



1999-00 Budget Bill Conference Committee Version



1999-00 Budget Bill Conference Committee Version Summary of Major Provisions

General Fund

Issue	Governor	Conference Committee	
		Action	Fiscal Impact
Proposition 98 Guarantee—1999-00			
Funding level	<ul style="list-style-type: none"> • May Revision adds \$718 million and exceeds the minimum funding guarantee by \$100 million. 	<ul style="list-style-type: none"> • Exceeds May Revision by \$58 million and the <i>revised</i> minimum funding guarantee by \$180 million. 	<ul style="list-style-type: none"> • \$58 million cost.
K-12 Education			
Average daily attendance (ADA)	<ul style="list-style-type: none"> • May Revision adds revenue limit and special education funds for 85,000 more ADA. 	<ul style="list-style-type: none"> • Revised estimate to 45,000 additional ADA. 	<ul style="list-style-type: none"> • \$195 million savings.
Revenue limit "deficit reduction"	<ul style="list-style-type: none"> • Provided \$200 million in additional general purpose funding. 	<ul style="list-style-type: none"> • Augmented general purpose funding by \$255 million. 	<ul style="list-style-type: none"> • \$255 million cost.
Higher Education			
Community Colleges	<ul style="list-style-type: none"> • Proposition 98 increases over 1998-99 totaling \$134 million General Fund and \$89 million local funds for various base and programmatic changes. 	<ul style="list-style-type: none"> • Added \$58 million General Fund, including \$35 million for Partnership for Excellence. 	<ul style="list-style-type: none"> • \$58 million cost.
California State University	<ul style="list-style-type: none"> • Increases totaling \$80 million over 1998-99, primarily for base and enrollment increases. 	<ul style="list-style-type: none"> • Added \$76 million, including faculty and staff raises, outreach, and deferred maintenance. 	<ul style="list-style-type: none"> • \$76 million cost.
University of California	<ul style="list-style-type: none"> • Increases totaling \$127 million over 1998-99, primarily for base and enrollment increases. 	<ul style="list-style-type: none"> • Added \$58 million, including \$25 million for deferred maintenance, instructional technology, and libraries. 	<ul style="list-style-type: none"> • \$58 million cost.
SSI/SSP			
Regional 4.9 percent grant reduction	<ul style="list-style-type: none"> • No proposal—retains current law. 	<ul style="list-style-type: none"> • Repealed regional 4.9 percent grant reduction. 	<ul style="list-style-type: none"> • None in budget year. • Annual costs (lost savings) of over \$100 million beginning in 2002-03.

Continued



1999-00 Budget Bill Conference Committee Version Summary of Major Provisions

General Fund

Issue	Governor	Conference Committee	
		Action	Fiscal Impact
In-Home Supportive Services			
Public Authorities	<ul style="list-style-type: none"> Provides no state share of wage increases negotiated by Public Authorities, pursuant to current law which provides that counties pay costs. 	<ul style="list-style-type: none"> Augmented by \$90 million for a state share of wage increases for Public Authorities. 	<ul style="list-style-type: none"> \$90 million cost.
Medi-Cal			
Expand family eligibility	<ul style="list-style-type: none"> Proposes \$110 million set-aside for: <ul style="list-style-type: none"> Expansion of Healthy Families Program. Medi-Cal managed care rate increases. Nursing home reform. IHSS provider wage increases. 	<ul style="list-style-type: none"> Expanded Medi-Cal to include employed two-parent families with incomes up to about 150 percent of the poverty level and eliminated asset limits. 	<ul style="list-style-type: none"> \$67.7 million cost (estimated full-year cost of \$150 million to \$180 million in 2000-01).
Nursing home reform—staffing	<ul style="list-style-type: none"> No specific proposal—potential funding included in \$110 million set-aside. 	<ul style="list-style-type: none"> Augmented for wage increases (\$18 million) and increased staffing ratios (\$18 million). 	<ul style="list-style-type: none"> \$36 million cost (half-year).
Healthy Families			
Program expansion	<ul style="list-style-type: none"> Proposes \$6.8 million all funds (\$2.9 million General Fund) to apply Medi-Cal income deductions in determining eligibility. 	<ul style="list-style-type: none"> Appropriated \$21.8 million all funds (\$8.4 million General Fund) to (1) expand income eligibility from 200 percent to 250 percent of the poverty level, (2) apply the income deductions, and (3) cover legal immigrants who entered the U.S. after 8/22/96. 	<ul style="list-style-type: none"> \$5.5 million cost.
Judicial			
Trial Court Funding			
<ul style="list-style-type: none"> County share of costs 	<ul style="list-style-type: none"> Proposes to fully fund statutorily required “buyout” of county costs. 	<ul style="list-style-type: none"> Approved as proposed. 	<ul style="list-style-type: none"> —

Continued



1999-00 Budget Bill Conference Committee Version Summary of Major Provisions

General Fund

Issue	Governor	Conference Committee	
		Action	Fiscal Impact
Youth and Adult Correctional			
Department of Corrections			
<ul style="list-style-type: none"> Inmate and parole treatment programs 	<ul style="list-style-type: none"> Proposes to partially implement programs enacted in 1998 legislation. 	<ul style="list-style-type: none"> Augmented to fully implement and expand program. 	<ul style="list-style-type: none"> \$38.7 million cost.
General Government			
Year 2000 Computer Projects			
<ul style="list-style-type: none"> Funding for remediation 	<ul style="list-style-type: none"> Proposed \$44.3 million in separate item, with provision for augmentation from reserve. 	<ul style="list-style-type: none"> Reduced proposal to \$13.5 million. 	<ul style="list-style-type: none"> \$30.8 million savings.
Transportation			
Trains and ferries	<ul style="list-style-type: none"> Provides \$75 million for intercity rail, Altamont Express commuter train, and ferries. 	<ul style="list-style-type: none"> Provided \$37.5 million, including \$14 million for Altamont Express and \$6 million for ferries. 	<ul style="list-style-type: none"> \$37.5 million savings.
Resources			
Local flood control subvention (arrears)	<ul style="list-style-type: none"> Provides \$44 million for state payment to local agencies; proposes trailer bill to repeal future payments. 	<ul style="list-style-type: none"> Approved \$46 million for 1999-00; rejected trailer bill proposal. 	<ul style="list-style-type: none"> \$2 million cost in 1999-00; \$88 million cost in 2000-01 through 2001-02, (compared to Governor's budget).
State parks deferred maintenance	<ul style="list-style-type: none"> Provides \$157 million for deferred maintenance. 	<ul style="list-style-type: none"> Approved as proposed. 	—
Habitat acquisition and river parkway	<ul style="list-style-type: none"> Provides \$32.3 million for habitat acquisition (unscheduled). 	<ul style="list-style-type: none"> Augmented by \$54.5 million for unscheduled projects, and \$56.7 million for scheduled acquisitions. 	<ul style="list-style-type: none"> \$111.2 million cost.
Purchase of Grizzley Creek and Owl Creek forest lands	<ul style="list-style-type: none"> Provides \$20 million in 1998-99; \$80 million in 1999-00 per Chapter 615, Statutes of 1998. 	<ul style="list-style-type: none"> Reappropriated \$100 million for expenditure between 2000-01 and 2004-05. 	<ul style="list-style-type: none"> \$100 million savings in 1999-00, with obligations due in future years.



1999-00 Budget Bill Conference Committee Version General Fund Condition

(In Millions)

	Governor's Budget (May Revision)	Conference Committee	Difference
Starting balance, July 1, 1999	\$2,361	\$2,539	\$178
Revenues and transfers	62,985	63,230	245
Total resources available	\$65,346	\$65,769	\$423
Expenditures	\$63,223	\$64,052	\$829
Ending fund balance, June 30, 2000	\$2,123	\$1,717	-\$406
Other obligations	\$480	\$480	—
Set-asides	658	—	-\$658
Reserve	\$985	\$1,237	\$252

Detail may not total due to rounding.

- Reserve.** The Governor's May Revision proposed a 1999-00 General Fund reserve of \$985 million (roughly 1.6 percent of expenditures). The Conference Committee version would result in a \$1.2 billion reserve (1.9 percent of expenditures).
- Revenues.** The revenue amount for 1999-00 assumed by the Conference Committee is \$245 million higher than the May Revision. The majority of this increase is due to the Committee's adoption of the LAO's revenue projections, which are higher than the May Revision forecast by \$223 million in the budget year. (The LAO's revenue estimate also is \$137 million higher in the current year which largely accounts for the higher starting balance in the Conference Committee version.)
- Expenditures.** The Conference Committee's expenditure figure is \$829 million higher than the May Revision. The increase reflects higher spending in several program areas, including health, social services, and education. It also includes \$236 million in subventions to backfill local revenue losses resulting from additional vehicle license fee (VLF) tax relief in 1999-00.
- Set-Asides.** The May Revision included \$658 million in set-asides for future VLF reductions, employee compensation, litigation, and health care. The Conference Committee's expenditure totals include targeted health care increases and funds for the backfill of the one-time VLF reduction adopted for calendar year 2000 (see page 6). However, they do not include specific set-asides for employee compensation or litigation.



1999-00 Budget Bill Conference Committee Version Expenditures by Fund

(In Millions)

	Governor's Budget (May Revision)	Conference Committee	Difference
General Fund	\$63,223	\$64,052	\$829
Special funds ^a	16,086	16,141	55
Budget totals	\$79,309	\$80,193	\$884
Selected bond funds	\$1,487	\$1,535	\$48
Totals	\$80,796	\$81,728	\$932

^a These budgetary amounts do not include \$2 billion from the Local Public Safety Fund.

- The Conference Committee budget version proposes 1999-00 budget spending (from the General Fund and special funds combined) of \$80.2 billion, or \$0.9 billion above the Governor.
- As indicated on page 4, the Conference Committee version includes 1999-00 General Fund spending of \$64.1 billion, or \$0.8 billion more than the administration.
- The Conference Committee version's special funds spending is above the Governor by \$55 million, largely due to higher health-related spending (from Proposition 99 subaccounts) and additional expenditures for various environmental programs.
- The Conference Committee version's spending from selected bond funds is \$48 million higher than the Governor, reflecting additional expenditures for California Community Colleges.



Tax Relief Measures

Vehicle License Fee

- Under current law, the VLF has been reduced by 25 percent.
 - Additional reductions can occur if specific revenue levels (or “triggers”) are reached in the future.
 - The first such trigger would result in a cumulative 35 percent reduction beginning with calendar year 2001.
- Conference Committee adopted a cumulative 35 percent VLF reduction *for calendar year 2000 only*.
 - The additional 10 percent reduction is independent of the previously enacted trigger provisions.
 - The estimated cost of this action is about \$500 million, spread over the 1999-00 and 2000-01 fiscal years.

Other Provisions—Proposed in the May Revision

- Approved proposal to make permanent the current partial income tax exclusion for capital gains on small business stock.
 - Under current law, taxpayers can exclude 50 percent of any capital gains on sales of certain small business stock purchased before January 1, 1999 and held for at least five years.
 - By eliminating the January 1, 1999 sunset date, the income exclusion is made permanent. The full fiscal effect would not occur until after the 2003 tax year.
- Approved provision that exempts qualified new corporations from being subject to the minimum franchise tax during the first two years of incorporation, beginning January 1, 2000.
 - The fiscal effect of this action is estimated to be \$28 million in 1999-00, increasing to \$60 million annually thereafter.



Major Proposition 98 Provisions

(In Millions)

Issue	Governor	Conference	Difference
K-12 Education			
Revenue limit "deficit reduction"	\$200.0	\$455.0	\$255.0
Instructional materials increase ^a	144.0	134.0	-10.0
Deferred maintenance increase	143.7	143.7	—
School safety increase	100.0	100.0	—
Teacher performance bonuses	70.0	50.0	-20.0
Teacher recruitment bonuses	30.0	—	-30.0
Beginning teacher salary increase	—	50.0	50.0
High schools block grant	—	29.0	29.0
Charter schools funding Model	—	20.0	20.0
Community Colleges			
Partnership for Excellence	\$110.0	\$145.0	\$35.0
Additional full-time faculty	—	10.6	10.6
Fee reduction	12.9	12.9	—

^a One-time funds.

- The Conference version spends \$26.2 billion from the General Fund for Proposition 98 programs, \$58 million above the Governor's May Revision. All of this increase is for community college programs. The Conference total exceeds the Governor's January proposal for K-14 education by \$775 million.
- The Conference version provides additional local spending discretion through more general purpose funding ("deficit reduction") and in many cases through greater discretion in categorical programs.



Major Higher Education Provisions General Fund

(In Millions)

	Governor	Conference	Difference
UC	\$ 2,646	\$ 2,704	\$58
CSU	2,207	2,283	76
CCC (Proposition 98)	3,838	3,897	58
General Fund	2,270	2,329	58
Local	1,568	1,568	—
Student Aid Commission	387	395	8
Hastings	14	14	—
California Postsecondary Education Commission	3	3	—
Totals	\$ 9,096	\$ 9,296	\$200
General Fund	\$7,528	\$7,728	\$200
Local	1,568	1,568	—



The Conference Committee's version is \$200 million, or 2.2 percent, above the amount requested by the Governor for 1999-00, including the following major changes:

- \$35 million more for the community college's Partnership for Excellence.
- \$39 million more to increase salaries of CSU faculty and staff.
- \$25 million more for deferred maintenance, new technology, and libraries at UC.
- \$13 million more for various research projects at UC.



Major Social Services Provisions General Fund

Issue	Governor	Conference Action	Fiscal Impact
CalWORKs			
TANF Reserve	• Provides \$98 million.	• Provided \$80 million.	• Reduced reserve by \$18 million.
California Food Assistance Program			
Program sunset (18-to-64 year old legal noncitizens)	• Follows current law—existing program sunsets July 1, 2000. (Funds program at \$54.9 million in budget year.)	• Ties continuation of existing program to continuation of federal Food Stamps program for certain legal noncitizens, which currently is authorized until October 2002.	• Beginning in 2000-01, annual costs (lost savings) of about \$55 million to continue the program.
Eligibility expansion	• No proposal.	• Expanded eligibility—one year only—to immigrants who arrived after August 1996.	• \$11.9 million cost in budget year.
SSI/SSP			
Cash Assistance Program for Immigrants			
• Program sunset	• Follows current law—existing program sunsets July 1, 2000. (Funds program at \$44.9 million in budget year.)	• Ties continuation of existing program to continuation of federal SSI program for disabled noncitizens, which currently has no sunset date.	• Beginning in 2000-01, annual costs (lost savings) of about \$40 million due to program continuation.
• Eligibility expansion	• No proposal.	• Expands eligibility—one year only—to immigrants who arrived after August 1996.	• No impact in budget year due to five-year deeming provision which attributes sponsor's income to the immigrant.
Grants			
• Regional 4.9 percent grant reduction	• No proposal—retains current law.	• Repealed regional 4.9 percent grant reduction.	• None in budget year. • Annual costs (lost savings) of over \$100 million beginning in 2002-03.

Continued



Major Social Services Provisions General Fund

Issue	Governor	Conference Action	Fiscal Impact
Adult Protective Services			
Program expansion	<ul style="list-style-type: none"> Provides \$45 million for program expansion initiated in current year. 	<ul style="list-style-type: none"> Augmented by \$20 million. 	<ul style="list-style-type: none"> \$20 million cost.
In-Home Supportive Services			
Public Authorities	<ul style="list-style-type: none"> Provides no state share of wage increases negotiated by Public Authorities, pursuant to current law which provides that counties pay costs. 	<ul style="list-style-type: none"> Augmented by \$90 million for a state share of wage increases for Public Authorities. 	<ul style="list-style-type: none"> \$90 million cost.
Foster Care			
Rate increases	<ul style="list-style-type: none"> Proposes a COLA (2.36 percent pursuant to current law) for Foster Family Homes and Group Homes. 	<ul style="list-style-type: none"> Augmented by \$7.3 million to provide: (1) COLA for Foster Family Agencies, (2) full COLA for six counties that are scheduled to receive partial COLAs, and (3) an additional 2.36 percent increase for all providers, effective January 1, 2000. 	<ul style="list-style-type: none"> \$7.3 million cost.



Major Health Provisions General Fund^a

Issue	Governor	Conference Action	Fiscal Impact
Medi-Cal			
Expand family eligibility	<ul style="list-style-type: none"> Proposes \$110 million set-aside for: <ul style="list-style-type: none"> Expansion of Healthy Families Program. Medi-Cal managed care rate increases. Nursing home reform. IHSS provider wage increases. 	<ul style="list-style-type: none"> Expanded Medi-Cal to include employed two-parent families with incomes up to about 150 percent of the poverty level, and eliminated asset limits. 	<ul style="list-style-type: none"> \$67.7 million cost (estimated full-year cost of \$150 million to \$180 million in 2000-01).
Nursing home reform—staffing	<ul style="list-style-type: none"> No specific proposal—potential funding included in \$110 million set-aside. 	<ul style="list-style-type: none"> Augmented for wage increases (\$18 million) and increased staffing ratios (\$18 million). 	<ul style="list-style-type: none"> \$36 million cost (half-year).
“Edwards Hold” backlog of former welfare recipients	<ul style="list-style-type: none"> Includes Medi-Cal case-load savings of \$64.2 million from eliminating the backlog of eligibility determinations. 	<ul style="list-style-type: none"> Increased savings to \$93.2 million to reflect overestimate of initial backlog. 	<ul style="list-style-type: none"> \$29 million savings.
Federal funding match—population adjustment	<ul style="list-style-type: none"> Assumes General Fund savings of \$210 million due to increase in federal funds. 	<ul style="list-style-type: none"> Approved as proposed. 	—
Disproportionate share hospital "administrative fee"	<ul style="list-style-type: none"> Continues current fee of \$114.8 million used to offset state Medi-Cal costs. 	<ul style="list-style-type: none"> Reduced fee by \$30 million. 	<ul style="list-style-type: none"> \$30 million cost.
Provider rates	<ul style="list-style-type: none"> No changes proposed. 	<ul style="list-style-type: none"> Increased rates for anesthesia, radiology, and surgery; in-home adult nursing; optometrists; ambulances; cardiac catheterization; and for physicians' care of California Children's Services patients. 	<ul style="list-style-type: none"> \$39.5 million cost.
Family planning waiver	<ul style="list-style-type: none"> Assumes 90 percent federal funding for the state's family planning program for General Fund savings of \$146.7 million. 	<ul style="list-style-type: none"> Adopted Governor's budget and augmented by a total of \$46.9 million (\$4.7 million General Fund). Assumed additional federal funds for new services. 	<ul style="list-style-type: none"> \$4.7 million cost (plus \$42.2 million federal funds).

Continued



Major Health Provisions General Fund^a

Issue	Governor	Conference Action	Fiscal Impact
Healthy Families			
Program expansion	<ul style="list-style-type: none"> Proposes \$6.8 million all funds (\$2.9 million General Fund) to apply Medi-Cal income deductions in determining eligibility. 	<ul style="list-style-type: none"> Appropriated \$21.8 million all funds (\$8.4 million General Fund) to (1) expand income eligibility from 200 percent to 250 percent of the poverty level, (2) apply the income deductions, and (3) cover legal immigrants who entered the U.S. after 8/22/96. 	<ul style="list-style-type: none"> \$5.5 million cost.
Public Health			
County Medical Services Program	<ul style="list-style-type: none"> Eliminates statutory \$20.2 million General Fund appropriation. 	<ul style="list-style-type: none"> Suspended statutory appropriation for 1999-00 only. 	—
Breast Cancer Early Detection Program	<ul style="list-style-type: none"> Proposes \$29.8 million all funds (\$14.9 million Breast Cancer Control Account and \$14.9 million Proposition 99 funds). 	<ul style="list-style-type: none"> Appropriated \$14.9 million General Fund in lieu of Proposition 99 funds. 	<ul style="list-style-type: none"> \$14.9 million cost.
Expanded Access to Primary Care—primary care clinics	<ul style="list-style-type: none"> Provides \$11.2 million (\$3.7 million General Fund). 	<ul style="list-style-type: none"> Augmented by \$24 million (\$18 million General Fund and \$6 million Proposition 99 funds). 	<ul style="list-style-type: none"> \$18 million cost.
California Healthcare for Indigents Program	<ul style="list-style-type: none"> Proposes \$83.5 million in Proposition 99 funds. 	<ul style="list-style-type: none"> Augmented by \$19.4 million (\$6 million General Fund and \$13.4 million Proposition 99 funds). 	<ul style="list-style-type: none"> \$6 million cost.
Smoking prevention: Media campaign and competitive grants program	<ul style="list-style-type: none"> Proposes \$19.6 million (media campaign) and \$17.7 million (competitive grants) in Proposition 99 funds. 	<ul style="list-style-type: none"> Augmented media campaign by \$10 million and competitive grants by \$19.2 million from Proposition 99 “restricted reserve” funds. 	<ul style="list-style-type: none"> No General Fund impact.

Continued



Major Health Provisions General Fund^a

Issue	Governor	Conference Action	Fiscal Impact
Mental Health			
Children's System of Care	<ul style="list-style-type: none"> Provides \$24.4 million to continue program. 	<ul style="list-style-type: none"> Augmented by \$13.4 million to fully fund Los Angeles County (\$7.4 million), expand program to 11 counties (\$5 million), and provide additional funding for counties with underfunded existing programs (\$1 million). 	<ul style="list-style-type: none"> \$13.4 million cost.
Local incentive grants	<ul style="list-style-type: none"> No proposal. 	<ul style="list-style-type: none"> Augmented by \$10 million to provide grants to counties for training and to establish programs to provide integrated services to severely mentally ill adults at risk of homelessness or incarceration. 	<ul style="list-style-type: none"> \$10 million cost.

^a Unless otherwise indicated.



Major Judicial and Criminal Justice Provisions General Fund

Issue	Governor	Conference Action	Fiscal Impact
Judicial			
Trial Court Funding			
• County share of costs	• Proposes to fully fund statutorily required “buyout” of county costs.	• Approved as proposed.	—
Judiciary			
• Additional appellate and trial court judgeships	• Proposes \$5.5 million for 32 judgeships beginning last quarter of 1999-00 (annual cost of \$22 million).	• Approved as proposed.	—
Department of Justice			
• Crime labs	• Proposes to charge counties for use of forensic lab services.	• Rejected.	• \$3.6 million cost.
Youth and Adult Correctional			
Department of Corrections			
• Inmate and parole caseload	• Proposes full funding.	• Approved as proposed.	—
• Inmate and parole treatment programs	• Proposes to partially implement programs enacted in 1998 legislation.	• Augmented to fully implement and expand programs.	• \$38.7 million cost.
• “Structural” funding shortfall	• Augments \$77 million to address various departmental funding needs.	• Reduced proposal to \$40.7 million.	• \$36.3 million savings.
• Contract medical services, and medical and psychiatric supplies for inmates	• Augments by \$46.9 million to cover increased costs.	• Reduced proposal to \$43.9 million.	• \$3 million savings.
Board of Corrections			
• Federal funds for construction of state and county adult and juvenile detention facilities	• Augments \$75 million (federal funds) for county adult and juvenile detention facilities.	• Approved with modifications to proposed allocation.	—
• Mentally Ill Offender Crime Reduction Grant Programs	• No proposal.	• Augmented for counties to develop programs for mentally ill offenders in jails.	• \$37.7 million cost.
Federal Funds for Incarceration of Undocumented Offenders			
• Offset to state’s costs	• Assumes receipt of \$273 million (increase of \$100 million above current-year level).	• Approved as proposed.	—
Office of Criminal Justice Planning			
• One-time grants to local law enforcement agencies	• Proposed \$61 million for one-time grants for equipment purchases.	• Reduced proposal to \$30 million.	• \$31 million savings.



Major Infrastructure Provisions

Issue	Governor	Conference Action	Fiscal Impact
Infrastructure Bank			
Local infrastructure and economic development	<ul style="list-style-type: none"> Provides \$425 million. 	<ul style="list-style-type: none"> Approved the amount proposed contingent on enactment of legislation allocating the funds for local assistance. Also approved trailer bill language designating use of the funds. 	—
Department of Corrections			
Administrative segregation units	<ul style="list-style-type: none"> Shifts funding provided under Chapter 502, Statutes of 1998 from the General Fund to lease-payment bonds. 	<ul style="list-style-type: none"> Approved as proposed. 	—
Two new prisons	<ul style="list-style-type: none"> Provides \$355 million to acquire property, design and construct one prison, and to design a second prison. 	<ul style="list-style-type: none"> Deleted funding. 	<ul style="list-style-type: none"> \$355 million savings.
Transportation			
Trains and ferries	<ul style="list-style-type: none"> Provides \$75 million for intercity rail, Altamont Express commuter train, and ferries. 	<ul style="list-style-type: none"> Provided \$37.5 million, including \$14 million for Altamont Express and \$6 million for ferries. 	<ul style="list-style-type: none"> \$37.5 million savings.
Resources			
Local flood control subvention (arrears)	<ul style="list-style-type: none"> Provides \$44 million for state payment to local agencies; proposes trailer bill to repeal statutorily scheduled future payments. 	<ul style="list-style-type: none"> Approved \$46 million for 1999-00; rejected trailer bill language proposal. 	<ul style="list-style-type: none"> \$2 million cost in 1999-00; \$86 million cost in 2000-01 through 2001-02.
State parks deferred maintenance	<ul style="list-style-type: none"> Provides \$157 million for deferred maintenance. 	<ul style="list-style-type: none"> Approved as proposed. 	—
Habitat acquisition and river parkway	<ul style="list-style-type: none"> Provides \$32.3 million for habitat acquisition (unscheduled). 	<ul style="list-style-type: none"> Augmented by \$60 million for unscheduled projects, and \$51.4 million for scheduled acquisitions. 	<ul style="list-style-type: none"> \$111.4 million cost.
Purchase of Grizzley Creek and Owl Creek forest lands	<ul style="list-style-type: none"> Provides \$20 million in 1998-99; \$80 million in 1999-00 per Chapter 615, Statutes of 1998. 	<ul style="list-style-type: none"> Reappropriated \$100 million for expenditure between 2000-01 and 2004-05. 	<ul style="list-style-type: none"> \$100 million savings in 1999-00, with obligations due in future years.
Deferred Maintenance			
K-12 Education (Proposition 98)	<ul style="list-style-type: none"> Provides \$143.7 million. 	<ul style="list-style-type: none"> Approved as proposed. 	—



Major Local Government Provisions

Issue	Governor	Conference Action
One-time general purpose local relief	<ul style="list-style-type: none"> • No proposal. 	<ul style="list-style-type: none"> • Appropriated \$150 million: <ul style="list-style-type: none"> — \$75 million to cities and counties on a population basis. — \$75 million to cities, counties, and special districts in proportion to ERAF obligations.
Booking fees	<ul style="list-style-type: none"> • No proposal. 	<ul style="list-style-type: none"> • Annually appropriates funds to cities to offset 1997-98 booking fee payments. Estimated 1999-00 cost of \$50 million.
Public library foundation grants	<ul style="list-style-type: none"> • Provides \$38.8 million in base funding. 	<ul style="list-style-type: none"> • Augmented by \$20 million.
Constitutional Amendment—local government finance reform	<ul style="list-style-type: none"> • No proposal. 	<ul style="list-style-type: none"> • Approved, effective 2000-01, ERAF cap and state buyout of school pro rata share of property tax administration costs if constitutional amendment is approved by November 2000.



Major Resources Provisions General Fund

Governor	Conference Action	Fiscal Impact	
Local flood control subvention (arrears)	<ul style="list-style-type: none"> Provides \$44 million for state payment to local agencies; proposes trailer bill to repeal statutorily scheduled future payments. 	<ul style="list-style-type: none"> Approved \$46 million for 1999-00; rejected trailer bill proposal. 	<ul style="list-style-type: none"> \$2 million cost in 1999-00; \$88 million cost in 2000-01 through 2001-02 (compared to Governor's budget).
State parks deferred maintenance	<ul style="list-style-type: none"> Provides \$157 million for deferred maintenance. 	<ul style="list-style-type: none"> Approved as proposed. 	—
North coast timber harvest enforcement	<ul style="list-style-type: none"> Provides \$7.2 million to enforce Forest Practice Act in North Coast. 	<ul style="list-style-type: none"> Approved as proposed. 	—
Salmon and steelhead trout management	<ul style="list-style-type: none"> Provides \$8 million. 	<ul style="list-style-type: none"> Approved amount. 	—
Marine life management	<ul style="list-style-type: none"> Provides \$2.2 million. 	<ul style="list-style-type: none"> Augmented by \$3 million. 	<ul style="list-style-type: none"> \$3 million cost.
Habitat acquisition and river parkway	<ul style="list-style-type: none"> Provides \$32.3 million for habitat acquisition (unscheduled). 	<ul style="list-style-type: none"> Augmented by \$54.5 million for unscheduled projects, and \$56.7 million for scheduled acquisitions. 	<ul style="list-style-type: none"> \$111.2 million cost.
Purchase of Grizzly Creek and Owl Creek forest lands	<ul style="list-style-type: none"> Provides \$20 million in 1998-99; \$80 million in 1999-00 per Chapter 615, Statutes of 1998. 	<ul style="list-style-type: none"> Reappropriated \$100 million for expenditure between 2000-01 and 2004-05. 	<ul style="list-style-type: none"> \$100 million savings in 1999-00, with obligations due in future years.
Firefighting air tankers	<ul style="list-style-type: none"> Provides \$29.9 million for ten air tankers. 	<ul style="list-style-type: none"> Reduced by \$11.2 million. 	<ul style="list-style-type: none"> \$11.2 million savings.
Fish and Game staffing	<ul style="list-style-type: none"> Provides \$16.6 million for departmental support. 	<ul style="list-style-type: none"> Augmented by \$1.5 million for additional biologists, botanists, and wardens. 	<ul style="list-style-type: none"> \$1.5 million cost.
Integrated water storage investigations	<ul style="list-style-type: none"> Provides \$10 million. 	<ul style="list-style-type: none"> Approved amount with language specifying use of funds. 	—
Groundwater basin inventory	<ul style="list-style-type: none"> No proposal. 	<ul style="list-style-type: none"> Provided \$3 million to update inventory database. 	<ul style="list-style-type: none"> \$3 million cost.

(Continued)



Major Resources Provisions General Fund

	Governor	Conference Action	Fiscal Impact
CAL-FED support	<ul style="list-style-type: none"> Provides \$8 million. 	<ul style="list-style-type: none"> Approved as proposed. 	—
Diesel emissions incentive program	<ul style="list-style-type: none"> No proposal. 	<ul style="list-style-type: none"> Provided \$6 million for incentive grants. 	<ul style="list-style-type: none"> \$6 million cost.
Children's health risk assessment and monitoring	<ul style="list-style-type: none"> Provides \$1.6 million for air-related monitoring and risk assessment guideline review. 	<ul style="list-style-type: none"> Approved amount and augmented by \$1.5 million for school-site monitoring of air and toxic pollutants. 	<ul style="list-style-type: none"> \$1.5 million cost.
Public health goals and risk assessment	<ul style="list-style-type: none"> Provides \$5.3 million for activities including public health goal adoption and listing of Proposition 65 substances. 	<ul style="list-style-type: none"> Approved amount and augmented by \$3.2 million. 	<ul style="list-style-type: none"> \$3.2 million cost.
Cal-EPA agency-level enforcement	<ul style="list-style-type: none"> No proposal. 	<ul style="list-style-type: none"> Provided \$2 million for enforcement. 	<ul style="list-style-type: none"> \$2 million cost.
Hazardous waste enforcement	<ul style="list-style-type: none"> No proposal. 	<ul style="list-style-type: none"> Provided \$2.5 million for enforcement. 	<ul style="list-style-type: none"> \$2.5 million cost.
Pest management alliance grant program	<ul style="list-style-type: none"> No proposal. 	<ul style="list-style-type: none"> Provided \$3 million for grants. 	<ul style="list-style-type: none"> \$3 million cost.
Staff to develop maximum pollution levels (TMDL)	<ul style="list-style-type: none"> Provides \$3.9 million for additional staff. 	<ul style="list-style-type: none"> Approved amount contingent on legislation establishing program parameters. 	—
State Water Resources Control Board support	<ul style="list-style-type: none"> Provides \$46.8 million for various board activities. 	<ul style="list-style-type: none"> Augmented by \$10.9 million, including \$6.5 million for waste discharge permitting and inspections, \$4 million for ambient water quality monitoring, and \$0.4 million for planning; made one-third funding contingent on trailer bill language to address various enforcement efforts. 	<ul style="list-style-type: none"> \$10.9 million cost.
Port dredging	<ul style="list-style-type: none"> No proposal. 	<ul style="list-style-type: none"> Provided \$12 million to pay nonfederal share of costs of port dredging. 	<ul style="list-style-type: none"> \$12 million cost.