

ASSEMBLY FLOOR PACKET
SUMMARY OF ASSEMBLY ACTION ON THE BUDGET BILL
1984-85

MAY 21, 1984

LEGISLATIVE ANALYST
STATE OF CALIFORNIA
925 L STREET, SUITE 650
SACRAMENTO, CALIFORNIA 95814

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Legislative Analyst Office
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INDEX TO EXHIBITS

	<u>PAGE</u>
I. OVERVIEW	
A. Impact of Assembly Version on the General Fund Condition	1
B. Changes from the Governor's Budget	2
II. EXPENDITURES	
A. Expenditures, by Fund and Function	3
B. Trends in General Fund Expenditures 1974-75 through 1984-85	4
III. SIGNIFICANT CHANGES	
A. Changes from the Current Year	5
B. Changes from the Governor's Budget	14
IV. EMPLOYMENT (Personnel-Years)	
A. State Employment, by Program	23
B. Trends in State Employment 1977-78 through 1984-85	24
V. MAJOR PROGRAMS	
A. K-12 Education	
1. Total Revenues	25
2. Trends in Total Revenues 1974-75 through 1984-85	26
B. Aid to Higher Education	27
C. Change in Welfare Benefits	28
D. Cost-of-Living Adjustments	29
VI. OTHER EXHIBITS	
A. Relationship to Appropriations Limit	32
B. One-Time Revenues, Transfers, and Expenditures	33

I. OVERVIEW

The 1984-85 Budget Act
As Passed by the Assembly

Impact of Assembly Version
on the General Fund Condition
1984-85
(in millions)

	<u>Governor's Budget (May)</u>	<u>Assembly Action</u>	<u>Difference</u>
Starting Balance, July 1, 1984	\$465	\$465	--
Revenues and Transfers	25,759	25,759	--
Expenditures	24,857	26,020	1,163
Ending Balance, June 30, 1985	\$1,367	\$204	-\$1,163
Funds already committed	4	4	--
Reserve for Economic Uncertainties	951	200	-751
Amount available for appropriation	413	--	-413

The 1984-85 Budget Act
 As Passed by the Assembly

Changes From the Governor's Budget
 (in millions)

	<u>Revenues</u>	<u>Expenditures</u>			<u>Total</u>
		<u>General Fund</u>	<u>Special Funds</u>	<u>Selected Bond Funds</u>	
Governor's Budget as submitted (Jan.)	\$25,825	\$25,076	\$4,781	\$415	\$30,272
Changes initiated by the administration	<u>-67</u>	<u>-219</u>			
Governor's Budget as revised (May)	\$25,759	\$24,857			
Changes made by the Assembly	<u>--</u>	<u>1,163</u>	<u>22</u>	<u>204</u>	<u>1,389</u>
Budget, as approved by Assembly	\$25,759	\$26,020	\$4,803	\$619	\$31,442
Assembly Version compared with:					
1983-84 Budget, as revised (May)	\$23,631	\$22,645	\$3,769	\$824	\$27,238
Amount	2,128	3,375	1,034	-205	4,204
Percent	9.0%	14.9%	27.4%	-24.9%	15.4%
Governor's Budget, as revised (May)					
Amount	--	1,163	22	204	1,398
Percent	--	4.7%	0.5%	49.2%	4.6%

II. EXPENDITURES

The 1984-85 Budget Act
 As Passed by the Assembly

Expenditures, by Fund and Function
 (in millions)

	<u>General Fund</u>	<u>Special Funds</u>	<u>Budget Total</u>	<u>Selected Bond Funds</u>	<u>Total</u>
State Operations	\$5,727	\$2,016	\$7,743	\$8	\$7,751
Local Assistance	20,168	2,298	22,466	395	22,861
Capital Outlay	--	483	483	216	699
Other	<u>125</u>	<u>6</u>	<u>131</u>	<u>--</u>	<u>131</u>
TOTAL	\$26,020	\$4,803	\$30,823	\$619	\$31,442

Trends in General Fund Expenditures
 1974-75 through 1984-85
 (in millions)

	<u>Total Expenditures^a</u>				<u>Expenditures Excluding Fiscal Relief</u>			
	<u>Current Dollars</u> <u>Amount</u>	<u>Change</u>	<u>1974 Dollars^b</u> <u>Amount</u>	<u>Change</u>	<u>Current Dollars</u> <u>Amount</u>	<u>Change</u>	<u>1974 Dollars^b</u> <u>Amount</u>	<u>Change</u>
1974-75	\$8,325	--	\$8,325	--	\$8,340	--	\$8,340	--
1975-76	9,517	14.3%	8,805	5.8%	9,500	13.9%	8,789	5.4%
1976-77	10,488	10.2	9,103	3.4	10,467	10.2	9,084	3.4
1977-78	11,708	11.6	9,459	3.9	11,686	11.6	9,442	3.9
1978-79	16,272	39.0	12,138	28.3	11,887	1.7	8,867	-6.1
1979-80	18,568	14.1	12,624	4.0	13,723	15.4	9,330	5.2
1980-81	21,066	13.4	13,075	3.6	15,566	13.4	9,661	3.5
1981-82	21,695	3.0	12,491	-4.5	15,836	1.7	9,117	-5.6
1982-83	21,755	0.3	11,744	-6.0	16,110	1.7	8,696	-4.6
1983-84 ^c	22,645	4.1	11,532	-1.8	16,482	2.3	8,393	-3.4
1984-85:								
Gov's Budget as revised (May)	\$24,857	9.8%	\$11,891	3.1%	\$17,775	7.8%	\$8,503	1.3%
Assembly Version	\$26,020	14.9%	\$12,447	7.9%	\$18,937	14.9%	\$9,059	7.9%

a. Source: State Controller.

b. "1974 Dollars" equal current dollars deflated to 1974-75 dollars using the Gross National Product implicit price deflator for state and local purchases of goods and services.

c. Source: May Revision.

III. SIGNIFICANT CHANGES

The 1984-85 Budget Act
 As Passed by the Assembly

Significant Changes From the Current Year
 (in millions)

<u>Description</u>	<u>Expenditure Change</u>	
	<u>General Fund</u>	<u>Special Funds</u>
<u>LEGISLATIVE, JUDICIAL AND EXECUTIVE</u>		
<u>Judiciary</u>		
● Increased funding for appointed counsel fees	\$2.8	
<u>Department of Justice</u>		
● Approved new fingerprint automation project	0.3	\$1.5
● Created new major fraud unit	1.8	
● Increased enforcement activities relating to toxic waste		1.3
<u>Commission on Peace Officers Standards and Training</u>		
● Increased local assistance for peace officer training		7.1
<u>State Public Defender</u>		
● Restored office to approximately the 1982-83 staffing level	2.5	
<u>State Mandated Local Program</u>		
● Deleted mandatory provisions of judicial arbitration program	-1.3	

<u>Description</u>	<u>Expenditure Change</u>	
	<u>General Fund</u>	<u>Special Funds</u>
STATE AND CONSUMER SERVICES		
<u>Department of Consumer Affairs</u>		
● Bureau of Automotive Repair: Vehicle Inspection Program		\$6.1
● Board of Medical Quality Assurance: increased funds to investigate fraudulent medical graduates and to provide physicians with continuing education		1.3
BUSINESS, TRANSPORTATION AND HOUSING		
<u>California Highway Patrol</u>		
● Olympics		3.1
● Telecommunications		2.5
● Additional patrol officers (AB 202)		10.4
● Operating efficiencies		-4.0
<u>Department of Motor Vehicles</u>		
● Environmental License Plate processing		-4.2
● Vehicle Inspection Program		1.0
● Microfilming of registration files		1.7
● DMV automation		-2.6
<u>Department of Transportation</u>		
● Highway capital outlay		456.6 ^a
● Capital outlay support staff		47.6 ^a
● Highway maintenance		12.1
● Capital improvements to transit services		6.1

<u>Description</u>	<u>Expenditure Change</u>	
	<u>General Fund</u>	<u>Special Funds</u>
● Capital improvements to intercity rail service		\$3.3
● Special transportation program: state transit assistance		-8.2
● Expand highway systems planning activity by 25.2 personnel-years		1.0
<u>RESOURCES</u>		
<u>Parks and Recreation</u>		
● Support	\$13.6	-5.2
● Local assistance		24.2
<u>Department of Water Resources</u>		
● Flood control subventions	11.5	
● Delta levee subventions	-1.5	
<u>California Conservation Corps</u>		
● Fund shift to General Fund (\$0.5 ERF and \$7.4 ELPF)	7.9	-7.9
● East Bay Regional Park District (Bollinger Canyon)	1.0	
<u>Air Resources Board</u>		
● Termination of change-of-ownership program in South Coast Air Basin		-13.9
● Acid deposition research		2.0
<u>State Water Resources Control Board</u>		
● Underground tank leak detection program	1.7	0.6
● Water quality inspection and enforcement	2.0	
● Tijuana River Sewage Treatment Facility	35.0	

<u>Description</u>	<u>Expenditure Change</u>	
	<u>General Fund</u>	<u>Special Funds</u>
HEALTH AND WELFARE		
<u>Department of Health Services--Preventive Health Services</u>		
● Augmented:	\$25.9	
Family planning	(9.5)	
Child health and disability prevention	(5.0)	
Primary care clinics	(4.7)	
Rural health	(2.3)	
AIDS	(1.0)	
Statewide cancer registry	(3.4)	
● Reappropriated funds for local health capital expenditures	8.0	
● Replaced federal funds budgeted for California Children's Services with General Fund support and used federal funds for perinatal programs	3.7	
<u>Department of Health Services--Toxics and Health Protection</u>		
● Added funds to augment various functions	2.4	\$1.7
● Added new positions for enforcement		2.7
<u>Department of Health Services--Medi-Cal</u>		
● Augmented for haircuts and laundry provided to long-term care residents	3.4	
● Added nonsteroidal anti-inflammatory drugs to the formulary	8.0	
● Changed provision defining "medical necessity" for Medi-Cal purposes	24.9	
● Deleted section continuing utilization controls and rate reductions; did not provide funds	--	

<u>Description</u>	<u>Expenditure Change</u>	
	<u>General Fund</u>	<u>Special Funds</u>
● Recognized savings due to:		
Peer group hospital reimbursements	\$24.3	
Increase in amount of federal share of Medi-Cal	23.3	
<u>Department of Mental Health</u>		
● Approved funds for model programs in state hospitals	1.0	
● Added funds for county audit settlements	1.4	
● Added funds for local programs	35.0	
● Augmented worker's compensation in state hospitals	1.3	
<u>Department of Developmental Services</u>		
● Added funds for regional center purchase of services	6.2	
● Added funds for prevention		\$1.0
● Approved program to place 800 state hospital residents in the community	2.6	
● Augmented worker's compensation in state hospitals	4.5	
<u>Office of Statewide Health Planning and Development</u>		
● Added staff for seismic safety reviews		2.4
<u>Department of Social Services</u>		
● Increased AFDC cash grants by \$52.4 million from current year, due primarily to COLA	52.4	
● Increased SSI/SSP cash grants by \$76.6 million from current year, due to the net effect of: (1) reduced grant costs (2) increased COLA costs (\$100 million)	76.6	

<u>Description</u>	<u>Expenditure Change</u>	
	<u>General Fund</u>	<u>Special Funds</u>
<ul style="list-style-type: none"> Increased Social services program costs of \$89.3 million primarily due to COLA costs and revised estimates in the May Revision of expenditures 	\$89.3	
YOUTH AND ADULT CORRECTIONS		
<u>Department of Corrections</u>		
<ul style="list-style-type: none"> Provided staff and operating expenses for three new prisons and five new camps 	36.7	
<ul style="list-style-type: none"> Expanded inmate work and education program 	5.9	
<ul style="list-style-type: none"> Increased staff to plan and monitor new prison construction 	1.4	
<u>Board of Corrections</u>		
<ul style="list-style-type: none"> Increased county jail construction program funding 		\$25.0
K-12 EDUCATION		
<ul style="list-style-type: none"> Provided 5.9% COLA for revenue limits and all categorical programs 	672.0	
<ul style="list-style-type: none"> Fully funded contribution to State Teachers' Retirement Fund, including restoration of 1983-84 contribution 	512.3	
<ul style="list-style-type: none"> Provided "full funding" for SB 813 programs (excludes COLAs) 	552.0	
<ul style="list-style-type: none"> Increased funding for school construction 	100.0	175.0
<ul style="list-style-type: none"> Augmented special education to fully fund AB 1773 (Papan) -- major special education financial legislation 	146.7	

<u>Description</u>	<u>Expenditure Change</u>	
	<u>General Fund</u>	<u>Special Funds</u>
● Provided additional funds for revenue limit "seniority equalization" provisions, contingent upon enactment of AB 3247	\$54.0	
● Provided full funding for court-mandated school desegregation programs	45.2	
● Augmented home-to-school transportation to fund current-year deficit	25.2	
● Provided full funding for Computer Education Act of 1983	23.6	
● Provided full funding for Public Library Foundation Program	21.9	
● Provided additional state-funded growth for Regional Occupational Centers and Programs (ROC/Ps)	16.0	

HIGHER EDUCATION

University of California

● Compensation	166.0
● Price increases	27.0
● Instructional Equipment Replacement	12.8
● Instructional use of computers	4.0
● Micro-electronics research	2.0
● Deferred maintenance	10.5
● Enrollment increases	9.7
● Student fee deduction	11.1
● Comparable worth	4.8

California State University

● Employee compensation	115.4
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<u>Description</u>	<u>Expenditure Change</u>	
	<u>General Fund</u>	<u>Special Funds</u>
● Faculty recruitment	\$1.0	
● Instructional equipment	11.9	
● Computing support	5.0	
● Deferred maintenance	10.7	
● Academic Partnership Program	1.0	
<u>California Community Colleges</u>		
● Provided full funding of SB 851 (apportionments) as modified by AB 1xx (6.0% COLA for 1983-84, 5.8% COLA for 1984-85)	68.8	
● Provided categorical program COLAs (6.0% 1983-84, 5.8% 1984-85)	4.2	
● Legislative augmentation as follows:	25.6	
Matriculation (\$10.0)		
EOPS/HSPS (8.6)		
Articulation (2.5)		
Changing technology (2.0)		
Instructional equipment (1.5)		
Labor market need (1.0)		
<u>Student Aid Commission</u>		
● Increased award programs	8.7	
GENERAL GOVERNMENT		
<u>General Administration</u>		
● Department of Finance:		
Eliminated program evaluation unit	-1.1	
Eliminated funding for Office of Information Technology (OIT)	-1.4	
● Teale Data Center:		
Added third time-share computer		\$1.0 ^b
Increased user workload		2.8 ^b

<u>Description</u>	<u>Expenditure Change</u>	
	<u>General Fund</u>	<u>Special Funds</u>
● Statewide Telecommunications System: new item	\$18.2	
● Augmentation for employee compensation: added compensation	109.1	\$106.1
● Public Employees' Retirement System: augmentation in response to management report		3.4
<u>Labor</u>		
● Agricultural Labor Relations Board	1.0	
● Department of Industrial Relations: workers' compensation referees	1.3	
<u>Cultural Development</u>		
● California Public Broadcasting Commission	3.8	
● California Arts Council: increased funding for grant programs	3.0	0.2
<u>CAPITAL OUTLAY</u>		
● State and Consumer Services		11.7
● Resources Department of Parks and Recreation		-64.4
● Youth and Adult Corrections		-144.1
● Higher Education		128.4 ^C

- a. Includes State Highway Account funds and federal funds.
b. From current year level authorized by Legislature. Finance approved current year deficiency to increase spending in this activity.
c. Budget Bill includes \$59.7 million from high-technology revenue bonds.

The 1984-85 Budget Act
 As Passed by the Assembly

Significant Changes
From the Governor's Budget As Amended
 (in millions)

<u>Description</u>	<u>Expenditure Change</u>	
	<u>General Fund</u>	<u>Special Funds</u>
LEGISLATIVE, JUDICIAL AND EXECUTIVE		
<u>Department of Justice</u>		
● Created new major fraud unit	\$1.8	
● Increased enforcement activities relating to toxic waste		\$1.3
<u>State Public Defender</u>		
● Restored office to approximately the 1982-83 staffing level	3.2	
<u>Assistance to Counties for Defense of Indigents</u>		
● Rejected Governor's proposal to require counties to share costs, and restored aid to public defenders' offices	1.6	
<u>State Mandated Local Program</u>		
● Deleted mandatory provision of judicial arbitration program	-1.3	

<u>Description</u>	<u>Expenditure Change</u>	
	<u>General Fund</u>	<u>Special Funds</u>
STATE AND CONSUMER SERVICES		
<u>Department of Consumer Affairs</u>		
● Board of Medical Quality Assurance: increased funds to investigate fraudulent medical graduates and to provide physicians with continuing education		\$ 1.3
BUSINESS, TRANSPORTATION AND HOUSING		
<u>California Highway Patrol</u>		
● Telecommunications		-4.7
● Gasoline expenditures		-1.9
<u>Department of Motor Vehicles</u>		
● Environmental License Plate processing		-4.2
<u>Department of Transportation</u>		
● Bicycle facilities capital outlay		3.6
● Highway program operating expenses and equipment		-10.8
● Highway program personal services		-3.2
● Capital improvements to transit services		-3.3
● Capital improvements to intercity rail services		3.3
RESOURCES		
<u>Parks and Recreation</u>		
● Support	\$ 4.0	-3.8
● Local assistance		46.6

<u>Description</u>	<u>Expenditure Change</u>	
	<u>General Fund</u>	<u>Special Funds</u>
<u>California Conservation Corps</u>		
● East Bay Regional Park District (Bollinger Canyon)	\$1.0	
<u>State Water Resources Control Board</u>		
● Additional staff for water quality inspection and enforcement	1.5	
● Tijuana River Sewage Treatment Facility	35.0	
HEALTH AND WELFARE		
<u>Department of Health Services--Preventive Health Services</u>		
● Rejected proposed Public Health Enhancement and Family Planning Grant programs	(no net effect)	
● Augmented:	25.9	
Family planning	(9.5)	
Child health and disability prevention	(5.0)	
Primary care clinics	(4.7)	
Rural health	(2.3)	
AIDS	(1.0)	
Statewide cancer registry	(3.4)	
● Reappropriated funds for local health capital expenditures	8.0	
● Replaced federal funds budgeted for California Children's Services with General Fund support and used federal funds for perinatal programs	3.7	
● Added funds for a 4.2 percent COLA for county health and a 5.9 percent COLA for other programs	39.2	

<u>Description</u>	<u>Expenditure Change</u>	
	<u>General Fund</u>	<u>Special Funds</u>
<u>Department of Health Services--Toxics and Health Protection</u>		
● Added funds to augment various functions	\$2.4	\$1.7
<u>Department of Health Services--Medi-Cal</u>		
● Added funds for abortions	11.8	
● Rejected copayment proposal	2.2	
● Transferred funds from county retroactive COLA to social services programs	-5.0	
● Augmented for haircuts and laundry provided to long-term care residents	3.4	
● Added funds for long-term care rate increase that was proposed but not funded in administration amendments	24.0	
● Added funds to restore excess denial rate cuts	5.6	
● Added nonsteroidal anti-inflammatory drugs to the formulary	8.0	
● Changed provision defining "medical necessity" for Medi-Cal purposes	24.9	
● Provided 5.6 percent increase to beneficiary income standards	9.8	
● Added funds for a 5.9 percent COLA for some providers and county administration	7.1	
● Deleted section continuing utilization controls and rate reductions; did not provide funds	--	

<u>Description</u>	<u>Expenditure Change</u>	
	<u>General Fund</u>	<u>Special Funds</u>
<u>Department of Mental Health</u>		
● Deleted funds from state hospital initiative proposal and provided that remaining \$1 million shall be used for model programs	-5.0	
● Added funds for a 5.9 percent COLA	12.4	
● Rejected administration's local program initiative	0.8	
● Added funds for county audit settlements	1.4	
<u>Department of Developmental Services</u>		
● Added funds for regional center purchase of services	6.2	
● Added funds for a 5.9 percent COLA	5.2	
● Replaced Program Development Fund monies with General Fund	1.6	-\$1.5
<u>Department of Social Services</u>		
● Provided a 5.6 percent COLA for AFDC recipients	59.2	
● Provided a 5.6 percent COLA for SSI/SSP recipients	53.5	
● Provided a 5.9 percent discretionary COLA for various welfare programs	25.4	
● Provided a 5.9 percent COLA for IHSS recipients receiving the maximum grant	0.6	
● Augmented for group home rate increases	10.0	
● Transferred \$11.3 million from welfare administration to other county social services	--	

<u>Description</u>	<u>Expenditure Change</u>	
	<u>General Fund</u>	<u>Special Funds</u>
● Augmented for deaf access assistance program	\$ 2.3	
<u>Department of Alcohol and Drug Programs</u>		
● Augmented for local alcohol and drug programs	5.0	
<u>Department of Aging</u>		
● Augmented to provide for "equity" funding of senior citizen nutrition and social services programs	3.0	
● Augmented to provide COLA for nutrition and social services programs	2.7	
<u>Health and Welfare Agency</u>		
● Augmented funds for the multipurpose senior services program	2.7	
YOUTH AND ADULT CORRECTIONS		
<u>Department of Corrections</u>		
● Deleted staff and operating expenses for seven new prisons	-12.0	
<u>Board of Corrections</u>		
● Reduced county jail construction expenditure authority		-\$ 202.6
K-12 EDUCATION		
● Provided 5.9% COLA for revenue limits and all categorical programs (Governor's Budget provides 3%)	331.5	
● Augmented special education to fully fund AB 1773 (Papan) -- major special education financial legislation	146.7	
● Provided additional, General Fund support for school construction	100.0	

<u>Description</u>	<u>Expenditure Change</u>	
	<u>General Fund</u>	<u>Special Funds</u>
● Provided additional funds for revenue limit "seniority equalization" provisions, contingent upon enactment of AB 3247	\$ 54.0	
● Augmented school apportionments to protect against lower-than-anticipated supplemental roll property tax revenues	30.0	
● Provided full funding for court-mandated school desegregation programs	29.6	
● Augmented home-to-school transportation to fund current-year deficit	25.2	
● Provided full funding for Computer Education Act of 1983	23.6	
● Provided additional state-funded growth for Regional Occupational Centers and Programs (ROC/Ps)	16.0	
● Augmented library local assistance to fully fund Public Library Foundation Program	15.9	
● Restored funding for 9th and 10th grade ROC/P students	7.0	
● Provided funding for new summer school teacher training programs	3.0	
● Increased various federal funds expenditures to reflect revised funding level estimates		\$84.3
● Increased driver training reimbursement rates		2.2

HIGHER EDUCATION

University of California

● Compensation increase for dental and health	1.8	
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<u>Description</u>	<u>Expenditure Change</u>	
	<u>General Fund</u>	<u>Special Funds</u>
● Retirement System (UCRS)	-	\$79.1
● Instructional Equipment (Killea bill)		.5
● Comparable worth		4.8
● Student fee inflation		4.1
<u>California State University</u>		
● Employee compensation		15.4
● Employee compensation: current year deficit		4.5
● Academic Partnership Program		1.0
<u>California Community Colleges</u>		
● Apportionments		106.5
● Matriculation (AB 2638 - Campbell)		10.0
● EOPS/HSPS workload		8.6
● Categorical COLAs		4.2
● Articulation (AB 3950 - Molina)		2.5
● Changing Technology: Training for instructors (AB 3938 - Farr)		2.0
● Instructional equipment (AB 2364 - Killea)		1.5
● Labor market needs analysis (AB 2076 - Farr)		1.0

<u>Description</u>	<u>Expenditure Change</u>	
	<u>General Fund</u>	<u>Special Funds</u>
GENERAL GOVERNMENT		
<u>General Administration</u>		
● Department of Finance:		
Eliminated program evaluation unit	-1.1	
Eliminated funding for Office of Information Technology (OIT)	-1.4	
● Information Technology Equipment Management Program	-5.0	
● Augmentation for employee compensation: salary inequities	10.2	\$8.3
● Public Employees' Retirement System: Augmentation in response to management report		1.0
<u>Labor</u>		
● Agricultural labor relations board	1.0	
● Department of Industrial Relations: workers' compensation referees	1.0	
<u>Cultural Development</u>		
● California Public Broadcasting Commission	4.0	
● California Arts Council: increased funding for grant purposes	3.0	
CAPITAL OUTLAY		
● State and Consumer Services		-14.6
● Resources Department of Parks and Recreation		18.8
● Youth and Adult Corrections Department of Corrections	-75.5	-10.6
● Higher Education		37.5 ^a

a. Includes \$59.7 million from high-technology revenue bonds.

IV. EMPLOYMENT

The 1984-85 Budget Act
 As Passed by the Assembly

State Employment, By Program
 (Personnel-Years)

	<u>Legislative, Judicial and Executive</u>	<u>State, and Consumer</u>	<u>Business Trans. and Housing</u>	<u>Resources</u>	<u>Health, and Welfare</u>	<u>Youth, and Adult Corrections</u>	<u>K-12 Education</u>	<u>Higher Education</u>	<u>General Government</u>	<u>Total</u>
Governor's Budget as Submitted (Jan)	9,811.4	12,102.3	33,086.5	13,758.3	39,592.8	18,035.3	2,691.9	91,075.9	9,385.3	229,539.7
Changes initiated by administration	36.7	51.8	336.9	78.1	-63.7	472.9	13.0	--	47.6	973.3
Governor's Budget, as revised (May)	9,848.1	12,154.1	33,423.4	13,836.4	39,529.1	18,508.2	2,704.9	91,075.9	9,432.9	230,513.0
Changes made by the Assembly	97.0	-34.5	-3.6	108.9	592.1	-295.6	-6.4	22.7	110.4	591.0
Budget, as approved by the Assembly	9,945.1	12,119.6	33,419.8	13,945.3	40,121.2	18,212.6	2,698.5	91,098.6	9,543.3	231,104.0
Assembly Version compared with:										
1983-84										
Number	132.9	-58.0	-279.5	-348.3	-1,251.5	334.3	-39.2	-1,826.1	19.4	-3,316.0
Percent	1.4%	-.5%	-.8%	-2.4%	-3.0%	1.9%	-1.4%	-2.0%	0.2%	-1.4%
Governor's Budget, as revised (May)										
Number	97.0	-34.5	-3.6	108.9	592.1	-295.6	-6.4	22.7	110.4	591.0
Percent	1.0%	-0.3%	--	0.8%	1.5%	-1.6%	-0.2%	--	1.2%	0.3%

Trends in State Employment
 1977-78 through 1984-85
 (Personnel-Years)

	<u>Legislative, Judicial and Executive</u>	<u>State, and Consumer</u>	<u>Business Trans. and Housing</u>	<u>Resources</u>	<u>Health, and Welfare</u>	<u>Youth, and Adult Corrections</u>	<u>K-12 Education</u>	<u>Higher Education</u>	<u>General Government</u>	<u>Total</u>
1977-78	8,649.9	10,784.2	32,327.8	14,192.5	39,531.8	12,613.2	2,673.7	92,394.6	8,173.7	221,341.4
1978-79	8,575.5	10,402.7	30,867.6	14,167.9	40,460.9	12,805.6	2,650.3	90,152.0	8,447.6	218,530.1
1979-80	8,713.7	10,671.3	31,293.4	13,779.5	42,325.2	12,548.6	2,665.0	89,840.5	8,355.3	220,192.5
1980-81	9,132.3	11,023.2	31,955.0	13,889.2	43,320.7	13,118.3	2,746.5	91,629.8	8,752.4	225,567.4
1981-82	9,418.3	11,325.3	31,859.4	14,373.0	41,598.7	13,934.6	2,796.1	93,988.5	9,528.5	228,813.4
1982-83	9,289.9	11,378.2	32,181.5	14,141.0	40,931.0	14,673.7	2,666.0	94,188.0	9,040.0	228,489.3
1983-84	9,812.2	12,177.6	33,699.3	14,293.6	41,372.7	17,878.3	2,737.7	92,924.7	9,523.9	234,420.0
1984-85:										
Governor's Budget, as revised (May)	9,848.1	12,154.1	33,423.4	13,836.4	39,529.1	18,508.2	2,704.9	91,075.9	9,432.9	230,513.0
Assembly Version	9,945.1	12,119.6	33,419.8	13,945.3	40,121.2	18,212.6	2,698.5	91,098.6	9,543.3	231,104.0

V. MAJOR PROGRAMS

The 1984-85 Budget Act
 as Passed by the Assembly

Total Revenue for K-12 Education
 (in millions)

	<u>Estimated 1983-84</u>	<u>1984-85</u>		<u>Assembly Version Versus 1983-84</u>		<u>Assembly Version Versus Governor's Budget</u>	
		<u>Proposed by Governor</u>	<u>Assembly Version</u>	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
State:							
General Fund	\$8,635.6	\$9,556.3 ^a	abc \$10,235.3	\$1,599.7	18.5%	\$679.0	7.1%
Special Funds	77.5	77.5	79.6	2.1	2.7	2.1	2.7
Subtotals, State	\$8,713.1	\$9,633.8	\$10,314.9	\$1,601.8	18.4%	\$681.1	7.1%
Local:							
Property Tax Levies	2,549.1	3,031.4	3,031.4	482.3	18.9	--	--
Subtotals, State and Local	\$11,262.2	\$12,665.2	\$13,346.3	\$2,084.1	18.5%	\$681.1	5.4%
Other:							
Federal	\$1,002.2	\$998.3	\$1,082.6	\$80.4	8.0%	\$84.3	8.4%
State Capital Outlay	150.0	325.0	425.0	275.0	183.3	100.0	30.8
Local Debt Service	439.9	429.8	429.8	-10.1	-2.3	--	--
Local Misc. Revenues	1,039.9	1,123.4	1,123.4	83.5	8.0	--	--
Subtotals, Other	\$2,632.0	\$2,876.5	\$3,060.8	\$428.8	16.3%	\$184.3	6.4%
TOTALS	\$13,894.2	\$15,541.7	\$16,407.1	\$2,512.9	18.1%	\$865.4	5.6%

- a. Includes \$37.2 million for supplemental summer school, provided by AB 2224 (Ch 97/84).
 b. Does not include \$30 million appropriated as a contingency against lower-than-anticipated supplemental roll property tax revenues.
 c. Does not include \$100 million for school construction, reported as state capital outlay.

Trends in Total Revenues for K-12
1974-75 through 1984-85
 (in millions)

	Total Funding	ADA	Total Funding Per ADA		1974-75 Dollars Per ADA	
			Amount	Percent Change	Amount	Percent Change
1974-75	\$7,210.5	\$4,714,154	\$1,530	--	\$1,530	--
1975-76	7,587.9	4,760,966	1,650	7.8%	1,527	-0.2%
1976-77	8,654.7	4,718,800	1,834	11.2	1,592	4.3
1977-78	9,516.6	4,652,486	2,045	11.5	1,652	3.8
1978-79	9,425.6	4,271,181	2,207	7.9	1,646	-0.4
1979-80	10,981.6	4,206,150	2,611	18.3	1,775	7.8
1980-81	11,732.8	4,214,089	2,784	6.6	1,728	-2.6
1981-82	11,929.8	4,202,042	2,839	2.0	1,635	-5.4
1982-83	12,711.0	4,229,628	3,005	5.8	1,622	-0.8
1983-84 (estimated)	13,894.2	4,273,672	3,251	8.2	1,656	2.1
1984-85: Gov's Budget, as revised (May)	15,541.7	4,330,951	3,589	10.4	1,717	3.7
Assembly version	16,407.1	4,330,951	3,788	16.5	1,812	9.4

The 1984-85 Budget Act
 As Passed by the Assembly

Aid to Higher Education
 (in thousands)

	<u>1983-84</u>	<u>1984-85</u>		<u>Assembly Version</u> <u>Versus</u> <u>1983-84</u>		<u>Assembly Version</u> <u>Versus</u> <u>Governor's Budget</u>	
		<u>Governor's</u> <u>Budget</u>	<u>Assembly</u> <u>Version</u>	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
<u>I. Amount Budgeted</u>							
A. Support:							
University of California	\$1,110,012	\$1,446,673	\$1,381,448	\$271,436	24.5%	-\$65,225	-4.5%
California State University	948,000	1,149,014	1,173,171	225,171	23.8	24,157	2.1
California Community Colleges	<u>1,067,330</u>	<u>1,030,688</u>	<u>1,166,992</u>	<u>99,662</u>	9.3	<u>136,304</u>	13.2
Total, Support	\$3,125,342	\$3,626,375	\$3,721,611	\$596,269	19.1%	\$95,236	2.6%
B. Capital Outlay:							
University of California	\$7,147	\$51,225	\$50,513	\$43,366	-- ^a	-\$712	-1.4%
California State University	11,274	27,767	26,054	14,780	-- ^a	-1,713	-6.2
California Community Colleges	<u>7,449</u>	<u>26,704</u>	<u>20,355</u>	<u>12,906</u>	-- ^a	<u>-6,349</u>	-23.8
Total, Capital Outlay	\$25,870	\$105,696	\$96,922	\$71,052	-- ^a	-\$8,774	-8.3%
<u>II. Student Fee Assumptions</u> (Fee per academic year)							
University of California:							
Graduate Students	1,434	1,434	1,364	-70	-4.9	--	--
Undergraduates	1,387	1,317	1,317	-70	5.0	--	--
California State University:							
Graduate Students	728	686	686	-42	-5.8	--	--
Undergraduates	692	650	650	-42	-6.1	--	--
California Community Colleges	--	100	100	100	100.0	--	--

^a Percentage change greater than 100 percent.

The 1984-85 Budget Act
 As Passed by the Assembly

Change in Welfare Benefits
 (in millions)

	<u>General Fund</u>	<u>County Funds</u>	<u>Federal Funds</u>	<u>Total</u>
<u>I. Cost of COLA Over Current Year</u>				
AFDC ^a	\$92.1	\$10.6	\$100.4	\$203.1
SSI/SSP	100.0	--	-51.6 ^b	48.4
	<u>1983-84</u>	<u>1984-85</u>	<u>Change</u>	
<u>II. Change in Maximum Benefits</u>				
AFDC:			<u>Amount</u>	<u>Percent</u>
Family of two	\$424	\$448	\$24	5.7% ^c
Family of three	526	555	29	5.5 ^c
Family of four	625	660	35	5.6
	<u>Jan 84</u>	<u>Jan 85</u>	<u>1/85 over 1/84</u>	
SSI/SSP:			<u>Amount</u>	<u>Percent</u>
Blind individual	\$535	\$565	\$30	5.6%
Aged/disabled individual	477	504	27	5.6
Aged/disabled couple	886	936	50	5.6

- a. In addition to costs in AFDC program, the 5.6 percent grant increase would result in Medi-Cal costs of \$31,468,000 (\$15,734,000 General Fund).
- b. Net fiscal effect of (1) federal funds of \$52 million available to offset General Fund costs and (2) \$383,000 in federal funds for COLA to refugees receiving SSI/SSP grants.
- c. Does not equal 5.6 percent due to rounding of the dollar increase.

The 1984-85 Budget Act
 As Passed by the Assembly

Cost-of-Living Adjustments
 (in thousands)

<u>Program</u>	<u>Statutory</u>	<u>Governor's Budget (May)</u>	<u>Assembly Version</u>	<u>Dollar Difference</u>
HEALTH AND WELFARE				
Alcohol and Drug Realignment Health Services	--	2.0%	5.9%	\$2,409
County Health (AB 8)	4.2	2.0	4.2	8,116
Medically Indigent Services	--	--	5.9	28,169
Public Health	--	2.0	5.9	3,168
Medi-Cal				
Contract Hospitals	--	--	--	--
Noncontract Hospitals (including PHPs and RHF)	10.4	10.4	10.4	--
PHPs, CDS, and RHF (non-hospital services)	5.0	2.0	2.0	--
Long-term Care Facilities (including state hospitals)	6.5	2.0	6.5	23,951
Providers, all others	--	2.0	5.9 ^a	5,203
Beneficiary ("Spin-off")	5.6	2.6	5.6	9,791
Drug Ingredients	7.5	7.5	7.5	--
County Administration	--	2.0	5.9	1,888 ^b
Developmental Services				
Regional Centers	--	2.0	5.9	5,242 ^b
State Hospital Education Programs	--	2.0	5.9	164
Local Mental Health Programs	--	2.0	5.9	12,371
Social Services				
SSI/SSP	5.6	2.5 ^c	5.6	53,458
AFDC	5.6	2.0	5.6	59,247
IHSS--Statutory	5.6	2.0	5.9	611
IHSS--Nonstatutory	--	2.0	5.9	10,938
Community Care Licensing-- Local Assistance	--	2.0	5.9	293
County Administration	--	0.0	5.9	6,590

<u>Program</u>	<u>Statutory</u>	<u>Governor's Budget (May)</u>	<u>Assembly Version</u>	<u>Dollar Difference</u>
Social Services--Other	--	2.0	5.9	7,556
Department of Rehabilitation	--	2.0	5.9	2,045
YOUTH AUTHORITY				
County Justice System	--	2.0	2.0	--
EDUCATION				
Apportionments				
District Revenue Limits ^d	6.1	3.0	5.9	240,694
Necessary Small Schools ^e	6.1	3.0	5.9	1,541
Meals for Needy Pupils	6.0	3.0	5.9	596
Small School District Transportation	--	3.0	5.9	539
Apprentice Programs	--	3.0	5.9	67
Transportation	--	3.0	5.9	8,423
Adult Education	6.0	3.0	5.9	4,829
K-12 County Offices of Education ^e	6.1	3.0	5.9	4,622
Regional Occupational Centers/Programs	--	3.0	5.9	5,722
Adults in Correctional Facilities	--	3.0	5.9	37
Summer School ^e	6.1	3.0 ^f	5.9	537
Supplemental Summer School ^e	6.1	--	5.9	1,168
Child Nutrition	4.5	3.0	5.9	777
Foster Youth Services	--	3.0	5.9	22
Gifted and Talented	6.0	3.0	5.9	517
Instructional Materials (K-8)	3.2	3.0	5.9	1,710
Instructional Materials (9-12)	--	3.0	5.9	517
School Improvement	--	3.0	5.9	5,002
Economic Impact Aid	--	3.0	5.9	5,279
Miller-Unruh Reading	--	3.0	5.9	498
Native American Indian	--	3.0	5.9	10
Demonstration Programs in Reading and Math	--	3.0	5.9	109
Staff Development	--	3.0	5.9	314
Tenth Grade Counseling	--	--	--	--
Education Technology	--	3.0	5.9	34
Indian Education Centers	--	3.0	5.9	23
Child Care Program	--	3.0	5.9	6,708
Master Plan for Special Education	6.1	3.0	5.9	36,120
Preschool	--	3.0	5.9	933
Division of Libraries	--	3.0	5.9	203
Urban Impact Aid	--	3.0	5.9	2,062

<u>Program</u>	<u>Statutory</u>	<u>Governor's Budget (May)</u>	<u>Assembly Version</u>	<u>Dollar Difference</u>
Board of Governors, California				
Community Colleges				
Apportionments ^g	6.1	0.7	11.8	106,500
Handicapped Student Services	--	3.0	11.8	1,927
EOPS	--	3.0	11.8	2,191
Apprenticeship Allowance ^h	--	3.0	11.8	871
Instructional Improvement	--	3.0	11.8	61
Academic Senate	--	3.0	11.8	6
Student Aid Commission	--	10.1	10.1	--
CSU-EOPS	--	3.0	3.0	--
ALL OTHERS				
Employee Compensation	--	10.5	--	--
Civil Service and Related	--	(10.8)	(10.8)	--
University of California	--	(11.0)	(11.0)	--
California State University	--	(10.3)	(10.3)	--
Hastings College of the Law	--	(11.1)	(11.1)	--

- a. Some providers received 10 percent to restore cuts made in the 1982 Medi-Cal reforms. These increases, however, are not funded in the Assembly budget.
- b. Excludes some categories of services that were proposed for higher COLAs in the Governor's Budget as amended.
- c. Minimum weighted average COLA needed to meet Federal requirements. Individual percentage increases range from 2.0 percent to 5.3 percent.
- d. K-12 district COLA is based on the percentage change in the Implicit Price Deflator for State and Local Government Purchases of Goods and Services for the 12-month period ending in the third quarter of 1983-84 per Ch 97/84.
- e. COLAs for these programs are tied to the percentage COLA provided to unified school districts.
- f. Ch 97/184 (AB 2224) appropriates \$37.2 million to fund supplemental summer school in 1984-85. This amount includes \$1.1 million for a 3 percent COLA.
- g. Per Ch 565/83 (SB 851) and Ch 1xx/84 (AB 1xx).
- h. Included in apportionment base by the Department of Finance.

VI. OTHER EXHIBITS

Legislative Analyst
May 21, 1984
Exhibit VIA

The 1984-85 Budget Act
As Passed by the Assembly

Relationship to Appropriations Limit
(in millions)

	<u>1980-81</u>	<u>1981-82</u>	<u>1982-83</u>	<u>1983-84</u>	<u>1984-85</u>
Appropriations Limit	\$16,236	\$18,028	\$19,580	\$20,416	\$21,792
Appropriations subject to limitation	<u>15,533</u>	<u>16,733</u>	<u>16,268</u>	<u>17,380</u>	<u>20,779</u>
Amount under the limit	\$703	\$1,255	\$3,312	\$3,036	\$1,013

The 1984-85 Budget Act
As Passed by the Assembly

One-Time Revenues, Transfers, and Expenditures
(in millions)

<u>Revenues and Transfers:</u>	<u>Effect on General Fund</u>
TOTAL, Revenues and Transfers	None
<u>Expenditures:</u>	
● Repayment of LA County Loan	\$200
● State Teachers' Retirement System (STRS) catch-up	211
● Statewide Telecommunications System	<u>18</u>
TOTAL, One-time Expenditures	\$429
NET, One-time cost to the General Fund	\$429