.55	5.00	6.61
1973-74	20,869	192,918	9.2	124.0	6,978	8,715	7,299	9,311	349.75	446.16	5.89	7.51
1974-75	21,174	203,548	9.6	138.7	8,630	10,405	8,349	10,276	394.30	485.31	6.02	7.41
1975-76	21,538	206,361	9.6	153.5	9,639	11,567	9,518	11,452	441.92	531.71	6.20	7.46
1976-77	21,936	213,795	9.7	171.6	11,381	13,463	10,467	12,632	477.16	575.86	6.10	7.36
1977-78	22,352	221,251	9.9	191.5	13,695	15,962	11,686	14,003	522.82	626.48	6.10	7.31
1978-79	22,836	218,530	9.6	218.8	15,219	17,711	16,251	18,745	711.64	820.85	7.43	8.57
1979-80	23,257	220,193	9.5	250.1	17,985	20,919	18,534	21,488	796.92	923.94	7.41	8.59
1980-81	23,782	225,567	9.5	284.5	19,023	22,104	21,105	24,511	887.44	1,030.65	7.42	8.62
1981-82	24,278	228,813	9.4	320.0	20,960	23,601	21,693	25,022	893.53	1,030.65	6.78	7.82
1982-83	24,805	228,489	9.2	341.6	21,233	24,291	21,751	25,330	876.88	1,021.17	6.37	7.42
1983-84	25,337	226,695	8.9	369.1	23,809	27,626	22,869	26,797	902.59	1,057.62	6.20	7.26
1984-85	25,816	229,845	8.9	413.4	26,536	31,570	25,722	30,961	996.36	1,199.30	6.22	7.49
1985-86	26,403	229,641	8.7	448.3	28,072	33,558	28,841	34,977	1,092.34	1,324.74	6.43	7.80
1986-87	27,052	232,927	8.6	478.8	32,519	37,767	31,469	38,079	1,163.28	1,407.62	6.57	7.95
1987-88	27,717	237,761	8.6	515.3	32,534	38,773	33,021	40,452	1,191.36	1,459.47	6.41	7.85
1988-89	28,393	248,173	8.7	557.9	36,953	43,322	35,897	44,634	1,264.29	1,572.01	6.43	8.00
1989-90	29,142	254,589	8.7	601.5	38,750	46,453	39,456	48,594	1,353.92	1,667.49	6.56	8.08
1990-91	29,828	260,622	8.7	648.3	38,214	47,024	40,264	51,446	1,349.87	1,724.76	6.21	7.94
1991-92	30,459	261,713	8.6	662.7	42,026	53,117	43,327	56,280	1,422.47	1,847.73	6.54	8.49
1992-93	30,987	260,939	8.4	696.7	40,946	52,526	40,948	56,480	1,321.46	1,822.70	5.88	8.11
1993-94	31,314	265,035	8.5	707.9	40,095	52,384	38,958	53,083	1,244.11	1,695.18	5.50	7.50
1994-95	31,524	269,004	8.5	730.5	42,710	54,942	41,961	54,613	1,331.08	1,732.43	5.74	7.48
1995-96	31,712	271,076	8.5	765.8	46,296	59,266	45,393	59,870	1,431.41	1,887.93	5.93	7.82
1996-97	31,963	271,966	8.5	810.4	49,220	62,831	49,088	64,523	1,535.78	2,018.68	6.06	7.96
1997-98	32,453	271,254	8.4	860.5	54,973	69,424	52,874	68,528	1,629.25	2,111.61	6.14	7.96
1998-99	32,863	282,860	8.6	936.0	58,615	74,281	57,827	75,260	1,759.64	2,290.11	6.18	8.04
1999-00	33,419	296,076	8.9	999.2	71,931	87,536	66,494	84,864	1,989.71	2,539.39	6.65	8.49
2000-01	34,095	311,239	9.1	1,103.8	71,428	88,419	78,053	96,382	2,289.28	2,826.87	7.07	8.73
2001-02	34,767	323,603	9.3	1,135.3	72,239	89,780	76,752	99,220	2,207.61	2,853.86	6.76	8.74
2002-03	35,361	321,394	9.1	1,147.7	80,564	95,794	77,482	106,779	2,191.17	3,019.68	6.75	9.30
2003-04	35,944	316,860	8.8	1,187.0	76,774	96,365	78,345	104,223	2,179.64	2,899.59	6.60	8.78
2004-05	36,454	313,684	8.6	1,266.0	82,209	104,462	79,804	107,591	2,189.17	2,951.42	6.30	8.50
2005-06	36,899	317,593	8.6	1,342.8	93,451	118,347	91,592	119,612	2,482.24	3,241.61	6.82	8.91
2006-07	37,298	335,384	9.0	1,455.3	95,469	120,713	101,413	129,968	2,718.99	3,484.58	6.97	8.93
2007-08	37,713	343,118	9.1	1,519.9	102,574	127,194	102,986	138,065	2,730.78	3,660.94	6.78	9.08
2008-09	38,148	363,043	9.5	1,576.8	91,117	115,134	92,413	135,569	2,422.49	3,553.76	5.86	8.60
2009-10	38,555	358,712	9.3	1,608.7	97,708	128,375	95,524	134,764	2,477.60	3,495.37	5.94	8.38

<sup>1</sup> Population as of July 1, the beginning of the fiscal year.

<sup>2</sup> Includes Special Accounts in General Fund from 1973-74 to 1976-77.

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

<sup>4</sup> Please see footnote regarding total positions on Schedule 4.



**SCHEDULE 8**  
**COMPARATIVE STATEMENT OF REVENUES**  
(Dollars In Thousands)

Sources	Actual 2007-08			Estimated 2008-09			Proposed 2009-10		
	General Fund	Special Funds	Total	General Fund	Special Funds	Total	General Fund	Special Funds	Total
<b>MAJOR TAXES AND LICENSES</b>									
Alcoholic Beverage Taxes and Fees	\$327,260	-	\$327,260	\$599,000	-	\$599,000	\$955,300	-	\$955,300
Corporation Tax	11,849,097	-	11,849,097	10,197,000	-	10,197,000	10,445,000	-	10,445,000
Cigarette Tax	109,870	927,587	1,037,457	113,000	920,271	1,033,271	111,000	903,271	1,014,271
Horse Racing (Parimutuel) License Fees	2,498	32,451	34,949	2,375	37,114	39,489	2,375	37,114	39,489
Estate, Inheritance and Gift Tax	6,303	-	6,303	-	-	-	-	-	-
Insurance Gross Premiums Tax	2,172,936	-	2,172,936	1,831,000	-	1,831,000	1,798,000	-	1,798,000
Trailer Coach License (In-Lieu) Fees	27,367	2,388	29,755	26,634	2,388	29,022	27,230	2,388	29,618
Motor Vehicle License (In-Lieu) Fees	-	2,243,239	2,243,239	-	2,144,021	2,144,021	-	2,188,116	2,188,116
Motor Vehicle Fuel Tax (Gasoline)	-	2,829,633	2,829,633	-	2,732,834	2,732,834	-	2,689,919	2,689,919
Motor Vehicle Fuel Tax (Diesel)	-	591,824	591,824	-	556,458	556,458	-	552,572	552,572
Motor Vehicle Registration	-	2,939,817	2,939,817	-	3,438,430	3,438,430	-	3,990,816	3,990,816
Personal Income Tax	54,233,970	1,512,000	55,745,970	46,807,000	981,000	47,788,000	47,942,000	887,000	48,829,000
Retail Sales and Use Tax-Realignment	-	2,805,238	2,805,238	-	2,665,951	2,665,951	-	2,652,357	2,652,357
Retail Sales and Use Taxes	26,613,264	1,157,372	27,770,636	27,778,000	1,559,047	29,337,047	33,793,000	364,518	34,157,518
Retail Sales and Use Tax-Fiscal Recovery	-	1,397,000	1,397,000	-	1,315,000	1,315,000	-	1,321,000	1,321,000
Oil Severance Tax	-	-	-	358,000	-	358,000	855,000	-	855,000
<b>TOTALS, MAJOR TAXES AND LICENSES</b>	<b>\$95,342,565</b>	<b>\$16,438,549</b>	<b>\$111,781,114</b>	<b>\$87,712,009</b>	<b>\$16,352,514</b>	<b>\$104,064,523</b>	<b>\$95,928,905</b>	<b>\$15,589,071</b>	<b>\$111,517,976</b>
<b>MINOR REVENUES</b>									
<b>REGULATORY TAXES AND LICENSES</b>									
General Fish and Game Taxes	-	1,381	1,381	-	1,279	1,279	-	1,237	1,237
Energy Resource Surcharge	-	633,867	633,867	-	659,481	659,481	-	769,743	769,743
Quarterly Public Utility Commission Fees	-	120,932	120,932	-	121,123	121,123	-	121,684	121,684
Hwy Carrier Uniform Business License Tax	236	-	236	236	-	236	236	-	236
Off-Highway Vehicle Fees	-	19,383	19,383	-	23,500	23,500	-	23,874	23,874
Liquor License Fees	-	47,839	47,839	-	49,680	49,680	-	53,138	53,138
Genetic Disease Testing Fees	-	109,927	109,927	-	110,394	110,394	-	122,572	122,572
Other Regulatory Taxes	-	104,076	104,076	-	60,068	60,068	-	65,007	65,007
New Motor Vehicle Dealer License Fee	-	1,642	1,642	-	1,347	1,347	-	1,050	1,050
General Fish and Game Lic Tags Permits	-	94,069	94,069	-	93,013	93,013	-	97,199	97,199
Duck Stamps	-	10	10	-	5	5	-	5	5
Elevator and Boiler Inspection Fees	-	19,061	19,061	-	22,427	22,427	-	23,619	23,619
Industrial Homework Fees	1	-	1	1	-	1	1	-	1
Employment Agency License Fees	631	4,996	5,627	631	5,008	5,639	631	4,943	5,574
Employment Agency Filing Fees	87	-	87	87	-	87	87	-	87
Teacher Credential Fees	-	15,118	15,118	-	14,697	14,697	-	14,022	14,022
Teacher Examination Fees	-	4,949	4,949	-	4,984	4,984	-	4,861	4,861
Insurance Co License Fees & Penalties	-	42,722	42,722	-	41,490	41,490	-	44,621	44,621
Insurance Company Examination Fees	-	21,072	21,072	-	21,410	21,410	-	21,879	21,879
Real Estate Examination Fees	-	3,079	3,079	-	1,442	1,442	-	1,011	1,011
Real Estate License Fees	-	20,309	20,309	-	17,957	17,957	-	18,376	18,376
Subdivision Filing Fees	-	5,418	5,418	-	5,576	5,576	-	5,576	5,576
Building Construction Filing Fees	-	4,883	4,883	-	4,471	4,471	-	6,502	6,502
Domestic Corporation Fees	-	11,795	11,795	-	11,655	11,655	-	11,529	11,529
Foreign Corporation Fees	-	1,206	1,206	-	1,177	1,177	-	1,165	1,165

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

Sources	Actual 2007-08			Estimated 2008-09			Proposed 2009-10		
	General Fund	Special Funds	Total	General Fund	Special Funds	Total	General Fund	Special Funds	Total
Notary Public License Fees	-	1,287	1,287	-	1,269	1,269	-	1,249	1,249
Filing Financing Statements	-	2,636	2,636	-	2,583	2,583	-	2,558	2,558
Candidate Filing Fee	603	-	603	2	-	2	922	-	922
Beverage Container Redemption Fees	-	1,139,007	1,139,007	-	1,159,583	1,159,583	-	1,227,321	1,227,321
Explosive Permit Fees	-	6	6	-	-	-	-	-	-
Environmental and Hazardous Waste Fees	-	75,906	75,906	-	75,861	75,861	-	79,528	79,528
Other Regulatory Fees	538,606	1,814,252	2,352,858	545,015	1,863,444	2,408,459	366,826	1,867,532	2,234,358
Other Regulatory Licenses and Permits	5,401	476,876	482,277	6,666	481,070	487,736	6,648	504,119	510,767
Renewal Fees	-	186,299	186,299	-	186,866	186,866	-	190,950	190,950
Delinquent Fees	1	5,096	5,097	2	5,256	5,258	2	5,286	5,288
Private Rail Car Tax	6,109	-	6,109	6,109	-	6,109	6,109	-	6,109
Insurance Department Fees, Prop 103	-	24,749	24,749	-	26,375	26,375	-	31,000	31,000
Insurance Department Fees, General	-	23,717	23,717	-	22,004	22,004	-	21,222	21,222
Insurance Fraud Assessment, Workers Comp	-	44,186	44,186	-	48,137	48,137	-	50,303	50,303
Insurance Fraud Assessment, Auto	-	46,026	46,026	-	47,865	47,865	-	49,780	49,780
Insurance Fraud Assessment, General	-	9,815	9,815	-	9,814	9,814	-	9,814	9,814
<b>Totals, REGULATORY TAXES AND LICENSES</b>	<b>\$551,675</b>	<b>\$5,137,592</b>	<b>\$5,689,267</b>	<b>\$558,749</b>	<b>\$5,202,311</b>	<b>\$5,761,060</b>	<b>\$381,462</b>	<b>\$5,454,275</b>	<b>\$5,835,737</b>
<b>REVENUE FROM LOCAL AGENCIES</b>									
Architecture Public Building Fees	-	51,940	51,940	-	46,705	46,705	-	46,705	46,705
Penalties on Traffic Violations	-	94,502	94,502	-	98,710	98,710	-	100,197	100,197
Penalties on Felony Convictions	-	63,103	63,103	-	65,003	65,003	-	65,003	65,003
Fines-Crimes of Public Offense	34	8,239	8,273	-	6,000	6,000	-	6,000	6,000
Fish and Game Violation Fines	-	2,047	2,047	-	1,214	1,214	-	1,412	1,412
Penalty Assessments on Fish & Game Fines	-	514	514	-	641	641	-	650	650
Interest on Loans to Local Agencies	60	1,245	1,305	60	800	860	60	819	879
Add'l Assmnts on Fish & Game Fines	-	93	93	-	77	77	-	75	75
Narcotic Fines	3,476	-	3,476	1,000	-	1,000	1,000	-	1,000
Fingerprint ID Card Fees	-	64,074	64,074	-	64,714	64,714	-	65,361	65,361
Misc Revenue From Local Agencies	229,151	534,770	763,921	224,996	572,170	797,166	178,356	568,053	746,409
Open Space Cancellation Fee Deferrd Taxes	7,481	3,600	11,081	3,147	3,853	7,000	2,087	3,918	6,005
Rev Local Govt Agencies-Cost Recoveries	20,858	9,819	30,677	22,277	9,917	32,194	19,789	10,016	29,805
<b>Totals, REVENUE FROM LOCAL AGENCIES</b>	<b>\$261,060</b>	<b>\$833,946</b>	<b>\$1,095,006</b>	<b>\$251,480</b>	<b>\$869,804</b>	<b>\$1,121,284</b>	<b>\$201,292</b>	<b>\$868,209</b>	<b>\$1,069,501</b>
<b>SERVICES TO THE PUBLIC</b>									
Pay Patients Board Charges	16,007	-	16,007	14,494	-	14,494	14,494	-	14,494
State Beach and Park Service Fees	-	77,896	77,896	-	82,950	82,950	-	85,625	85,625
Parking Lot Revenues	-	8,794	8,794	-	8,306	8,306	-	8,811	8,811
Emergency Telephone Users Surcharge	-	103,748	103,748	-	104,000	104,000	-	104,000	104,000
Sales of Documents	205	7,261	7,466	207	5,923	6,130	205	5,972	6,177
General Fees--Secretary of State	11	25,086	25,097	93	24,797	24,890	69	24,539	24,608
Parental Fees	-	1,544	1,544	-	1,700	1,700	-	1,900	1,900
Guardianship Fees	-	-	-	5	-	5	-	-	-
Miscellaneous Services to the Public	2,205	140,954	143,159	2,599	145,323	147,922	2,770	117,398	120,168
Receipts From Health Care Deposit Fund	7,335	-	7,335	8,000	-	8,000	-	-	-
Medicare Receipts Frm Federal Government	19,336	-	19,336	17,025	-	17,025	11,000	-	11,000
Personalized License Plates	-	52,576	52,576	-	52,314	52,314	-	56,450	56,450

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

Sources	Actual 2007-08			Estimated 2008-09			Proposed 2009-10		
	General Fund	Special Funds	Total	General Fund	Special Funds	Total	General Fund	Special Funds	Total
<b>Totals, SERVICES TO THE PUBLIC</b>	<b>\$45,099</b>	<b>\$417,859</b>	<b>\$462,958</b>	<b>\$42,423</b>	<b>\$425,313</b>	<b>\$467,736</b>	<b>\$28,538</b>	<b>\$404,695</b>	<b>\$433,233</b>
<b>USE OF PROPERTY AND MONEY</b>									
Income From Pooled Money Investments	438,546	2,774	441,320	226,000	2,651	228,651	126,000	2,793	128,793
Income From Surplus Money Investments	5,721	447,972	453,693	5,700	289,112	294,812	5,700	236,397	242,097
Interest Income From Loans	7,881	1,244	9,125	4,065	1,256	5,321	4,047	2,214	6,261
Interest Income From Interfund Loans	688	358	1,046	-	2,265	2,265	-	562	562
Income From Other Investments	-	785	785	-	800	800	-	600	600
Income From Condemnation Deposits Fund	-	3,279	3,279	-	2,019	2,019	-	1,914	1,914
Federal Lands Royalties	-	72,420	72,420	-	70,344	70,344	-	70,344	70,344
Oil & Gas Lease-1% Revenue City/County	740	-	740	400	-	400	400	-	400
Rentals of State Property	14,397	48,032	62,429	22,656	43,977	66,633	14,898	44,420	59,318
Misc Revenue Frm Use of Property & Money	23,476	63,495	86,971	16,849	39,430	56,279	10,349	39,497	49,846
School Lands Royalties	-	127	127	-	97	97	-	97	97
State Lands Royalties	416,314	-	416,314	327,035	-	327,035	90,035	-	90,035
<b>Totals, USE OF PROPERTY AND MONEY</b>	<b>\$907,763</b>	<b>\$640,486</b>	<b>\$1,548,249</b>	<b>\$602,705</b>	<b>\$451,951</b>	<b>\$1,054,656</b>	<b>\$251,429</b>	<b>\$398,838</b>	<b>\$650,267</b>
<b>MISCELLANEOUS</b>									
Attorney General Proceeds of Anti-Trust	-	700	700	-	1,330	1,330	-	1,329	1,329
Penalties & Interest on UI & DI Contrib	-	102,498	102,498	-	90,030	90,030	-	98,702	98,702
Sale of Fixed Assets	53	27,336	27,389	14	53,060	53,074	14	30,003	30,017
Sale of Confiscated Property	6,532	-	6,532	6,607	-	6,607	6,607	-	6,607
Sale of State's Public Lands	-	334	334	-	643	643	-	1,811	1,811
Proceeds From Estates of Deceased Person	2,947	-	2,947	312	-	312	110	-	110
Revenue-Abandoned Property	322,594	-	322,594	162,466	-	162,466	153,374	-	153,374
Escheat of Unclaimed Checks & Warrants	33,322	6,345	39,667	31,080	5,720	36,800	30,791	5,698	36,489
Miscellaneous Revenue	276,379	190,107	466,486	92,901	281,258	374,159	96,063	398,436	494,499
Bond Proceeds	3,313,000	-	3,313,000	-	-	-	-	5,000,000	5,000,000
Penalties & Intrst on Personal Income Tx	-	37,974	37,974	-	14,700	14,700	-	14,700	14,700
Other Revenue - Cost Recoveries	66,896	99,829	166,725	50,159	101,144	151,303	52,838	100,394	153,232
Tribal Gaming Revenues	142,566	202,103	344,669	361,800	47,022	408,822	392,800	46,070	438,870
Settlements/Judgments(not Anti-trust)	15,670	6,699	22,369	54,528	18,202	72,730	3,160	8,605	11,765
Uninsured Motorist Fees	2,174	546	2,720	2,500	551	3,051	2,500	557	3,057
Traffic Violations	-	10,108	10,108	-	10,901	10,901	-	10,988	10,988
Parking Violations	9,747	1,250	10,997	9,108	378	9,486	9,107	378	9,485
Penalty Assessments	31,002	137,102	168,104	60,826	134,090	194,916	30,296	121,630	151,926
Civil & Criminal Violation Assessment	777	126,916	127,693	1,030	141,143	142,173	1,030	137,748	138,778
Fines and Forfeitures	5,355	249,699	255,054	5,355	245,512	250,867	5,355	245,712	251,067
Court Filing Fees and Surcharges	-	469,911	469,911	-	497,310	497,310	-	515,508	515,508
Penalty Assessments on Criminal Fines	-	95,661	95,661	-	141,100	141,100	-	264,380	264,380
<b>Totals, MISCELLANEOUS</b>	<b>\$4,229,014</b>	<b>\$1,765,118</b>	<b>\$5,994,132</b>	<b>\$838,686</b>	<b>\$1,784,094</b>	<b>\$2,622,780</b>	<b>\$784,045</b>	<b>\$7,002,649</b>	<b>\$7,786,694</b>
<b>TOTALS, MINOR REVENUES</b>	<b>\$5,994,611</b>	<b>\$8,795,001</b>	<b>\$14,789,612</b>	<b>\$2,294,043</b>	<b>\$8,733,473</b>	<b>\$11,027,516</b>	<b>\$1,646,766</b>	<b>\$14,128,666</b>	<b>\$15,775,432</b>
<b>TOTALS, REVENUES</b>	<b>\$101,337,176</b>	<b>\$25,233,550</b>	<b>\$126,570,726</b>	<b>\$90,006,052</b>	<b>\$25,085,987</b>	<b>\$115,092,039</b>	<b>\$97,575,671</b>	<b>\$29,717,737</b>	<b>\$127,293,408</b>
<b>TRANSFERS AND LOANS</b>									
General Fund	-1,030,821	1,030,821	-	-45,011	7,010	-38,001	-14,261	13,213	-1,048
Property Acquisition Law Money Account	1,200	-1,200	-	2,010	-2,010	-	-	-	-
Motor Vehicle Parking Facil Money's Acct	-	-397	-397	-	-397	-397	-	-397	-397

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

Sources	Actual 2007-08			Estimated 2008-09			Proposed 2009-10		
	General Fund	Special Funds	Total	General Fund	Special Funds	Total	General Fund	Special Funds	Total
Highway Account, State, STF	-	-	-	200,000	-200,000	-	-	-	-
Motor Vehicle Account, STF	218	-235	-17	60	-81	-21	60	-81	-21
Bicycle Transportation Account, STF	-	-	-	6,000	-6,000	-	-	-	-
Local Airport Loan Account	-	-	-	7,500	-7,500	-	-	-	-
Motor Vehicle Fuel Account, TTF	-	-22,771	-22,771	8,000	-27,822	-19,822	-	-19,822	-19,822
Corporations Fund, State	-	-	-	4,200	-4,200	-	-	-	-
Barbering/Cosmetology Fd, St Bd of	-	-	-	10,000	-10,000	-	-	-	-
Occupational Lead Poisoning Prev Account	-	-	-	1,100	-1,100	-	-	-	-
Hospital Building Fund	-	-	-	20,000	-20,000	-	-	-	-
Foster and Small Family Insurance Fund	-	-	-	2,800	-2,800	-	-	-	-
Beverage Container Recycling Fund, CA	1,800	-1,800	-	-	-	-	99,400	-99,400	-
Sexual Habitual Offender, DOJ	-	-	-	1,000	-1,000	-	-	-	-
Health Data & Planning Fund, CA	-	-	-	12,000	-12,000	-	-	-	-
Water Fund, California	-	-	-	1,100	-1,100	-	-	-	-
Debt Limit Allocation Committee Fund, Cal	-	-	-	2,000	-2,000	-	-	-	-
Debt & Investment Advisory Comm Fund, Cal	-	-	-	2,000	-2,000	-	-	-	-
Driver Training Penalty Assessment Fund	13,880	-13,880	-	19,886	-19,886	-	14,681	-14,681	-
Environmental Enhancement and Mitigation	-	-	-	4,400	-4,400	-	-	-	-
Employment Developmnt Dept Benefit Audit	5,608	-5,608	-	3,156	-3,156	-	3,256	-3,256	-
Employment Development Contingent Fund	42,125	-42,125	-	40,935	-40,935	-	15,189	-15,189	-
Fair and Exposition Fund	246	-246	-	246	-246	-	246	-246	-
Fish and Game Preservation Fund	-	-	-	30,000	-30,000	-	-	-	-
Genetic Disease Testing Fund	3,289	-3,289	-	-	-	-	-	-	-
Restitution Fund	-	-	-	80,000	-80,000	-	-	-	-
Tire Recycling Management Fund, Calif	-	-	-	10,000	-10,000	-	-	-	-
Business Fees Fund, Secty of State's	10,641	-10,641	-	7,473	-7,473	-	7,329	-7,329	-
Environmental Water Fund	-	-	-	2,400	-2,400	-	-	-	-
Drinking Water Operator Cert Special Act	-	-	-	1,600	-1,600	-	-	-	-
DNA Testing Fund, Department of Justice	-	-	-	-	-	-	293	-293	-
Off-Highway Vehicle Trust Fund	-	-	-	90,000	-90,000	-	-	-	-
Peace Officers' Training Fund	-	-	-	5,000	-5,000	-	-	-	-
Residential Earthquake Recovery Fund, CA	-	-	-	179	-179	-	-	-	-
Psychology Fund	-	-	-	2,500	-2,500	-	-	-	-
Pub Sch Ping Desgn & Constr Revlvd Fd	-	-	-	60,000	-60,000	-	-	-	-
School Land Bank Fund	-	-	-	61,000	-61,000	-	-	-	-
Historic Property Maintenance Fund	-	-	-	3,000	-3,000	-	-	-	-
Indian Gaming Special Distribution Fund	-	-46,200	-46,200	-	-39,200	-39,200	-	-50,000	-50,000
False Claims Act Fund	-	-	-	11,137	-11,137	-	-	-	-
Renewable Resource Trust Fund	-	-	-	10,900	-10,900	-	-	-	-
Real Estate Appraisers Regulation Fund	-	-	-	16,600	-16,600	-	-5,000	5,000	-
Vehicle Inspection and Repair Fund	-	-	-	25,000	-25,000	-	-	-	-
Victim - Witness Assistance Fund	-	-	-	2,000	-2,000	-	-	-	-
Underground Storage Tank Cleanup Fund	-	-3,500	-3,500	-	-3,500	-3,500	-	-3,500	-3,500
Occupancy Compliance Monitoring Account	-	-	-	10,000	-10,000	-	-	-	-
Tax Credit Allocation Fee Account	-	-	-	10,000	-10,000	-	-	-	-

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

Sources	Actual 2007-08			Estimated 2008-09			Proposed 2009-10		
	General Fund	Special Funds	Total	General Fund	Special Funds	Total	General Fund	Special Funds	Total
High-Cost Fund-B Admin Committee Fd, Cal	-	-	-	75,000	-75,000	-	-	-	-
Universal Lifeline Telpne Svc Trst Admin	-	-	-	45,000	-45,000	-	-	-	-
Deaf & Disabled Telecomm Prg Admin Comm	-	-	-	30,000	-30,000	-	-	-	-
Financial Responsibility Penalty Account	1,499	-1,499	-	2,206	-2,206	-	2,206	-2,206	-
Other Unallocated Special Funds	3,834	-3,834	-	3,344	-3,344	-	2,793	-2,793	-
Harbors and Watercraft Revolving Fund	-	4,400	4,400	29,000	7,000	36,000	-	8,500	8,500
Mobilehome Park Purchase Fund	-	-	-	-	-	-	-	3,000	3,000
Lottery Fund, State	-	-	-	-	-	-	-	1,142,651	1,142,651
Gambling Control Fund	-	-	-	10,000	-10,000	-	-	-	-
High Polluter Repair or Removal Account	-	-	-	20,000	-20,000	-	-	-	-
Cancer Research Fund	-	-	-	2,119	-2,119	-	-	-	-
Upper Newport Bay Ecological Maint&Presv	-	-	-	800	-800	-	-	-	-
Public Buildings Construction Fund	5,423	-	5,423	-	-	-	-	-	-
Service Revolving Fund	1,186	-	1,186	1,186	-	1,186	1,186	-	1,186
Accountancy Fund	-	-	-	14,000	-14,000	-	-	-	-
Contractors' License Fund	-	-	-	10,000	-10,000	-	-	-	-
School Building Aid Fund, State	-	-	-	16,559	-	16,559	-	-	-
Contingent Fd of the Medical Board of CA	-	-	-	6,000	-6,000	-	-	-	-
Registered Nursing Fund, Board of	-	-	-	2,000	-2,000	-	-	-	-
Pharmacy Board Contingent Fund	-	-	-	1,000	-1,000	-	-	-	-
Professional Engineer & Land Surveyor Fd	-	-	-	2,000	-2,000	-	-	-	-
Behavioral Science Examiners Fund	-	-	-	3,000	-3,000	-	-	-	-
Vocational Nursing & Psychiatric Tech Fd	-	-	-	1,000	-1,000	-	-	-	-
Small Business Expansion Fund	-	-	-	1,038	-	1,038	-	-	-
Joe Serna, Jr. Farmworker Housing Grant	-	-	-	1,500	-	1,500	-	-	-
Housing Rehabilitation Loan Fund	-	-	-	16,400	-	16,400	-	-	-
Managed Care Fund	-	-	-	-	-1,000	-1,000	-	-	-
Special Deposit Fund	195	499	694	300	-	300	300	-	300
Various Other Unallocated NGC Funds	2,156	-	2,156	1,881	-	1,881	1,571	-	1,571
Budget Stabilization Account	1,494,391	-1,494,391	-	-	-	-	-	-	-
Pedestrian Safety Account, STF	-	-	-	1,715	-1,715	-	-	-	-
Occupational Therapy Fund	-	-	-	-	-	-	2,000	-2,000	-
Agricultural Biomass Utilization Account	255	-255	-	-	-	-	-	-	-
Antiterrorism Fund	-	-	-	2,000	-2,000	-	-	-	-
Ratepayer Relief Fund	-	-	-	26,201	-	26,201	-	-	-
Licensing and Certification Prog Fd, PH	1,068	-1,068	-	1,068	-1,068	-	1,068	-1,068	-
Coastal Wetlands Fund	-	-	-	4,700	-	4,700	-	-	-
Managed Care Admin Fines & Penalties Fnd	-	-	-	-	-	-	-	-1,000	-1,000
Tobacco Asset Sales Revenue Fund	678,625	-	678,625	-	-	-	-	-	-
Children's Hospital Bond Act Fund	-	-	-	51	-	51	-	-	-
CA Consumer Pwr & Conservation Fin Auth	-	3,683	3,683	-	-	-	-	-	-
FISCal Internal Services Fund	-	-	-	37,650	-	37,650	-	-	-
<b>TOTALS, TRANSFERS AND LOANS</b>	<b>\$1,236,818</b>	<b>\$-613,536</b>	<b>\$623,282</b>	<b>\$1,110,889</b>	<b>\$-1,069,364</b>	<b>\$41,525</b>	<b>\$132,317</b>	<b>\$949,103</b>	<b>\$1,081,420</b>
<b>TOTALS, REVENUES AND TRANSFERS</b>	<b>\$102,573,994</b>	<b>\$24,620,014</b>	<b>\$127,194,008</b>	<b>\$91,116,941</b>	<b>\$24,016,623</b>	<b>\$115,133,564</b>	<b>\$97,707,988</b>	<b>\$30,666,840</b>	<b>\$128,374,828</b>

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

	Actual 2007-08				Estimated 2008-09				Proposed 2009-10						
	General Fund	Special Fund	Selected Bond Funds	Budget Total	Federal Funds	General Fund	Special Fund	Selected Bond Funds	Budget Total	Federal Funds	General Fund	Special Fund	Selected Bond Funds	Budget Total	Federal Funds
LEGISLATIVE, JUDICIAL, AND EXECUTIVE															
Legislative															
Legislature															
Senate															
State Operations	\$107,556	-	-	\$107,556	-	\$103,546	-	-	\$103,546	-	\$103,546	-	-	\$103,546	-
Assembly															
State Operations	145,952	-	-	145,952	-	140,511	-	-	140,511	-	140,511	-	-	140,511	-
Totals, Legislature	\$253,508	-	-	\$253,508	-	\$244,057	-	-	\$244,057	-	\$244,057	-	-	\$244,057	-
Legislative Counsel Bureau															
State Operations	88,144	-	-	88,144	-	70,185	-	-	70,185	-	75,458	-	-	75,458	-
Totals, Legislative	\$341,652	-	-	\$341,652	-	\$314,242	-	-	\$314,242	-	\$319,515	-	-	\$319,515	-
Judicial															
Judicial Branch															
State Operations	353,267	73,140	-	426,407	3,557	364,896	112,808	-	477,704	5,965	397,938	146,222	-	544,160	4,475
Local Assistance	1,857,559	1,381,043	-	3,238,602	772	1,848,028	1,464,258	-	3,312,286	3,075	1,885,673	1,324,295	-	3,209,968	2,275
Capital Outlay	-	95,621	-	95,621	-	13	111,797	-	111,810	-	-	159,712	-	159,712	-
Totals, Judicial Branch	\$2,210,826	\$1,549,804	-	\$3,760,630	\$4,329	\$2,212,937	\$1,688,863	-	\$3,901,800	\$9,040	\$2,283,611	\$1,630,229	-	\$3,913,840	\$6,750
Commission on Judicial Performance															
State Operations	4,340	-	-	4,340	-	4,072	-	-	4,072	-	4,102	-	-	4,102	-
Judges' Retirement System Contributions															
State Operations	3,134	-	-	3,134	-	2,894	-	-	2,894	-	2,959	-	-	2,959	-
Local Assistance	194,796	-	-	194,796	-	223,160	-	-	223,160	-	225,619	-	-	225,619	-
Totals, Judges' Retirement System Contribution	\$197,930	-	-	\$197,930	-	\$226,054	-	-	\$226,054	-	\$228,578	-	-	\$228,578	-
Totals, Judicial	\$2,413,096	\$1,549,804	-	\$3,962,900	\$4,329	\$2,443,063	\$1,688,863	-	\$4,131,926	\$9,040	\$2,516,291	\$1,630,229	-	\$4,146,520	\$6,750
Executive/Governor															
Governor's Office															
State Operations	19,504	-	-	19,504	-	15,150	-	-	15,150	-	15,894	-	-	15,894	-
Chief Info Officer, Office of the State															
State Operations	-	-	-	-	-	4,151	-	-	4,151	-	9,962	-	-	9,962	-
Office of the Inspector General															
State Operations	16,670	-	-	16,670	-	23,113	-	-	23,113	-	26,631	-	-	26,631	-
Office of Planning & Research															
State Operations	9,919	-	-	9,919	1,552	5,034	-	-	5,034	2,172	6,015	285	-	6,300	2,119
Local Assistance	-	-	-	-	26,097	-	-	-	-	35,000	-	9,215	-	9,215	28,000
Totals, Office of Planning & Research	\$9,919	-	-	\$9,919	\$27,649	\$5,034	-	-	\$5,034	\$37,172	\$6,015	\$9,500	-	\$15,515	\$30,119
California Emergency Management Agency															
State Operations	65,390	2,129	726	68,245	59,399	54,982	6,563	2,599	64,144	82,970	51,218	19,948	2,654	73,820	87,006
Local Assistance	193,609	30,295	135,846	359,750	772,247	106,957	28,964	157,000	292,921	992,606	73,452	20,263	157,000	250,715	990,035
Capital Outlay	-	-	-	-	-	-	-	-	-	-	1,857	-	-	1,857	-
Totals, California Emergency Management Agency	\$258,999	\$32,424	\$136,572	\$427,995	\$831,646	\$161,939	\$35,527	\$159,599	\$357,065	\$1,075,576	\$126,527	\$40,211	\$159,654	\$326,392	\$1,077,041
Totals, Executive/Governor	\$305,092	\$32,424	\$136,572	\$474,088	\$859,295	\$209,387	\$35,527	\$159,599	\$404,513	\$1,112,748	\$185,029	\$49,711	\$159,654	\$394,394	\$1,107,160
Executive/Constitutional Offices															
Office of the Lieutenant Governor															
State Operations	2,777	-	-	2,777	-	2,762	-	-	2,762	-	2,778	-	-	2,778	-
Department of Justice															

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

	Actual 2007-08				Estimated 2008-09				Proposed 2009-10						
	General Fund	Special Fund	Selected Bond Funds	Budget Total	Federal Funds	General Fund	Special Fund	Selected Bond Funds	Budget Total	Federal Funds	General Fund	Special Fund	Selected Bond Funds	Budget Total	Federal Funds
State Operations	396,548	155,817	-	552,365	35,892	370,508	197,403	-	567,911	42,399	381,367	198,009	-	579,376	41,174
Local Assistance	3,045	6,383	-	9,428	-	-	4,883	-	4,883	-	-	4,883	-	4,883	-
Capital Outlay	-	-	-	-	-	119	-	-	119	-	-	-	-	-	-
<b>Totals, Department of Justice</b>	<b>\$399,593</b>	<b>\$162,200</b>	<b>-</b>	<b>\$561,793</b>	<b>\$35,892</b>	<b>\$370,627</b>	<b>\$202,286</b>	<b>-</b>	<b>\$572,913</b>	<b>\$42,399</b>	<b>\$381,367</b>	<b>\$202,892</b>	<b>-</b>	<b>\$584,259</b>	<b>\$41,174</b>
<b>State Controller</b>															
State Operations	117,469	18,658	1,267	137,394	789	57,975	16,627	1,446	76,048	1,412	56,976	6,612	1,609	65,197	813
Local Assistance	-642	-	-	-642	-	-378	-	-	-378	-	-378	-	-	-378	-
<b>Totals, State Controller</b>	<b>\$116,827</b>	<b>\$18,658</b>	<b>\$1,267</b>	<b>\$136,752</b>	<b>\$789</b>	<b>\$57,597</b>	<b>\$16,627</b>	<b>\$1,446</b>	<b>\$75,670</b>	<b>\$1,412</b>	<b>\$56,598</b>	<b>\$6,612</b>	<b>\$1,609</b>	<b>\$64,819</b>	<b>\$813</b>
<b>Department of Insurance</b>															
State Operations	-	164,100	-	164,100	-	-	175,699	-	175,699	-	-	174,200	-	174,200	-
Local Assistance	-	46,370	-	46,370	-	-	51,148	-	51,148	-	-	65,601	-	65,601	-
<b>Totals, Department of Insurance</b>	<b>-</b>	<b>\$210,470</b>	<b>-</b>	<b>\$210,470</b>	<b>-</b>	<b>-</b>	<b>\$226,847</b>	<b>-</b>	<b>\$226,847</b>	<b>-</b>	<b>-</b>	<b>\$239,801</b>	<b>-</b>	<b>\$239,801</b>	<b>-</b>
<b>Gambling Control Commission</b>															
State Operations	-	9,266	-	9,266	-	-	13,670	-	13,670	-	-	13,229	-	13,229	-
Local Assistance	-	283	-	283	-	-	35,000	-	35,000	-	-	-	-	-	-
<b>Totals, Gambling Control Commission</b>	<b>-</b>	<b>\$9,549</b>	<b>-</b>	<b>\$9,549</b>	<b>-</b>	<b>-</b>	<b>\$48,670</b>	<b>-</b>	<b>\$48,670</b>	<b>-</b>	<b>-</b>	<b>\$13,229</b>	<b>-</b>	<b>\$13,229</b>	<b>-</b>
<b>State Board of Equalization</b>															
State Operations	221,045	50,576	-	271,621	58	239,515	55,697	-	295,212	1,618	256,821	60,866	-	317,687	825
<b>Secretary of State</b>															
<b>Secretary of State</b>															
State Operations	41,385	36,528	-	77,913	92,309	37,106	40,665	-	77,771	41,934	31,970	40,298	-	72,268	5,629
Local Assistance	-	-	-	-	-	85,695	-	-	85,695	2,379	-	-	-	-	1,000
<b>Totals, Secretary of State</b>	<b>\$41,385</b>	<b>\$36,528</b>	<b>-</b>	<b>\$77,913</b>	<b>\$92,309</b>	<b>\$122,801</b>	<b>\$40,665</b>	<b>-</b>	<b>\$163,466</b>	<b>\$44,313</b>	<b>\$31,970</b>	<b>\$40,298</b>	<b>-</b>	<b>\$72,268</b>	<b>\$6,629</b>
<b>State Treasurer</b>															
State Operations	3,860	-	-	3,860	-	4,682	-	-	4,682	-	5,116	-	-	5,116	-
<b>Debt &amp; Investment Advisory Commission</b>															
State Operations	-	2,218	-	2,218	-	-	2,420	-	2,420	-	-	2,885	-	2,885	-
<b>Debt Limit Allocation Committee</b>															
State Operations	-	1,019	-	1,019	-	-	1,240	-	1,240	-	-	1,268	-	1,268	-
<b>Industrial Dvlmt Financing Advisory Comm</b>															
State Operations	-	190	-	190	-	-	256	-	256	-	-	282	-	282	-
<b>Tax Credit Allocation Committee</b>															
State Operations	-	3,564	-	3,564	-	-	4,454	-	4,454	-	-	4,578	-	4,578	-
Local Assistance	-	232	-	232	-	-	136	-	136	-	-	136	-	136	-
<b>Totals, Tax Credit Allocation Committee</b>	<b>-</b>	<b>\$3,796</b>	<b>-</b>	<b>\$3,796</b>	<b>-</b>	<b>-</b>	<b>\$4,590</b>	<b>-</b>	<b>\$4,590</b>	<b>-</b>	<b>-</b>	<b>\$4,714</b>	<b>-</b>	<b>\$4,714</b>	<b>-</b>
<b>Health Facilities Financing Authority</b>															
State Operations	-	-	325	325	-	-	-	432	432	-	-	-	480	480	-
Local Assistance	-	-	102,927	102,927	-	-	-	121,000	121,000	-	-	-	81,000	81,000	-
<b>Totals, Health Facilities Financing Authority</b>	<b>-</b>	<b>-</b>	<b>\$103,252</b>	<b>\$103,252</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$121,432</b>	<b>\$121,432</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$81,480</b>	<b>\$81,480</b>	<b>-</b>
<b>School Finance Authority</b>															
State Operations	-	-	-	-	117	-	-	-	-	125	-	-	-	-	125
Local Assistance	-	-	-	-	9,397	-	-	-	-	9,725	-	-	-	-	-
<b>Totals, School Finance Authority</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$9,514</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$9,850</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$125</b>
<b>Totals, Executive/Constitutional Offices</b>	<b>\$785,487</b>	<b>\$495,204</b>	<b>\$104,519</b>	<b>\$1,385,210</b>	<b>\$138,562</b>	<b>\$797,984</b>	<b>\$599,298</b>	<b>\$122,878</b>	<b>\$1,520,160</b>	<b>\$99,592</b>	<b>\$734,650</b>	<b>\$572,847</b>	<b>\$83,089</b>	<b>\$1,390,586</b>	<b>\$49,566</b>
<b>Statewide Distributed Costs</b>															

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

	Actual 2007-08					Estimated 2008-09					Proposed 2009-10				
	General Fund	Special Fund	Selected Bond Funds	Budget Total	Federal Funds	General Fund	Special Fund	Selected Bond Funds	Budget Total	Federal Funds	General Fund	Special Fund	Selected Bond Funds	Budget Total	Federal Funds
<b>General Obligation Bonds-LJE</b>															
State Operations	10,251	-	-	10,251	-	13,940	-	-	13,940	-	16,767	-	-	16,767	-
<b>Totals, Statewide Distributed Costs</b>	<b>\$10,251</b>	<b>-</b>	<b>-</b>	<b>\$10,251</b>	<b>-</b>	<b>\$13,940</b>	<b>-</b>	<b>-</b>	<b>\$13,940</b>	<b>-</b>	<b>\$16,767</b>	<b>-</b>	<b>-</b>	<b>\$16,767</b>	<b>-</b>
<b>TOTALS, LEGISLATIVE, JUDICIAL, AND EXECUTIVE</b>	<b>\$3,855,578</b>	<b>\$2,077,432</b>	<b>\$241,091</b>	<b>\$6,174,101</b>	<b>\$1,002,186</b>	<b>\$3,778,616</b>	<b>\$2,323,688</b>	<b>\$282,477</b>	<b>\$6,384,781</b>	<b>\$1,221,380</b>	<b>\$3,772,252</b>	<b>\$2,252,787</b>	<b>\$242,743</b>	<b>\$6,267,782</b>	<b>\$1,163,476</b>
State Operations	1,607,211	517,205	2,318	2,126,734	193,673	1,515,022	627,502	4,477	2,147,001	178,595	1,586,029	668,682	4,743	2,259,454	142,166
Local Assistance	2,248,367	1,464,606	238,773	3,951,746	808,513	2,263,462	1,584,389	278,000	4,125,851	1,042,785	2,184,366	1,424,393	238,000	3,846,759	1,021,310
Capital Outlay	-	95,621	-	95,621	-	132	111,797	-	111,929	-	1,857	159,712	-	161,569	-
<b>STATE AND CONSUMER SERVICES</b>															
<b>State and Consumer Services, Secy</b>															
State Operations	1,657	-	-	1,657	-	1,726	-	-	1,726	-	1,439	-	-	1,439	-
<b>Science Center</b>															
State Operations	17,099	4,418	-	21,517	-	17,260	5,206	-	22,466	-	20,569	6,019	-	26,588	-
Capital Outlay	2,325	-	-	2,325	-	200	800	-	1,000	-	-	-	-	-	-
<b>Totals, Science Center</b>	<b>\$19,424</b>	<b>\$4,418</b>	<b>-</b>	<b>\$23,842</b>	<b>-</b>	<b>\$17,460</b>	<b>\$6,006</b>	<b>-</b>	<b>\$23,466</b>	<b>-</b>	<b>\$20,569</b>	<b>\$6,019</b>	<b>-</b>	<b>\$26,588</b>	<b>-</b>
<b>Department of Consumer Affairs, Boards</b>															
State Operations	-	219,289	-	219,289	-	-	227,753	-	227,753	-	-	257,395	-	257,395	-
<b>Department of Consumer Affairs, Bureaus</b>															
State Operations	361	182,789	-	183,150	1,479	-	210,034	-	210,034	1,515	-	208,845	-	208,845	-
<b>Seismic Safety Commission, A. E. Alquist</b>															
State Operations	-	1,210	-	1,210	-	-	1,339	-	1,339	-	-	1,191	-	1,191	-
<b>Department of Fair Employment &amp; Housing</b>															
State Operations	18,621	-	-	18,621	3,939	16,896	-	-	16,896	5,753	17,044	-	-	17,044	5,500
<b>Fair Employment &amp; Housing Commission</b>															
State Operations	1,144	-	-	1,144	-	1,055	-	-	1,055	-	1,071	-	-	1,071	-
<b>Franchise Tax Board</b>															
State Operations	522,019	20,061	-	542,080	-	515,236	23,426	-	538,662	-	524,440	20,541	-	544,981	-
<b>Department of General Services</b>															
State Operations	10,514	80,637	13,341	104,492	-	10,179	87,895	14,263	112,337	-	6,930	87,545	15,118	109,593	-
Local Assistance	-	96,388	-	96,388	-	-	120,604	-	120,604	-	-	120,604	-	120,604	-
Capital Outlay	-	3,139	5,776	8,915	-	-	528	4,695	5,223	-	2,155	2,087	4,065	8,307	-
<b>Totals, Department of General Services</b>	<b>\$10,514</b>	<b>\$180,164</b>	<b>\$19,117</b>	<b>\$209,795</b>	<b>-</b>	<b>\$10,179</b>	<b>\$209,027</b>	<b>\$18,958</b>	<b>\$238,164</b>	<b>-</b>	<b>\$9,085</b>	<b>\$210,236</b>	<b>\$19,183</b>	<b>\$238,504</b>	<b>-</b>
<b>Victim Compensation/Government Claims Bd</b>															
State Operations	-	107,074	-	107,074	25,909	-	117,194	-	117,194	32,187	-	34,728	-	34,728	1,613
Local Assistance	1,719	-	-	1,719	-	1,112	-	-	1,112	-	-	91,043	-	91,043	30,650
<b>Totals, Victim Compensation/Government Claims</b>	<b>\$1,719</b>	<b>\$107,074</b>	<b>-</b>	<b>\$108,793</b>	<b>\$25,909</b>	<b>\$1,112</b>	<b>\$117,194</b>	<b>-</b>	<b>\$118,306</b>	<b>\$32,187</b>	<b>-</b>	<b>\$125,771</b>	<b>-</b>	<b>\$125,771</b>	<b>\$32,263</b>
<b>State Personnel Board</b>															
State Operations	5,444	-	-	5,444	-	1,939	-	-	1,939	-	3,107	-	-	3,107	-
<b>TOTALS, STATE AND CONSUMER SERVICES</b>	<b>\$580,903</b>	<b>\$715,005</b>	<b>\$19,117</b>	<b>\$1,315,025</b>	<b>\$31,327</b>	<b>\$565,603</b>	<b>\$794,779</b>	<b>\$18,958</b>	<b>\$1,379,340</b>	<b>\$39,455</b>	<b>\$576,755</b>	<b>\$829,998</b>	<b>\$19,183</b>	<b>\$1,425,936</b>	<b>\$37,763</b>
State Operations	576,859	615,478	13,341	1,205,678	31,327	564,291	672,847	14,263	1,251,401	39,455	574,600	616,264	15,118	1,205,982	7,113
Local Assistance	1,719	96,388	-	98,107	-	1,112	120,604	-	121,716	-	-	211,647	-	211,647	30,650
Capital Outlay	2,325	3,139	5,776	11,240	-	200	1,328	4,695	6,223	-	2,155	2,087	4,065	8,307	-
<b>BUSINESS, TRANSPORTATION &amp; HOUSING</b>															
<b>Business and Housing</b>															



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

	Actual 2007-08				Estimated 2008-09					Proposed 2009-10					
	General Fund	Special Fund	Selected Bond Funds	Budget Total	Federal Funds	General Fund	Special Fund	Selected Bond Funds	Budget Total	Federal Funds	General Fund	Special Fund	Selected Bond Funds	Budget Total	Federal Funds
<b>Business,Transportation &amp; Housing, Secy</b>															
State Operations	7,593	1,502	-	9,095	-	6,486	1,704	-	8,190	-	5,542	1,667	-	7,209	-
<b>Department of Alcoholic Beverage Control</b>															
State Operations	-	47,605	-	47,605	-	-	51,790	-	51,790	1,300	-	52,969	-	52,969	1,307
Local Assistance	-	2,988	-	2,988	-	-	3,000	-	3,000	-	-	3,000	-	3,000	-
<b>Totals, Department of Alcoholic Beverage Contr</b>	-	<b>\$50,593</b>	-	<b>\$50,593</b>	-	-	<b>\$54,790</b>	-	<b>\$54,790</b>	<b>\$1,300</b>	-	<b>\$55,969</b>	-	<b>\$55,969</b>	<b>\$1,307</b>
<b>Alcoholic Beverage Control Appeals Board</b>															
State Operations	-	942	-	942	-	-	1,068	-	1,068	-	-	1,038	-	1,038	-
<b>Department of Financial Institutions</b>															
State Operations	-	27,078	-	27,078	-	-	32,999	-	32,999	-	-	32,654	-	32,654	-
<b>Department of Corporations</b>															
State Operations	-	34,854	-	34,854	-	-	40,011	-	40,011	-	-	39,511	-	39,511	-
<b>Dept of Housing &amp; Community Development</b>															
State Operations	5,048	25,585	2,280	32,913	8,708	4,025	23,392	4,847	32,264	10,608	3,788	24,540	5,885	34,213	11,291
Local Assistance	10,316	22,976	431,494	464,786	140,818	5,973	23,000	274,325	303,298	306,300	5,629	-	301,325	306,954	166,757
<b>Totals, Dept of Housing &amp; Community Development</b>	<b>\$15,364</b>	<b>\$48,561</b>	<b>\$433,774</b>	<b>\$497,699</b>	<b>\$149,526</b>	<b>\$9,998</b>	<b>\$46,392</b>	<b>\$279,172</b>	<b>\$335,562</b>	<b>\$316,908</b>	<b>\$9,417</b>	<b>\$24,540</b>	<b>\$307,210</b>	<b>\$341,167</b>	<b>\$178,048</b>
<b>Office of Real Estate Appraisers</b>															
State Operations	-	3,856	-	3,856	-	-	4,117	-	4,117	-	-	4,796	-	4,796	-
<b>Department of Real Estate</b>															
State Operations	-	43,532	-	43,532	-	-	44,332	-	44,332	-	-	44,906	-	44,906	-
<b>Department of Managed Health Care</b>															
State Operations	-	43,945	-	43,945	-	-	44,109	-	44,109	-	-	47,549	-	47,549	-
<b>Totals, Business and Housing</b>	<b>\$22,957</b>	<b>\$254,863</b>	<b>\$433,774</b>	<b>\$711,594</b>	<b>\$149,526</b>	<b>\$16,484</b>	<b>\$269,522</b>	<b>\$279,172</b>	<b>\$565,178</b>	<b>\$318,208</b>	<b>\$14,959</b>	<b>\$252,630</b>	<b>\$307,210</b>	<b>\$574,799</b>	<b>\$179,355</b>
<b>Transportation</b>															
<b>California Transportation Commission</b>															
State Operations	-	1,966	395	2,361	-	-	2,238	889	3,127	-	-	2,275	904	3,179	-
Local Assistance	-	-	3,596	3,596	-	-	-	25,000	25,000	-	-	-	25,000	25,000	-
<b>Totals, California Transportation Commission</b>	-	<b>\$1,966</b>	<b>\$3,991</b>	<b>\$5,957</b>	-	-	<b>\$2,238</b>	<b>\$25,889</b>	<b>\$28,127</b>	-	-	<b>\$2,275</b>	<b>\$25,904</b>	<b>\$28,179</b>	-
<b>State Transit Assistance</b>															
Local Assistance	-	306,434	530,290	836,724	-	-	153,217	1,219,710	1,372,927	-	-	-	350,000	350,000	-
<b>Department of Transportation</b>															
State Operations	-	2,940,201	53,714	2,993,915	624,824	-	3,126,053	136,253	3,262,306	643,592	-	3,140,617	132,702	3,273,319	723,385
<b>Local Assistance</b>															
Aeronautics Program	-	7,141	-	7,141	-	-	4,480	-	4,480	-	-	5,000	-	5,000	-
Highway Transportation Program	-	348,793	8,393	357,186	1,464,406	-	252,011	899,919	1,151,930	1,258,956	-	293,673	548,137	841,810	1,313,979
Mass Transportation Program	-	828,775	-	828,775	37,806	-	170,000	-	170,000	24,164	-	123,684	-	123,684	31,875
Transportation Planning Program	-	11,873	-	11,873	60,480	-	-	-	-	72,000	-	-	-	-	65,100
Totals, Local Assistance	-	1,196,582	8,393	1,204,975	1,562,692	-	426,491	899,919	1,326,410	1,355,120	-	422,357	548,137	970,494	1,410,954
Capital Outlay	-	1,226,709	924,976	2,151,685	1,077,883	-	788,536	3,330,941	4,119,477	1,632,317	-	779,490	2,443,471	3,222,961	1,439,145
Unclassified	1,416,345	-1,415,013	-	1,332	-	1,350,971	-1,350,971	-	-	31,000	1,751,688	-1,751,688	-	-	5,000
<b>Totals, Department of Transportation</b>	<b>\$1,416,345</b>	<b>\$3,948,479</b>	<b>\$987,083</b>	<b>\$6,351,907</b>	<b>\$3,265,399</b>	<b>\$1,350,971</b>	<b>\$2,990,109</b>	<b>\$4,367,113</b>	<b>\$8,708,193</b>	<b>\$3,662,029</b>	<b>\$1,751,688</b>	<b>\$2,590,776</b>	<b>\$3,124,310</b>	<b>\$7,466,774</b>	<b>\$3,578,484</b>
<b>High-Speed Rail Authority</b>															
State Operations	-	1,748	15,563	17,311	-	-	5,649	37,300	42,949	-	-	-	125,180	125,180	-
<b>Board of Pilot Commissioners</b>															

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

	General Fund	Actual 2007-08				Federal Funds	General Fund	Estimated 2008-09				Federal Funds	General Fund	Proposed 2009-10				Federal Funds
		Special Fund	Selected Bond Funds	Budget Total				Special Fund	Selected Bond Funds	Budget Total				Special Fund	Selected Bond Funds	Budget Total		
State Operations	-	2,227	-	2,227	-	-	-	2,494	-	2,494	-	-	-	2,894	-	2,894	-	
Office of Traffic Safety																		
State Operations	-	433	-	433	58,154	-	436	-	436	58,841	-	433	-	433	-	433	58,842	
Local Assistance	-	-	-	-	36,989	-	-	-	-	36,993	-	-	-	-	-	-	36,993	
Totals, Office of Traffic Safety	-	\$433	-	\$433	\$95,143	-	\$436	-	\$436	\$95,834	-	\$433	-	\$433	-	\$433	\$95,835	
Dept of the California Highway Patrol																		
State Operations	-	1,712,359	-	1,712,359	15,110	-	1,807,930	-	1,807,930	17,944	-	1,865,909	-	1,865,909	-	1,865,909	18,222	
Capital Outlay	-	1,819	-	1,819	-	-	8,218	-	8,218	-	-	16,993	-	16,993	-	16,993	-	
Totals, Dept of the California Highway Patrol	-	\$1,714,178	-	\$1,714,178	\$15,110	-	\$1,816,148	-	\$1,816,148	\$17,944	-	\$1,882,902	-	\$1,882,902	-	\$1,882,902	\$18,222	
Patrol																		
Department of Motor Vehicles																		
State Operations	-	890,584	-	890,584	780	-	940,607	-	940,607	1,579	-	941,694	-	941,694	-	941,694	2,435	
Capital Outlay	-	3,390	-	3,390	-	-	84,685	-	84,685	-	-	21,608	-	21,608	-	21,608	-	
Totals, Department of Motor Vehicles	-	\$893,974	-	\$893,974	\$780	-	\$1,025,292	-	\$1,025,292	\$1,579	-	\$963,302	-	\$963,302	-	\$963,302	\$2,435	
Totals, Transportation	\$1,416,345	\$6,869,439	\$1,536,927	\$9,822,711	\$3,376,432	\$1,350,971	\$5,995,583	\$5,650,012	\$12,996,566	\$3,777,386	\$1,751,688	\$5,442,582	\$3,625,394	\$10,819,664	\$3,694,976			
Statewide Distributed Costs																		
General Obligation Bonds-BT&H																		
State Operations	45,843	334,571	-	380,414	-	99,109	427,098	-	526,207	-	568,820	-	-	568,820	-	-	-	
Totals, Statewide Distributed Costs	\$45,843	\$334,571	-	\$380,414	-	\$99,109	\$427,098	-	\$526,207	-	\$568,820	-	-	\$568,820	-	-	-	
TOTALS, BUSINESS, TRANSPORTATION & HOUSING	\$1,485,145	\$7,458,873	\$1,970,701	\$10,914,719	\$3,525,958	\$1,466,564	\$6,692,203	\$5,929,184	\$14,087,951	\$4,095,594	\$2,335,467	\$5,695,212	\$3,932,604	\$11,963,283	\$3,874,331			
State Operations	58,484	6,112,988	71,952	6,243,424	707,576	109,620	6,556,027	179,289	6,844,936	733,864	578,150	6,203,452	264,671	7,046,273	815,482			
Local Assistance	10,316	1,528,980	973,773	2,513,069	1,740,499	5,973	605,708	2,418,954	3,030,635	1,698,413	5,629	425,357	1,224,462	1,655,448	1,614,704			
Capital Outlay	-	1,231,918	924,976	2,156,894	1,077,883	-	881,439	3,330,941	4,212,380	1,632,317	-	818,091	2,443,471	3,261,562	1,439,145			
Unclassified	1,416,345	-1,415,013	-	1,332	-	1,350,971	-1,350,971	-	-	31,000	1,751,688	-1,751,688	-	-	5,000			
RESOURCES																		
Secretary for Resources																		
State Operations	5,839	3,017	24,367	33,223	456	5,377	3,373	39,745	48,495	12,778	5,736	3,467	32,635	41,838	8,471			
Local Assistance	-	-	66,277	66,277	-	-	-	69,026	69,026	-	-	-	28,365	28,365	-			
Totals, Secretary for Resources	\$5,839	\$3,017	\$90,644	\$99,500	\$456	\$5,377	\$3,373	\$108,771	\$117,521	\$12,778	\$5,736	\$3,467	\$61,000	\$70,203	\$8,471			
Special Resources Programs																		
State Operations	-	248	-	248	-	-	200	-	200	-	-	200	-	200	-			
Local Assistance	-	4,878	-	4,878	-	-	4,934	-	4,934	-	-	4,839	-	4,839	-			
Totals, Special Resources Programs	-	\$5,126	-	\$5,126	-	-	\$5,134	-	\$5,134	-	-	\$5,039	-	\$5,039	-			
Tahoe Conservancy																		
State Operations	227	3,792	1,945	5,964	-	200	4,349	868	5,417	281	203	4,476	758	5,437	215			
Local Assistance	-	-	15,757	15,757	-	-	-	18,087	18,087	-	-	-	-	-	-			
Capital Outlay	-	2,020	11,330	13,350	378	-	2,114	18,353	20,467	10,344	-	982	236	1,218	-			
Totals, Tahoe Conservancy	\$227	\$5,812	\$29,032	\$35,071	\$378	\$200	\$6,463	\$37,308	\$43,971	\$10,625	\$203	\$5,458	\$994	\$6,655	\$215			
California Conservation Corps																		
State Operations	36,882	25,996	267	63,145	-	33,876	32,032	3,292	69,200	-	17,948	-	-	17,948	-			
Local Assistance	-	-	384	384	-	-	-	23,000	23,000	-	-	-	-	-	-			
Capital Outlay	177	-	-	177	-	3,507	-	-	3,507	-	-	-	-	-	-			
Totals, California Conservation Corps	\$37,059	\$25,996	\$651	\$63,706	-	\$37,383	\$32,032	\$26,292	\$95,707	-	\$17,948	-	-	\$17,948	-			
Energy Resource Conservation/Dvlmt Comm																		
State Operations	-	536,649	-	536,649	4,965	-	383,035	-	383,035	22,366	-	343,246	-	343,246	53,628			
Local Assistance	-	3,000	-	3,000	-	-	3,318	-	3,318	-	-	4,500	-	4,500	-			

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

	Actual 2007-08				Estimated 2008-09				Proposed 2009-10						
	General Fund	Special Fund	Selected Bond Funds	Budget Total	Federal Funds	General Fund	Special Fund	Selected Bond Funds	Budget Total	Federal Funds	General Fund	Special Fund	Selected Bond Funds	Budget Total	Federal Funds
Totals, Energy Resource Conservation/Dvlmt Com	-	\$539,649	-	\$539,649	\$4,965	-	\$386,353	-	\$386,353	\$22,366	-	\$347,746	-	\$347,746	\$53,628
Renewable Resources Investment Program															
State Operations	-	985	-	985	-	-	2,000	-	2,000	-	-	2,000	-	2,000	-
Department of Conservation															
State Operations	5,014	1,250,638	465	1,256,117	827	11,583	1,276,690	2,271	1,290,544	1,364	15,461	1,277,130	2,727	1,295,318	1,394
Local Assistance	-	-	16,737	16,737	-	-	-	19,330	19,330	-	-	-	13,155	13,155	-
Totals, Department of Conservation	\$5,014	\$1,250,638	\$17,202	\$1,272,854	\$827	\$11,583	\$1,276,690	\$21,601	\$1,309,874	\$1,364	\$15,461	\$1,277,130	\$15,882	\$1,308,473	\$1,394
Department of Forestry & Fire Protection															
State Operations	923,714	12,820	8,542	945,076	11,818	1,002,717	12,316	10,581	1,025,614	31,421	766,441	55,264	3,089	824,794	18,390
Local Assistance	-	-	7,119	7,119	-	-	-	7,189	7,189	-	-	-	6,945	6,945	-
Capital Outlay	6,271	-	-	6,271	-	23,255	-	-	23,255	1,913	23,735	-	-	23,739	-
Totals, Department of Forestry & Fire Protection	\$929,985	\$12,820	\$15,661	\$958,466	\$11,818	\$1,025,972	\$12,316	\$17,770	\$1,056,058	\$33,334	\$790,180	\$55,264	\$10,034	\$855,478	\$18,390
State Lands Commission															
State Operations	9,765	13,353	-	23,118	-	9,305	14,969	-	24,274	-	9,447	15,298	-	24,745	-
Capital Outlay	308	-	-	308	-	-	-	-	-	-	-	184	-	184	-
Totals, State Lands Commission	\$10,073	\$13,353	-	\$23,426	-	\$9,305	\$14,969	-	\$24,274	-	\$9,447	\$15,482	-	\$24,929	-
Department of Fish & Game															
State Operations	82,986	149,420	66,298	298,704	42,920	84,559	155,942	129,673	370,174	51,329	75,254	165,421	97,084	337,759	52,718
Local Assistance	569	922	8,193	9,684	-	576	2,187	12,365	15,128	-	594	2,257	12,840	15,691	-
Capital Outlay	-	1,960	-	1,960	-	-	60	-	60	-	-	2,049	-	2,049	-
Totals, Department of Fish & Game	\$83,555	\$152,302	\$74,491	\$310,348	\$42,920	\$85,135	\$158,189	\$142,038	\$385,362	\$51,329	\$75,848	\$169,727	\$109,924	\$355,499	\$52,718
Wildlife Conservation Board															
State Operations	144	1,096	1,261	2,501	-	-	2,047	2,300	4,347	-	-	2,060	2,381	4,441	-
Capital Outlay	18,107	-8,485	73,806	83,428	-	1,535	40,976	860,680	903,191	-	-	1,326	38,424	39,750	-
Totals, Wildlife Conservation Board	\$18,251	\$-7,389	\$75,067	\$85,929	-	\$1,535	\$43,023	\$862,980	\$907,538	-	-	\$3,386	\$40,805	\$44,191	-
Department of Boating & Waterways															
State Operations	-	-	-	-	7,293	-	-	-	-	8,388	-	-	-	-	7,993
Local Assistance	-	4,598	-	4,598	5,452	-	7,000	-	7,000	6,445	-	8,500	-	8,500	4,443
Totals, Department of Boating & Waterways	-	\$4,598	-	\$4,598	\$12,745	-	\$7,000	-	\$7,000	\$14,833	-	\$8,500	-	\$8,500	\$12,436
Coastal Commission															
State Operations	11,709	596	-	12,305	2,407	11,210	1,121	-	12,331	2,550	11,310	943	-	12,253	2,573
Local Assistance	-	711	-	711	-	-	743	-	743	-	-	704	-	704	-
Totals, Coastal Commission	\$11,709	\$1,307	-	\$13,016	\$2,407	\$11,210	\$1,864	-	\$13,074	\$2,550	\$11,310	\$1,647	-	\$12,957	\$2,573
State Coastal Conservancy															
State Operations	76	1,437	5,015	6,528	31	743	1,393	4,787	6,923	136	-	1,638	5,772	7,410	135
Capital Outlay	-	-528	80,250	79,722	2,684	-	12,546	250,045	262,591	4,600	-	900	110,027	110,927	2,000
Totals, State Coastal Conservancy	\$76	\$909	\$85,265	\$86,250	\$2,715	\$743	\$13,939	\$254,832	\$269,514	\$4,736	-	\$2,538	\$115,799	\$118,337	\$2,135
Native American Heritage Commission															
State Operations	676	-	-	676	-	710	-	-	710	-	720	-	-	720	-
Department of Parks & Recreation															
State Operations	152,342	176,334	12,280	340,956	5,099	141,940	203,187	75,568	420,695	6,958	145,043	194,180	43,006	382,229	6,488
Local Assistance	4,815	22,179	891	27,885	9,513	-	37,264	7,946	45,210	48,757	-	33,015	277,000	310,015	14,826
Capital Outlay	-	26	52,362	52,388	480	-	38,388	77,602	115,990	15,000	-	10,253	59,232	69,485	6,318

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

	Actual 2007-08				Estimated 2008-09					Proposed 2009-10					
	General Fund	Special Fund	Selected Bond Funds	Budget Total	Federal Funds	General Fund	Special Fund	Selected Bond Funds	Budget Total	Federal Funds	General Fund	Special Fund	Selected Bond Funds	Budget Total	Federal Funds
<b>Totals, Department of Parks &amp; Recreation</b>	<b>\$157,157</b>	<b>\$198,539</b>	<b>\$65,533</b>	<b>\$421,229</b>	<b>\$15,092</b>	<b>\$141,940</b>	<b>\$278,839</b>	<b>\$161,116</b>	<b>\$581,895</b>	<b>\$70,715</b>	<b>\$145,043</b>	<b>\$237,448</b>	<b>\$379,238</b>	<b>\$761,729</b>	<b>\$27,632</b>
<b>Santa Monica Mountains Conservancy</b>															
State Operations	-	229	757	986	-	-	280	972	1,252	-	-	247	988	1,235	-
Capital Outlay	-	-	15,254	15,254	-	-	-	33,224	33,224	-	-	-	8,593	8,593	-
<b>Totals, Santa Monica Mountains Conservancy</b>	<b>-</b>	<b>\$229</b>	<b>\$16,011</b>	<b>\$16,240</b>	<b>-</b>	<b>-</b>	<b>\$280</b>	<b>\$34,196</b>	<b>\$34,476</b>	<b>-</b>	<b>-</b>	<b>\$247</b>	<b>\$9,581</b>	<b>\$9,828</b>	<b>-</b>
<b>SF Bay Conservation &amp; Development Comm</b>															
State Operations	4,407	-	-	4,407	-	4,129	-	-	4,129	-	4,134	-	-	4,134	-
<b>San Gabriel/Lower LA River/Mtns Consvcy</b>															
State Operations	-	323	858	1,181	-	-	349	872	1,221	-	-	373	784	1,157	-
Capital Outlay	-	-	21,718	21,718	-	-	-	29,295	29,295	-	-	-	12,004	12,004	-
<b>Totals, San Gabriel/Lower LA River/Mtns Consvc</b>	<b>-</b>	<b>\$323</b>	<b>\$22,576</b>	<b>\$22,899</b>	<b>-</b>	<b>-</b>	<b>\$349</b>	<b>\$30,167</b>	<b>\$30,516</b>	<b>-</b>	<b>-</b>	<b>\$373</b>	<b>\$12,788</b>	<b>\$13,161</b>	<b>-</b>
<b>San Joaquin River Conservancy</b>															
State Operations	-	320	65	385	-	-	372	126	498	-	-	414	237	651	-
<b>Baldwin Hills Conservancy</b>															
State Operations	-	334	84	418	-	-	345	231	576	-	-	339	233	572	-
Capital Outlay	-	-	-	-	-	-	-	26,122	26,122	-	-	-	3,050	3,050	-
<b>Totals, Baldwin Hills Conservancy</b>	<b>-</b>	<b>\$334</b>	<b>\$84</b>	<b>\$418</b>	<b>-</b>	<b>-</b>	<b>\$345</b>	<b>\$26,353</b>	<b>\$26,698</b>	<b>-</b>	<b>-</b>	<b>\$339</b>	<b>\$3,283</b>	<b>\$3,622</b>	<b>-</b>
<b>Delta Protection Commission</b>															
State Operations	-	172	-	172	-	-	165	-	165	-	-	163	-	163	-
<b>San Diego River Conservancy</b>															
State Operations	-	298	-	298	-	-	333	-	333	-	-	340	-	340	-
<b>Coachella Valley Mountains Conservancy</b>															
State Operations	-	269	66	335	-	-	303	30	333	-	-	318	60	378	-
Capital Outlay	-	-	5,213	5,213	-	-	-	17,875	17,875	-	-	-	-	-	-
<b>Totals, Coachella Valley Mountains Conservancy</b>	<b>-</b>	<b>\$269</b>	<b>\$5,279</b>	<b>\$5,548</b>	<b>-</b>	<b>-</b>	<b>\$303</b>	<b>\$17,905</b>	<b>\$18,208</b>	<b>-</b>	<b>-</b>	<b>\$318</b>	<b>\$60</b>	<b>\$378</b>	<b>-</b>
<b>Sierra Nevada Conservancy</b>															
State Operations	-	3,889	351	4,240	-	-	4,025	513	4,538	-	-	3,732	522	4,254	-
Local Assistance	-	-	16,922	16,922	-	-	-	17,000	17,000	-	-	-	15,448	15,448	-
<b>Totals, Sierra Nevada Conservancy</b>	<b>-</b>	<b>\$3,889</b>	<b>\$17,273</b>	<b>\$21,162</b>	<b>-</b>	<b>-</b>	<b>\$4,025</b>	<b>\$17,513</b>	<b>\$21,538</b>	<b>-</b>	<b>-</b>	<b>\$3,732</b>	<b>\$15,970</b>	<b>\$19,702</b>	<b>-</b>
<b>Department of Water Resources</b>															
State Operations	124,331	12,092	110,806	247,229	3,086	128,157	13,231	436,665	578,053	13,530	129,590	14,145	144,308	288,043	13,922
Local Assistance	47,282	25,516	435,512	508,310	-	-	4,767	1,112,137	1,116,904	-	-	-	247,588	247,588	-
Capital Outlay	-4,733	-	84,374	79,641	-	33,167	-	477,027	510,194	-	-	-	372,399	372,399	-
<b>Totals, Department of Water Resources</b>	<b>\$166,880</b>	<b>\$37,608</b>	<b>\$630,692</b>	<b>\$835,180</b>	<b>\$3,086</b>	<b>\$161,324</b>	<b>\$17,998</b>	<b>\$2,025,829</b>	<b>\$2,205,151</b>	<b>\$13,530</b>	<b>\$129,590</b>	<b>\$14,145</b>	<b>\$764,295</b>	<b>\$908,030</b>	<b>\$13,922</b>
<b>General Obligation Bonds-Resources</b>															
State Operations	438,448	-	-	438,448	-	533,860	-	-	533,860	-	715,965	-	-	715,965	-
<b>TOTALS, RESOURCES</b>	<b>\$1,869,356</b>	<b>\$2,251,104</b>	<b>\$1,145,526</b>	<b>\$5,265,986</b>	<b>\$97,409</b>	<b>\$2,030,406</b>	<b>\$2,266,354</b>	<b>\$3,784,797</b>	<b>\$8,081,557</b>	<b>\$238,160</b>	<b>\$1,921,585</b>	<b>\$2,154,903</b>	<b>\$1,539,890</b>	<b>\$5,616,378</b>	<b>\$193,514</b>
State Operations	1,796,560	2,194,307	233,427	4,224,294	78,902	1,968,366	2,112,057	708,494	4,788,917	151,101	1,897,252	2,085,394	334,584	4,317,230	165,927
Local Assistance	52,666	61,804	567,792	682,262	14,965	576	60,213	1,286,080	1,346,869	55,202	594	53,815	601,341	655,750	19,269
Capital Outlay	20,130	-5,007	344,307	359,430	3,542	61,464	94,084	1,790,223	1,945,771	31,857	23,739	15,694	603,965	643,398	8,318
<b>ENVIRONMENTAL PROTECTION</b>															
<b>Secretary for Environmental Protection</b>															
State Operations	1,926	6,875	-	8,801	-	1,883	8,306	-	10,189	-	1,932	8,328	-	10,260	-

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

	Actual 2007-08					Estimated 2008-09					Proposed 2009-10				
	General Fund	Special Fund	Selected Bond Funds	Budget Total	Federal Funds	General Fund	Special Fund	Selected Bond Funds	Budget Total	Federal Funds	General Fund	Special Fund	Selected Bond Funds	Budget Total	Federal Funds
Air Resources Board															
State Operations	2,265	278,538	441,640	722,443	7,980	193	347,484	251,236	598,913	15,701	196	343,635	253,533	597,364	15,975
Local Assistance	-	10,111	-	10,111	-	-	10,111	-	10,111	-	-	10,111	-	10,111	-
Capital Outlay	-	-	-	-	-	-	1,491	-	1,491	-	-	-	-	-	-
Totals, Air Resources Board	\$2,265	\$288,649	\$441,640	\$732,554	\$7,980	\$193	\$359,086	\$251,236	\$610,515	\$15,701	\$196	\$353,746	\$253,533	\$607,475	\$15,975
Integrated Waste Management Board															
State Operations	7,352	172,163	-	179,515	-	-	199,569	-	199,569	200	-	228,065	-	228,065	275
Local Assistance	-	35,720	-	35,720	-	-	34,089	-	34,089	-	-	26,959	-	26,959	-
Totals, Integrated Waste Management Board	\$7,352	\$207,883	-	\$215,235	-	-	\$233,658	-	\$233,658	\$200	-	\$255,024	-	\$255,024	\$275
Department of Pesticide Regulation															
State Operations	-	46,640	-	46,640	1,913	-	50,752	-	50,752	2,237	-	50,422	-	50,422	2,257
Local Assistance	-	17,516	-	17,516	-	-	19,172	-	19,172	-	-	20,027	-	20,027	-
Totals, Department of Pesticide Regulation	-	\$64,156	-	\$64,156	\$1,913	-	\$69,924	-	\$69,924	\$2,237	-	\$70,449	-	\$70,449	\$2,257
State Water Resources Control Board															
State Operations	41,150	366,470	8,666	416,286	24,328	40,283	336,365	16,820	393,468	38,470	40,575	364,215	10,455	415,245	38,975
Local Assistance	-	-	288,964	288,964	128,159	-	-	206,536	206,536	90,000	-	1,000	-	1,000	90,000
Totals, State Water Resources Control Board	\$41,150	\$366,470	\$297,630	\$705,250	\$152,487	\$40,283	\$336,365	\$223,356	\$600,004	\$128,470	\$40,575	\$365,215	\$10,455	\$416,245	\$128,975
Department of Toxic Substances Control															
State Operations	21,155	113,243	-	134,398	20,520	22,884	130,099	-	152,983	25,391	22,275	127,701	-	149,976	30,983
Local Assistance	-	-136	-	-136	-	-	-818	-	-818	4,000	-	-35	-	-35	4,000
Capital Outlay	1,350	-	-	1,350	-	2,656	-	-	2,656	-	-	-	-	-	-
Totals, Department of Toxic Substances Control	\$22,505	\$113,107	-	\$135,612	\$20,520	\$25,540	\$129,281	-	\$154,821	\$29,391	\$22,275	\$127,666	-	\$149,941	\$34,983
Environmental Health Hazard Assessment															
State Operations	8,823	6,028	-	14,851	157	8,282	6,994	-	15,276	514	8,340	7,668	-	16,008	414
General Obligation Bonds-Environmental															
State Operations	6,910	-	-	6,910	-	6,989	-	-	6,989	-	5,948	-	-	5,948	-
TOTALS, ENVIRONMENTAL PROTECTION	\$90,931	\$1,053,168	\$739,270	\$1,883,369	\$183,057	\$83,170	\$1,143,614	\$474,592	\$1,701,376	\$176,513	\$79,266	\$1,188,096	\$263,988	\$1,531,350	\$182,879
State Operations	89,581	989,957	450,306	1,529,844	54,898	80,514	1,079,569	268,056	1,428,139	82,513	79,266	1,130,034	263,988	1,473,288	88,879
Local Assistance	-	63,211	288,964	352,175	128,159	-	62,554	206,536	269,090	94,000	-	58,062	-	58,062	94,000
Capital Outlay	1,350	-	-	1,350	-	2,656	1,491	-	4,147	-	-	-	-	-	-
HEALTH AND HUMAN SERVICES															
Health & Human Services Agency, Secy															
State Operations	4,618	-	-	4,618	287	4,300	-	-	4,300	1,100	3,862	-	-	3,862	1,000
State Council-Developmental Disabilities															
State Operations	-	-	-	-	7,311	-	-	-	-	7,789	-	-	-	-	7,365
Emergency Medical Services Authority															
State Operations	3,341	1,811	-	5,152	1,767	3,008	1,862	-	4,870	1,769	3,510	2,171	-	5,681	1,795
Local Assistance	9,911	-	-	9,911	-	8,508	-	-	8,508	704	8,508	-	-	8,508	704
Totals, Emergency Medical Services Authority	\$13,252	\$1,811	-	\$15,063	\$1,767	\$11,516	\$1,862	-	\$13,378	\$2,473	\$12,018	\$2,171	-	\$14,189	\$2,499
Statewide Health Planning & Development															
State Operations	300	63,832	-	64,132	194	73	70,425	-	70,498	235	80	82,903	-	82,983	235
Local Assistance	4,748	1,961	-	6,709	1,000	300	7,327	-	7,627	1,000	-	7,156	-	7,156	1,000

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

	Actual 2007-08				Estimated 2008-09				Proposed 2009-10						
	General Fund	Special Fund	Selected Bond Funds	Budget Total	Federal Funds	General Fund	Special Fund	Selected Bond Funds	Budget Total	Federal Funds	General Fund	Special Fund	Selected Bond Funds	Budget Total	Federal Funds
<b>Totals, Statewide Health Planning &amp; Development</b>	<b>\$5,048</b>	<b>\$65,793</b>	<b>-</b>	<b>\$70,841</b>	<b>\$1,194</b>	<b>\$373</b>	<b>\$77,752</b>	<b>-</b>	<b>\$78,125</b>	<b>\$1,235</b>	<b>\$80</b>	<b>\$90,059</b>	<b>-</b>	<b>\$90,139</b>	<b>\$1,235</b>
<b>Department of Aging</b>															
State Operations	3,921	220	-	4,141	7,295	4,201	318	-	4,519	8,245	4,239	469	-	4,708	8,153
Local Assistance	58,259	2,245	-	60,504	135,462	44,870	2,246	-	47,116	142,251	44,870	2,246	-	47,116	142,000
<b>Totals, Department of Aging</b>	<b>\$62,180</b>	<b>\$2,465</b>	<b>-</b>	<b>\$64,645</b>	<b>\$142,757</b>	<b>\$49,071</b>	<b>\$2,564</b>	<b>-</b>	<b>\$51,635</b>	<b>\$150,496</b>	<b>\$49,109</b>	<b>\$2,715</b>	<b>-</b>	<b>\$51,824</b>	<b>\$150,153</b>
<b>Commission on Aging</b>															
State Operations	-	-	-	-	388	-	-	-	-	375	-	-	-	-	361
<b>Department of Alcohol &amp; Drug Programs</b>															
State Operations	9,096	9,444	-	18,540	22,333	6,807	10,889	-	17,696	23,770	-	17,918	-	17,918	23,823
Local Assistance	275,970	-3,561	-	272,409	246,516	292,233	790	-	293,023	252,605	-	306,411	-	306,411	251,973
<b>Totals, Department of Alcohol &amp; Drug Programs</b>	<b>\$285,066</b>	<b>\$5,883</b>	<b>-</b>	<b>\$290,949</b>	<b>\$268,849</b>	<b>\$299,040</b>	<b>\$11,679</b>	<b>-</b>	<b>\$310,719</b>	<b>\$276,375</b>	<b>-</b>	<b>\$324,329</b>	<b>-</b>	<b>\$324,329</b>	<b>\$275,796</b>
<b>Drug and Alcohol Prevention and Treatment</b>															
Unclassified	-	-	-	-	-	-	-	-	-	-	585,000	-585,000	-	-	-
<b>Children &amp; Families Commission</b>															
State Operations	-	5,323	-	5,323	-	-	5,482	-	5,482	-	-	2,098	-	2,098	-
Local Assistance	-	522,409	-	522,409	-	-	542,775	-	542,775	-	-	617,842	-	617,842	-
<b>Totals, Children &amp; Families Commission</b>	<b>-</b>	<b>\$527,732</b>	<b>-</b>	<b>\$527,732</b>	<b>-</b>	<b>-</b>	<b>\$548,257</b>	<b>-</b>	<b>\$548,257</b>	<b>-</b>	<b>-</b>	<b>\$619,940</b>	<b>-</b>	<b>\$619,940</b>	<b>-</b>
<b>Department of Health Care Services</b>															
State Operations	140,505	1,200	-	141,705	217,610	138,008	1,957	-	139,965	258,430	139,633	2,144	-	141,777	259,586
<b>Local Assistance</b>															
Children's Med Svs & Primary Rural	181,465	26,704	-	208,169	135,484	179,444	20,275	-	199,719	170,206	151,445	17,866	-	169,311	233,172
Medical Assistance Program	14,036,017	58,627	-	14,094,644	21,309,146	14,413,726	54,812	-	14,468,538	23,785,630	14,884,434	49,506	-	14,933,940	24,044,046
<b>Totals, Local Assistance</b>	<b>14,217,482</b>	<b>85,331</b>	<b>-</b>	<b>14,302,813</b>	<b>21,444,630</b>	<b>14,593,170</b>	<b>75,087</b>	<b>-</b>	<b>14,668,257</b>	<b>23,955,836</b>	<b>15,035,879</b>	<b>67,372</b>	<b>-</b>	<b>15,103,251</b>	<b>24,277,218</b>
<b>Totals, Department of Health Care Services</b>	<b>\$14,357,987</b>	<b>\$86,531</b>	<b>-</b>	<b>\$14,444,518</b>	<b>\$21,662,240</b>	<b>\$14,731,178</b>	<b>\$77,044</b>	<b>-</b>	<b>\$14,808,222</b>	<b>\$24,214,266</b>	<b>\$15,175,512</b>	<b>\$69,516</b>	<b>-</b>	<b>\$15,245,028</b>	<b>\$24,536,804</b>
<b>Department of Public Health</b>															
State Operations	102,327	297,543	2,606	402,476	203,421	102,729	351,946	6,031	460,706	230,164	101,665	254,109	7,733	363,507	227,808
Local Assistance	258,938	283,867	76,967	619,772	1,314,693	247,208	307,062	327,767	882,037	1,388,227	247,208	464,568	55,758	767,534	1,387,707
Capital Outlay	482	-	-	482	-	-	-	-	-	-	3,117	-	-	3,117	-
<b>Totals, Department of Public Health</b>	<b>\$361,747</b>	<b>\$581,410</b>	<b>\$79,573</b>	<b>\$1,022,730</b>	<b>\$1,518,114</b>	<b>\$349,937</b>	<b>\$659,008</b>	<b>\$333,798</b>	<b>\$1,342,743</b>	<b>\$1,618,391</b>	<b>\$351,990</b>	<b>\$718,677</b>	<b>\$63,491</b>	<b>\$1,134,158</b>	<b>\$1,615,515</b>
<b>California Medical Assistance Commission</b>															
State Operations	1,342	-	-	1,342	-	1,285	-	-	1,285	-	1,293	-	-	1,293	-
<b>Managed Risk Medical Insurance Board</b>															
State Operations	2,399	1,391	-	3,790	6,318	2,455	1,763	-	4,218	7,162	2,474	1,856	-	4,330	7,253
Local Assistance	387,011	87,157	-	474,168	748,062	397,461	114,936	-	512,397	801,308	403,878	106,106	-	509,984	794,326
<b>Totals, Managed Risk Medical Insurance Board</b>	<b>\$389,410</b>	<b>\$88,548</b>	<b>-</b>	<b>\$477,958</b>	<b>\$754,380</b>	<b>\$399,916</b>	<b>\$116,699</b>	<b>-</b>	<b>\$516,615</b>	<b>\$808,470</b>	<b>\$406,352</b>	<b>\$107,962</b>	<b>-</b>	<b>\$514,314</b>	<b>\$801,579</b>
<b>Department of Developmental Services</b>															
State Operations	425,006	280	-	425,286	2,547	412,180	659	-	412,839	2,887	394,952	701	-	395,653	2,859
Local Assistance	2,120,910	136,057	-	2,256,967	72,274	2,366,363	140,665	-	2,507,028	87,942	2,350,344	140,607	-	2,490,951	51,234
Capital Outlay	2,137	-	-	2,137	-	9,711	-	-	9,711	-	32,680	-	-	32,680	-
<b>Totals, Department of Developmental Services</b>	<b>\$2,548,053</b>	<b>\$136,337</b>	<b>-</b>	<b>\$2,684,390</b>	<b>\$74,821</b>	<b>\$2,788,254</b>	<b>\$141,324</b>	<b>-</b>	<b>\$2,929,578</b>	<b>\$90,829</b>	<b>\$2,777,976</b>	<b>\$141,308</b>	<b>-</b>	<b>\$2,919,284</b>	<b>\$54,093</b>
<b>Department of Mental Health</b>															

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

	Actual 2007-08				Estimated 2008-09				Proposed 2009-10						
	General Fund	Special Fund	Selected Bond Funds	Budget Total	Federal Funds	General Fund	Special Fund	Selected Bond Funds	Budget Total	Federal Funds	General Fund	Special Fund	Selected Bond Funds	Budget Total	Federal Funds
State Operations	1,158,710	22,650		1,181,360	2,656	1,267,755	40,173	-	1,307,928	3,739	1,311,021	39,379	-	1,350,400	3,506
Local Assistance	766,062	1,494,450		2,260,512	58,187	849,237	1,506,600	-	2,355,837	62,523	644,216	1,733,254	-	2,377,470	59,457
Capital Outlay	6,199	-		6,199	-	1,760	-	-	1,760	-	17,703	-	-	17,703	-
Totals, Department of Mental Health	\$1,930,971	\$1,517,100		\$3,448,071	\$60,843	\$2,118,752	\$1,546,773	-	\$3,665,525	\$66,262	\$1,972,940	\$1,772,633	-	\$3,745,573	\$62,963
Dept of Community Services & Development															
State Operations	149	-		149	10,287	-	-	-	-	15,478	-	-	-	-	12,304
Local Assistance	2,845	-		2,845	161,223	-	-	-	-	304,744	-	-	-	-	154,286
Totals, Dept of Community Services & Developme	\$2,994	-		\$2,994	\$171,510	-	-	-	-	\$320,222	-	-	-	-	\$166,590
Department of Rehabilitation															
State Operations	55,349	77	-	55,426	291,184	56,436	209	-	56,645	309,445	58,071	220	-	58,291	319,727
Local Assistance	-	-	-	-	15,709	-	-	-	-	15,736	-	-	-	-	15,736
Totals, Department of Rehabilitation	\$55,349	\$77	-	\$55,426	\$306,893	\$56,436	\$209	-	\$56,645	\$325,181	\$58,071	\$220	-	\$58,291	\$335,463
Department of Child Support Services															
State Operations	42,587	-	-	42,587	90,439	61,397	-	-	61,397	151,610	56,599	-	-	56,599	123,605
Local Assistance	283,733	-	-	283,733	432,921	338,771	-	-	338,771	585,464	273,372	-	-	273,372	451,925
Totals, Department of Child Support Services	\$326,320	-	-	\$326,320	\$523,360	\$400,168	-	-	\$400,168	\$737,074	\$329,971	-	-	\$329,971	\$575,530
Department of Social Services															
State Operations	100,656	26,979	-	127,635	327,849	108,540	28,437	-	136,977	363,966	112,941	32,783	-	145,724	370,093
Local Assistance															
CalWorks	1,481,681	-	-	1,481,681	3,672,969	1,996,493	-	-	1,996,493	3,236,400	1,958,199	54,087	-	2,012,286	3,049,729
Other Assistance Payments	638,431	400	-	638,831	553,954	703,764	449	-	704,213	623,925	532,587	107,476	-	640,063	670,203
SSI/SSP	3,623,502	-	-	3,623,502	-	3,514,464	-	-	3,514,464	-	2,579,652	-	-	2,579,652	-
County Admin and Automation Projects	451,044	-	-	451,044	585,126	500,581	-	-	500,581	666,342	540,237	-	-	540,237	724,119
IHSS	1,686,472	-	-	1,686,472	-	1,798,744	-	-	1,798,744	-	1,603,345	-	-	1,603,345	-
Children & Adult Services and Licensing	688,697	1,245	-	689,942	1,205,631	762,152	1,264	-	763,416	1,251,225	653,529	94,264	-	747,793	1,313,798
Other Programs	315,106	-	-	315,106	454,762	324,905	-	-	324,905	472,782	258,820	75,000	-	333,820	481,417
Totals, Local Assistance	8,884,933	1,645	-	8,886,578	6,472,442	9,601,103	1,713	-	9,602,816	6,250,674	8,126,369	330,827	-	8,457,196	6,239,266
Totals, Department of Social Services	\$8,985,589	\$28,624	-	\$9,014,213	\$6,800,291	\$9,709,643	\$30,150	-	\$9,739,793	\$6,614,640	\$8,239,310	\$363,610	-	\$8,602,920	\$6,609,359
State-Local Realignment															
Local Assistance	-	4,493,010	-	4,493,010	-	-	4,278,483	-	4,278,483	-	-	4,297,910	-	4,297,910	-
General Obligation Bonds-H&HS															
State Operations	8,989	-	-	8,989	-	15,571	-	-	15,571	-	32,478	-	-	32,478	-
TOTALS, HEALTH AND HUMAN SERVICES	\$29,338,915	\$7,535,321	\$79,573	\$36,953,809	\$32,295,005	\$30,935,440	\$7,491,804	\$333,798	\$38,761,042	\$35,235,178	\$29,995,962	\$7,926,050	\$63,491	\$37,985,503	\$35,196,305
State Operations	2,059,295	430,750	2,606	2,492,651	1,191,886	2,184,745	514,120	6,031	2,704,896	1,386,164	2,222,818	436,751	7,733	2,667,302	1,369,473
Local Assistance	27,270,802	7,104,571	76,967	34,452,340	31,103,119	28,739,224	6,977,684	327,767	36,044,675	33,849,014	27,134,644	8,074,299	55,758	35,264,701	33,826,832
Capital Outlay	8,818	-	-	8,818	-	11,471	-	-	11,471	-	53,500	-	-	53,500	-
Unclassified	-	-	-	-	-	-	-	-	-	-	585,000	-585,000	-	-	-
CORRECTIONS AND REHABILITATION															
Corrections and Rehabilitation															
State Operations	9,564,557	1,723	-	9,566,280	4,190	9,861,459	2,612	-	9,864,071	8,284	9,130,786	222,155	-	9,352,941	8,265
Local Assistance															
Corrections Standards Authority	242,511	-	-	242,511	-	106,576	-	-	106,576	-	835	-	-	835	-
Juvenile Operation	-	-	-	-	-	78	-	-	78	-	78	-	-	78	-

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

	Actual 2007-08				Estimated 2008-09					Proposed 2009-10					Federal Funds
	General Fund	Special Fund	Selected Bond Funds	Budget Total	Federal Funds	General Fund	Special Fund	Selected Bond Funds	Budget Total	Federal Funds	General Fund	Special Fund	Selected Bond Funds	Budget Total	
Juvenile Paroles	1,635	-	-	1,635	-	1,403	-	-	1,403	-	1,403	-	-	1,403	-
Transportation of Inmates	126	-	-	126	-	278	-	-	278	-	278	-	-	278	-
Returning Fugitives from Justice	4,756	-	-	4,756	-	2,593	-	-	2,593	-	2,593	-	-	2,593	-
County Charges	19,672	-	-	19,672	-	16,480	-	-	16,480	-	20,819	-	-	20,819	-
Parolee Detention	53,417	-	-	53,417	-	40,539	-	-	40,539	-	14,901	-	-	14,901	-
Juvenile Justice Grant	-	-	-	-	11,942	-	-	-	-	22,224	-	-	-	-	22,224
Corrections Training Fund	-	18,210	-	18,210	-	-	19,465	-	19,465	-	-	19,465	-	19,465	-
Youthful Offender Block Grant	23,602	-	-	23,602	-	66,964	-	-	66,964	-	93,127	-	-	93,127	-
Totals, Local Assistance	345,719	18,210	-	363,929	11,942	234,911	19,465	-	254,376	22,224	134,034	19,465	-	153,499	22,224
Capital Outlay	101,166	-	1,036	102,202	-	137,829	-	1,443	139,272	-	260,256	-	1,646	261,902	-
Totals, Corrections and Rehabilitation	\$10,011,442	\$19,933	\$1,036	\$10,032,411	\$16,132	\$10,234,199	\$22,077	\$1,443	\$10,257,719	\$30,508	\$9,525,076	\$241,620	\$1,646	\$9,768,342	\$30,489
Federal Immigration Funding-Incarceration															
State Operations	-110,560	-	-	-110,560	110,560	-110,898	-	-	-110,898	110,898	-110,898	-	-	-110,898	110,898
General Obligation Bonds-DCR															
State Operations	212,967	-	-	212,967	-	186,330	-	-	186,330	-	200,991	-	-	200,991	-
TOTALS, CORRECTIONS AND REHABILITATION	\$10,113,849	\$19,933	\$1,036	\$10,134,818	\$126,692	\$10,309,631	\$22,077	\$1,443	\$10,333,151	\$141,406	\$9,615,169	\$241,620	\$1,646	\$9,858,435	\$141,387
State Operations	9,666,964	1,723	-	9,668,687	114,750	9,936,891	2,612	-	9,939,503	119,182	9,220,879	222,155	-	9,443,034	119,163
Local Assistance	345,719	18,210	-	363,929	11,942	234,911	19,465	-	254,376	22,224	134,034	19,465	-	153,499	22,224
Capital Outlay	101,166	-	1,036	102,202	-	137,829	-	1,443	139,272	-	260,256	-	1,646	261,902	-
EDUCATION															
K thru 12 Education															
Education, Secy															
State Operations	1,955	-	-	1,955	-	1,937	-	-	1,937	-	1,955	-	-	1,955	-
Scholarshare Investment Board															
State Operations	713	-	-	713	-	844	-	-	844	-	695	-	-	695	-
Department of Education															
Department of Education															
State Operations	138,369	2,909	2,357	143,635	127,809	124,708	7,558	2,752	135,018	171,520	135,194	7,529	2,778	145,501	155,590
Local Assistance															
Adult Education	707,821	8,739	-	716,560	-	726,664	8,739	-	735,403	-	745,978	8,739	-	754,717	-
Apportionments - District and County	23,549,216	-	-	23,549,216	-	18,937,204	-	-	18,937,204	-	19,980,696	-	-	19,980,696	-
Child Development	1,766,820	17,713	-	1,784,533	619,355	2,013,664	-	-	2,013,664	537,511	1,928,645	-	-	1,928,645	547,011
Child Nutrition	136,461	-	-	136,461	1,645,022	137,582	-	-	137,582	1,756,657	146,136	-	-	146,136	1,757,891
Categorical Programs	9,312,965	128,447	-	9,441,412	2,858,325	7,014,508	685,508	-	7,700,016	3,043,264	9,682,214	455,688	-	10,137,902	2,885,520
Pupil Assessment	85,093	1,144	-	86,237	31,810	90,735	1,144	-	91,879	23,442	93,285	1,244	-	94,529	24,010
Special Education	3,158,645	14,185	-	3,172,830	1,159,769	3,116,298	14,395	-	3,130,693	1,174,139	3,186,060	14,395	-	3,200,455	1,205,067
State-Mandated Local Programs	38	-	-	38	-	38	-	-	38	-	-	-	-	-	-
Totals, Local Assistance	38,717,059	170,228	-	38,887,287	6,314,281	32,036,693	709,786	-	32,746,479	6,535,013	35,763,014	480,066	-	36,243,080	6,419,499
Totals, Department of Education	\$38,855,428	\$173,137	\$2,357	\$39,030,922	\$6,442,090	\$32,161,401	\$717,344	\$2,752	\$32,881,497	\$6,706,533	\$35,898,208	\$487,595	\$2,778	\$36,388,581	\$6,575,089
State Library															
State Operations	14,403	419	1,551	16,373	6,644	15,780	876	3,409	20,065	7,119	12,691	814	3,497	17,002	7,139
Local Assistance	34,506	486	-	34,992	10,252	31,056	552	-	31,608	12,518	31,056	552	-	31,608	12,518
Totals, State Library	\$48,909	\$905	\$1,551	\$51,365	\$16,896	\$46,836	\$1,428	\$3,409	\$51,673	\$19,637	\$43,747	\$1,366	\$3,497	\$48,610	\$19,657
Education Audit Appeals Panel															
State Operations	852	-	-	852	-	1,146	-	-	1,146	-	1,174	-	-	1,174	-



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

	General Fund	Actual 2007-08				Federal Funds	Estimated 2008-09				Federal Funds	Proposed 2009-10					Federal Funds
		Special Fund	Selected Bond Funds	Budget Total			General Fund	Special Fund	Selected Bond Funds	Budget Total		General Fund	Special Fund	Selected Bond Funds	Budget Total		
Summer School for the Arts																	
State Operations	1,497	-	-	1,497	-	1,382	-	-	1,382	-	1,422	-	-	1,422	-		
Teachers Retirement System Contributions																	
Local Assistance	1,622,917	-	-	1,622,917	-	1,133,077	-	-	1,133,077	-	1,248,056	-	-	1,248,056	-		
Retirement Costs for Community Colleges																	
Local Assistance	-87,813	-	-	-87,813	-	-89,173	-	-	-89,173	-	-95,524	-	-	-95,524	-		
School Facilities Aid Program																	
Local Assistance	-	221,290	1,642,805	1,864,095	-	-	-	3,966,035	3,966,035	-	-	-	499,148	499,148	-		
Commission on Teacher Credentialing																	
State Operations	-	18,659	-	18,659	-	-	20,475	-	20,475	172	-	21,251	-	21,251	193		
Local Assistance	31,775	-	-	31,775	-	32,671	-	-	32,671	-	32,671	-	-	32,671	-		
Totals, Commission on Teacher Credentialing	\$31,775	\$18,659	-	\$50,434	-	\$32,671	\$20,475	-	\$53,146	\$172	\$32,671	\$21,251	-	\$53,922	\$193		
General Obligation Bonds-K-12																	
State Operations	1,992,704	-	-	1,992,704	-	2,208,499	-	-	2,208,499	-	2,588,407	-	-	2,588,407	-		
Totals, K thru 12 Education	\$42,468,937	\$413,991	\$1,646,713	\$44,529,641	\$6,458,986	\$35,498,620	\$739,247	\$3,972,196	\$40,210,063	\$6,726,342	\$39,720,811	\$510,212	\$505,423	\$40,736,446	\$6,594,939		
Higher Education-Community Colleges																	
Board of Governors of Community Colleges																	
State Operations	9,975	-	2,007	11,982	263	9,787	175	1,881	11,843	343	10,155	175	2,024	12,354	76		
Local Assistance																	
Apportionments for Community Colleges	3,463,475	9,226	-	3,472,701	-	3,336,958	12,726	-	3,349,684	-	3,885,775	13,226	-	3,899,001	-		
Student Success for Basic Skills Student	33,100	-	-	33,100	-	33,100	-	-	33,100	-	33,100	-	-	33,100	-		
Student Financial Aid Administration	51,640	-	-	51,640	-	51,269	-	-	51,269	-	52,203	-	-	52,203	-		
Extended Opportunity Program + CARE	122,291	-	-	122,291	-	122,291	-	-	122,291	-	125,960	-	-	125,960	-		
Disabled Students	115,011	-	-	115,011	-	115,011	-	-	115,011	-	118,461	-	-	118,461	-		
Welfare Reform	43,580	-	-	43,580	-	43,580	-	-	43,580	-	43,580	-	-	43,580	-		
Foster Parent Training Programs	5,242	-	-	5,242	-	5,254	-	-	5,254	-	5,254	-	-	5,254	-		
Matriculation	101,803	-	-	101,803	-	101,803	-	-	101,803	-	104,857	-	-	104,857	-		
Support for Academic Senate	467	-	-	467	-	467	-	-	467	-	467	-	-	467	-		
Faculty and Staff Diversity/EEO	1,747	-	-	1,747	-	1,747	-	-	1,747	-	1,747	-	-	1,747	-		
Part-Time Faculty Health Insurance	1,000	-	-	1,000	-	1,000	-	-	1,000	-	1,000	-	-	1,000	-		
Part-Time Faculty Compensation	50,828	-	-	50,828	-	50,828	-	-	50,828	-	50,828	-	-	50,828	-		
Part-Time Faculty Office Hours Program	7,172	-	-	7,172	-	7,172	-	-	7,172	-	7,172	-	-	7,172	-		
Telecommunications & Technology Services	26,197	-	-	26,197	-	26,197	-	-	26,197	-	26,197	-	-	26,197	-		
Fund for Student Success	6,158	-	-	6,158	-	6,158	-	-	6,158	-	6,158	-	-	6,158	-		
Economic Development	40,690	-	-	40,690	-	46,790	-	-	46,790	-	46,790	-	-	46,790	-		
Transfer Education and Articulation	1,424	-	-	1,424	-	1,424	-	-	1,424	-	1,424	-	-	1,424	-		
Physical Plant & Instructional Support	27,345	-	-	27,345	-	27,345	-	-	27,345	-	27,345	-	-	27,345	-		
Career Technical Education	10,000	-	-	10,000	-	20,000	-	-	20,000	-	20,000	-	-	20,000	-		
Campus Childcare Tax Bailout	6,836	-	-	6,836	-	6,836	-	-	6,836	-	6,836	-	-	6,836	-		
Nursing Program Support	20,957	-	-	20,957	-	22,100	-	-	22,100	-	22,100	-	-	22,100	-		
Local District Fiscal Oversight	570	-	-	570	-	570	-	-	570	-	570	-	-	570	-		
Compton CCD Loan Payback	-269	-	-	-269	-	-928	-	-	-928	-	-928	-	-	-928	-		

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

	Actual 2007-08					Estimated 2008-09					Proposed 2009-10				
	General Fund	Special Fund	Selected Bond Funds	Budget Total	Federal Funds	General Fund	Special Fund	Selected Bond Funds	Budget Total	Federal Funds	General Fund	Special Fund	Selected Bond Funds	Budget Total	Federal Funds
Small Business Training Program	-	-	-	-	235	-	-	-	-	-	-	-	-	-	-
Logistics Program	-	-	-	-	1,490	-	-	-	-	-	-	-	-	-	-
Math and Science	-	-	-	-	-	-	-	-	-	30	-	-	-	-	-
State Mandated Local Costs	3,993	-	-	3,993	-	4,004	-	-	4,004	-	-	-	-	-	-
07-08 Nursing and Scheduled Maint	19,064	-	-	19,064	-	-	-	-	-	-	-	-	-	-	-
One-time P-Tax Backfill	-	-	-	-	-	21,648	-	-	21,648	-	-	-	-	-	-
Totals, Local Assistance	4,160,321	9,226	-	4,169,547	1,725	4,052,624	12,726	-	4,065,350	30	4,586,896	13,226	-	4,600,122	-
Capital Outlay	-	-	492,366	492,366	-	-	-	868,177	868,177	-	-	-	377,477	377,477	-
<b>Totals, Board of Governors of Community Colleg</b>	<b>\$4,170,296</b>	<b>\$9,226</b>	<b>\$494,373</b>	<b>\$4,673,895</b>	<b>\$1,988</b>	<b>\$4,062,411</b>	<b>\$12,901</b>	<b>\$870,058</b>	<b>\$4,945,370</b>	<b>\$373</b>	<b>\$4,597,051</b>	<b>\$13,401</b>	<b>\$379,501</b>	<b>\$4,989,953</b>	<b>\$76</b>
<b>General Obligation Bonds-Hi Ed-CC</b>															
State Operations	154,225	-	-	154,225	-	219,033	-	-	219,033	-	271,598	-	-	271,598	-
<b>Retirement Costs-Hi Ed-CC</b>															
Local Assistance	87,813	-	-	87,813	-	89,173	-	-	89,173	-	95,524	-	-	95,524	-
<b>Totals, Higher Education-Community Colleges</b>	<b>\$4,412,334</b>	<b>\$9,226</b>	<b>\$494,373</b>	<b>\$4,915,933</b>	<b>\$1,988</b>	<b>\$4,370,617</b>	<b>\$12,901</b>	<b>\$870,058</b>	<b>\$5,253,576</b>	<b>\$373</b>	<b>\$4,964,173</b>	<b>\$13,401</b>	<b>\$379,501</b>	<b>\$5,357,075</b>	<b>\$76</b>
<b>Higher Education-UC, CSU and Other</b>															
<b>Postsecondary Education Commission</b>															
State Operations	2,105	-	-	2,105	439	2,007	-	-	2,007	459	2,018	-	-	2,018	456
Local Assistance	-	-	-	-	8,198	-	-	-	-	8,579	-	-	-	-	8,579
<b>Totals, Postsecondary Education Commission</b>	<b>\$2,105</b>	<b>-</b>	<b>-</b>	<b>\$2,105</b>	<b>\$8,637</b>	<b>\$2,007</b>	<b>-</b>	<b>-</b>	<b>\$2,007</b>	<b>\$9,038</b>	<b>\$2,018</b>	<b>-</b>	<b>-</b>	<b>\$2,018</b>	<b>\$9,035</b>
<b>University of California</b>															
State Operations	3,257,409	35,926	-	3,293,335	3,300,644	3,168,085	32,466	-	3,200,551	2,944,985	3,240,187	33,271	128	3,273,586	2,979,469
Capital Outlay	-	-	411,757	411,757	-	-	-	383,861	383,861	-	-	-	30,855	30,855	-
<b>Totals, University of California</b>	<b>\$3,257,409</b>	<b>\$35,926</b>	<b>\$411,757</b>	<b>\$3,705,092</b>	<b>\$3,300,644</b>	<b>\$3,168,085</b>	<b>\$32,466</b>	<b>\$383,861</b>	<b>\$3,584,412</b>	<b>\$2,944,985</b>	<b>\$3,240,187</b>	<b>\$33,271</b>	<b>\$30,983</b>	<b>\$3,304,441</b>	<b>\$2,979,469</b>
<b>Institute for Regenerative Medicine</b>															
State Operations	-	-	16,606	16,606	-	-	-	11,854	11,854	-	-	-	14,600	14,600	-
Local Assistance	-	-	314,387	314,387	-	-	-	178,280	178,280	-	-	-	174,780	174,780	-
<b>Totals, Institute for Regenerative Medicine</b>	<b>-</b>	<b>-</b>	<b>\$330,993</b>	<b>\$330,993</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$190,134</b>	<b>\$190,134</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$189,380</b>	<b>\$189,380</b>	<b>-</b>
<b>Hastings College of the Law</b>															
State Operations	10,631	-	-	10,631	-	10,229	-	-	10,229	-	10,470	-	-	10,470	-
Capital Outlay	-	-	-	-	-	-	-	65	65	-	-	-	-	-	-
<b>Totals, Hastings College of the Law</b>	<b>\$10,631</b>	<b>-</b>	<b>-</b>	<b>\$10,631</b>	<b>-</b>	<b>\$10,229</b>	<b>-</b>	<b>\$65</b>	<b>\$10,294</b>	<b>-</b>	<b>\$10,470</b>	<b>-</b>	<b>-</b>	<b>\$10,470</b>	<b>-</b>
<b>California State University</b>															
State Operations	2,970,643	-	50,000	3,020,643	663,192	2,903,069	-	18,671	2,921,740	713,927	2,962,226	-	128	2,962,354	713,927
Capital Outlay	-	-	407,093	407,093	-	-	-	114,758	114,758	-	-	-	52,349	52,349	-
<b>Totals, California State University</b>	<b>\$2,970,643</b>	<b>-</b>	<b>\$457,093</b>	<b>\$3,427,736</b>	<b>\$663,192</b>	<b>\$2,903,069</b>	<b>-</b>	<b>\$133,429</b>	<b>\$3,036,498</b>	<b>\$713,927</b>	<b>\$2,962,226</b>	<b>-</b>	<b>\$52,477</b>	<b>\$3,014,703</b>	<b>\$713,927</b>
<b>Student Aid Commission</b>															
State Operations	15,004	-	-	15,004	1,277,889	14,041	-	-	14,041	1,416,372	12,623	-	-	12,623	1,416,372
Local Assistance	851,661	-	-	851,661	10,681	886,600	-	-	886,600	18,171	718,036	-	-	718,036	18,171
<b>Totals, Student Aid Commission</b>	<b>\$866,665</b>	<b>-</b>	<b>-</b>	<b>\$866,665</b>	<b>\$1,288,570</b>	<b>\$900,641</b>	<b>-</b>	<b>-</b>	<b>\$900,641</b>	<b>\$1,434,543</b>	<b>\$730,659</b>	<b>-</b>	<b>-</b>	<b>\$730,659</b>	<b>\$1,434,543</b>
<b>General Obligation Bonds-Hi Ed</b>															
State Operations	341,995	-	-	341,995	-	390,707	-	-	390,707	-	481,372	-	-	481,372	-
<b>Higher Education Consolidation Savings</b>															
State Operations	-	-	-	-	-	-	-	-	-	-	-2,000	-	-	-2,000	-

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

	Actual 2007-08				Estimated 2008-09				Proposed 2009-10						
	General Fund	Special Fund	Selected Bond Funds	Budget Total	Federal Funds	General Fund	Special Fund	Selected Bond Funds	Budget Total	Federal Funds	General Fund	Special Fund	Selected Bond Funds	Budget Total	Federal Funds
Totals, Higher Education-UC, CSU and Other	\$7,449,448	\$35,926	\$1,199,843	\$8,685,217	\$5,261,043	\$7,374,738	\$32,466	\$707,489	\$8,114,693	\$5,102,493	\$7,424,932	\$33,271	\$272,840	\$7,731,043	\$5,136,974
<b>TOTALS, EDUCATION</b>	<b>\$54,330,719</b>	<b>\$459,143</b>	<b>\$3,340,929</b>	<b>\$58,130,791</b>	<b>\$11,722,017</b>	<b>\$47,243,975</b>	<b>\$784,614</b>	<b>\$5,549,743</b>	<b>\$53,578,332</b>	<b>\$11,829,208</b>	<b>\$52,109,916</b>	<b>\$556,884</b>	<b>\$1,157,764</b>	<b>\$53,824,564</b>	<b>\$11,731,989</b>
State Operations	8,912,480	57,913	72,521	9,042,914	5,376,880	9,071,254	61,550	38,567	9,171,371	5,254,897	9,730,187	63,040	23,155	9,816,382	5,273,222
Local Assistance	45,418,239	401,230	1,957,192	47,776,661	6,345,137	38,172,721	723,064	4,144,315	43,040,100	6,574,311	42,379,729	493,844	673,928	43,547,501	6,458,767
Capital Outlay	-	-	1,311,216	1,311,216	-	-	-	1,366,861	1,366,861	-	-	-	460,681	460,681	-
<b>LABOR AND WORKFORCE DEVELOPMENT</b>															
<b>Labor &amp; Workforce Development, Secy</b>															
State Operations	-	167	-	167	-	-	220	-	220	-	-	1,956	-	1,956	-
<b>Employment Development Department</b>															
State Operations	24,978	84,828	-	109,806	659,634	27,864	86,385	-	114,249	798,186	32,300	102,758	-	135,058	728,262
Local Assistance	5,700	-	-	5,700	6,252,171	-	-	-	-	9,840,806	-	-	-	-	8,045,431
Capital Outlay	-	-	-	-	-2,387	-	-	-	-	-325	-	-	-	-	-
<b>Totals, Employment Development Department</b>	<b>\$30,678</b>	<b>\$84,828</b>	<b>-</b>	<b>\$115,506</b>	<b>\$6,909,418</b>	<b>\$27,864</b>	<b>\$86,385</b>	<b>-</b>	<b>\$114,249</b>	<b>\$10,638,667</b>	<b>\$32,300</b>	<b>\$102,758</b>	<b>-</b>	<b>\$135,058</b>	<b>\$8,773,693</b>
<b>Workforce Investment Board</b>															
State Operations	-	-	-	-	2,222	-	-	-	-	3,046	-	-	-	-	3,030
<b>Agricultural Labor Relations Board</b>															
State Operations	4,776	-	-	4,776	-	5,161	-	-	5,161	-	5,189	-	-	5,189	-
<b>Department of Industrial Relations</b>															
State Operations	67,604	233,229	-	300,833	28,941	68,914	247,966	-	316,880	29,845	66,894	242,895	-	309,789	29,619
<b>TOTALS, LABOR AND WORKFORCE DEVELOPMENT</b>	<b>\$103,058</b>	<b>\$318,224</b>	<b>-</b>	<b>\$421,282</b>	<b>\$6,940,581</b>	<b>\$101,939</b>	<b>\$334,571</b>	<b>-</b>	<b>\$436,510</b>	<b>\$10,671,558</b>	<b>\$104,383</b>	<b>\$347,609</b>	<b>-</b>	<b>\$451,992</b>	<b>\$8,806,342</b>
State Operations	97,358	318,224	-	415,582	690,797	101,939	334,571	-	436,510	831,077	104,383	347,609	-	451,992	760,911
Local Assistance	5,700	-	-	5,700	6,252,171	-	-	-	-	9,840,806	-	-	-	-	8,045,431
Capital Outlay	-	-	-	-	-2,387	-	-	-	-	-325	-	-	-	-	-
<b>GENERAL GOVERNMENT</b>															
<b>General Administration</b>															
<b>Peace Officer Standards &amp; Training Comm</b>															
State Operations	-	36,461	-	36,461	-	-	38,714	-	38,714	-	-	39,717	-	39,717	-
Local Assistance	-	24,339	-	24,339	-	-	20,826	-	20,826	-	-	20,826	-	20,826	-
<b>Totals, Peace Officer Standards &amp; Training Com</b>	<b>-</b>	<b>\$60,800</b>	<b>-</b>	<b>\$60,800</b>	<b>-</b>	<b>-</b>	<b>\$59,540</b>	<b>-</b>	<b>\$59,540</b>	<b>-</b>	<b>-</b>	<b>\$60,543</b>	<b>-</b>	<b>\$60,543</b>	<b>-</b>
<b>State Public Defender</b>															
State Operations	11,577	-	-	11,577	-	10,983	-	-	10,983	-	11,052	-	-	11,052	-
<b>Payment to Counties for Homicide Trials</b>															
Local Assistance	616	-	-	616	-	1	-	-	1	-	1	-	-	1	-
<b>Arts Council</b>															
State Operations	1,185	972	-	2,157	1,053	1,115	862	-	1,977	1,026	1,116	874	-	1,990	1,035
Local Assistance	-	1,825	-	1,825	-	-	2,310	-	2,310	100	-	2,310	-	2,310	100
<b>Totals, Arts Council</b>	<b>\$1,185</b>	<b>\$2,797</b>	<b>-</b>	<b>\$3,982</b>	<b>\$1,053</b>	<b>\$1,115</b>	<b>\$3,172</b>	<b>-</b>	<b>\$4,287</b>	<b>\$1,126</b>	<b>\$1,116</b>	<b>\$3,184</b>	<b>-</b>	<b>\$4,300</b>	<b>\$1,135</b>
<b>Public Employment Relations Board</b>															
State Operations	6,173	-	-	6,173	-	6,277	-	-	6,277	-	6,420	-	-	6,420	-
<b>Department of Personnel Administration</b>															
State Operations	30,900	-	-	30,900	-	24,763	1,604	349	26,716	-	27,702	1,898	356	29,956	-
<b>Citizens' Compensation Commission</b>															
State Operations	2	-	-	2	-	14	-	-	14	-	14	-	-	14	-

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

	Actual 2007-08				Estimated 2008-09					Proposed 2009-10					
	General Fund	Special Fund	Selected Bond Funds	Budget Total	Federal Funds	General Fund	Special Fund	Selected Bond Funds	Budget Total	Federal Funds	General Fund	Special Fund	Selected Bond Funds	Budget Total	Federal Funds
<b>Board of Chiropractic Examiners</b>															
State Operations	-	2,278	-	2,278	-	-	3,580	-	3,580	-	-	3,949	-	3,949	-
<b>Horse Racing Board</b>															
State Operations	-	9,487	-	9,487	-	-	9,755	-	9,755	-	-	10,418	-	10,418	-
<b>Department of Food &amp; Agriculture</b>															
State Operations	93,222	82,189	1	175,412	51,951	87,076	100,531	1,178	188,785	47,222	87,417	97,825	1,178	186,420	54,099
Local Assistance	10,925	46,287	-	57,212	-	10,938	50,758	-	61,696	-	10,938	50,758	-	61,696	-
Capital Outlay	2,515	885	-	3,400	-	-	-	-	-	-	-	-	-	-	-
<b>Totals, Department of Food &amp; Agriculture</b>	<b>\$106,662</b>	<b>\$129,361</b>	<b>\$1</b>	<b>\$236,024</b>	<b>\$51,951</b>	<b>\$98,014</b>	<b>\$151,289</b>	<b>\$1,178</b>	<b>\$250,481</b>	<b>\$47,222</b>	<b>\$98,355</b>	<b>\$148,583</b>	<b>\$1,178</b>	<b>\$248,116</b>	<b>\$54,099</b>
<b>Fair Political Practices Commission</b>															
State Operations	7,824	-	-	7,824	-	8,269	-	-	8,269	-	8,312	-	-	8,312	-
<b>Political Reform Act of 1974</b>															
State Operations	-	-	-	-	-	-	-	-	-	-	2,495	-	-	2,495	-
<b>Public Utilities Commission</b>															
State Operations	-	1,121,726	-	1,121,726	1,246	-	1,176,097	-	1,176,097	1,284	-	1,340,560	-	1,340,560	1,284
<b>Electricity Oversight Board</b>															
State Operations	-	2,004	-	2,004	-	-	-	-	-	-	-	-	-	-	-
<b>Milton Marks Little Hoover Commission</b>															
State Operations	923	-	-	923	-	940	-	-	940	-	946	-	-	946	-
<b>Commission on the Status of Women</b>															
State Operations	531	-	-	531	-	486	-	-	486	-	489	-	-	489	-
<b>Law Revision Commission</b>															
State Operations	733	-	-	733	-	664	-	-	664	-	667	-	-	667	-
<b>Commission on Uniform State Laws</b>															
State Operations	149	-	-	149	-	148	-	-	148	-	148	-	-	148	-
<b>Bureau of State Audits</b>															
State Operations	16,229	-1,594	-	14,635	-	8,828	2,322	-	11,150	-	10,282	579	-	10,861	-
<b>Department of Finance</b>															
State Operations	39,271	488	107	39,866	-	16,566	547	239	17,352	-	19,423	594	241	20,258	-
<b>Financial Information System for CA</b>															
State Operations	-	-	-	-	-	2,177	-	-	2,177	-	2,233	-	-	2,233	-
<b>Commission on State Mandates</b>															
State Operations	1,517	-	-	1,517	-	1,576	-	-	1,576	-	1,590	-	-	1,590	-
Local Assistance	41,000	11,246	-	52,246	-	11,000	1,860	-	12,860	-	142,000	3,036	-	145,036	-
<b>Totals, Commission on State Mandates</b>	<b>\$42,517</b>	<b>\$11,246</b>	<b>-</b>	<b>\$53,763</b>	<b>-</b>	<b>\$12,576</b>	<b>\$1,860</b>	<b>-</b>	<b>\$14,436</b>	<b>-</b>	<b>\$143,590</b>	<b>\$3,036</b>	<b>-</b>	<b>\$146,626</b>	<b>-</b>
<b>Office of Administrative Law</b>															
State Operations	2,898	-	-	2,898	-	1,506	-	-	1,506	-	1,599	-	-	1,599	-
<b>Military Department</b>															
State Operations	42,190	9	-	42,199	62,946	40,483	150	-	40,633	72,765	44,619	2,358	-	46,977	76,294
Local Assistance	60	-	-	60	-	60	-	-	60	-	60	-	-	60	-
Capital Outlay	790	-	-	790	2,206	1,089	-	-	1,089	347	1,289	-	-	1,289	1,582
<b>Totals, Military Department</b>	<b>\$43,040</b>	<b>\$9</b>	<b>-</b>	<b>\$43,049</b>	<b>\$65,152</b>	<b>\$41,632</b>	<b>\$150</b>	<b>-</b>	<b>\$41,782</b>	<b>\$73,112</b>	<b>\$45,968</b>	<b>\$2,358</b>	<b>-</b>	<b>\$48,326</b>	<b>\$77,876</b>
<b>Department of Veterans Affairs</b>															
State Operations	28,992	25	271	29,288	109	174,995	363	281	175,639	172	204,178	351	281	204,810	1,692

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

	Actual 2007-08					Estimated 2008-09					Proposed 2009-10				
	General Fund	Special Fund	Selected Bond Funds	Budget Total	Federal Funds	General Fund	Special Fund	Selected Bond Funds	Budget Total	Federal Funds	General Fund	Special Fund	Selected Bond Funds	Budget Total	Federal Funds
Local Assistance	2,600	554	-	3,154	-	2,600	824	-	3,424	-	2,600	824	-	3,424	-
Capital Outlay	-	-	-	-	66,263	803	-	29,491	30,294	-	1,633	-	-	1,633	137,523
<b>Totals, Department of Veterans</b>	<b>\$31,592</b>	<b>\$579</b>	<b>\$271</b>	<b>\$32,442</b>	<b>\$66,372</b>	<b>\$178,398</b>	<b>\$1,187</b>	<b>\$29,772</b>	<b>\$209,357</b>	<b>\$172</b>	<b>\$208,411</b>	<b>\$1,175</b>	<b>\$281</b>	<b>\$209,867</b>	<b>\$139,215</b>
<b>Affairs</b>															
<b>Veterans Home of California-Yountville</b>															
State Operations	47,352	-	-	47,352	15,573	-	-	-	-	-	-	-	-	-	-
Capital Outlay	50	-	1,044	1,094	9,435	-	-	-	-	-	-	-	-	-	-
<b>Totals, Veterans Home of California-Yountville</b>	<b>\$47,402</b>	<b>-</b>	<b>\$1,044</b>	<b>\$48,446</b>	<b>\$25,008</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Veterans Home of California-Barstow</b>															
State Operations	12,460	-	-	12,460	2,268	-	-	-	-	-	-	-	-	-	-
Capital Outlay	73	-	-	73	-	-	-	-	-	-	-	-	-	-	-
<b>Totals, Veterans Home of California-Barstow</b>	<b>\$12,533</b>	<b>-</b>	<b>-</b>	<b>\$12,533</b>	<b>\$2,268</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Veterans Home of California-Chula Vista</b>															
State Operations	17,777	-	-	17,777	6,298	-	-	-	-	-	-	-	-	-	-
<b>Veterans Home of California-GLAVC</b>															
State Operations	539	-	-	539	-	-	-	-	-	-	-	-	-	-	-
<b>Totals, Department of Veterans Affairs</b>	<b>\$109,843</b>	<b>\$579</b>	<b>\$1,315</b>	<b>\$111,737</b>	<b>\$99,946</b>	<b>\$178,398</b>	<b>\$1,187</b>	<b>\$29,772</b>	<b>\$209,357</b>	<b>\$172</b>	<b>\$208,411</b>	<b>\$1,175</b>	<b>\$281</b>	<b>\$209,867</b>	<b>\$139,215</b>
<b>Federal Per Diem for Veterans Housing</b>															
State Operations	-	-	-	-	-	-26,032	-	-	-26,032	26,032	-27,696	-	-	-27,696	27,696
<b>General Obligation Bonds-Gen Govt</b>															
State Operations	24,517	-	-	24,517	-	23,519	-	-	23,519	-	33,936	-	-	33,936	-
<b>Totals, General Administration</b>	<b>\$445,590</b>	<b>\$1,339,181</b>	<b>\$1,423</b>	<b>\$1,786,194</b>	<b>\$219,348</b>	<b>\$410,844</b>	<b>\$1,411,103</b>	<b>\$31,538</b>	<b>\$1,853,485</b>	<b>\$148,948</b>	<b>\$595,463</b>	<b>\$1,576,877</b>	<b>\$2,056</b>	<b>\$2,174,396</b>	<b>\$301,305</b>
<b>Tax Relief</b>															
<b>Tax Relief</b>															
<b>Local Assistance</b>															
Senior Citizens Property Tax Assistance	38,836	-	-	38,836	-	-	-	-	-	-	-	-	-	-	-
Senior Citizens Property Tax Deferral	11,815	-	-	11,815	-	19,300	-	-	19,300	-	-	-	-	-	-
Senior Citizens Renters Tax Assistance	146,529	-	-	146,529	-	-	-	-	-	-	-	-	-	-	-
Homeowners' Property Tax Relief	434,269	-	-	434,269	-	439,393	-	-	439,393	-	444,578	-	-	444,578	-
Subventions for Open Space	37,649	-	-	37,649	-	-	-	-	-	-	-	-	-	-	-
Totals, Local Assistance	669,098	-	-	669,098	-	458,693	-	-	458,693	-	444,578	-	-	444,578	-
<b>Totals, Tax Relief</b>	<b>\$669,098</b>	<b>-</b>	<b>-</b>	<b>\$669,098</b>	<b>-</b>	<b>\$458,693</b>	<b>-</b>	<b>-</b>	<b>\$458,693</b>	<b>-</b>	<b>\$444,578</b>	<b>-</b>	<b>-</b>	<b>\$444,578</b>	<b>-</b>
<b>Local Government Subventions</b>															
<b>Local Government Financing</b>															
Local Assistance	291,646	-	-	291,646	-	175,964	92,000	-	267,964	-	5,785	359,000	-	364,785	-
<b>Shared Revenues</b>															
Local Assistance	-	-	866,386	866,386	-	-	-	250,000	250,000	-	-	-	-	-	-
<b>Apportionment of Off-Hwy License Fees</b>															
Local Assistance	-	2,400	-	2,400	-	-	2,400	-	2,400	-	-	2,400	-	2,400	-
<b>Apportionment of Fed Rcpts Fld Cntl Lnds</b>															
Local Assistance	-	-	-	-	226	-	-	-	-	380	-	-	-	-	380
<b>Apportionment of Fed Rcpts Forest Rsrvs</b>															
Local Assistance	-	-	-	-	66,500	-	-	-	-	66,141	-	-	-	-	66,141
<b>Apportionment of Fed Rcpts Grazing Land</b>															

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

	Actual 2007-08					Estimated 2008-09					Proposed 2009-10				
	General Fund	Special Fund	Selected Bond Funds	Budget Total	Federal Funds	General Fund	Special Fund	Selected Bond Funds	Budget Total	Federal Funds	General Fund	Special Fund	Selected Bond Funds	Budget Total	Federal Funds
Local Assistance	-	-	-	-	63	-	-	-	-	107	-	-	-	-	107
<b>Apportionment of Fed Potash Lease Rntls</b>															
Local Assistance	-	-	-	-	942	-	-	-	-	2,173	-	-	-	-	2,173
<b>Apportionment of MV License Fees</b>															
Local Assistance	11,863	199,324	-	211,187	-	11,862	149,036	-	160,898	-	11,862	183,043	-	194,905	-
<b>Apportionment of Tideland Revenues</b>															
Local Assistance	740	-	-	740	-	740	-	-	740	-	740	-	-	740	-
<b>Apportionment of MV Fuel Tx County Rds</b>															
Local Assistance	-	352,142	-	352,142	-	-	333,750	-	333,750	-	-	328,447	-	328,447	-
<b>Apportionment of MV Fuel Tx City Streets</b>															
Local Assistance	-	254,466	-	254,466	-	-	241,372	-	241,372	-	-	237,858	-	237,858	-
<b>Apportionment of MV Fuel Tx Co Rd/Cty St</b>															
Local Assistance	-	145,074	-	145,074	-	-	139,490	-	139,490	-	-	136,979	-	136,979	-
<b>Apportionment of MV Fuel Co&amp;Cty/St&amp;Hwy</b>															
Local Assistance	-	370,777	-	370,777	-	-	363,426	-	363,426	-	-	358,002	-	358,002	-
<b>Apportionment of Geothermal Rsrcs Dvlp</b>															
Local Assistance	-	4,005	-	4,005	-	-	2,041	-	2,041	-	-	2,041	-	2,041	-
<b>Apportionment of Local Transportation Fd</b>															
Local Assistance	-	-	-	-	-	-	544,372	-	544,372	-	-	523,144	-	523,144	-
<b>Totals, Shared Revenues</b>	<b>\$12,603</b>	<b>\$1,328,188</b>	<b>\$866,386</b>	<b>\$2,207,177</b>	<b>\$67,731</b>	<b>\$12,602</b>	<b>\$1,775,887</b>	<b>\$250,000</b>	<b>\$2,038,489</b>	<b>\$68,801</b>	<b>\$12,602</b>	<b>\$1,771,914</b>	-	<b>\$1,784,516</b>	<b>\$68,801</b>
<b>Totals, Local Government Subventions</b>	<b>\$304,249</b>	<b>\$1,328,188</b>	<b>\$866,386</b>	<b>\$2,498,823</b>	<b>\$67,731</b>	<b>\$188,566</b>	<b>\$1,867,887</b>	<b>\$250,000</b>	<b>\$2,306,453</b>	<b>\$68,801</b>	<b>\$18,387</b>	<b>\$2,130,914</b>	-	<b>\$2,149,301</b>	<b>\$68,801</b>
<b>Debt Service</b>															
<b>Payment of Interest on PMIA Loans</b>															
State Operations	123	-	-	123	-	765	-	-	765	-	454	-	-	454	-
<b>Enhanced Tobacco Asset-Backed Bonds</b>															
State Operations	-	-	-	-	-	-	-	-	-	-	1	-	-	1	-
<b>Economic Recovery Financing Committee</b>															
State Operations	-	10,876	-	10,876	-	-	13,150	-	13,150	-	-	13,210	-	13,210	-
Unclassified	-	2,462,988	-	2,462,988	-	-	1,354,907	-	1,354,907	-	-	1,337,790	-	1,337,790	-
<b>Totals, Economic Recovery Financing Committee</b>	<b>-</b>	<b>\$2,473,864</b>	<b>-</b>	<b>\$2,473,864</b>	<b>-</b>	<b>-</b>	<b>\$1,368,057</b>	<b>-</b>	<b>\$1,368,057</b>	<b>-</b>	<b>-</b>	<b>\$1,351,000</b>	<b>-</b>	<b>\$1,351,000</b>	<b>-</b>
<b>Interest Payments on General Fund Loans</b>															
State Operations	201,506	-	-	201,506	-	347,100	-	-	347,100	-	456,615	-	-	456,615	-
<b>Interest Payments to the Federal Govt</b>															
State Operations	23,735	949	-	24,684	-	30,000	1,001	-	31,001	-	30,000	1,001	-	31,001	-
<b>Totals, Debt Service</b>	<b>\$225,364</b>	<b>\$2,474,813</b>	<b>-</b>	<b>\$2,700,177</b>	<b>-</b>	<b>\$377,865</b>	<b>\$1,369,058</b>	<b>-</b>	<b>\$1,746,923</b>	<b>-</b>	<b>\$487,070</b>	<b>\$1,352,001</b>	<b>-</b>	<b>\$1,839,071</b>	<b>-</b>
<b>Statewide Expenditures</b>															
<b>Health &amp; Dental Benefits for Annuitants</b>															
State Operations	1,051,486	-	-	1,051,486	-	1,164,392	-	-	1,164,392	-	1,303,528	-	-	1,303,528	-
<b>Statewide Accounts Receivable Management</b>															
State Operations	-	-	-	-	-	-	-	-	-	-	3,309	4,274	-	7,583	-
<b>Budget Stabilization Account</b>															
Unclassified	1,022,621	-1,022,621	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Victim Compensation/Government Claims Bd</b>															
State Operations	7,532	22	239	7,793	2	1,139	36	-	1,175	21	-	-	-	-	-
<b>Contingencies/Emergencies Augmentations</b>															

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

	Actual 2007-08				Federal Funds	Estimated 2008-09				Federal Funds	Proposed 2009-10				Federal Funds
	General Fund	Special Fund	Selected Bond Funds	Budget Total		General Fund	Special Fund	Selected Bond Funds	Budget Total		General Fund	Special Fund	Selected Bond Funds	Budget Total	
State Operations	-	-	-	-	-	27,680	10,771	-	38,451	-	44,100	15,000	-	59,100	-
<b>Capital Outlay Planning &amp; Studies</b>															
Capital Outlay	1,000	-	-	1,000	-	1,000	-	-	1,000	-	1,000	-	-	1,000	-
<b>Reserve for Liquidation of Encumbrances</b>															
Unclassified	-194,113	-	-	-194,113	-	-	-	-	-	-	-	-	-	-	-
<b>UC Retirement Adjustment</b>															
State Operations	-	-	-	-	-	-	-	-	-	-	20,000	-	-	20,000	-
<b>Statewide Proposition 98 Reconciliation</b>															
State Operations	14,619	-	-	14,619	-	141	-	-	141	-	-	-	-	-	-
Local Assistance	-1,074,348	-	-	-1,074,348	-	-443,329	-	-	-443,329	-	-	-	-	-	-
<b>Totals, Statewide Proposition 98 Reconciliation</b>	<b>\$-1,059,729</b>	<b>-</b>	<b>-</b>	<b>\$-1,059,729</b>	<b>-</b>	<b>\$-443,188</b>	<b>-</b>	<b>-</b>	<b>\$-443,188</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Section 3.60 Rate Adjustments</b>															
State Operations	-	-	-	-	-	-	-	-	-	-	12,409	-	-	12,409	-
<b>PERS General Fund Payment</b>															
State Operations	366,438	-	-	366,438	-	377,703	-	-	377,703	-	415,962	-	-	415,962	-
<b>Statewide General Admin Exp (Pro Rata)</b>															
State Operations	-549,587	278	-	-549,309	-	-509,075	1,261	-	-507,814	-	-362,193	1,295	-	-360,898	-
<b>Various Departments</b>															
State Operations	-609,000	609,000	-	-	-	-165,908	115,908	-	-50,000	-	-	-	-	-	-
Local Assistance	-	56,703	-	56,703	-	-	63,186	-	63,186	-	-	63,186	-	63,186	-
Unclassified	-	-	-	-	-	-4,673,418	-	-	-4,673,418	-	-6,142,651	6,142,651	-	-	-
<b>Totals, Various Departments</b>	<b>\$-609,000</b>	<b>\$665,703</b>	<b>-</b>	<b>\$56,703</b>	<b>-</b>	<b>\$-4,839,326</b>	<b>\$179,094</b>	<b>-</b>	<b>\$-4,660,232</b>	<b>-</b>	<b>\$-6,142,651</b>	<b>\$6,205,837</b>	<b>-</b>	<b>\$63,186</b>	<b>-</b>
<b>Totals, Statewide Expenditures</b>	<b>\$36,648</b>	<b>\$-356,618</b>	<b>\$239</b>	<b>\$-319,731</b>	<b>\$2</b>	<b>\$-4,219,675</b>	<b>\$191,162</b>	<b>-</b>	<b>\$-4,028,513</b>	<b>\$21</b>	<b>\$-4,704,536</b>	<b>\$6,226,406</b>	<b>-</b>	<b>\$1,521,870</b>	<b>-</b>
<b>Augmentation for Employee Compensation</b>															
<b>Augmentation for Employee Compensation</b>															
State Operations	-	-	-	-	-	3,000	22,468	-	25,468	-	44,533	51,832	-	96,365	-
<b>Reduction for Employee Compensation</b>															
State Operations	-	-	-	-	-	-414,554	-189,708	-	-604,262	-	-1,288,538	-487,640	-	-1,776,178	-
<b>Totals, Augmentation for Employee Compensation</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$-411,554</b>	<b>\$-167,240</b>	<b>-</b>	<b>\$-578,794</b>	<b>-</b>	<b>\$-1,244,005</b>	<b>\$-435,808</b>	<b>-</b>	<b>\$-1,679,813</b>	<b>-</b>
<b>Statewide Savings</b>															
<b>General Fund Credits from Federal Funds</b>															
State Operations	-86,026	-	-	-86,026	-	-101,929	-	-	-101,929	-	-88,538	-	-	-88,538	-
<b>PERS Deferral</b>															
State Operations	-377,703	-	-	-377,703	-	-415,962	-	-	-415,962	-	-447,210	-	-	-447,210	-
<b>Estimated Unidentifiable Savings</b>															
State Operations	-	-	-	-	-	-136,000	-	-	-136,000	-	-	-	-	-	-
Local Assistance	-	-	-	-	-	-204,000	-	-	-204,000	-	-	-	-	-	-
<b>Totals, Estimated Unidentifiable Savings</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$-340,000</b>	<b>-</b>	<b>-</b>	<b>\$-340,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Employee Compensation Reform</b>															
State Operations	-	-	-	-	-	-48,950	-26,700	-	-75,650	-	-48,400	-26,400	-	-74,800	-
<b>Totals, Statewide Savings</b>	<b>\$-463,729</b>	<b>-</b>	<b>-</b>	<b>\$-463,729</b>	<b>-</b>	<b>\$-906,841</b>	<b>\$-26,700</b>	<b>-</b>	<b>\$-933,541</b>	<b>-</b>	<b>\$-584,148</b>	<b>\$-26,400</b>	<b>-</b>	<b>\$-610,548</b>	<b>-</b>
<b>TOTALS, GENERAL GOVERNMENT</b>	<b>\$1,217,220</b>	<b>\$4,785,564</b>	<b>\$868,048</b>	<b>\$6,870,832</b>	<b>\$287,081</b>	<b>\$-4,102,102</b>	<b>\$4,645,270</b>	<b>\$281,538</b>	<b>\$824,706</b>	<b>\$217,770</b>	<b>\$-4,987,191</b>	<b>\$10,823,990</b>	<b>\$2,056</b>	<b>\$5,838,855</b>	<b>\$370,106</b>
State Operations	430,084	1,875,170	618	2,305,872	141,446	543,895	1,282,712	2,047	1,828,654	148,522	532,974	1,071,695	2,056	1,606,725	162,100
Local Assistance	-45,800	1,469,142	866,386	2,289,728	67,731	24,529	2,007,651	250,000	2,282,180	68,901	618,564	2,271,854	-	2,890,418	68,901

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

	Actual 2007-08				Estimated 2008-09				Proposed 2009-10						
	General Fund	Special Fund	Selected Bond Funds	Budget Total	Federal Funds	General Fund	Special Fund	Selected Bond Funds	Budget Total	Federal Funds	General Fund	Special Fund	Selected Bond Funds	Budget Total	Federal Funds
Capital Outlay	4,428	885	1,044	6,357	77,904	2,892	-	29,491	32,383	347	3,922	-	-	3,922	139,105
Unclassified	828,508	1,440,367	-	2,268,875	-	-4,673,418	1,354,907	-	-3,318,511	-	-6,142,651	7,480,441	-	1,337,790	-
<b>GRAND TOTAL</b>	<b>\$102,985,674</b>	<b>\$26,673,767</b>	<b>\$8,405,291</b>	<b>\$138,064,732</b>	<b>\$56,211,313</b>	<b>\$92,413,242</b>	<b>\$26,498,974</b>	<b>\$16,656,530</b>	<b>\$135,568,746</b>	<b>\$63,866,222</b>	<b>\$95,523,564</b>	<b>\$32,017,149</b>	<b>\$7,223,365</b>	<b>\$134,764,078</b>	<b>\$61,698,092</b>
State Operations	\$25,294,876	\$13,113,715	\$847,089	\$39,255,680	\$8,582,135	\$26,076,537	\$13,243,567	\$1,221,224	\$40,541,328	\$8,925,370	\$26,526,538	\$12,845,076	\$916,048	\$40,287,662	\$8,904,436
Local Assistance	\$75,307,728	\$12,208,142	\$4,969,847	\$92,485,717	\$46,472,236	\$69,442,508	\$12,161,332	\$8,911,652	\$90,515,492	\$53,245,656	\$72,457,560	\$13,032,736	\$2,793,489	\$88,283,785	\$51,202,088
Capital Outlay	\$138,217	\$1,326,556	\$2,588,355	\$4,053,128	\$1,156,942	\$216,644	\$1,090,139	\$6,523,654	\$7,830,437	\$1,664,196	\$345,429	\$995,584	\$3,513,828	\$4,854,841	\$1,586,568
Unclassified	\$2,244,853	\$25,354	-	\$2,270,207	-	\$-3,322,447	\$3,936	-	\$-3,318,511	\$31,000	\$-3,805,963	\$5,143,753	-	\$1,337,790	\$5,000
<b>BUDGET ACT TOTALS</b>	<b>\$70,476,354</b>	<b>\$13,130,846</b>	<b>\$4,821,461</b>	<b>\$88,428,661</b>	<b>\$48,561,160</b>	<b>\$72,171,245</b>	<b>\$13,114,877</b>	<b>\$7,162,264</b>	<b>\$92,448,386</b>	<b>\$55,110,937</b>	<b>\$70,184,522</b>	<b>\$14,615,274</b>	<b>\$5,037,263</b>	<b>\$89,837,059</b>	<b>\$52,990,450</b>
State Operations	22,797,364	10,277,450	701,035	33,775,849	3,147,739	22,923,775	10,511,565	714,152	34,149,492	3,591,251	21,754,815	10,705,983	809,055	33,269,853	3,527,798
Local Assistance	47,628,398	2,457,565	2,482,673	52,568,636	44,548,042	49,172,739	2,192,707	3,223,149	54,588,595	50,464,095	48,299,288	3,454,240	1,640,569	53,394,097	48,694,427
Capital Outlay	50,592	394,499	1,637,753	2,082,844	865,379	74,731	410,605	3,224,963	3,710,299	1,024,591	130,419	455,051	2,587,639	3,173,109	763,225
Unclassified	-	1,332	-	1,332	-	-	-	-	-	31,000	-	-	-	-	5,000
<b>STATUTORY APPROPRIATIONS</b>	<b>\$24,815,849</b>	<b>\$9,654,050</b>	<b>\$473,804</b>	<b>\$34,943,703</b>	<b>\$2,477,758</b>	<b>\$18,689,188</b>	<b>\$8,670,616</b>	<b>\$398,676</b>	<b>\$27,758,480</b>	<b>\$3,193,312</b>	<b>\$16,143,598</b>	<b>\$8,619,205</b>	<b>\$326,024</b>	<b>\$25,088,827</b>	<b>\$3,135,495</b>
State Operations	-458,237	2,231,068	31,492	1,804,323	1,291,281	-358,457	2,070,946	34,349	1,746,838	1,429,814	-12,356	2,134,216	37,247	2,159,107	1,430,349
Local Assistance	25,258,137	5,386,279	430,470	31,074,886	1,120,214	19,047,645	5,057,141	340,327	24,445,113	1,763,498	22,298,605	4,983,341	282,777	27,564,723	1,569,828
Capital Outlay	15,949	631,149	11,842	658,940	66,263	-	240,679	24,000	264,679	-	-	193,858	6,000	199,858	135,318
Unclassified	-	1,405,554	-	1,405,554	-	-	1,301,850	-	1,301,850	-	-6,142,651	1,307,790	-	-4,834,861	-
<b>CONSTITUTIONAL APPROPRIATIONS</b>	<b>\$5,675,815</b>	<b>\$3,041,302</b>	<b>-</b>	<b>\$8,717,117</b>	<b>-</b>	<b>\$5,048,528</b>	<b>\$3,103,854</b>	<b>-</b>	<b>\$8,152,382</b>	<b>-</b>	<b>\$6,667,970</b>	<b>\$2,719,554</b>	<b>-</b>	<b>\$9,387,524</b>	<b>-</b>
State Operations	3,236,849	334,571	-	3,571,420	-	3,697,557	427,098	-	4,124,655	-	4,916,282	-	-	4,916,282	-
Local Assistance	-	4,170,941	-	4,170,941	-	-	4,057,348	-	4,057,348	-	-	4,441,242	-	4,441,242	-
Unclassified	2,438,966	-1,464,210	-	974,756	-	1,350,971	-1,380,592	-	-29,621	-	1,751,688	-1,721,688	-	30,000	-
<b>OTHER APPROPRIATIONS</b>	<b>\$2,017,656</b>	<b>\$847,569</b>	<b>\$3,110,026</b>	<b>\$5,975,251</b>	<b>\$5,172,395</b>	<b>\$-3,495,719</b>	<b>\$1,609,627</b>	<b>\$9,095,590</b>	<b>\$7,209,498</b>	<b>\$5,561,973</b>	<b>\$2,527,474</b>	<b>\$6,063,116</b>	<b>\$1,860,078</b>	<b>\$10,450,668</b>	<b>\$5,572,147</b>
State Operations	-281,100	270,626	114,562	104,088	4,143,115	-186,338	233,958	472,723	520,343	3,904,305	-132,203	4,877	69,746	-57,580	3,946,289
Local Assistance	2,421,193	193,357	2,056,704	4,671,254	803,980	1,222,124	854,136	5,348,176	7,424,436	1,018,063	1,859,667	153,913	870,143	2,883,723	937,833
Capital Outlay	71,676	300,908	938,760	1,311,344	225,300	141,913	438,855	3,274,691	3,855,459	639,605	215,010	346,675	920,189	1,481,874	688,025
Unclassified	-194,113	82,678	-	-111,435	-	-4,673,418	82,678	-	-4,590,740	-	585,000	5,557,651	-	6,142,651	-



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

Fund	Reserves June 30, 2007	Actual Revenues 2007-08	Actual Expenditures 2007-08	Reserves June 30, 2008	Estimated Revenue 2008-09	Estimated Expenditures 2008-09	Reserves June 30, 2009	Estimated Revenues 2009-10	Estimated Expenditures 2009-10	Reserves June 30, 2010
<b>GENERAL FUND</b>	<b>2,787,370</b>	<b>102,573,994</b>	<b>102,985,667</b>	<b>2,375,697</b>	<b>91,116,941</b>	<b>92,413,240</b>	<b>1,079,398</b>	<b>97,707,988</b>	<b>95,523,564</b>	<b>3,263,822</b>
<b>SPECIAL FUNDS</b>										
Abandoned Mine Reclamation & Minerals Fd	302	174	265	211	275	427	59	775	549	285
Abandoned Watercraft Abatement Fund	331	200	487	44	500	500	44	500	500	44
Accountancy Fund	20,607	13,433	8,387	25,653	-1,501	12,426	11,726	12,630	12,580	11,776
Acupuncture Fund	3,426	2,305	1,707	4,024	2,711	2,514	4,221	2,634	2,551	4,304
Acute Orphan Well Account, Oil, Gas, Geo	1,469	77	285	1,261	25	165	1,121	25	978	168
Administration Acct, Child & Families	24,945	6,569	5,327	26,187	5,782	5,487	26,482	5,646	5,346	26,782
Advanced Services Fund, California	-	-	-	-	60,000	25,000	35,000	60,000	50,221	44,779
Aeronautics Account STF	5,382	9,638	6,841	8,179	8,222	7,905	8,496	8,161	7,705	8,952
Agricultural Biomass Utilization Account	255	-255	-	-	-	-	-	-	-	-
Agricultural Export Promotion Acct, CA	57	15	16	56	15	10	61	15	10	66
Agricultural Pest Control Research Acct	91	-91	-	-	-	-	-	-	-	-
Air Pollution Control Fund	34,644	158,058	155,830	36,872	155,018	170,438	21,452	157,872	172,048	7,276
Air Quality Improvement Fund	-	-	-	-	47,000	46,083	917	47,000	46,117	1,800
Air Toxics Inventory and Assessment Acct	6	968	918	56	951	944	63	951	973	41
Alcohol Beverages Control Fund	13,828	47,579	50,666	10,741	49,350	54,864	5,227	52,804	55,969	2,062
Alcoholic Beverage Control Appeals Fund	796	996	942	850	1,051	1,069	832	1,106	1,038	900
Alternative & Renewable & Vehicle Tech	-	4	-	4	115,809	75,891	39,922	114,561	102,258	52,225
Analytical Laboratory Account, Food & Ag	596	1,240	93	1,743	555	513	1,785	555	531	1,809
Antiterrorism Fund	6,374	1,560	872	7,062	-400	4,485	2,177	1,600	1,871	1,906
Appellate Court Trust Fund	2,680	4,573	4,766	2,487	4,281	6,753	15	4,281	4,281	15
Apprenticeship Training Contribution Fd	15,255	9,182	6,806	17,631	9,185	6,905	19,911	9,200	7,079	22,032
Architects Board Fund, California	2,839	3,118	2,972	2,985	2,189	3,226	1,948	2,987	3,916	1,019
Armory Discretionary Improvement Account	222	79	31	270	75	162	183	75	158	100
Asbestos Consultant Certification Acct	629	460	288	801	459	373	887	459	368	978
Asbestos Training Approval Account	158	214	122	250	213	132	331	213	134	410
Assistance for Fire Equipment Acct, State	463	17	3	477	50	100	427	50	100	377
Athletic Commission Fund	1,059	1,826	1,929	956	2,036	1,879	1,113	2,426	1,991	1,548
Attorney General Antitrust Account	573	706	722	557	1,348	1,334	571	1,348	1,342	577
Audit Fund, State	2,597	-	-1,594	4,191	-	2,222	1,969	-	329	1,640
AIDS Drug Assistance Program Rebate Fund	80,523	134,878	135,045	80,356	171,651	178,569	73,438	185,208	234,632	24,014
Barbering/Cosmetology Fd, St Bd of	9,767	18,226	16,403	11,590	9,213	18,559	2,244	21,081	18,304	5,021
Beach and Coastal Enhancement Acct, Calif	302	1,800	1,608	494	1,778	1,942	330	1,738	1,700	368
Behavioral Science Examiners Fund	6,332	6,032	5,316	7,048	3,143	6,017	4,174	6,002	6,934	3,242
Beverage Container Recycling Fund, CA	354,182	1,062,511	1,110,453	306,240	1,038,726	1,136,186	208,780	1,000,651	1,128,423	81,008
Bicycle Transportation Account, STF	4,210	8,742	7,208	5,744	1,799	7,210	333	7,799	7,220	912
Bimetal Processing Fee Acct, Bev Cont Re	6,408	1,705	249	7,864	1,864	243	9,485	1,864	243	11,106
Bingo Fund, California	-	-	-	-	500	500	-	769	769	-
Birth Defects Monitoring Fund	-237	5,248	4,186	825	3,070	3,117	778	3,727	3,595	910
Bldg Stnds Admin Special Revolving Fund	-	-	-	-	-	-	-	2,031	558	1,473
Boxer's Neurological Examination Account	271	171	41	401	181	120	462	188	119	531
Breast Cancer Control Account	10,764	12,878	14,959	8,683	16,535	19,393	5,825	13,856	19,204	477
Breast Cancer Fund	2,228	2,528	505	4,251	-3,662	589	-	696	696	-
Breast Cancer Research Account	1,793	13,211	14,272	732	17,101	14,348	3,485	14,422	14,395	3,512

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

<b>Fund</b>	<b>Reserves June 30, 2007</b>	<b>Actual Revenues 2007-08</b>	<b>Actual Expenditures 2007-08</b>	<b>Reserves June 30, 2008</b>	<b>Estimated Revenue 2008-09</b>	<b>Estimated Expenditures 2008-09</b>	<b>Reserves June 30, 2009</b>	<b>Estimated Revenues 2009-10</b>	<b>Estimated Expenditures 2009-10</b>	<b>Reserves June 30, 2010</b>
Budget Stabilization Account	471,770	-1,494,391	-1,022,621	-	-	-	-	-	-	-
Business Fees Fund, Secty of State's	-134	36,611	36,475	2	39,016	39,018	-	38,672	38,672	-
Cal- OSHA Targeted Inspection & Consult	572	23,022	19,253	4,341	10,141	9,722	4,760	10,141	9,785	5,116
California Memorial Scholarship Fund	40	-	-	40	-	-	40	-	-	40
Cancer Research Fund	2,473	-	-	2,473	-2,116	-	354	-	-	354
Cannery Inspection Fund	1,043	1,784	1,262	1,565	2,170	2,176	1,559	2,170	2,245	1,484
Car Wash Worker Fund	226	659	162	723	720	193	1,250	720	202	1,768
Car Wash Worker Restitution Fund	146	206	-	352	300	80	572	300	80	792
Cemetery Fund	4,294	1,777	2,075	3,996	517	2,385	2,128	2,240	2,348	2,020
Certification Acct, Consumer Affairs Fd	570	1,058	860	768	1,164	1,128	804	1,189	1,145	848
Certification Fund	3,010	1,621	1,070	3,561	1,640	1,452	3,749	1,585	1,806	3,528
Certified Unified Program Account, State	1,105	1,572	1,029	1,648	1,478	1,648	1,479	1,605	1,964	1,120
Charity Bingo Mitigation Fund	-	-	-	-	5,000	5,000	-	-	-	-
Child Abuse Fund, DOJ	1,025	454	344	1,135	444	360	1,219	447	361	1,305
Child Care Acct, Child & Families Trust	55,285	19,461	19,099	55,647	17,448	16,448	56,647	17,039	73,686	-
Child Health and Safety Fund	5,841	4,637	5,989	4,489	5,194	6,021	3,662	5,552	6,583	2,631
Childhood Lead Poisoning Prevention Fund	19,346	36,220	17,149	38,417	22,076	21,878	38,615	22,076	22,907	37,784
Children & Families First Trust Fd, Cal	-	10,509	10,509	-	12,543	12,543	-	15,171	15,171	-
Children's Medical Services Rebate Fund	2,551	1,293	-	3,844	4,116	6,400	1,560	4,116	4,000	1,676
Chiropractic Examiners Fund	4,799	2,542	2,406	4,935	2,474	3,582	3,827	2,419	3,949	2,297
Cigarette & Tobacco Products Compliance	1,090	1,934	1,227	1,797	1,271	1,135	1,933	1,271	682	2,522
Cigarette & Tobacco Products Surtax Fund	-1	6,277	6,276	-	7,376	7,376	-	8,727	8,727	-
Clandestine Drug Lab Clean-Up Account	8	3	-	11	-	-	11	-	-	11
Clinical Laboratory Improvement Fund	2,051	6,066	5,773	2,344	6,351	5,942	2,753	6,906	5,916	3,743
Clnup Loans Environmntl Asst Neighood Act	3,085	-103	-136	3,118	-320	-748	3,546	-355	-5	3,196
Coachella Valley Mountains Conservancy	12	6	-	18	33	33	18	33	33	18
Coastal Access Account, SCCF	601	768	571	798	500	952	346	500	500	346
Coastal Act Services Fund	-	-	-	-	1,322	524	798	1,343	347	1,794
Collins-Dugan Calif Conserv Corps Reimb	10,277	25,946	25,463	10,760	30,735	31,491	10,004	-	-	10,004
Colorado River Management Account	30,283	-	25,516	4,767	-	4,767	-	-	-	-
Community Revitalization Fee Fund	43	2	-	45	65	85	29	69	49	49
Conserv Enforcement Svc Ac	565	-565	-	-	-	-	-	-	-	-
Conservatorship Registry Fund	136	-136	-	-	-	-	-	-	-	-
Construction Management Education Acct	311	101	-	412	115	15	512	93	165	440
Contingent Fd of the Medical Board of CA	18,618	52,091	46,843	23,866	46,777	51,312	19,331	52,862	52,772	19,421
Continuing Care Provider Fee Fund	2,126	1,551	1,158	2,519	1,345	1,625	2,235	1,370	1,672	1,933
Contractors' License Fund	38,450	53,265	56,108	35,607	44,178	59,748	20,037	51,038	60,093	10,982
Corporations Fund, State	17,220	33,751	34,891	16,080	41,044	40,037	17,087	37,455	39,511	15,031
Corrections Training Fund	1,260	20,457	19,939	1,778	23,158	22,122	2,814	23,359	22,158	4,015
Counties Children & Families Acct	-	439,606	439,606	-	439,206	438,606	600	428,303	428,903	-
Court Collection Account	6,175	66,947	69,407	3,715	75,312	78,411	616	75,312	75,327	601
Court Facilities Trust Fund	251	11,434	11,193	492	42,867	16,992	26,367	43,067	19,012	50,422
Court Interpreters' Fund	63	149	155	57	140	163	34	140	161	13
Court Reporters Fund	1,966	658	816	1,808	655	911	1,552	633	892	1,293
Credit Union Fund	3,954	4,020	4,800	3,174	5,273	7,305	1,142	6,273	7,022	393

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

Fund	Reserves June 30, 2007	Actual Revenues 2007-08	Actual Expenditures 2007-08	Reserves June 30, 2008	Estimated Revenue 2008-09	Estimated Expenditures 2008-09	Reserves June 30, 2009	Estimated Revenues 2009-10	Estimated Expenditures 2009-10	Reserves June 30, 2010
Dam Safety Fund	-118	9,306	9,755	-567	12,272	10,514	1,191	11,800	11,311	1,680
Deaf & Disabled Telecomm Prg Admin Comm	50,061	78,832	44,298	84,595	19,020	69,598	34,017	44,908	69,505	9,420
Dealers' Record of Sale Special Account	5,828	11,146	8,814	8,160	11,301	11,693	7,768	11,290	10,815	8,243
Debt & Investment Advisory Comm Fund,Cal	8,497	2,333	2,219	8,611	285	2,421	6,475	2,280	2,885	5,870
Debt Limit Allocation Committee Fund,Cal	5,708	1,406	1,020	6,094	-514	1,241	4,339	1,557	1,268	4,628
Debt Retirement Fund	-	-	-	-	-	-	-	6,142,651	6,142,651	-
Deficit Recovery Bond Retirement Sinking	3,875	1,055,066	1,057,434	1,507	53,061	53,057	1,511	30,000	30,000	1,511
Delta Flood Protection Fund	10	2	-	12	2	-	14	2	-	16
Dental Assistant Fund, State	-	-	-	-	-	-	-	2,155	1,766	389
Dental Auxiliary Fund, State	1,148	2,251	1,976	1,423	2,310	2,549	1,184	-911	264	9
Dental Hygiene Fund, State	-	-	-	-	-	-	-	1,063	899	164
Dentally Underserved Account	2,988	130	454	2,664	128	126	2,666	128	126	2,668
Dentistry Fund, State	7,305	8,037	7,948	7,394	8,089	9,914	5,569	7,948	10,164	3,353
Department of Agriculture Account, Ag Fd	33,750	95,580	99,649	29,681	102,681	110,330	22,032	102,425	108,489	15,968
Developmental Disabilities Prog Dev Fund	76	1,577	1,355	298	1,733	1,855	176	1,933	1,912	197
Developmental Disabilities Services Acct	126	4	-	130	79	75	134	4	-	138
Diesel Emission Reduction Fund	1,220	55	-	1,275	36	-	1,311	36	-	1,347
Disability Access Account	7,536	5,031	6,152	6,415	4,599	7,021	3,993	4,539	8,501	31
Disaster Relief Fund	11	-	-	11	-	-	11	-	-	11
Dispensing Opticians Fund	301	174	144	331	182	290	223	178	302	99
Domestic Violence Trng & Education Fund	1,250	959	1,073	1,136	1,076	1,171	1,041	1,076	1,168	949
Drinking Water Operator Cert Special Act	2,922	1,426	1,215	3,133	-100	1,661	1,372	1,550	1,777	1,145
Drinking Water Treatment & Research Fund	9,952	-	3,719	6,233	5,000	5,086	6,147	5,000	5,088	6,059
Driver Training Penalty Assessment Fund	925	1,106	1,319	712	1,759	1,760	711	1,620	1,624	707
Driving Under-the-Influence Prog Lic Trs	1,810	1,281	1,521	1,570	1,515	1,521	1,564	1,515	1,613	1,466
Drug and Alcohol Prevention & Treatment	-	-	-	-	-	-	-	-90,034	-90,034	-
Drug and Device Safety Fund	8,185	3,893	4,113	7,965	6,008	4,667	9,306	4,500	5,934	7,872
DNA Identification Fund	11,862	29,382	12,734	28,510	27,237	31,152	24,595	27,565	32,144	20,016
DNA Testing Fund, Department of Justice	293	20	-	313	-	-	313	-293	-	20
Earthquake Emergency Invest Acct-NDA Fd	95	-	39	56	-	-	56	-	-	56
Earthquake Risk Reduction Fund of 1996	-	1,000	1,000	-	1,000	1,000	-	1,000	1,000	-
Education Acct, Child & Families TrustFd	120,788	34,919	30,612	125,095	28,913	27,413	126,595	28,231	154,826	-
Educational Telecommunication Fund	11,519	-	-2,993	14,512	-	14,461	51	7,000	6,561	490
Electrician Certification Fund	4,147	1,660	1,880	3,927	3,100	2,739	4,288	1,660	2,698	3,250
Electronic and Appliance Repair Fund	1,724	2,022	2,012	1,734	1,939	2,405	1,268	1,914	2,396	786
Electronic Waste Recovery & Recycling	49,419	82,555	107,308	24,666	114,396	120,409	18,653	160,018	143,033	35,638
Elevator Safety Account	2,031	16,329	16,227	2,133	19,500	19,611	2,022	22,366	21,283	3,105
Emerg Medical Svcs Trng Prog Approvl Fd	303	272	427	148	353	426	75	353	427	1
Emergency Food Assistance Program Fund	425	447	406	466	467	455	478	487	482	483
Emergency Medical Services Personnel Fnd	543	1,274	1,388	429	1,350	1,438	341	1,350	1,501	190
Emergency Medical Technician Cert Fund	-	-	-	-	-	-	-	243	243	-
Emergency Response Fund	-	-	-	-	-	-	-	69,456	59,955	9,501
Emergency Telephone Number Acct, State	142,698	103,761	105,324	141,135	104,000	126,141	118,994	104,000	127,741	95,253
Employment Development Contingent Fund	-	87,945	69,883	18,062	53,623	71,685	-	88,200	88,200	-
Employment Developmnt Dept Benefit Audit	-	14,947	14,945	2	14,716	14,716	2	14,557	14,558	1

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

<b>Fund</b>	<b>Reserves June 30, 2007</b>	<b>Actual Revenues 2007-08</b>	<b>Actual Expenditures 2007-08</b>	<b>Reserves June 30, 2008</b>	<b>Estimated Revenue 2008-09</b>	<b>Estimated Expenditures 2008-09</b>	<b>Reserves June 30, 2009</b>	<b>Estimated Revenues 2009-10</b>	<b>Estimated Expenditures 2009-10</b>	<b>Reserves June 30, 2010</b>
Energy Conservation Assistance Ac, State	14,034	1,227	-2,822	18,083	1,000	19,081	2	800	799	3
Energy Facility License and Compliance	5,545	3,128	1,503	7,170	2,273	2,503	6,940	2,273	2,510	6,703
Energy Resources Programs Account	24,198	60,954	61,179	23,973	58,183	67,532	14,624	59,346	71,317	2,653
Energy Tech Research, Dev, & Demo Acct	2,829	50	-2	2,881	15	499	2,397	15	2,411	1
Environmental Enhancement and Mitigation	4,489	10,749	10,052	5,186	5,899	10,128	957	10,299	10,141	1,115
Environmental Enhancement Fund	1,591	136	-	1,727	142	352	1,517	133	348	1,302
Environmental Laboratory Improvement Fnd	455	2,592	2,415	632	2,781	3,146	267	2,981	3,089	159
Environmental License Plate Fund, Calif	10,385	36,584	41,031	5,938	35,654	41,591	1	39,720	38,134	1,587
Environmental Protection Trust Fund	6,726	1,258	7,427	557	-	-	557	-	-	557
Environmental Quality Assessment Fund	87	329	281	135	572	576	131	572	560	143
Environmental Water Fund	2,359	105	-	2,464	-2,353	-	111	-	-	111
Equality in Prv & Svcs Domestic Abuse Fd	39	388	317	110	493	504	99	93	180	12
Expedited Site Remediation Trust Fund	2,984	54	60	2,978	10	-	2,988	9	2,800	197
Export Document Program Fund	1,564	365	373	1,556	397	406	1,547	397	542	1,402
Exposition Park Improvement Fund	4,394	6,493	4,422	6,465	5,339	6,011	5,793	5,839	6,019	5,613
Fair and Exposition Fund	1,941	21,188	22,191	938	25,218	24,299	1,857	25,218	24,934	2,141
False Claims Act Fund	14,895	751	5,594	10,052	2,330	10,575	1,807	10,616	10,657	1,766
Family Law Trust Fund	3,289	1,985	2,744	2,530	1,901	3,268	1,163	1,901	2,917	147
Farm & Ranch Solid Waste Cleanup & Abate	1,206	239	992	453	1,020	1,145	328	1,020	1,139	209
Farmworker Remedial Account	332	252	-	584	260	102	742	260	102	900
Film Promotion and Marketing Fund	3	5	5	3	10	11	2	11	10	3
Financial Institutions Fund	7,775	22,318	21,945	8,148	24,471	25,305	7,314	24,471	25,223	6,562
Financial Responsibility Penalty Account	2,102	-	-	2,102	-	-	2,102	-	-	2,102
Fingerprint Fees Account	11,497	64,208	61,609	14,096	65,086	69,205	9,977	65,610	70,079	5,508
Fire and Arson Training Fund, Calif	1,050	2,167	1,766	1,451	2,764	2,506	1,709	2,924	2,697	1,936
Fire Marshal Fireworks Enf & Disp Fd, St	-	-	-	-	100	-	100	200	300	-
Fire Marshal Licensing & Cert Fund, St	1,082	2,140	1,860	1,362	2,096	2,782	676	2,145	2,746	75
Firearm Safety Account	561	399	332	628	406	331	703	408	331	780
Firearms Safety and Enforcement Specl Fd	1,302	3,222	2,801	1,723	3,192	3,187	1,728	3,193	3,252	1,669
Fiscal Recovery Fund	984,287	1,423,221	1,416,430	991,078	1,328,960	1,315,000	1,005,038	1,333,000	1,321,000	1,017,038
Fish and Game Preservation Fund	49,615	94,031	82,691	60,955	64,321	90,339	34,937	98,806	99,331	34,412
Fish and Wildlife Pollution Account	4,447	2,466	3,064	3,849	1,665	2,735	2,779	1,662	2,768	1,673
Food Safety Acct, Pesticide Reg Fd, Dept	25	1	-	26	-26	-	-	-	-	-
Food Safety Fund	2,324	5,828	5,591	2,561	6,642	6,848	2,355	6,642	6,732	2,265
Foster and Small Family Insurance Fund	5,821	-	-303	6,124	-2,800	-	3,324	-	-	3,324
Funeral Directors and Embalmers Fund, St	2,548	1,301	1,372	2,477	1,240	1,673	2,044	1,235	1,683	1,596
Gambling Addiction Program Fund	46	48	-	94	150	150	94	150	150	94
Gambling Control Fines & Penalties Acct	219	131	37	313	100	46	367	100	45	422
Gambling Control Fund	10,659	13,863	9,315	15,207	2,887	11,564	6,530	12,618	11,246	7,902
Garment Industry Regulations Fund	2,115	3,373	3,594	1,894	3,270	3,067	2,097	3,200	2,962	2,335
Garment Manufacturers Special Account	1,737	405	-	2,142	400	500	2,042	400	500	1,942
Gas Consumption Surcharge Fund	2,575	386,510	319,715	69,370	443,884	439,869	73,385	548,283	569,752	51,916
Genetic Disease Testing Fund	23,348	101,926	112,067	13,207	107,691	117,572	3,326	119,212	115,019	7,519
Geology and Geophysics Fund	894	1,128	1,130	892	1,194	1,385	701	1,271	1,429	543
Geothermal Resources Development Account	481	6,141	4,990	1,632	4,667	4,041	2,258	4,667	4,041	2,884

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

<b>Fund</b>	<b>Reserves June 30, 2007</b>	<b>Actual Revenues 2007-08</b>	<b>Actual Expenditures 2007-08</b>	<b>Reserves June 30, 2008</b>	<b>Estimated Revenue 2008-09</b>	<b>Estimated Expenditures 2008-09</b>	<b>Reserves June 30, 2009</b>	<b>Estimated Revenues 2009-10</b>	<b>Estimated Expenditures 2009-10</b>	<b>Reserves June 30, 2010</b>
Glass Processing Fee Account	17,201	41,344	57,779	766	60,929	60,344	1,351	57,978	58,444	885
Graphic Design License Plate Account	4,366	2,947	2,798	4,515	2,816	3,173	4,158	2,759	3,184	3,733
Guide Dogs for the Blind Fund	221	162	159	224	175	168	231	146	192	185
Habitat Conservation Fund	4,142	8,733	-6,930	19,805	8,104	27,878	31	7,576	7,573	34
Hatchery and Inland Fisheries Fund	2,254	18,236	17,478	3,012	18,211	16,475	4,748	18,688	21,262	2,174
Hazardous & Idle-Deserted Well Abate Fnd	232	146	115	263	130	138	255	130	100	285
Hazardous Liquid Pipeline Safety Calif	746	1,046	1,426	366	3,540	3,156	750	3,519	3,180	1,089
Hazardous Waste Control Account	25,497	48,766	53,098	21,165	46,862	55,676	12,351	47,983	50,617	9,717
Health Care Benefits Fund	1,625	1,692	3,317	-	1,657	1,657	-	2,000	2,000	-
Health Data & Planning Fund, CA	8,916	24,986	19,534	14,368	13,408	25,960	1,816	27,138	27,746	1,208
Health Ed Acct, Cig & Tob Pr Surtax	16,009	79,301	75,998	19,312	76,122	80,302	15,132	74,852	85,099	4,885
Health Statistics Special Fund	19,319	20,769	23,661	16,427	20,377	26,886	9,918	20,377	24,484	5,811
Health Subaccount, Sales Tax Account	-	395,298	395,298	-	375,669	375,669	-	373,752	373,752	-
Hearing Aid Dispensers Fund	1,204	705	636	1,273	651	763	1,161	721	1,032	850
High Polluter Repair or Removal Account	62,364	47,459	58,342	51,481	26,695	53,337	24,839	45,578	67,997	2,420
High-Cost Fund-A Admin Committee Fd, Cal	59,387	47,725	31,716	75,396	33,956	56,366	52,986	33,317	64,795	21,508
High-Cost Fund-B Admin Committee Fd, Cal	228,844	233,937	319,123	143,658	-10,937	130,838	1,883	62,213	51,565	12,531
Highway Account, State, STF	850,810	3,466,611	3,562,796	754,625	2,812,504	3,579,326	-12,197	3,019,089	3,567,687	-560,795
Highway Users Tax Account, TTF	11,172	1,137,647	1,123,916	24,903	1,076,797	1,079,487	22,213	1,060,045	1,062,759	19,499
Historic Property Maintenance Fund	3,511	1,622	1,517	3,616	-1,712	1,590	314	1,340	1,632	22
Home Furnish & Thermal Insulat Fd, Burea	3,673	4,149	3,794	4,028	3,803	4,815	3,016	3,745	4,935	1,826
Hospital Building Fund	75,355	58,286	44,842	88,799	96,005	46,014	138,790	83,005	56,276	165,519
Hospital Svc Acct, Cig & Tob Pr Surtax	4,491	58,369	59,022	3,838	46,717	40,651	9,904	37,111	44,665	2,350
HICAP Fund, State	2,387	2,485	2,421	2,451	2,547	2,469	2,529	2,556	2,469	2,616
Illegal Drug Lab Cleanup Account	6,427	113	216	6,324	197	2,038	4,483	140	2,018	2,605
Indian Gaming Special Distribution Fund	153,791	62,968	25,053	191,706	6,419	63,368	134,757	-396	33,402	100,959
Industrial Development Fund	146	269	190	225	283	256	252	283	282	253
Industrial Rel Construction Enforce Fd	421	638	36	1,023	90	60	1,053	100	63	1,090
Infant Botulism Treatment & Prevention	6,033	4,364	4,006	6,391	3,978	5,958	4,411	3,978	7,044	1,345
Inland Wetlands Cons Fd, Wildlife Rest	1,375	64	3	1,436	68	500	1,004	68	500	572
Insurance Fund	51,771	213,959	211,642	54,088	219,064	228,339	44,813	230,588	240,992	34,409
Integrated Waste Management Account	24,348	51,236	53,077	22,507	45,103	61,262	6,348	55,471	57,272	4,547
Internatl Student Exch Visitor Plcmt Org	62	-	-	62	-	-	62	-	-	62
Jobs-Housing Balance Improvement Account	48,580	-	23,637	24,943	-	23,599	1,344	-	440	904
Judicial Admin Efficiency & Modernztn	18,361	1,971	-441	20,773	921	21,592	102	652	754	-
Labor and Workforce Development Fund	1,260	1,195	167	2,288	1,100	220	3,168	1,000	1,956	2,212
Lake Tahoe Conservancy Account	2,852	1,231	2,242	1,841	1,231	1,850	1,222	1,231	1,585	868
Landscape Architects Fd, CA Bd/Arch Exam	1,703	835	836	1,702	899	1,150	1,451	1,112	1,122	1,441
Law Library Special Account,Calif_State	629	422	420	631	422	708	345	422	643	124
Leaking Undrgrnd Stor Tank Cost Recovery	1,111	18	1,014	115	18	5	128	18	-	146
Licensed Midwifery Fund	58	21	-	79	24	-	103	21	-	124
Licensing & Certification Fd, Mental Hth	1	357	358	-	392	392	-	397	397	-
Licensing and Certification Prog Fd, PH	17,268	80,361	56,609	41,020	74,593	84,428	31,185	80,911	81,060	31,036
Lifetime License Trust Acct, Fish & Game	6,450	639	-	7,089	626	-	7,715	576	-	8,291
Loc Pub Prosecutors & Pub Defenders Trng	799	891	802	888	864	872	880	864	872	872

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

<b>Fund</b>	<b>Reserves June 30, 2007</b>	<b>Actual Revenues 2007-08</b>	<b>Actual Expenditures 2007-08</b>	<b>Reserves June 30, 2008</b>	<b>Estimated Revenue 2008-09</b>	<b>Estimated Expenditures 2008-09</b>	<b>Reserves June 30, 2009</b>	<b>Estimated Revenues 2009-10</b>	<b>Estimated Expenditures 2009-10</b>	<b>Reserves June 30, 2010</b>
Local Agency Deposit Security Fund	280	400	356	324	329	412	241	329	409	161
Local Airport Loan Account	11,826	1,745	3,301	10,270	-6,441	350	3,479	1,059	-	4,538
Local Govt Geothermal Resource Subacct	3,866	2,779	3,307	3,338	2,002	2,306	3,034	2,002	4,805	231
Local Jurisdiction Energy Assistance	1,285	31	-	1,316	2	1,318	-	2	-	2
Local Revenue Fund	-	708	708	-	689	689	-	695	695	-
Local Transportation Loan Acct, SHA, STF	3,127	136	-	3,263	98	1,000	2,361	91	1,000	1,452
Low-Level Radioactive Waste Disposal Fnd	121	6	-	127	6	-	133	6	-	139
Main Street Program Fund, California	-	-	-	-	175	175	-	175	175	-
Major Risk Medical Insurance Fund	13,714	21,686	29,480	5,920	48,939	54,859	-	39,439	39,439	-
Managed Care Admin Fines & Penalties Fnd	-	-	-	-	1,510	-	1,510	10	-	1,520
Managed Care Fund	10,063	44,233	43,987	10,309	35,478	44,140	1,647	48,314	47,549	2,412
Marine Invasive Species Control Fund	2,331	2,722	4,043	1,010	3,600	4,493	117	5,400	4,887	630
Mass Media Comm Acct, Child & Fam Trust	48,050	35,779	9,278	74,551	33,895	32,895	75,551	33,078	108,629	-
Mass Transportation Fund	-	82,678	82,678	-	502,946	502,946	-	47,447	47,447	-
Medical Marijuana Program Fund	26	453	318	161	490	422	229	505	411	323
Medical Waste Management Fund	698	2,125	2,042	781	1,935	2,173	543	1,935	2,302	176
Mental Health Practitioner Education Fd	881	366	200	1,047	362	471	938	362	482	818
Mental Health Services Fund	2,495,551	1,608,390	1,518,176	2,585,765	1,041,765	1,554,627	2,072,903	914,362	1,781,337	1,205,928
Mental Health Subaccount, Sales Tax Acct	-	832,852	832,852	-	791,495	791,495	-	787,458	787,458	-
Mexican Amer Vet's Memrl Beautif/Enhance	202	4	-	206	4	10	200	4	10	194
Mine Reclamation Account	783	3,464	2,668	1,579	3,832	3,926	1,485	3,832	3,937	1,380
Missing Persons DNA Data Base Fund	5,168	3,425	3,991	4,602	3,864	4,639	3,827	1,981	3,765	2,043
Mobilehome Manufactured Home Revolv Fd	3,649	16,206	18,793	1,062	16,068	16,878	252	18,297	17,398	1,151
Mobilehome Park Revolving Fund	2,249	5,947	6,157	2,039	4,580	5,942	677	6,381	6,422	636
Motor Carriers Safety Improvement Fund	3,743	1,916	1,852	3,807	1,952	2,549	3,210	1,952	2,575	2,587
Motor Vehicle Account, STF	443,460	2,067,707	2,306,772	204,395	2,485,363	2,594,735	95,023	3,014,538	2,893,892	215,669
Motor Vehicle Fuel Account, TTF	12,675	38,767	25,250	26,192	20,544	26,318	20,418	27,790	26,785	21,423
Motor Vehicle Insurance Account, State	27,560	17,130	16,385	28,305	15,000	24,082	19,223	15,000	22,917	11,306
Motor Vehicle License Fee Account, TTF	13,005	562,916	564,445	11,476	536,459	547,475	460	547,527	547,527	460
Motor Vehicle Parking Facil Moneys Acct	614	3,357	3,073	898	3,357	3,579	676	3,357	3,482	551
Narcotic Treatment Program Licensing Trt	76	1,283	1,017	342	1,339	1,354	327	1,339	1,367	299
Native Species Conserv & Enhancement Acc	68	37	-	105	41	-	146	43	-	189
Natural Gas Subaccount, PIRD&D Fund	-	18,404	5,804	12,600	21,500	33,290	810	24,500	24,000	1,310
Naturopathic Doctor's Fund	71	140	133	78	151	125	104	103	130	77
New Motor Vehicle Board Account	2,413	1,649	1,805	2,257	1,357	2,108	1,506	1,060	2,076	490
Nondesignated Public Hospital Supplemntl	453	63	425	91	60	-	151	60	-	211
Nontoxic Dry Cleaning Incentive Trst Fd	961	529	769	721	1,499	1,515	705	1,499	1,522	682
Nuclear Planning Assessment Special Acct	233	4,508	3,910	831	4,663	4,663	831	5,379	5,374	836
Nursing Home Admin St Lic Exam Fund	317	344	580	81	345	285	141	345	354	132
Occupancy Compliance Monitoring Account	54,961	7,584	1,917	60,628	-2,972	2,510	55,146	7,028	2,665	59,509
Occupational Lead Poisoning Prev Account	3,972	3,299	3,199	4,072	2,000	3,760	2,312	3,100	3,660	1,752
Occupational Safety and Health Fund	-	-	-	-	18,960	15,168	3,792	15,318	15,403	3,707
Occupational Therapy Fund	2,835	1,157	858	3,134	1,123	1,062	3,195	-849	1,447	899
Off Highway License Fee Fund	1	2,447	2,400	48	2,447	2,400	95	2,447	2,400	142
Off-Highway Vehicle Trust Fund	116,802	88,984	59,190	146,596	-4,972	129,714	11,910	83,815	91,293	4,432

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

<b>Fund</b>	<b>Reserves June 30, 2007</b>	<b>Actual Revenues 2007-08</b>	<b>Actual Expenditures 2007-08</b>	<b>Reserves June 30, 2008</b>	<b>Estimated Revenue 2008-09</b>	<b>Estimated Expenditures 2008-09</b>	<b>Reserves June 30, 2009</b>	<b>Estimated Revenues 2009-10</b>	<b>Estimated Expenditures 2009-10</b>	<b>Reserves June 30, 2010</b>
Oil Spill Prevention & Administration Fd	13,910	34,468	36,384	11,994	33,612	38,882	6,724	34,344	39,074	1,994
Oil Spill Response Trust Fund	55,489	3,691	3,902	55,278	3,114	1,500	56,892	3,338	2,000	58,230
Oil, Gas and Geothermal Administrative	1,673	18,620	18,123	2,170	19,942	20,556	1,556	23,600	23,324	1,832
Olympic Training Account, California	376	94	445	25	94	-	119	94	-	213
Optometry Fund, State	608	1,102	971	739	1,351	1,494	596	1,616	1,592	620
Osteopathic Medical Bd of Calif Contrn Fd	4,193	1,188	1,190	4,191	1,536	1,359	4,368	1,305	1,389	4,284
Other Unallocated Special Funds	-	-3,834	592	-4,426	-3,344	-180,944	173,174	13,764	-440,606	627,544
Outpatient Setting Fd of Medical Board	187	8	-	195	8	26	177	71	26	222
Parks and Recreation Fund, State	5,087	120,786	121,623	4,250	122,103	124,641	1,712	124,666	125,889	489
Payphone Service Providers Committee Fd	388	373	306	455	-	306	149	-	149	-
Peace Officers' Training Fund	35,263	55,839	60,516	30,586	45,177	58,324	17,439	56,665	59,543	14,561
Pedestrian Safety Account, STF	1,629	75	-	1,704	-1,671	-	33	44	-	77
Penalty Acct, Ca Bev Container Recyc Fd	2,559	454	-	3,013	424	-	3,437	424	-	3,861
Perinatal Insurance Fund	-608	61,075	57,426	3,041	59,625	59,762	2,904	66,055	67,402	1,557
Permanent Amusement Ride Safety Insp Fd	182	-181	-	1	-	-	1	-	-	1
Pesticide Regulation Fund, Dept of	14,207	63,941	65,808	12,340	66,284	71,532	7,092	68,287	72,392	2,987
Pharmacy Board Contingent Fund	11,083	8,721	8,920	10,884	7,351	9,800	8,435	8,215	10,648	6,002
Physical Therapy Fund	375	2,220	2,020	575	2,307	2,300	582	2,324	2,275	631
Physician Assistant Fund	1,847	1,173	1,137	1,883	1,248	1,186	1,945	1,246	1,274	1,917
Physician Svc Acct, Cig & Tob Pr Surtax	1,105	16,283	17,062	326	2,557	2,739	144	4,322	4,244	222
Pierce's Disease Management Account	18,155	3,911	7,700	14,366	2,497	5,558	11,305	2,497	5,542	8,260
Pilot Commissioners' Special Fd, Board	609	2,107	2,228	488	2,551	2,594	445	3,296	3,144	597
Podiatric Medicine Fund, Board of	1,195	922	1,038	1,079	894	1,309	664	872	1,330	206
Pressure Vessel Account	-10	4,599	4,450	139	4,600	4,307	432	4,910	5,335	7
Private Hospital Supplemental Fund	24,144	15,157	21,317	17,984	22,000	17,868	22,116	22,000	4,268	39,848
Private Investigator Fund	1,765	830	719	1,876	781	1,083	1,574	782	1,061	1,295
Private Postsec & Vocatn Ed Admin Fund	970	34	-	1,004	50	4	1,050	53	-	1,103
Private Security Services Fund	4,773	9,530	8,768	5,535	8,300	10,214	3,621	9,067	10,209	2,479
Professional Engineer & Land Surveyor Fd	3,984	10,491	9,011	5,464	7,636	9,401	3,699	10,900	9,506	5,093
Professional Fiduciary Fund	-	1,265	401	864	-501	251	112	278	386	4
Professional Forester Registration Fund	458	152	212	398	160	221	337	159	216	280
Propane Safety Insp/Enforcmt Prog Trust	26	-23	-	3	-	-	3	-	-	3
Property Acquisition Law Money Account	1,243	4,440	3,002	2,681	1,970	4,050	601	3,172	3,276	497
Psychiatric Technicians Account	1,271	1,254	1,308	1,217	1,247	1,656	808	2,225	2,320	713
Psychology Fund	3,985	3,365	2,968	4,382	1,001	3,408	1,975	3,378	3,500	1,853
Pub Sch Plng Desgn & Constr Rev Revlv Fd	65,831	56,085	48,947	72,969	-11,811	45,022	16,136	46,886	45,123	17,899
Publ Utilities Comm Utilities Reimb Acct	14,457	87,381	84,723	17,115	87,429	86,135	18,409	86,674	86,747	18,336
Public Beach Restoration Fund	66	4,200	4,111	155	6,500	6,500	155	8,000	8,000	155
Public Int Res, Dev & Demonstratn Progrm	87,758	78,594	52,117	114,235	65,900	131,955	48,180	66,700	78,252	36,628
Public Res Acct, Cig & Tob Pr Surtax	4,135	15,672	17,484	2,323	15,073	16,370	1,026	15,125	15,315	836
Public Rights Law Enforcement Special Fd	1,027	5,122	789	5,360	5,162	6,014	4,508	3,137	5,957	1,688
Public Transportation Account, STF	581,323	821,099	1,625,052	-222,630	963,907	771,896	-30,619	751,994	760,049	-38,674
Public Util Comm Transport Reimb Acct	3,881	10,434	11,307	3,008	10,626	11,248	2,386	11,187	11,831	1,742
PET Processing Fee Acct, Bev Cont Rec Fd	2,660	45,163	47,310	513	38,958	38,718	753	44,228	44,980	1
PUC Ratepayer Advocate Account	1,754	22,953	22,096	2,611	22,874	22,876	2,609	23,629	23,629	2,609

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

<b>Fund</b>	<b>Reserves June 30, 2007</b>	<b>Actual Revenues 2007-08</b>	<b>Actual Expenditures 2007-08</b>	<b>Reserves June 30, 2008</b>	<b>Estimated Revenue 2008-09</b>	<b>Estimated Expenditures 2008-09</b>	<b>Reserves June 30, 2009</b>	<b>Estimated Revenues 2009-10</b>	<b>Estimated Expenditures 2009-10</b>	<b>Reserves June 30, 2010</b>
Radiation Control Fund	8,140	19,380	21,426	6,094	23,000	23,675	5,419	22,900	25,093	3,226
Real Estate Appraisers Regulation Fund	17,765	4,587	3,859	18,493	-13,419	4,120	954	6,961	4,796	3,119
Real Estate Fund	50,718	29,798	43,573	36,943	26,273	44,374	18,842	26,594	44,906	530
Recycling Market Development Rev Loan	18,124	1,743	3,021	16,846	1,187	7,560	10,473	1,187	5,644	6,016
Reg Environmental Health Specialist Fd	502	392	298	596	430	395	631	430	424	637
Registered Nurse Education Fund	2,312	1,925	1,407	2,830	1,781	2,030	2,581	1,781	2,063	2,299
Registered Nursing Fund, Board of	21,342	20,540	20,782	21,100	18,953	23,140	16,913	21,081	24,094	13,900
Registry of Charitable Trusts Fund	1,232	3,293	2,692	1,833	2,955	2,912	1,876	2,955	2,830	2,001
Removal & Remedial Action Acct	4,501	3,229	2,044	5,686	3,150	1,685	7,151	3,650	1,685	9,116
Renewable Resource Trust Fund	431,034	129,822	422,331	138,525	66,100	59,746	144,879	77,900	69,774	153,005
Research & Devel Acct, Child & Fam Trust	64,691	19,977	15,438	69,230	17,648	16,448	70,430	17,239	87,669	-
Research Acct, Cig & Tob Pr Surtax	4,856	20,599	22,261	3,194	19,466	20,377	2,283	19,148	20,355	1,076
Residential & Outpatient Prog Lic Fund	-	3,444	1,615	1,829	3,568	1,868	3,529	4,251	3,219	4,561
Residential Earthquake Recovery Fund, CA	174	5	-	179	-179	-	-	-	-	-
Respiratory Care Fund	1,477	2,388	2,378	1,487	2,451	2,885	1,053	2,502	2,976	579
Responsibility Area Fire Protection Fund	41	-	-	41	-	-	41	-	-	41
Restitution Fund	110,698	127,008	123,907	113,799	47,713	132,420	29,092	128,951	140,977	17,066
Retail Food Safety and Defense Fund	-	20	-	20	20	20	20	20	21	19
Rigid Container Account	287	-	30	257	-	162	95	162	165	92
Rural CUPA Reimbursement Account	1,161	-	-148	1,309	-	-	1,309	-	-	1,309
Safe Drinking Water and Toxic Enforcment	4,424	2,776	897	6,303	2,549	926	7,926	1,549	1,427	8,048
Safe Drinking Water Account	7,475	10,538	10,947	7,066	10,980	13,101	4,945	11,470	13,641	2,774
Sale of Tobacco to Minors Control Acct	825	278	16	1,087	400	524	963	400	349	1,014
Salmon & Steelhead Trout Restoration Acc	48	-	-	48	-	-	48	-	-	48
San Fran Bay Area Conservancy Prog Acct	444	22	-	466	4	-	470	-	470	-
San Joaquin River Conservancy Fund	82	60	55	87	330	70	347	300	122	525
Satellite Wagering Account	767	12,717	8,836	4,648	12,590	12,733	4,505	12,600	12,730	4,375
School Facilities Emergency Repair Acctnt	309,448	-	221,290	88,158	-	-	88,158	-	-	88,158
School Facilities Fee Assistance Fund	817	37	-	854	24	-	878	24	-	902
School Fund, State	12,203	61,774	61,734	12,243	61,774	61,734	12,283	61,774	61,734	12,323
School Land Bank Fund	57,039	2,785	251	59,573	-58,508	475	590	3,719	322	3,987
Self-Insurance Plans Fund	3,513	3,865	3,401	3,977	3,300	3,875	3,402	3,300	3,818	2,884
Senate Operating Fund	308	-	-	308	-	-	308	-	-	308
Sexual Habitual Offender, DOJ	2,526	2,351	1,749	3,128	1,406	2,318	2,216	2,379	2,321	2,274
Sexual Predator Public Information Acct	164	267	122	309	267	199	377	269	171	475
Site Operation and Maintenance Account	1,720	119	474	1,365	6	400	971	3	420	554
Site Remediation Account	3,264	8,846	7,806	4,304	9,243	11,924	1,623	9,550	9,465	1,708
Social Services Subaccount, Sales Tx Acc	-	1,576,557	1,576,557	-	1,498,270	1,498,270	-	1,490,626	1,490,626	-
Soil Conservation Fund	1,152	3,788	3,349	1,591	4,003	3,853	1,741	4,068	3,918	1,891
Solid Waste Disposal Site Cleanup Tr Fd	3,730	6,181	3,689	6,222	5,219	5,688	5,753	219	5,654	318
Speech-Language Pathology & Audiology	876	781	784	873	822	788	907	872	759	1,020
State Court Facilities Construction Fund	317,322	140,554	131,257	326,619	239,425	169,304	396,740	422,548	232,979	586,309
Strong-Motion Instrumnt & Seismic Mappng	11,734	8,025	7,759	12,000	6,650	9,997	8,653	6,330	10,104	4,879
Structural Pest Cntrl Educ&Enforcemnt Fd	660	328	335	653	319	380	592	316	386	522
Structural Pest Control Fund	4,295	2,466	3,971	2,790	2,615	3,920	1,485	2,731	4,211	5



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

<b>Fund</b>	<b>Reserves June 30, 2007</b>	<b>Actual Revenues 2007-08</b>	<b>Actual Expenditures 2007-08</b>	<b>Reserves June 30, 2008</b>	<b>Estimated Revenue 2008-09</b>	<b>Estimated Expenditures 2008-09</b>	<b>Reserves June 30, 2009</b>	<b>Estimated Revenues 2009-10</b>	<b>Estimated Expenditures 2009-10</b>	<b>Reserves June 30, 2010</b>
Structural Pest Control Research Fund	668	152	425	395	132	350	177	132	305	4
Substance Abuse Treatment Trust Fund	502	-	-29	531	-	-	531	90,034	90,034	531
Surface Impoundment Assessment Account	415	7	203	219	7	219	7	7	-	14
Surface Mining and Reclamation Account	1,066	2,045	2,333	778	2,045	2,189	634	2,045	2,118	561
Tax Credit Allocation Fee Account	41,554	5,549	1,881	45,222	-4,400	1,997	38,825	5,600	2,000	42,425
Teacher Credentials Fund	5,462	15,375	14,696	6,141	14,938	15,397	5,682	14,220	15,457	4,445
Technical Assistance Fund	183	21,511	21,236	458	21,892	21,236	1,114	25,743	24,595	2,262
Teleconnect Fd Admin Comm Fd, Cal	30,049	39,081	22,957	46,173	20,545	33,453	33,265	48,102	73,508	7,859
Telephone Medical Advice Services Fund	370	115	111	374	225	150	449	126	157	418
Test Development and Admin Acct, Tc Fd	3,125	5,116	3,979	4,262	5,129	5,101	4,290	4,997	5,794	3,493
Tire Recycling Management Fund, Calif	55,840	31,016	35,394	51,462	19,291	34,451	36,302	29,095	42,890	22,507
Tissue Bank License Fund	871	499	305	1,065	527	323	1,269	575	476	1,368
Toxic Substances Control Account	36,394	53,835	47,254	42,975	45,248	54,054	34,169	46,918	55,858	25,229
Traffic Congestion Relief Fund	807,720	681,808	443,013	1,046,515	22,678	121,908	947,285	82,678	109,796	920,167
Transcript Reimbursement Fund	182	310	175	317	322	312	327	329	308	348
Transportation Debt Service Fund	-	539,289	534,571	4,718	538,288	543,006	-	-	-	-
Transportation Deferred Investment Fund	674,458	-83,625	162,409	428,424	-82,678	-82,678	428,424	-82,678	-82,678	428,424
Transportation Investment Fund	272,348	-1,020,789	-882,375	133,934	-270,194	-334,758	198,498	-333,802	-648,426	513,122
Transportation Rate Fund	1,414	2,499	2,260	1,653	2,499	2,855	1,297	2,499	2,853	943
Traumatic Brain Injury Fund	788	893	1,153	528	1,119	1,165	482	1,136	1,172	446
Travel Seller Fund	3,359	883	980	3,262	1,443	1,348	3,357	1,444	1,346	3,455
Trial Court Improvement Fund	177,337	87,405	184,691	80,051	77,492	155,975	1,568	78,637	80,120	85
Trial Court Trust Fund	128,529	1,226,273	1,215,610	139,192	1,233,895	1,315,617	57,470	1,232,980	1,290,283	167
Unallocated Acct, Cig & Tob Pr Surtax	7,420	69,028	73,226	3,222	68,344	66,356	5,210	66,276	68,034	3,452
Unallocated Acct,Child & Families Trust	21,022	11,142	8,376	23,788	11,665	10,965	24,488	11,393	35,881	-
Underground Storage Tank Cleanup Fund	57,570	244,290	272,917	28,943	248,348	241,066	36,225	245,148	272,326	9,047
Underground Storage Tank Fund	120	3	-	123	3	-	126	3	-	129
Underground Storage Tank Tester Account	135	36	33	138	36	64	110	36	64	82
Unfair Competition Law Fund	5,901	2,363	3,466	4,798	2,947	3,569	4,176	2,128	3,475	2,829
Unified Program Account	5,505	4,164	3,631	6,038	4,090	4,419	5,709	5,840	4,421	7,128
Universal Lifeline Telpne Svc Trst Admin	63,127	298,174	259,287	102,014	237,384	291,847	47,551	282,384	329,558	377
Unlawful Sales Reduction Fund	80	15	-	95	55	-	150	55	-	205
Upper Newport Bay Ecological Maint&Presv	800	-	-200	1,000	-800	-	200	-	-	200
Used Oil Recycling Fund, California	5,007	19,848	20,339	4,516	16,484	20,065	935	16,484	16,320	1,099
Vectorborne Disease Account	196	28	23	201	126	120	207	126	88	245
Vehicle Inspection and Repair Fund	76,738	111,404	117,777	70,365	88,871	127,654	31,582	113,706	130,496	14,792
Vehicle License Collection Acct, LRF	-	14,000	14,000	-	14,000	14,000	-	14,000	14,000	-
Vehicle License Fee Account	-	1,674,303	1,674,303	-	1,599,049	1,599,049	-	1,599,049	1,599,049	-
Vehicle License Fee Growth Account	-	-	-	-	-	-	-	33,025	33,025	-
Veterans Cemetery Perpetual Maint Fd	-	-	25	-25	-	75	-100	-	75	-175
Veterans Service Office Fund	760	635	554	841	635	606	870	635	606	899
Veterinary Medical Board Contingent Fund	1,208	2,155	2,115	1,248	2,136	2,468	916	2,121	2,854	183
Victim - Witness Assistance Fund	1,725	16,566	17,196	1,095	17,174	16,801	1,468	19,395	16,809	4,054
Victims of Corporate Fraud Compensation	7,791	1,907	107	9,591	1,915	1,678	9,828	1,899	1,626	10,101
Vietnam Veterans Memorial Account	5	-	-	5	-	-	5	-	-	5

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

<b>Fund</b>	<b>Reserves June 30, 2007</b>	<b>Actual Revenues 2007-08</b>	<b>Actual Expenditures 2007-08</b>	<b>Reserves June 30, 2008</b>	<b>Estimated Revenue 2008-09</b>	<b>Estimated Expenditures 2008-09</b>	<b>Reserves June 30, 2009</b>	<b>Estimated Revenues 2009-10</b>	<b>Estimated Expenditures 2009-10</b>	<b>Reserves June 30, 2010</b>
Vocational Nurse Education Fund	340	192	45	487	185	135	537	185	146	576
Vocational Nursing & Psychiatric Tech Fd	4,203	6,571	5,848	4,926	5,810	7,007	3,729	8,089	9,308	2,510
Waste Discharge Permit Fund	19,095	63,996	73,296	9,795	82,774	81,815	10,754	81,068	79,086	12,736
Water Device Certification Special Acct	591	220	142	669	190	247	612	200	251	561
Water Fund, California	1,092	48	-	1,140	-1,100	-	40	-	-	40
Water Rights Fund	3,229	9,992	7,818	5,403	8,004	8,128	5,279	8,004	7,918	5,365
Waterfowl Habitat Preservation Acct, Cal	2,996	105	11	3,090	146	239	2,997	146	241	2,902
Welcome Center Fund	10	68	55	23	75	78	20	75	77	18
Wildlife Restoration Fund	6,609	9,223	1,427	14,405	37,121	37,428	14,098	2,411	2,457	14,052
Wine Safety Fund	192	-	8	184	-	60	124	-	56	68
Winter Recreation Fund	330	252	190	392	325	353	364	325	364	325
Workers' Comp Administration Revolv Fund	76,536	167,786	176,063	68,259	182,967	179,205	72,021	141,555	170,925	42,651
Workers' Compensation Managed Care Fund	227	278	24	481	300	356	425	300	359	366
Workers' Compensation Return-to-Work Fd	496	-	4	492	100	499	93	425	499	19
Workers' Occupational Sfty & Health Ed	1,278	963	1,221	1,020	963	1,236	747	963	1,220	490
Wtr Pltn Cntrl Rvl Fnd Smll Cmty Crnt Fd	-	-	-	-	-	-	-	1,000	1,000	-
Yosemite Foundation Acct, ELPF	16	960	957	19	946	840	125	950	840	235
Totals, Special Funds	\$13,156,851	\$24,620,014	\$26,673,765	\$11,103,100	\$24,016,623	\$26,498,985	\$8,620,738	\$30,666,840	\$32,017,149	\$7,270,429
<b>GRAND TOTALS</b>	<b>\$15,944,221</b>	<b>\$127,194,008</b>	<b>\$129,659,432</b>	<b>\$13,478,797</b>	<b>\$115,133,564</b>	<b>\$118,912,225</b>	<b>\$9,700,136</b>	<b>\$128,374,828</b>	<b>\$127,540,713</b>	<b>\$10,534,251</b>

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

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

General Obligation Bonds								Commercial Paper		
As of December 31, 2008								As of December 31, 2008		
Proposed Sales										
Jan-Jun 2009								Jul-Dec 2009		
Fund	Bond Act	Final Maturity	Authorized	Unissued	Outstanding	Redeemed	Jan-Jun 2009	Jul-Dec 2009	Finance Cmte. Authorization	Total Outstanding
LEGISLATIVE, JUDICIAL, EXECUTIVE										
6032	Voting Modernization (2002)	2017	\$200,000	\$73,420	\$83,260	\$43,320	\$45,550	\$21,956	\$73,420	\$0
	Total, Legislative, Judicial, Executive		\$200,000	\$73,420	\$83,260	\$43,320	\$45,550	\$21,956	\$73,420	\$0
BUSINESS, TRANSPORTATION & HOUSING										
0703	Clean Air & Transp Improv (1990)	2036	\$1,990,000	\$204,620	\$1,060,950	\$724,430	\$20,107	\$15,211	\$188,990	\$0
0714	Housing & Homeless (1990)	2023	150,000	-	4,235	145,765	-	-	-	-
6037	Housing and Emergency Shelter (2002)	2038	2,100,000	1,410,285	617,070	72,645	429,058	542,746	863,194	100,000
6066	Housing and Emergency Shelter (2006)	NA	2,850,000	2,850,000	-	-	13,506	6,131	202,829	-
6053	Highway Safe, Traffic Red, Air Qual, Port Sec (2006)	2038	19,925,000	18,554,865	1,363,460	6,675	270,094	133,531	1,778,025	-
0756	Passenger Rail & Clean Air (1990)	2022	1,000,000	-	336,315	663,685	-	-	-	-
0653	Seismic Retrofit (1996)	2037	2,000,000	60,920	1,553,680	385,400	27,238	32,026	60,920	-
	Total, Business, Transportation & Housing		\$30,015,000	\$23,080,690	\$4,935,710	\$1,998,600	\$760,003	\$729,645	\$3,093,958	\$100,000
NATURAL RESOURCES										
0722	Ca Park & Recreational Facil (1984)	2027	\$370,000	\$1,100	\$44,940	\$323,960	\$0	\$0	\$0	\$0
0721	Ca Parklands (1980)	2024	285,000	-	8,465	276,535	-	-	-	-
0707	Ca Safe Drinking Water (1976)	2027	175,000	2,500	16,100	156,400	-	-	-	-
0707	Ca Safe Drinking Water (1984)	2027	75,000	-	9,370	65,630	-	-	-	-
0707	Ca Safe Drinking Water (1986)	2030	100,000	-	39,915	60,085	-	-	-	-
0793	Ca Safe Drinking Water (1988)	2036	75,000	6,935	36,450	31,615	23	20	6,935	-
6001	Ca Safe Drinking Water (2000)	2038	1,970,000	599,437	1,242,610	127,953	165,054	148,640	330,646	-
6051	Ca Safe Drinking Water (2006)	2038	5,388,000	5,324,850	63,150	-	223,928	142,607	663,020	-
0786	Ca Wildlife, Coast, & Park Land Cons (1988)	2032	776,000	7,330	238,895	529,775	-	-	-	-
0734	Clean Water (1970)	2011	250,000	-	1,500	248,500	-	-	-	-
0734	Clean Water (1974)	2011	250,000	-	3,015	246,985	-	-	-	-
0740	Clean Water (1984)	2024	325,000	-	32,665	292,335	-	-	-	-
6029	Clean Water, Clean Air, and Parks (2002)	2039	2,600,000	1,471,015	1,107,420	21,565	533,597	537,099	615,949	74,670
0716	Community Parklands (1986)	2022	100,000	-	15,670	84,330	-	-	-	-
0748	Fish & Wildlife Habitat Enhance (1984)	2033	85,000	-	11,800	73,200	-	-	-	-
0720	Lake Tahoe Acquisitions (1982)	2017	85,000	-	8,015	76,985	-	-	-	-
0402	Safe, Clean, Reliable Water Supply (1996)	2036	995,000	220,155	658,265	116,580	118,397	97,211	220,155	-
0005	Safe Neighborhood Parks (2000)	2038	2,100,000	402,780	1,533,515	163,705	163,596	102,382	238,090	64,835
0742	State, Urban & Coastal Park (1976)	2029	280,000	-	7,570	272,430	-	-	-	-
0744	Water Conserv & Water Quality (1986)	2031	150,000	23,215	48,985	77,800	-	-	23,215	-
0790	Water Conserv (1988)	2036	60,000	8,820	31,735	19,445	107	49	8,820	-
	Total, Natural Resources		\$16,494,000	\$8,068,137	\$5,160,050	\$3,265,813	\$1,204,702	\$1,028,008	\$2,106,830	\$139,505
ENVIRONMENTAL PROTECTION										
0737	Clean Water & Water Conserv (1978)	2028	\$375,000	\$0	\$10,305	\$364,695	\$0	\$0	\$0	\$0
0764	Clean Water & Water Reclam (1988)	2029	65,000	-	35,330	29,670	-	-	-	-
6031	Water Security, Coastal & Beach Protection (2002)	2038	3,440,000	2,162,710	1,238,060	39,230	494,716	599,936	633,234	68,670
	Total, Environmental Protection		\$3,880,000	\$2,162,710	\$1,283,695	\$433,595	\$494,716	\$599,936	\$633,234	\$68,670
HEALTH AND HUMAN SERVICES										
6046	Children's Hospital Projects (2004)	2038	\$750,000	\$483,750	\$263,880	\$2,370	\$157,355	\$194,363	\$483,750	\$37,910
	Total, Health and Human Services		\$750,000	\$483,750	\$263,880	\$2,370	\$157,355	\$194,363	\$483,750	\$37,910

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

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

General Obligation Bonds								Commercial Paper			
Fund	Bond Act	Final Maturity	As of December 31, 2008				Proposed Sales		As of December 31, 2008		
			Authorized	Unissued	Outstanding	Redeemed	Jan-Jun 2009	Jul-Dec 2009	Finance Cmte. Authorization	Total Outstanding	
YOUTH AND ADULT CORRECTIONAL											
0711	Co Corr Facil Cap Expend (1986)	2022	\$495,000	\$0	\$85,180	\$409,820	\$0	\$0	\$0	\$0	
0796	Co Corr Facil Cap Expend & Youth Facil (1988)	2030	500,000	-	188,770	311,230	-	-	-	-	
0725	Co Jail Cap Expend (1981)	2011	280,000	-	5,400	274,600	-	-	-	-	
0727	Co Jail Cap Expend (1984)	2009	250,000	-	750	249,250	-	-	-	-	
0746	New Prison Construction (1986)	2034	500,000	-	47,480	452,520	-	-	-	-	
0747	New Prison Construction (1988)	2025	817,000	5,925	210,400	600,675	3,466	2,344	5,925	-	
0751	New Prison Construction (1990)	2025	450,000	2,125	129,220	318,655	1,572	495	1,827	-	
Total, Youth and Adult Correctional			\$3,292,000	\$8,050	\$667,200	\$2,616,750	\$5,038	\$2,839	\$7,752	\$0	
EDUCATION--K-12											
0794	Ca Library Constr & Renov (1988)	2031	\$75,000	\$2,595	\$30,935	\$41,470	\$0	\$0	\$0	\$0	
6000	Ca Library Constr & Renov (2000)	2038	350,000	122,785	199,900	27,315	69,392	51,761	57,815	12,450	
0119	Class Size Reduction K-U Pub. Ed. Facil (1998) K-12	2034	6,700,000	11,860	5,444,995	1,243,145	1,863	9,848	11,860	-	
0657	Public Education Facil (1996) K-12	2035	2,025,000	12,965	1,358,380	653,655	-	-	12,965	-	
6036	Public Education Facil (2002) K-12	2040	11,400,000	1,490,895	9,567,505	341,600	298,551	403,730	1,490,895	15,830	
6044	Public Education Facil (2004) K-12	2040	10,000,000	3,033,845	6,877,315	88,840	1,168,880	1,635,762	3,033,845	362,940	
6057	Public Education Facil (2006) K-12	2039	7,329,000	6,858,355	470,645	-	1,390,619	1,129,377	6,838,355	424,555	
0739	School Bldg & Earthquake (1974)	2026	40,000	-	23,980	16,020	-	-	-	-	
0789	School Facilities (1988)	2011	800,000	-	162,910	637,090	-	-	-	-	
0708	School Facilities (1990)	2033	800,000	-	326,935	473,065	-	-	-	-	
0745	School Facilities (1992)	2036	1,900,000	10,395	916,190	973,415	3,424	3,131	10,395	-	
0743	State Sch Bldg Lease-Purch (1984)	2011	450,000	-	15,000	435,000	-	-	-	-	
0743	State Sch Bldg Lease-Purch (1986)	2011	800,000	-	66,800	733,200	-	-	-	-	
0776	1988 School Facil Bond Act (Nov)	2033	800,000	2,255	239,455	558,290	877	637	2,255	-	
0774	1990 School Facil Bond Act (Jun)	2033	800,000	2,125	272,905	524,970	1,192	933	2,125	-	
0765	1992 School Facil Bond Act (Nov)	2035	900,000	1,859	444,464	453,677	1,004	796	1,859	-	
Total, Education--K-12			\$45,169,000	\$11,549,934	\$26,418,314	\$7,200,752	\$2,935,802	\$3,235,975	\$11,462,369	\$815,775	
HIGHER EDUCATION											
0574	Class Size Reduction K-U Pub. Ed. Facil (1998) Hi-Ed	2038	\$2,500,000	\$62,700	\$2,196,870	\$240,430	\$36,557	\$25,426	\$62,700	\$0	
0782	Higher Education Facil (1986)	2011	400,000	-	23,500	376,500	-	-	-	-	
0785	Higher Education Facil (1988)	2033	600,000	10,440	157,050	432,510	-	-	-	-	
0791	Higher Education Facil (Jun 1990)	2033	450,000	2,110	150,225	297,665	-	-	-	-	
0705	Higher Education Facil (Jun 1992)	2033	900,000	7,235	502,200	390,565	-	-	-	-	
0658	Public Education Facil (1996) Hi-Ed	2033	975,000	37,465	710,935	226,600	794	360	-	-	
6028	Public Education Facil (2002) Hi-Ed	2038	1,650,000	156,855	1,453,370	39,775	108,497	43,116	156,855	8,820	
6041	Public Education Facil (2004) Hi-Ed	2038	2,300,000	829,560	1,455,995	14,445	385,227	427,933	643,660	76,860	
6048	Public Education Facil (2006) Hi-Ed	2038	3,087,000	2,988,385	98,615	-	775,942	642,192	685,383	26,415	
6047	Stem Cell Research and Cures (2004)	2037	3,000,000	2,750,000	250,000	-	-	-	320,704	-	
Total, Higher Education			\$15,862,000	\$6,844,750	\$6,998,760	\$2,018,490	\$1,307,017	\$1,139,027	\$1,869,302	\$112,095	
GENERAL GOVERNMENT											
0768	Earthquake Safety & Public Bldg. Rehab (1990)	3025	\$300,000	\$17,080	\$192,215	\$90,705	\$8,680	\$8,235	\$17,080	\$0	
6052	Disaster Prep and Flood Prevent (2006)	2038	4,090,000	4,056,500	33,500	-	74,405	34,868	411,200	48,495	
0701	Veterans' Homes (2000)	2013	50,000	37,085	12,855	60	6,732	5,148	21,915	-	
Total, General Government			\$4,440,000	\$4,110,665	\$238,570	\$90,765	\$89,817	\$48,251	\$450,195	\$48,495	
Total, All Agencies			\$120,102,000	\$56,382,106	\$46,049,439	\$17,670,455	\$7,000,000	\$7,000,000	\$20,180,810	\$1,322,450	
SELF-LIQUIDATING BONDS <sup>1</sup>											
	Ca Water Resources Dev (1959)	2024	\$1,750,000	\$167,600	\$552,760	\$1,029,640	\$0	\$0	\$0	\$0	
	The Economic Recovery Bond Act	2023	15,000,000	-	9,068,095	5,931,905	-	-	-	-	
	Veterans Bonds	2042	4,510,000	274,110	1,273,930	2,961,960	-	-	274,110	-	
Total, Self-Liquidating Bonds			\$21,260,000	\$441,710	\$10,894,785	\$9,923,505	\$0	\$0	\$274,110	\$0	
Total			\$141,362,000	\$56,823,816	\$56,944,224	\$27,593,960	\$7,000,000	\$7,000,000	\$20,454,920	\$1,322,450	

<sup>1</sup> The California Water Resource Development Bond Act, The Economic Recovery Bond Act, and the Veterans Bond Acts are public service enterprises that have their own revenues to finance their respective debt service expenditures.

Source: State Treasurer's Office

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

	2007-08			2008-09			2009-10		
	General Fund	Special Funds	Total	General Fund	Special Funds	Total	General Fund	Special Funds	Total
<b>Schedule 8</b>									
Revenues and Transfers	\$102,574	\$24,620	\$127,194	\$91,117	\$24,017	\$115,134	\$97,708	\$30,667	\$128,375
Less/Add: Transfers	-1,237	614	-623	-1,111	1,069	-42	-132	-949	-1,081
<b>Schedule 12B</b>									
Less: Revenues to Excluded Funds	--	-9,908	-9,908	--	-10,431	-10,431	--	-14,888	-14,888
<b>Schedule 12C</b>									
Less: Non-Tax Revenues to Included Funds	-5,529	-541	-6,070	-2,050	-550	-2,600	-1,503	-548	-2,051
<b>Schedule 12D</b>									
Add: Transfers from Excluded to Included Funds	11	4	15	13	4	17	7	4	11
<b>TOTAL, SAL REVENUES AND TRANSFERS</b>	<b>\$95,819</b>	<b>\$14,789</b>	<b>\$110,608</b>	<b>\$87,969</b>	<b>\$14,109</b>	<b>\$102,078</b>	<b>\$96,080</b>	<b>\$14,286</b>	<b>\$110,366</b>
<b>Schedule 12E</b>									
Less: Exclusions	-44,223	-7,181	-51,404	-38,047	-5,508	-43,555	-42,420	-5,527	-47,947
<b>TOTAL, SAL APPROPRIATIONS</b>			<b>\$59,204</b>			<b>\$58,523</b>			<b>\$62,419</b>
<b>CALCULATION OF LIMIT ROOM</b>									
Appropriations Limit (Sec. 12.00)			\$76,093			\$79,858			\$81,000
Less: Total SAL Appropriations			-59,204			-58,523			-62,419
Appropriation Limit Room/(Surplus)			<b>\$16,889</b>			<b>\$21,335</b>			<b>\$18,581</b>

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

Source Code	Source	Actual 2007-08	Estimated 2008-09	Proposed 2009-10
<b>MAJOR REVENUES:</b>				
110500	Cigarette Tax	\$905,587	\$897,271	\$881,271
110900	Horse Racing Fees-Licenses	17,820	21,350	21,350
111300	Horse Racing Miscellaneous	14,631	15,014	15,014
114300	Other Motor Vehicle Fees	2,400	107,209	105,961
114900	Retail Sales and Use Taxes	621,967	1,041,234	47,447
115400	Mobilehome In-Lieu Tax	2,388	2,388	2,388
<b>TOTAL, MAJOR TAXES AND LICENSES</b>		<b>\$1,564,793</b>	<b>\$2,084,466</b>	<b>\$1,073,431</b>
<b>MINOR REVENUES:</b>				
<b>REGULATORY TAXES AND LICENSES:</b>				
120200	General Fish and Game Taxes	1,381	1,279	1,237
120300	Energy Resource Surcharge	633,867	659,481	769,743
120600	Quarterly Public Utility Commission Fees	120,932	121,123	121,684
120900	Off-Highway Vehicle Fees	12,928	17,000	17,374
121000	Liquor License Fees	47,436	49,273	52,727
121100	Genetic Disease Testing Fees	109,927	110,394	122,572
121200	Other Regulatory Taxes	104,076	60,068	65,007
121300	New Motor Vehicle Dealer License Fee	1,642	1,347	1,050
121500	General Fish and Game Lic Tags Permits	94,069	93,013	97,199
121600	Duck Stamps	10	5	5
122400	Elevator and Boiler Inspection Fees	19,061	22,427	23,619
122700	Employment Agency License Fees	4,996	5,008	4,943
122900	Teacher Credential Fees	15,118	14,697	14,022
123000	Teacher Examination Fees	4,949	4,984	4,861
123100	Insurance Co License Fees & Penalties	42,722	41,490	44,621
123200	Insurance Company Examination Fees	21,072	21,410	21,879
123400	Real Estate Examination Fees	3,079	1,442	1,011
123500	Real Estate License Fees	20,309	17,957	18,376
123600	Subdivision Filing Fees	5,418	5,576	5,576
123800	Building Construction Filing Fees	4,883	4,471	6,502
124100	Domestic Corporation Fees	11,795	11,655	11,529
124200	Foreign Corporation Fees	1,206	1,177	1,165
124300	Notary Public License Fees	1,287	1,269	1,249
124400	Filing Financing Statements	2,636	2,583	2,558
125100	Beverage Container Redemption Fees	1,139,007	1,159,583	1,227,321
125200	Explosive Permit Fees	6	-	-
125400	Environmental and Hazardous Waste Fees	75,906	75,861	79,528
125600	Other Regulatory Fees	1,808,362	1,857,509	1,861,537
125700	Other Regulatory Licenses and Permits	445,450	453,222	475,809
125800	Renewal Fees	186,299	186,866	190,950
125900	Delinquent Fees	5,096	5,256	5,286
127100	Insurance Department Fees, Prop 103	24,749	26,375	31,000
127200	Insurance Department Fees, General	23,717	22,004	21,222
127300	Insurance Fraud Assessment, Workers Comp	44,186	48,137	50,303
127400	Insurance Fraud Assessment, Auto	46,026	47,865	49,780
127500	Insurance Fraud Assessment, General	9,815	9,814	9,814
<b>TOTAL, REGULATORY TAXES AND LICENSES</b>		<b>\$5,093,418</b>	<b>\$5,161,621</b>	<b>\$5,413,059</b>
<b>REVENUE FROM LOCAL AGENCIES:</b>				
130600	Architecture Public Building Fees	51,940	46,705	46,705
130700	Penalties on Traffic Violations	94,502	98,710	100,197
130800	Penalties on Felony Convictions	63,103	65,003	65,003
130900	Fines-Crimes of Public Offense	8,239	6,000	6,000
131000	Fish and Game Violation Fines	2,047	1,214	1,412
131100	Penalty Assessments on Fish & Game Fines	514	641	650
131200	Interest on Loans to Local Agencies	8	39	58
131300	Add'l Assmnts on Fish & Game Fines	93	77	75
131600	Fingerprint ID Card Fees	64,074	64,714	65,361
131700	Misc Revenue From Local Agencies	534,319	571,719	567,602
<b>TOTAL, REVENUE FROM LOCAL AGENCIES</b>		<b>\$818,839</b>	<b>\$854,822</b>	<b>\$853,063</b>
<b>SERVICES TO THE PUBLIC:</b>				
140600	State Beach and Park Service Fees	77,896	82,950	85,625
140900	Parking Lot Revenues	8,253	7,759	8,259
141100	Emergency Telephone Users Surcharge	103,748	104,000	104,000
141200	Sales of Documents	2,615	1,197	1,206

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

Source Code	Source	Actual 2007-08	Estimated 2008-09	Proposed 2009-10
142000	General Fees--Secretary of State	25,086	24,797	24,539
142200	Parental Fees	1,544	1,700	1,900
142500	Miscellaneous Services to the Public	72,011	75,323	46,398
143000	Personalized License Plates	52,567	52,305	56,441
<b>TOTAL, SERVICES TO THE PUBLIC</b>		<b>\$343,720</b>	<b>\$350,031</b>	<b>\$328,368</b>
<b>USE OF PROPERTY AND MONEY:</b>				
150200	Income From Pooled Money Investments	2,774	2,651	2,793
150300	Income From Surplus Money Investments	254,720	156,300	144,657
150400	Interest Income From Loans	1,244	1,256	2,214
150500	Interest Income From Interfund Loans	358	2,265	562
150600	Income From Other Investments	785	800	600
151200	Income From Condemnation Deposits Fund	2	3	3
151800	Federal Lands Royalties	72,420	70,344	70,344
152200	Rentals of State Property	5,401	6,069	6,153
152300	Misc Revenue Frm Use of Property & Money	16,317	13,177	13,147
152400	School Lands Royalties	127	97	97
<b>TOTAL, USE OF PROPERTY AND MONEY</b>		<b>\$354,148</b>	<b>\$252,962</b>	<b>\$240,570</b>
<b>MISCELLANEOUS:</b>				
160100	Attorney General Proceeds of Anti-Trust	700	1,330	1,329
160200	Penalties & Interest on UI & DI Contrib	102,498	90,030	98,702
160400	Sale of Fixed Assets	27,336	53,060	30,003
160600	Sale of State's Public Lands	255	643	1,811
161000	Escheat of Unclaimed Checks & Warrants	3,474	2,926	2,885
161400	Miscellaneous Revenue	174,124	239,327	391,164
161500	Bond Proceeds	-	-	5,000,000
161800	Penalties & Intrst on Personal Income Tx	37,974	14,700	14,700
161900	Other Revenue - Cost Recoveries	99,829	101,144	100,394
162000	Tribal Gaming Revenues	202,103	47,022	46,070
163000	Settlements/Judgments(not Anti-trust)	6,699	18,202	8,605
164100	Traffic Violations	1,499	2,206	2,206
164200	Parking Violations	1,250	378	378
164300	Penalty Assessments	137,086	134,084	121,624
164400	Civil & Criminal Violation Assessment	123,417	137,725	134,296
164600	Fines and Forfeitures	249,699	245,512	245,712
164700	Court Filing Fees and Surcharges	469,911	497,310	515,508
164800	Penalty Assessments on Criminal Fines	95,661	141,100	264,380
<b>TOTAL, MISCELLANEOUS</b>		<b>\$1,733,515</b>	<b>\$1,726,699</b>	<b>\$6,979,767</b>
<b>TOTAL, MINOR REVENUES</b>		<b>\$8,343,640</b>	<b>\$8,346,135</b>	<b>\$13,814,827</b>
<b>TOTALS, Revenue to Excluded Funds</b>				
<b>(MAJOR and MINOR)</b>		<b>\$9,908,433</b>	<b>\$10,430,601</b>	<b>\$14,888,258</b>

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

		Actual 2007-08		Estimated 2008-09		Proposed 2009-10	
Source Code	Source	General Fund	Special Fund	General Fund	Special Fund	General Fund	Special Fund
MAJOR REVENUES:							
111100	Horse Racing Fines and Penalties	\$272	-	\$220	-	\$220	-
111200	Horse Racing Fees-Unclaimed P-M Tickets	277	-	320	-	320	-
111300	Horse Racing Miscellaneous	-	-	5	-	5	-
114200	Driver's License Fees	-	222,903	-	233,000	-	260,500
114300	Other Motor Vehicle Fees	-	39,783	-	40,029	-	40,530
114400	Identification Card Fees	-	26,614	-	28,000	-	29,500
114500	Lien Sale Application Fees	-	1,860	-	1,878	-	1,897
Total, MAJOR TAXES AND LICENSES		\$549	\$291,160	\$545	\$302,907	\$545	\$332,427
MINOR REVENUES:							
REGULATORY TAXES AND LICENSES:							
120800	Hwy Carrier Uniform Business License Tax	236	-	236	-	236	-
120900	Off-Highway Vehicle Fees	-	6,455	-	6,500	-	6,500
121000	Liquor License Fees	-	403	-	407	-	411
122600	Industrial Homework Fees	1	-	1	-	1	-
122700	Employment Agency License Fees	631	-	631	-	631	-
122800	Employment Agency Filing Fees	87	-	87	-	87	-
124500	Candidate Filing Fee	603	-	2	-	922	-
125600	Other Regulatory Fees	538,606	5,890	545,015	5,935	366,826	5,995
125700	Other Regulatory Licenses and Permits	5,401	31,426	6,666	27,848	6,648	28,310
125900	Delinquent Fees	1	-	2	-	2	-
Total, REGULATORY TAXES AND LICENSES		\$545,566	\$44,174	\$552,640	\$40,690	\$375,353	\$41,216
REVENUE FROM LOCAL AGENCIES:							
130900	Fines-Crimes of Public Offense	34	-	-	-	-	-
131500	Narcotic Fines	3,476	-	1,000	-	1,000	-
131700	Misc Revenue From Local Agencies	229,151	451	224,996	451	178,356	451
131900	Rev Local Govt Agencies-Cost Recoveries	20,858	9,819	22,277	9,917	19,789	10,016
Total, REVENUE FROM LOCAL AGENCIES		\$253,519	\$10,270	\$248,273	\$10,368	\$199,145	\$10,467
SERVICES TO THE PUBLIC:							
140100	Pay Patients Board Charges	16,007	-	14,494	-	14,494	-
140900	Parking Lot Revenues	-	541	-	547	-	552
141200	Sales of Documents	205	4,646	207	4,726	205	4,766
142000	General Fees--Secretary of State	11	-	93	-	69	-
142300	Guardianship Fees	-	-	5	-	-	-
142500	Miscellaneous Services to the Public	2,205	68,943	2,599	70,000	2,770	71,000
142600	Receipts From Health Care Deposit Fund	7,335	-	8,000	-	-	-
142700	Medicare Receipts Frm Federal Government	19,336	-	17,025	-	11,000	-
143000	Personalized License Plates	-	9	-	9	-	9
Total, SERVICES TO THE PUBLIC		\$45,099	\$74,139	\$42,423	\$75,282	\$28,538	\$76,327
USE OF PROPERTY AND MONEY:							
152000	Oil & Gas Lease-1% Revenue City/County	740	-	400	-	400	-
152200	Rentals of State Property	14,397	42,631	22,656	37,908	14,898	38,267
152300	Misc Revenue Frm Use of Property & Money	23,476	47,178	16,849	26,253	10,349	26,350
152500	State Lands Royalties	416,314	-	327,035	-	90,035	-
Total, USE OF PROPERTY AND MONEY		\$454,927	\$89,809	\$366,940	\$64,161	\$115,682	\$64,617
MISCELLANEOUS:							
160400	Sale of Fixed Assets	53	-	14	-	14	-
160500	Sale of Confiscated Property	6,532	-	6,607	-	6,607	-
160600	Sale of State's Public Lands	-	79	-	-	-	-
160700	Proceeds From Estates of Deceased Person	2,947	-	312	-	110	-
160900	Revenue-Abandoned Property	322,594	-	162,466	-	153,374	-
161000	Escheat of Unclaimed Checks & Warrants	33,322	2,871	31,080	2,794	30,791	2,813
161400	Miscellaneous Revenue	276,379	15,983	92,901	41,931	96,063	7,272
161500	Bond Proceeds	3,313,000	-	-	-	-	-
161900	Other Revenue - Cost Recoveries	66,896	-	50,159	-	52,838	-
162000	Tribal Gaming Revenues	142,566	-	361,800	-	392,800	-
163000	Settlements/Judgments(not Anti-trust)	15,670	-	54,528	-	3,160	-
164000	Uninsured Motorist Fees	2,174	546	2,500	551	2,500	557
164100	Traffic Violations	-	8,609	-	8,695	-	8,782



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

Source Code	Source	Actual 2007-08		Estimated 2008-09		Proposed 2009-10	
		General Fund	Special Fund	General Fund	Special Fund	General Fund	Special Fund
164200	Parking Violations	9,747	-	9,108	-	9,107	-
164300	Penalty Assessments	31,002	16	60,826	6	30,296	6
164400	Civil & Criminal Violation Assessment	777	3,499	1,030	3,418	1,030	3,452
164600	Fines and Forfeitures	5,355	-	5,355	-	5,355	-
<b>Total, MISCELLANEOUS</b>		<b>\$4,229,014</b>	<b>\$31,603</b>	<b>\$838,686</b>	<b>\$57,395</b>	<b>\$784,045</b>	<b>\$22,882</b>
<b>TOTAL, MINOR REVENUES</b>		<b>\$5,528,125</b>	<b>\$249,995</b>	<b>\$2,048,962</b>	<b>\$247,896</b>	<b>\$1,502,763</b>	<b>\$215,509</b>
<b>TOTALS, Non-Tax Revenue (MAJOR and MINOR)</b>		<b>\$5,528,674</b>	<b>\$541,155</b>	<b>\$2,049,507</b>	<b>\$550,803</b>	<b>\$1,503,308</b>	<b>\$547,936</b>

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

	Actual 2007-08		Estimated 2008-09		Proposed 2009-10	
	General Fund	Special Fund	General Fund	Special Fund	General Fund	Special Fund
From Corporations Fund, State (0067) to General Fund (0001) transfer to General Fund per pending legislation)	-	-	\$4,200	-	-	-
From Sexual Habitual Offender, DOJ (0142) to General Fund (0001) per Item 0820-012-0142, Budget Act of 2008)	-	-	\$1,000	-	-	-
From Fair and Exposition Fund (0191) to General Fund (0001) (per Item 8570-011-0191, Budget Acts)	\$246	-	\$246	-	\$246	-
From Business Fees Fund, Secty of State's (0228) to General Fund (0001) (per Government Code Section 12176)	\$10,641	-	\$7,473	-	\$7,329	-
From Residential Earthquake Recovery Fund, CA (0285) to General Fund (0001) (per Government Code Section 16346)	-	-	\$179	-	-	-
From Environmental License Plate Fund, Calif (0140) to Motor Vehicle Account, STF (0044) (per Public Resources Code Section 21191)	-	\$3,890	-	\$3,890	-	\$3,890
From Agricultural Pest Control Research Acct (0112) to Public Transportation Account, STF (0046) per Chapter 179, Section 37, Statutes of 2007)	-	\$91	-	-	-	-
<b>TOTALS</b>	<b>\$10,887</b>	<b>\$3,981</b>	<b>\$13,098</b>	<b>\$3,890</b>	<b>\$7,575</b>	<b>\$3,890</b>

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

<b>Budget</b>	<b>Fund</b>	<b>Actual 2007-08</b>	<b>Estimated 2008-09</b>	<b>Estimated 2009-10</b>
<b>DEBT SERVICE:</b>				
9600 Bond Interest and Redemption				
(9600-510-0001)	General	\$3,237	\$3,698	\$4,916
(9590-501-0001)	General	0	1	1
9618 Economic Recovery Bond Debt Service	Special	<u>2,463</u>	<u>1,368</u>	<u>1,351</u>
<b>TOTAL -- DEBT SERVICE</b>		<b>\$5,700</b>	<b>\$5,067</b>	<b>\$6,268</b>
<b>QUALIFIED CAPITAL OUTLAY:</b>				
Various (Ch. 3 Except DOT)	General	\$138	\$217	\$345
Various (Ch. 3 Except DOT)	Special	9	129	42
Various Qualified Capital Outlay	General	1,678	815	903
Various Qualified Capital Outlay	Special	550	0	72
Lease-Revenue Bonds (Capital Outlay)	General	577	594	675
Lease-Revenue Bonds (Capital Outlay)	Special	<u>16</u>	<u>16</u>	<u>16</u>
<b>TOTAL -- CAPITAL OUTLAY</b>		<b>\$2,968</b>	<b>\$1,771</b>	<b>\$2,053</b>
<b>SUBVENTIONS:</b>				
6110 K-12 Apportionments (6110-601-0001)	General	\$23,274	\$17,605	\$19,763
6110 K-12 Supplemental Instruction (6110-104/664-0001)	General	421	421	420
6110 K-12 Class Size Reduction (6110-234-0001)	General	1,798	1,245	1,825
6110 K-12 ROCP (6110-105/633-0001)	General	486	483	480
6110 K-12 Apprenticeships (6110-103/663/620-0001)	General	20	20	20
6110 Charter Sch Block Grant (6110-211/621/613-0001)	General	165	190	232
State Subventions Not Counted in Schools' Limit	General	-36	-36	-36
6110 County Offices (6110-608-0001)	General	275	232	218
6870 Community Colleges (6870-101/103/295-0001)	General	<u>4,142</u>	<u>4,031</u>	<u>4,417</u>
<b>SUBVENTIONS -- EDUCATION</b>		<b>\$30,545</b>	<b>\$24,191</b>	<b>\$27,339</b>
5195 State-Local Realignment				
Vehicle License Collection Account	Special	\$14	\$14	\$14
Vehicle License Fees	Special	1,671	1,596	1,629
9100 Tax Relief (9100-101-0001, Programs 60, 90)	General	486	439	442
9210 Local Government Financing				
(9210-103-0001)	General	2	2	2
(9210-601-0001)	General	35	32	0
9350 Shared Revenues				
(9430-640-0064)	Special	188	149	183
(9430-601-0001) Trailer VLF GF backfill (Shared Rev.)	General	<u>12</u>	<u>12</u>	<u>12</u>
<b>SUBVENTIONS -- OTHER</b>		<b>\$2,408</b>	<b>\$2,244</b>	<b>\$2,282</b>
<b>COURT AND FEDERAL MANDATES:</b>				
Various Court and Federal Mandates (HHS)	General	\$3,576	\$3,794	\$3,801
Various Court and Federal Mandates	General	3,729	4,226	3,984
Various Court and Federal Mandates	Special	<u>203</u>	<u>203</u>	<u>202</u>
<b>TOTAL -- MANDATES</b>		<b>\$7,508</b>	<b>\$8,223</b>	<b>\$7,987</b>
<b>PROPOSITION 111:</b>				
PTA Gasoline (Including Spillover)	Special	\$66	\$64	\$64
Motor Vehicle Fuel Tax: Gasoline	Special	1,390	1,363	1,341
Motor Vehicle Fuel Tax: Diesel	Special	280	276	274
Weight Fee Revenue	Special	<u>331</u>	<u>330</u>	<u>339</u>
<b>TOTAL -- PROPOSITION 111</b>		<b>\$2,067</b>	<b>\$2,033</b>	<b>\$2,018</b>
<b>TAX REFUND:</b>				
9100 Tax Relief (9100-101-0001, Programs 10, 30, 50)	General	<u>\$208</u>	<u>\$26</u>	<u>\$0</u>
<b>TOTAL -- TAX RELIEF</b>		<b>\$208</b>	<b>\$26</b>	<b>\$0</b>
<b>TOTAL EXCLUSIONS:</b>		<b>\$51,404</b>	<b>\$43,555</b>	<b>\$47,947</b>
<i>General Fund</i>		<i>\$44,223</i>	<i>\$38,047</i>	<i>\$42,420</i>
<i>Special Funds</i>		<i>\$7,181</i>	<i>\$5,508</i>	<i>\$5,527</i>

## **Finance Glossary of Accounting and Budgeting Terms**

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

### **Abatement**

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

### **Abolishment of Fund**

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

### **Accrual basis of accounting**

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

### **Administration**

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

### **Administration Program Costs**

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

### **Administratively Established Positions**

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

### **Agency**

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

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

### **Allocation**

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

### **Allotment**

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

**Amendment**

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

**A-pages**

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

**Appropriated Revenue**

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

**Appropriation**

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

**Appropriation Without Regard To Fiscal Year (AWRTFY)**

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

**Appropriations Limit, State (SAL)**

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

**Appropriation Schedule**

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

**Assembly**

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

**Audit**

Typically a review of financial statements or performance activity (such as of an agency or program) to determine conformity or compliance with applicable laws, regulations, and/or standards. The state has three central organizations that perform audits of state agencies: the State Controller's Office, the

Department of Finance, and the Bureau of State Audits. Many state departments also have internal audit units to review their internal functions and program activities. (*SAM 20000, etc.*)

**Augmentation**

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

**Authorized**

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

**Authorized Positions**

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

**Availability Period**

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

**Balance Available**

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

**Baseline Adjustment**

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

**Baseline Budget**

Also referred as Workload Budget. See Workload Budget.

**Bill**

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

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

**Board of Control, State**

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

**Bond Funds**

For legal basis budgeting purposes, funds used to account for the receipt and disbursement of non-self liquidating general obligation bond proceeds. These funds do not account for the debt retirement

since the liability created by the sale of bonds is not a liability of bond funds. Depending on the provisions of the bond act, either the General Fund or a sinking fund pays the principal and interest on the general obligation bonds. The proceeds and debt of bonds related to self-liquidating bonds are included in nongovernmental cost funds. (SAM 14400)

**Budget**

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

**Budget Act (BA)**

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

**Budget Bill**

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

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

**Budget Change Proposal (BCP)**

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

**Budget Cycle**

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

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

**Budget, Program or Traditional**

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

expresses the plan in terms of categories of costs of the goods or services to be used to perform specific functions.

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

### **Budget Revision (BR)**

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

### **Budget Year (BY)**

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

### **CALSTARS**

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

### **Capital Outlay (CO)**

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

### **Carryover**

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

### **Cash Basis**

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

### **Cash Flow Statement**

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

### **Category**

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

### **Category Transfer**

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

### **Change Book System**

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

### **Change Tables (also known as Detailed Budget Adjustments)**



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

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

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

### **Change in Authorized Positions ("Schedule 2")**

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

### **Chapter**

The reference assigned by the Secretary of State to an enacted bill, numbered sequentially in order of enactment each calendar year. The enacted bill is then referred to by this "chapter" number and the year in which it became law. For example, *Chapter 1, Statutes of 1997*, would refer to the first bill enacted in 1997.

### **Character of Expenditure**

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

### **Claim Schedule**

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

### **COBCP**

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

### **Codes, Uniform**

See "Uniform Codes Manual."

### **Conference Committee**

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

### **Continuing Appropriation**

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

### **Continuous Appropriation**

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

### **Continuously Vacant Positions**

On July 1, positions which were continuously vacant for six consecutive monthly pay periods during the preceding fiscal year are abolished by the State Controller's Office. The six consecutive monthly pay periods may occur entirely within one fiscal year or between two consecutive fiscal years. The exceptions to this rule are positions exempt from civil service and instructional positions authorized for the California State University. The Department of Finance may authorize the reestablishment of positions in cases where the vacancies were (1) due to a hiring freeze, (2) the department has diligently attempted to fill the position but was unable to complete all steps to fill the position within six months, (3) the position is determined to be hard-to-fill, (4) the position has been designated as a management position for the purposes of collective bargaining and has been held vacant pending the appointment of the director or other chief executive officer of the department as part of the transition from one Governor to the succeeding Governor, or, (5) late enactment of the budget causes the department to delay filling the position, and the Department of Finance approves an agency's written appeal to continue the positions. In addition, departments may self-certify reestablishments by August 15 for positions that meet specified conditions during the vacancy period.

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

(GC 12439)

### **Control Sections**

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

### **Conversion Code Listing**

See "Finance Conversion Code Listing."

**Cost-of-Living Adjustments (COLA)**

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

**Current Year (CY)**

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

**Debt Service**

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

**Deficiency**

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

**Department**

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

**Department of Finance (Finance)**

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

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

(*GC 13000 et seq.*)

**Detail of Appropriations and Adjustments**

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

**Element**

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

**Employee Compensation/Retirement**

Salary, benefit, employer retirement rate contribution adjustments, and any other related statewide compensation adjustments for state employees. Various 9800 Items of the Budget Act appropriate funds for compensation increases for most state employees (excluding Higher Education and some

others), that is, they appropriate the incremental adjustment proposed for the salary and benefit adjustments for the budget year. The base salary and benefit levels are included in individual agency/departmental budgets.

### **Encumbrance**

The commitment of all or part of an appropriation for future expenditures. Encumbrances are accrued as expenditures by departments at year-end and included in expenditure totals in individual budget displays. On a state-wide basis, an adjustment is made for the General Fund to remove from the expenditure totals the amount of encumbrances where goods and services have not been received. The amount of encumbrances where goods and services have not been received is shown in the Reserve for Encumbrances. This adjustment and the use of the Reserve for Encumbrances are in accordance with Generally Accepted Accounting Principles and is required by Government Code Section 13306.

### **Enrolled Bill Report (EBR)**

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

### **Enrollment, Caseload, & Population Adjustments**

These adjustments are generally formula or population driven.

### **Excess Vacant Positions**

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

### **Executive Branch**

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

### **Executive Order (EO)**

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

### **Exempts**

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

### **Expenditure**

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

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

**Expenditure Authority**

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

**Expenditures by Category (Summary by Object)**

A budget display, for each department, that reflects actual past year, estimated current year, and proposed budget year expenditures presented by character of expenditure (e.g., State Operations and/or Local Assistance) and category of expenditure (e.g., Personal Services, Operating Expenses and Equipment).

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

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

**Feasibility Study Report (FSR)**

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

**Federal Fiscal Year (FFY)**

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

**Federal Funds**

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

**Feeder Funds**

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

**Final Budget**

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

**Final Budget Summary**

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

**Finance Conversion Code (FCC) Listing**

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

**Finance Letter (FL)**

Proposals made, by the Director of Finance to the chairpersons of the budget committees in each house, to amend the Budget Bill and the Governor's Budget from that submitted on January 10 to

reflect a revised plan of expenditure for the budget year and/or current year. Specifically, the Department of Finance is required to provide the Legislature with updated expenditure and revenue information for all policy adjustments by April 1, capital outlay technical changes by May 1, and changes for caseload, population, enrollment, updated revenues, and Proposition 98 by May 14. (GC 13308)

### **Fiscal Committees**

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

### **Fiscal Impact Analysis**

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

### **Fiscal Year (FY)**

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

### **Floor**

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

### **Form 9**

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

### **Form 22**

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

### **Fund**

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

### **Fund Balance**

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

### **Fund Condition Statement**

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

**General Fund (GF)**

For legal basis accounting and budgeting purposes, the predominant fund for financing state government programs, used to account for revenues which are not specifically designated to be accounted for by any other fund. The primary sources of revenue for the General Fund are the personal income tax, sales tax, and corporation taxes. The major uses of the General Fund are education (K-12 and higher education), health and human service programs, and correctional programs.

**Governmental Cost Funds**

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

**Governor's Budget**

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

**Governor's Budget Summary (or A-Pages)**

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

**Grants**

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

**Hot Books**

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

**Indirect Costs**

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

**Initiative**

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

**Item**

Another word for appropriation.

**Judgments**

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

**Language Sheets**

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

**Legislative Analyst's Office (LAO)**

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

**Legislative Counsel Bureau**

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

**Legislative Counsel Digest**

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

**Legislative Information System (LIS)**

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

**Legislature, California**

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

**Limited-Term Position (LT)**

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

**Line Item**

See "Objects of Expenditure."

**Local Assistance (LA)**

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

**Mandates**

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

**May Revision**

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

**Merit Salary Adjustment (MSA)**

A cost factor resulting from the periodic increase in salaries paid to personnel occupying authorized positions. Personnel generally receive a salary increase of five percent per year up to the upper salary limit of the classification, contingent upon the employing agency certifying that the employee's



job performance meets the level of quality and quantity expected by the agency, considering the employee's experience in the position.

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

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

**Minor Capital Outlay**

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

**Modified Accrual Basis**

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

**Non-add**

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

**Nongovernmental Cost Funds**

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

**Object of Expenditure (Objects)**

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

**Obligations**

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

**One-Time Cost**

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

**Operating Expenses and Equipment (OE&E)**

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

**Organization Code**

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

**Out-of-State Travel (OST) blanket**

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

**Overhead**

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

**Overhead Unit**

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

**Past Year**

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

**Performance Budget**

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

**Personal Services**

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

**Personnel Year (PY)**

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

**Plan of Financial Adjustment (PFA)**

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

**Planning Estimate (PE)**

A document used to record and monitor those current and budget year expenditure adjustments including budget change proposals approved for inclusion in the Governor's Budget. PEs are broken down by department, fund type, character, Budget Bill/Act appropriation number, and "lines"(i.e., expenditure groupings such as employee compensation, price increases, one-time costs). PEs are primarily used to record the incremental decisions made about changes to each base budget, are

updated at frequent intervals, and can be used for quick planning or "what if" analyses. PEs identify all proposed expenditure changes (baseline and policy) to the previous year's Budget Act, and once budget preparation is complete, PEs will tie to all other fiscal characterizations of the proposed Governor's Budget. (The term is sometimes used synonymously with Planning Estimate Line, which is one specific expenditure grouping.)

**Planning Estimate Line**

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

**Policy Adjustments**

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

**Pooled Money Investment Account (PMIA)**

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

**Pooled Money Investment Board (PMIB)**

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

**Positions**

See "Authorized Positions."

**Price Increase**

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

**Pro Rata**

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

**Program Budget**

See "Budget, Program or Traditional."

**Program Cost Accounting (PCA)**

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

**Programs**

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

**Proposed New Positions**

A request for an authorization to expend funds to employ additional people to perform work. Proposed new positions may be for limited time periods (limited term) and for full or less than full time. Proposed

new positions may be for an authorization sufficient to employ one person, or for a sum of funds (blanket) from which several people may be employed. (See also “Changes in Authorized Positions.”)

**Proposition 98**

An initiative passed in November 1988, and amended in the June 1990 election, that provides a minimum funding guarantee for school districts, community college districts, and other state agencies that provide direct elementary and secondary instructional programs for kindergarten through grade 14 (K-14) beginning with fiscal year 1988-89. The term is also used to refer to any expenditures which fulfill the guarantee. (*Article XVI, § 8*)

**Provision**

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

**Public Service Enterprise Funds**

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

**Reappropriation**

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

**Recall**

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

**Redemption**

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

**Reference Code**

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

**Referendum**

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

**Refund to Reverted Appropriations**

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

**Regulations**

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

**Reimbursement Warrant (or Revenue Anticipation Warrant)**

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

**Reimbursements**

An amount received as a payment for the cost of services performed, or of other expenditures made for, or on behalf of, another entity (e.g., one department reimbursing another for administrative work performed on its behalf). Reimbursements represent the recovery of an expenditure.

Reimbursements are available for expenditure up to the budgeted amount (scheduled in an appropriation), and a budget revision must be prepared and approved by the Department of Finance before any reimbursements in excess of the budgeted amount can be expended. (*SAM 6463*)

**Reserve**

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

**Revenue**

Any addition to cash or other current assets that does not increase any liability or reserve and does not represent the reduction or recovery of an expenditure (e.g., reimbursements/abatements).

Revenues are a type of receipt generally derived from taxes, licenses, fees, or investment earnings. Revenues are deposited into a fund for future appropriation, and are not available for expenditure until appropriated. (*UCM*)

**Revenue Anticipation Notes (RANs)**

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

**Revenue Anticipation Warrant (RAW)**

See Reimbursement Warrant.

**Reversion**

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

**Reverted Appropriation**

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

**Revolving Fund**

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

**SAL**

See "Appropriations Limit, State".

**Salaries and Wages Supplement**

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

**Salary Savings**

The estimated or actual personnel cost savings resulting from all authorized positions not being filled at the budgeted level for the entire year due to absences, turnovers (which results in vacancies and downward reclassifications), and processing time when hiring for new positions. The amount of savings is estimated on the basis of the past experience of departments. For new positions that will be authorized on July 1, five percent is a generally acceptable minimum for the salary savings estimate.

**Schedule**

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

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

A summary listing in the Governor's Budget.

**Schedule 2**

See "Changes in Authorized Positions."

**Schedule 7A**

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

**Schedule 8**

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

**Schedule 10 (Supplementary Schedule of Appropriations)**

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

**Schedule 10R (Supplementary Schedule of Revenues and Transfers)**

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

**Schedule 11**

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

**Schedule of Federal Funds and Reimbursements, Supplementary**

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

## **Schedule of Operating Expenses and Equipment, Supplementary**

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

### **Section 1.50**

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

### **Section 1.80**

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

### **Section 8.50**

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

### **Section 20.00**

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

### **Section 26.00**

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

### **Section 28.00**

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

### **Section 28.50**

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

### **Section 30.00**

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

### **Section 31.00**

A Control Section of the Budget Act that specifies certain administrative procedures. For example, the section subjects the Budget Act appropriations to various sections of the Government Code, limits the new positions a department may establish to those authorized in the Budget, requires Finance approval and legislative notification of certain position transactions, requires all administratively established positions to terminate on June 30 and allows for such positions to continue if they were

established after the Governor's Budget was submitted to the Legislature, and prohibits increases in salary ranges and other employee compensation which require funding not authorized by the budget unless the Legislature is informed.

**Senate**

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

**Service Revolving Fund**

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

**Settlements**

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

**Shared Revenue**

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

**Sinking Fund**

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

**Special Fund for Economic Uncertainties**

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

**Special Funds**

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

**Special Items of Expense**

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

**Sponsor**

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

**Spot Bill**

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

**Staff Benefits**

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



**State Fiscal Year**

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

**State-Mandated Local Program**

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

**State Operations (SO)**

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

**Statewide Cost Allocation Plan (SWCAP)**

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

**Statute**

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

**Subcommittee**

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

**Subventions**

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

**Summary Schedules**

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

**Sunset Clause**

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

**Surplus**

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

**Tax Expenditures**

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

**Technical**

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

**Tort**

A civil wrong, other than a breach of contract, for which the court awards damages. Traditional torts include negligence, malpractice, assault and battery. Recently, torts have been broadly expanded such that interference with a contract and civil rights claims can be torts. Torts result in either settlements or judgments. (*GC 948, 965-965.9; SAM 6472, 8712; BA Item 9670*)

**Traditional Budget**

See "Budget, Program or Traditional."

**Transfers**

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

**Trigger**

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

**Unappropriated Surplus**

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

**Unencumbered Balance**

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

**Uniform Codes Manual (UCM)**

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

**Unscheduled Reimbursements**

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

**Urgency Statute/Legislation**

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

**Veto**

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

**Victim Compensation and Government Claims Board, California**

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

**Warrant**

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

**Without Regard To Fiscal Year (WRTFY)**

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

**Working Capital and Revolving Fund**

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

**Workload**

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

**Workload Budget**

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

**Workload Budget Adjustment**

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

**Year of Appropriation (YOA)**

Refers to the initial year of an appropriation.

**Year of Budget (YOB)**

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

**Year of Completion (YOC)**

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

\* *Abbreviations used in the references cited:*

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