



**2000-01 Budget Bill  
Conference Committee Version**



# The Bottom Line

## 2000-01 General Fund Condition

(In Millions)

	Governor's Budget (May Revision)	Conference Committee	Difference
Prior-year fund balance	\$7,512	\$7,585	\$73
Revenues and transfers	73,791	73,991	200
<b>Total resources available</b>	<b>\$81,303</b>	<b>\$81,576</b>	<b>\$273</b>
Expenditures	\$78,242	\$79,435	\$1,193
Ending fund balance	\$3,061	\$2,141	-\$920
Encumbrances	\$592	\$592	—
Set asides:			
Litigation	\$500	—	-\$500
Legislation	200	—	-200
<b>Reserve</b>	<b>\$1,769</b>	<b>\$1,549</b>	<b>-\$220</b>

- **Reserve.** The Conference Committee version includes a reserve of \$1.5 billion (roughly 2 percent of expenditures), about \$220 million less than the Governor’s May Revision proposal.
- **Revenues.** The Conference Committee version assumes total revenues and transfers of \$74 billion, which is \$200 million higher than the May Revision. The higher amount reflects the Conference Committee adoption of the LAO’s revenue estimates (\$478 million higher than the May Revision in the budget year), partly offset by higher tax relief.
- **Expenditures.** The Conference Committee’s General Fund expenditure total is \$79.4 billion or \$1.2 billion higher than the May Revision. The increase reflects higher spending in several program areas, including Proposition 98, resources, capital outlay, local law enforcement, and health.
- **Set-Asides.** The Governor’s May Revision included set-asides of \$500 million for litigation and \$200 million for legislation. The Conference Committee version does not include these set-asides.



# Key Features of the 2000-01 Budget Conference Committee Version General Fund

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## Tax Relief

- Tax relief totaling \$2.7 billion (about \$140 million more than the May Revision).
- Includes a one-time sales tax rebate, ongoing personal income tax rate reductions, an ongoing credit against teachers' salaries, an ongoing child care credit, and a variety of targeted tax reductions.

## Education

- Total General Fund Proposition 98 spending of \$27.9 billion in the current year (\$34 million less than the May Revision), and \$30.6 billion in 2000-01 (\$385 million more than the May Revision.)
- K-12 per pupil spending of \$6,716—up 11.5 percent from the level appropriated in the *1999-00 Budget Act*.
- K-12 provisions include a \$1.8 billion increase in general purpose funding (deficit reduction), a block grant for teacher recruitment and retention, and an augmentation for beginning teacher salaries.
- In higher education, includes substantial funding increases for University of California, California State University, and California Community Colleges, as well as funding for expanded financial aid.

## Transportation

- Provides \$2 billion from a combination of General Fund expenditures and diversion of sales tax revenues on gas (\$60 million more than the May Revision).

## Other

- **Housing.** Provides \$575 million (\$75 million more than the May Revision) for various housing-related programs, with an emphasis on multifamily housing.
- **Park Bonds.** Provides \$1.9 billion for various projects. Governor had proposed \$674 million.
- **Juvenile Justice Programs.** Provides \$121 million for counties for juvenile crime reduction and delinquency prevention programs (in trailer bill).



# Proposed Tax Package

The agreement approved by the Conference Committee includes approximately \$2.7 billion in tax relief for 2000-01, consisting of one-time reductions and rebates and ongoing programs.

**(In Millions)**

Item	One-Time	Ongoing
Sales tax rebate	\$1,700	—
Personal Income Tax rate reductions	—	\$300
Teacher tax credit	—	200
Child care tax credit	—	200
Senior citizens' property tax assistance	154	—
Targeted tax reductions	—	94
Tax Conference Committee <sup>a</sup>	—	50
<b>Totals</b>	<b>\$1,854</b>	<b>\$844</b>

<sup>a</sup> To be determined.



## One-Time Tax Relief

- The proposed budget calls for one-time sales tax rebates totaling \$1.7 billion. Rebates would range from \$50 to \$125, depending on income, and would be doubled for married couples filing joint returns.



## Ongoing Tax Relief

- Credentialed teachers in K-12 public schools would receive a tax credit ranging from \$250 (for those with four or five years of experience), to \$1,500 (for those with 20 or more years). The tax credit would be limited to 50 percent of the tax liability attributable to teaching activities.



## Major Conference Actions K-12 Education—Proposition 98

(In Millions)

	Governor	Conference	Difference
Deficit reduction	\$1,840	\$1,840	—
Child care	1,049	1,180	\$131
Education technology <sup>a</sup>	550	175	-375
Teacher performance awards <sup>a</sup>	500	350	-150
Teacher performance awards/low-performing schools:			
Ongoing	100	100	—
Current year <sup>a</sup>	100	50	-50
Summer school/after school programs	379	419	40
School improvement awards	136	131	-5
Teacher recruitment/retention programs	92	24	-68
Teacher recruitment/retention block grant	—	119	119
District/school site block grant <sup>a</sup>	—	425	425
Beginning teacher salary augmentation <sup>b</sup>	—	55	55

<sup>a</sup> One-time funds.  
<sup>b</sup> \$20 million of these costs are to be paid from current-year savings in the beginning teacher salary program.

- The conference version spends \$27.4 billion from the General Fund for Proposition 98 K-12 programs. This is \$250 million more than proposed in the Governor’s May Revision.
- The conference version approves the May Revision proposal for \$1.84 billion for “deficit reduction.” This action fully funds K-12 revenue limits, commencing with the budget year.
- The conference version provides less funding for teacher and school performance awards tied to improved school scores on the Academic Performance Index, and provides more funding for various other priorities—including child care, summer school/after school, and block grants.
- The conference version provides \$6,716 in Proposition 98 funding per pupil. This is \$691, or 11.5 percent, above the level appropriated in the *1999-00 Budget Act*.



# Major Conference Actions Transportation Programs General Fund

Issue	Governor	Action	Fiscal Impact
Transportation Congestion Relief	<ul style="list-style-type: none"> <li>Provides \$1.94 billion in trailer legislation—\$1.5 billion from General Fund (GF) in 2000-01 and \$440 million annually from gasoline sales tax from 2000-01 through 2004-05 for specific projects.</li> </ul>	<ul style="list-style-type: none"> <li>Provided \$2 billion in trailer legislation, from a combination of one-time GF money and ongoing funds from gasoline sales tax revenues for specific uses.</li> </ul>	<ul style="list-style-type: none"> <li>\$60 million cost.</li> </ul>
Intercity and commuter rail	<ul style="list-style-type: none"> <li>Provides \$121 million for passenger rail improvements.</li> </ul>	<ul style="list-style-type: none"> <li>Approved as budgeted.</li> </ul>	<ul style="list-style-type: none"> <li>—</li> </ul>
San Francisco Bay Area Water Transit Authority	<ul style="list-style-type: none"> <li>Provides \$12 million (Public Transportation Account [PTA]) for planning a ferry transit system.</li> </ul>	<ul style="list-style-type: none"> <li>Provided \$12 million (GF), with half of the amount contingent on receipt of work plan.</li> </ul>	<ul style="list-style-type: none"> <li>\$12 million GF cost, \$12 million PTA savings.</li> </ul>
High-Speed Rail Authority—environmental planning work	<ul style="list-style-type: none"> <li>Provides \$1 million (PTA) for support of authority (and \$5 million [GF] to start environmental planning work in Governor’s transportation plan).</li> </ul>	<ul style="list-style-type: none"> <li>Approved as budgeted.</li> </ul>	<ul style="list-style-type: none"> <li>—</li> </ul>
Abandoned Railroad Account	<ul style="list-style-type: none"> <li>No proposal.</li> </ul>	<ul style="list-style-type: none"> <li>Provided \$5 million GF.</li> </ul>	<ul style="list-style-type: none"> <li>\$5 million GF cost.</li> </ul>
California Highway Patrol—data collection on racial profiling	<ul style="list-style-type: none"> <li>No proposal.</li> </ul>	<ul style="list-style-type: none"> <li>Provided \$5 million GF for local grants.</li> </ul>	<ul style="list-style-type: none"> <li>\$5 million GF cost.</li> </ul>



# Major Conference Actions Social Services Programs General Fund

Issue	Governor	Conference Action	Fiscal Impact
<b>California Work Opportunity and Responsibility to Kids (CalWORKs)</b>			
County Performance Incentives	<ul style="list-style-type: none"> <li>Places \$294 million (federal Temporary Assistance for Needy Families [TANF] funds) in a <i>reserve</i> for payment of previously earned incentives or other purposes approved by the administration.</li> </ul>	<ul style="list-style-type: none"> <li><i>Appropriated</i> \$250 million to counties for payment of performance incentives.</li> </ul>	<ul style="list-style-type: none"> <li>Reduces prior year obligation to counties by \$250 million (federal TANF funds).</li> </ul>
Definition of Needy Families	<ul style="list-style-type: none"> <li>Continues existing definition which limits fiscal incentive expenditures to CalWORKs-eligible families.</li> </ul>	<ul style="list-style-type: none"> <li>Expanded definition to permit expenditure of up to 25 percent of performance incentives on working poor families not eligible for CalWORKs.</li> </ul>	<ul style="list-style-type: none"> <li>No fiscal impact (fiscal incentive funds are capped).</li> </ul>
Federal TANF Funds Reserve	<ul style="list-style-type: none"> <li>Establishes separate reserve of \$45 million (in addition to \$294 million noted above) that may be used for any CalWORKs purpose except the payment of fiscal incentives.</li> </ul>	<ul style="list-style-type: none"> <li>Provided reserve of \$56 million. Reserve may be expended on (1) funding for employment services under certain circumstances and (2) other unanticipated program costs, subject to legislative review.</li> </ul>	<ul style="list-style-type: none"> <li>No cost or savings.</li> </ul>
Maintenance-of-Effort (MOE) Spending	<ul style="list-style-type: none"> <li>Recognizes \$491 million in General Fund spending outside CalWORKs as countable toward the MOE.</li> </ul>	<ul style="list-style-type: none"> <li>Recognized \$25 million additional health care and child care expenditures as countable toward the MOE.</li> </ul>	<ul style="list-style-type: none"> <li>Savings of \$25 million by substituting TANF funds for General Fund.</li> </ul>
Welfare-to-Work Matching Funds	<ul style="list-style-type: none"> <li>Provides \$60 million in matching funds.</li> </ul>	<ul style="list-style-type: none"> <li>Reduced by \$10 million.</li> </ul>	<ul style="list-style-type: none"> <li>\$10 million savings</li> </ul>
Automobile Rule	<ul style="list-style-type: none"> <li>Follows current law whereby the first \$4,650 in market value is exempt.</li> </ul>	<ul style="list-style-type: none"> <li>Exempted entire value of one vehicle from consideration under the CalWORKs asset test.</li> </ul>	<ul style="list-style-type: none"> <li>Net cost of \$17 million (federal TANF funds).</li> </ul>
Community service	<ul style="list-style-type: none"> <li>Continues current law—no work allowance.</li> <li>Continues current law: limits county ability to divert grants for wage-based community service.</li> </ul>	<ul style="list-style-type: none"> <li>Exempted wages funded by grants from the earned income disregard. Provided a \$50 monthly work allowance to pay for work-related expenses.</li> <li>Adopted trailer bill removing barriers to wage-based community service.</li> </ul>	<ul style="list-style-type: none"> <li>\$18 million cost (federal TANF funds).</li> <li>—</li> </ul>

(continued)



# Major Conference Actions Social Services Programs General Fund

*(Continued)*

Issue	Governor	Conference Action	Fiscal Impact
Drug offenders	<ul style="list-style-type: none"> <li>Follows current law whereby drug offenders are ineligible for CalWORKs services and grants. (Children in such families are eligible for grants.)</li> </ul>	<ul style="list-style-type: none"> <li>Made certain drug offenders eligible for CalWORKs services and grants if they remain drug free.</li> </ul>	<ul style="list-style-type: none"> <li>No augmentation provided. Fiscal impact unknown.</li> </ul>
Class room preparation for self-initiated programs	<ul style="list-style-type: none"> <li>Follows current law whereby class room preparation time is not counted toward the 32 to 35 hour weekly CalWORKs participation requirement.</li> </ul>	<ul style="list-style-type: none"> <li>Allowed CalWORKs recipients in educational or vocational programs to count up to 6 hours per week of class room preparation time towards their participation requirement.</li> </ul>	<ul style="list-style-type: none"> <li>Probably minor costs or savings (General Fund/TANF funds).</li> </ul>
<b>Food Stamps</b>			
California Food Assistance Program for legal noncitizens	<ul style="list-style-type: none"> <li>Follows current law whereby expanded program for post-August 1996 immigrants sunsets in September 2000.</li> </ul>	<ul style="list-style-type: none"> <li>Delayed sunset by one year.</li> </ul>	<ul style="list-style-type: none"> <li>\$3.7 million cost in budget year.</li> </ul>
<b>SSI/SSP</b>			
Cash Assistance Program for immigrants	<ul style="list-style-type: none"> <li>Follows current law whereby expanded program for post-August 1996 immigrants sunsets in September 2000.</li> </ul>	<ul style="list-style-type: none"> <li>Delayed sunset by one year.</li> </ul>	<ul style="list-style-type: none"> <li>No impact in budget year due to provision which deems sponsor's income to the immigrant.</li> </ul>
<b>Foster Care</b>			
Cost-of-living adjustment (COLA)	<ul style="list-style-type: none"> <li>Provided \$10.3 million for a 2.96 percent COLA.</li> </ul>	<ul style="list-style-type: none"> <li>Approved as budgeted.</li> </ul>	<ul style="list-style-type: none"> <li>—</li> </ul>
Wage pass-through for foster family agency and group home social workers	<ul style="list-style-type: none"> <li>No proposal.</li> </ul>	<ul style="list-style-type: none"> <li>Provided 10 percent wage pass-through effective January 2001.</li> </ul>	<ul style="list-style-type: none"> <li>\$5.5 million cost.</li> </ul>
<b>Child Welfare Services (CWS)</b>			
CWS augmentation	<ul style="list-style-type: none"> <li>Provided \$34 million to increase the number of CWS social workers.</li> </ul>	<ul style="list-style-type: none"> <li>Augmented by \$5.7 million.</li> </ul>	<ul style="list-style-type: none"> <li>\$5.7 million cost.</li> </ul>

**(continued)**





# Major Conference Actions Social Services Programs General Fund

(Continued)

Issue	Governor	Conference Action	Fiscal Impact
<b>In-Home Supportive Services</b>			
<b>Wage Increase</b>			
• Public Authority	• Provided \$56.4 million to increase hourly wage to \$7.50 (\$1.75 above minimum wage).	• Approved as budgeted.	• —
• Nonpublic Authority	• Provided \$7.5 million to increase hourly wage by 3 percent.	• Made the increase effective January 2001.	• \$3.7 million savings.
Health benefits for uninsured Public Authority workers	• Provided \$34.2 million for health benefits (equivalent to 60 cents per hour).	• Approved as budgeted.	• —
<b>Employment Development</b>			
Caregiver Training: (See "Aging With Dignity" table.)			
Faith-based organizations	• Proposes \$10 million for competitive grants to faith-based organizations for job preparation demonstration projects.	• Reduced by \$5 million.	• \$5 million savings.
<b>Rehabilitation</b>			
20 percent wage increase for Work Activity Program	• No proposal.	• Provided funds for wage pass-through to Work Activity Program direct care staff.	• \$5.5 million cost.
<b>Department of Aging</b>			
Long-Term Care Innovation Grants: (See "Aging With Dignity" table.)			
Community-Based Programs expansion	• Continued \$84 million General Fund for various programs.	• Augmented by \$18 million to expand programs including Multipurpose Senior Services Program; Alzheimer Day Resources Centers; Adult Day Health Care; Linkages; Foster Grandparents; Senior Companion; Respite Care; Ombudsman; Home Delivered Meals; and Brown Bag.	• \$18 million cost.



# Major Conference Actions Health Programs General Fund

Issue	Governor	Conference Action	Fiscal Impact
<b>Medi-Cal and California Children's Services</b>			
Provider rates (see separate table for detail)	<ul style="list-style-type: none"> <li>Proposes \$455.8 million for rate increases for various types of providers and services.</li> </ul>	<ul style="list-style-type: none"> <li>Approved all proposed rate increases plus some augmentations and additions.</li> </ul>	<ul style="list-style-type: none"> <li>\$66.3 million cost.</li> </ul>
Disproportionate share hospital "administrative fee"	<ul style="list-style-type: none"> <li>Includes funds to backfill \$55 million reduction in fee revenue for Medi-Cal.</li> </ul>	<ul style="list-style-type: none"> <li>Approved as budgeted.</li> </ul>	<ul style="list-style-type: none"> <li>—</li> </ul>
Dental benefits	<ul style="list-style-type: none"> <li>No changes proposed (includes one <i>initial</i> basic examination).</li> </ul>	<ul style="list-style-type: none"> <li>Augmented to provide two basic dental examinations and cleanings annually.</li> </ul>	<ul style="list-style-type: none"> <li>\$22.5 million cost.</li> </ul>
Eligibility for families and children	<ul style="list-style-type: none"> <li>Proposes \$115.8 million to eliminate quarterly reporting requirement (\$115 million), and extend coverage to former foster care youths (\$0.8 million).</li> </ul>	<ul style="list-style-type: none"> <li>Recognized \$49.4 million of savings from phase-in of the case-load impact of eliminating quarterly reports and augmented by \$9 million for initial state screenings of mail-in family applications.</li> </ul>	<ul style="list-style-type: none"> <li>\$40.4 million savings.</li> </ul>
Eligibility for elderly, blind, and disabled	<ul style="list-style-type: none"> <li>Increases income limit to 100 percent of poverty level.</li> </ul>	<ul style="list-style-type: none"> <li>Increased income limit to equivalent of 133 percent of poverty level.</li> </ul>	<ul style="list-style-type: none"> <li>\$21.1 million cost.</li> </ul>
Children's hospitals	<ul style="list-style-type: none"> <li>No changes proposed.</li> </ul>	<ul style="list-style-type: none"> <li>Augmented for equipment and capital improvements.</li> </ul>	<ul style="list-style-type: none"> <li>\$12 million cost.</li> </ul>
Medi-Cal Provider Fraud Staff	<ul style="list-style-type: none"> <li>Proposes 245 additional staff and \$20.7 million (all funds).</li> </ul>	<ul style="list-style-type: none"> <li>Approved 182.2 positions (reduced by 62.8 positions).</li> </ul>	<ul style="list-style-type: none"> <li>\$2.1 million savings.</li> </ul>
<b>Public Health</b>			
Smoking Cessation Services	<ul style="list-style-type: none"> <li>Proposes \$10 million (\$8.9 million General Fund) to implement smoking cessation services targeted at specified population.</li> </ul>	<ul style="list-style-type: none"> <li>Rejected proposal.</li> </ul>	<ul style="list-style-type: none"> <li>\$8.9 million savings.</li> </ul>
Various community-based clinic programs	<ul style="list-style-type: none"> <li>Proposes \$3.9 million from the General Fund to provide a 10 percent increase.</li> </ul>	<ul style="list-style-type: none"> <li>Augmented by almost 44 percent, including \$8.6 million of Proposition 99 funding.</li> </ul>	<ul style="list-style-type: none"> <li>\$4.5 million cost.</li> </ul>
Dental Infrastructure for Community-Based Clinics	<ul style="list-style-type: none"> <li>Provides \$6 million General Fund for general infrastructure grants to qualifying clinics.</li> </ul>	<ul style="list-style-type: none"> <li>Augmented for <i>dental</i> infrastructure of community-based clinics.</li> </ul>	<ul style="list-style-type: none"> <li>\$15 million (one-time) cost.</li> </ul>
HIV/AIDS programs	<ul style="list-style-type: none"> <li>Proposes \$2.4 million (all funds) for HIV resistance testing.</li> </ul>	<ul style="list-style-type: none"> <li>Augmented for various HIV/AIDS activities.</li> </ul>	<ul style="list-style-type: none"> <li>\$11.8 million cost.</li> </ul>
<b>(continued)</b>			



# Major Conference Actions Health Programs General Fund

(Continued)

Issue	Governor	Conference Action	Fiscal Impact
Asthma Program	<ul style="list-style-type: none"> <li>Proposes \$2.1 million in Proposition 10 funds for asthma program for children ages 0 to 5.</li> </ul>	<ul style="list-style-type: none"> <li>Augmented to establish a state-funded asthma program, not exclusive to young children.</li> </ul>	<ul style="list-style-type: none"> <li>\$9 million cost.</li> </ul>
Public health subvention	<ul style="list-style-type: none"> <li>Provides \$1 million General Fund.</li> </ul>	<ul style="list-style-type: none"> <li>Augmented to increase subvention.</li> </ul>	<ul style="list-style-type: none"> <li>\$9.5 million cost.</li> </ul>
<b>Healthy Families</b>			
Caseload Increase	<ul style="list-style-type: none"> <li>Proposes \$483.5 million (\$180.7 million General Fund) to support enrollment of 100 percent of all eligible children by the end of 2000-01.</li> </ul>	<ul style="list-style-type: none"> <li>Reduced appropriation to reflect the projected enrollment of 80 percent of eligible children by the end of 2000-01.</li> </ul>	<ul style="list-style-type: none"> <li>\$22 million savings.</li> </ul>
Application assistance by health plans	<ul style="list-style-type: none"> <li>Proposes change of law to allow participating health plans to assist families in their application process, under certain conditions.</li> </ul>	<ul style="list-style-type: none"> <li>Approved with modifications.</li> </ul>	<ul style="list-style-type: none"> <li>—</li> </ul>
<b>Mental Health</b>			
Integrated services for the homeless	<ul style="list-style-type: none"> <li>Provides \$55.6 million General Fund (\$35.6 million per year for three years and \$20 million one-time) for continuation and expansion of AB 34 (Steinberg) demonstration projects.</li> </ul>	<ul style="list-style-type: none"> <li>Provided \$62.5 million General Fund (including \$20 million one-time).</li> </ul>	<ul style="list-style-type: none"> <li>\$6.9 million cost.</li> </ul>
Children's System of Care	<ul style="list-style-type: none"> <li>Provides \$25.2 million General Fund for 50 counties.</li> </ul>	<ul style="list-style-type: none"> <li>Provided full funding in all counties.</li> </ul>	<ul style="list-style-type: none"> <li>\$15.5 million cost.</li> </ul>
Early Intervention Program	<ul style="list-style-type: none"> <li>No proposal.</li> </ul>	<ul style="list-style-type: none"> <li>Established three-year pilot program for preschool-aged children and their families.</li> </ul>	<ul style="list-style-type: none"> <li>\$3 million cost.</li> </ul>
Suicide prevention	<ul style="list-style-type: none"> <li>No proposal.</li> </ul>	<ul style="list-style-type: none"> <li>Provided \$5.5 million.</li> </ul>	<ul style="list-style-type: none"> <li>\$5.5 million cost.</li> </ul>
Crisis stabilization	<ul style="list-style-type: none"> <li>No proposal.</li> </ul>	<ul style="list-style-type: none"> <li>Provided \$6 million.</li> </ul>	<ul style="list-style-type: none"> <li>\$6 million cost.</li> </ul>
Early Mental Health Initiative	<ul style="list-style-type: none"> <li>Continues \$15 million for early mental health intervention.</li> </ul>	<ul style="list-style-type: none"> <li>Augmented and adopted language enabling department to expand program to grades 4 through 6.</li> </ul>	<ul style="list-style-type: none"> <li>\$5 million cost.</li> </ul>

(continued)



# Major Conference Actions Health Programs General Fund

(Continued)

Issue	Governor	Conference Action	Fiscal Impact
Supportive housing	<ul style="list-style-type: none"> <li>Proposes \$25 million increase (allocated to two departments).</li> </ul>	<ul style="list-style-type: none"> <li>Approved increase, authorizing the Department of Mental Health to transfer funds to Department of Housing and Community Development.</li> </ul>	<ul style="list-style-type: none"> <li>—</li> </ul>
Respite care	<ul style="list-style-type: none"> <li>No proposal.</li> </ul>	<ul style="list-style-type: none"> <li>Provided funds for respite services for family caregivers of mentally ill.</li> </ul>	<ul style="list-style-type: none"> <li>\$10 million cost.</li> </ul>
Alternative residential treatment	<ul style="list-style-type: none"> <li>No proposal.</li> </ul>	<ul style="list-style-type: none"> <li>Provided funds to develop residential alternatives to Institutions for Mental Disease.</li> </ul>	<ul style="list-style-type: none"> <li>\$8 million cost.</li> </ul>
<b>Drug and Alcohol Programs</b>			
Adult treatment	<ul style="list-style-type: none"> <li>Provides \$86 million General Fund for various treatment programs for adults and children.</li> </ul>	<ul style="list-style-type: none"> <li>Augmented to expand adult treatment services.</li> </ul>	<ul style="list-style-type: none"> <li>\$10 million cost.</li> </ul>
Youth treatment	<ul style="list-style-type: none"> <li>Provides \$86 million General Fund for various treatment programs for adults and children (estimated \$15 million for youth).</li> </ul>	<ul style="list-style-type: none"> <li>Expanded youth treatment services.</li> </ul>	<ul style="list-style-type: none"> <li>\$10 million cost.</li> </ul>
<b>Developmental Services</b>			
Rate increases	<ul style="list-style-type: none"> <li>Provides \$49.7 million (including Medi-Cal costs) to increase rates for day and respite program staff, supported living services, community care facilities, and shift nursing services (ranging from 3 to 10 percent).</li> </ul>	<ul style="list-style-type: none"> <li>Augmented to provide 20 percent rate increases for day and respite program direct care staff and supported living services; provided 10 percent rate increase for "look-alike" day program direct care staff.</li> </ul>	<ul style="list-style-type: none"> <li>\$36 million cost.</li> </ul>
Loss of federal funds at developmental centers	<ul style="list-style-type: none"> <li>Provides \$39.9 million General Fund to backfill for loss of federal Medicaid funds due to decertification of three developmental centers.</li> </ul>	<ul style="list-style-type: none"> <li>Approved as budgeted.</li> </ul>	<ul style="list-style-type: none"> <li>—</li> </ul>
Minor capital outlay at developmental centers	<ul style="list-style-type: none"> <li>Provides \$37.1 million General Fund on one-time basis for various capital projects.</li> </ul>	<ul style="list-style-type: none"> <li>Reduced by \$10 million.</li> </ul>	<ul style="list-style-type: none"> <li>\$10 million savings.</li> </ul>



# Major Conference Actions Governor's Aging With Dignity Initiative General Fund

Governor's Budget Proposal	Conference Action	Fiscal Impact
<b>Community Programs</b>		
<i>Caregiver tax credit</i> —\$48 million revenue loss.	• No specific action, but assumes revenue loss.	• —
<i>Medi-Cal</i> —\$2.4 million to increase income limit for aged, blind, or disabled beneficiaries to 100 percent of the poverty level.	• Increased income limit to equivalent of 133 percent of poverty level.	• \$21.1 million cost.
<i>Department of Aging</i> —\$20 million for long-term care innovation grants.	• Decreased funding by \$5 million.	• \$5 million savings.
<i>Department of Aging</i> —\$2 million for senior housing information and support center and for wellness education campaign.	• Approved, with budget bill language modifying scope.	• —
<b>In-Home Supportive Services</b>		
<i>Public Authority wage increase</i> —\$56.4 million to provide state share of cost for hourly wage of \$7.50.	• Approved as budgeted.	• —
<i>Health benefits for uninsured Public Authority workers</i> —\$34.2 million to provide state share of cost for Public Authority worker health benefits.	• Approved as budgeted.	• —
<i>Non-Public Authority wage increase</i> —provided \$7.5 million to increase the hourly wage 3 percent.	• Made wage increase effective January 2001.	• \$3.7 million savings.
<b>Improving Quality of Care and Enforcement</b>		
<i>Employment Development Department</i> —\$50 million (\$35 million General Fund; \$15 million federal funds) to recruit and train nursing assistants.	• Reduced by \$25 million.	• \$25 million savings (offset by other increases for welfare-to-work activities to meet federal maintenance-of-effort requirement).
<i>Medi-Cal</i> —\$42.2 million for 5 percent pay increase for nursing home direct-care workers.	• Augmented to provide 7.5 percent increase and also include support staff.	• \$24.8 million cost.
<i>Medi-Cal</i> —\$8 million for nursing home quality awards.	• Approved amount and required criteria to be developed in conjunction with stakeholders.	• —
<i>Department of Health Services</i> —\$9.1 million for additional nursing home inspection and enforcement activities	• Approved as budgeted.	• —



# Major Conference Actions Rate Increases for Medi-Cal and Related Health Programs General Fund

(In Millions)

	Amount	Difference From Governor
<b>Long-Term Care</b>		
Annual rate adjustment (10.1 percent)	\$161.4	—
Wage pass-through—7.5 percent for both direct care and support staff (Governor proposed a 5 percent wage pass-through for direct care staff only)	67.0	\$24.8
Intermediate care facilities for the developmentally disabled	8.4	5.4
Distinct-part nursing facilities—one-time rate adjustment	10.7	10.7
Subtotals	\$247.5	\$40.8
<b>Physicians</b>		
Child Health and Disability Prevention Program—20 percent increase for health screening exams	\$19.2	—
California Children’s Services and Genetically Handicapped Persons Program—40 percent and 20 percent increases, respectively	11.4	\$5.0
Emergency and On-Call Physicians—40 percent increase	10.5	—
Neonatal and perinatal services—30 percent and 11 percent increases, respectively	8.0	—
Other physician services—15.6 percent average increase	84.9	—
Subtotals	\$134.0	\$5.0
<b>Other Medical Services</b>		
Other (psychologists, physical therapists, audiologists, respiratory care, chiropractors, mammograms, and Pap smears)—increases of 10 percent to 130 percent	\$12.8	\$2.6
Nonemergency medical transportation—20 percent increase	4.6	—
Home Health Services—10 percent rate increase	9.9	—
Various other services	4.0	—
Subtotals	\$31.3	\$2.6
<b>Dental</b>		
Funding for average increase of 10 percent (Governor proposed 6.8 percent)	\$27.0	\$9.3
<b>Hospitals</b>		
California Children’s Services, Special Care Centers—20 percent increase for team evaluation visits, approximate 25 percent increase for other outpatient visits	\$12.5	\$7.5
Small and rural hospitals—increase outpatient rates	3.0	1.0
Subtotals	\$15.5	\$8.5
<b>Medi-Cal Managed Care Plans</b>		
Annual rate adjustments/contract renegotiations—4.8 percent average increase	\$66.9	—
<b>Totals</b>	\$522.1	\$66.3



# Major Conference Actions

## Judicial and Criminal Justice Programs

### General Fund

Issue	Governor	Action	Fiscal Impact
<b>Trial Court Funding</b>			
Employee salary increases	Proposed \$57.5 million to fully fund 1999-00 and 2000-01 increases.	Approved as budgeted.	• —
Trial court technology	Proposed augmentations totaling \$77.4 million for various court technology projects.	Approved as budgeted.	• —
<b>Department of Corrections</b>			
Inmate/parolee service and supervision enhancements	Proposed \$26.9 million to provide variety of enhancements.	Augmented for additional enhancements for parolees and sex offenders.	• \$14 million cost.
<b>Juvenile Justice Programs (various departments)</b>			
Juvenile detention facilities, construction/renovation	Proposed \$75 million.	Approved as budgeted.	• —
Adult and juvenile detention facilities, construction/renovation	Proposed distributing state's share of federal funds (\$37.5 million) to counties.	Approved, but directed all funds for juvenile detention facilities.	• —
Juvenile Challenge and Repeat Offender Prevention Grant Programs	Proposed extending existing pilot projects (\$35 million).	Approved as budgeted.	• —
Juvenile crime response and delinquency prevention programs	No proposal.	Augmented by \$121.3 million for counties (in trailer bill).	• \$121.3 million cost.
<b>Local Law Enforcement Programs (various departments)</b>			
Mentally Ill Offender Crime Reduction Grant Program	Proposed \$50 million for additional grants to counties.	Approved with modified distribution of funds.	• —
Los Angeles crime laboratory	Proposed \$96 million.	Approved and specified that lab should serve southern California region.	—
DNA profiling	Proposed \$50 million for assistance to local law enforcement agencies.	Approved as budgeted.	• —
Developing Safety Through Arms Recovery Management (DISARM) Program	No proposal.	Provided \$7.5 million for counties.	• —
Law enforcement equipment grants	Proposed \$100 million for competitive grants.	Reduced to \$75 million; and modified to distribute funds to all law enforcement agencies.	• \$25 million savings.
Citizens' Option for Public Safety (COPS)	Proposed \$121 million and extended for five years.	Approved and extended for four years (in trailer bill).	• —



# Major Conference Actions Resources Programs General Fund

Issue	Governor	Conference Action	Fiscal Impact
<b>Water and Flood Control</b>			
Water bond (Proposition 13)	• Provides \$754 million.	• Approved as budgeted.	• —
CALFED Bay-Delta water projects and programs	• Provides \$135 million.	• Approved amount, but made expenditures contingent on enactment of statute.	• —
Water storage studies	• Provides \$20 million.	• Approved as budgeted.	• —
Local flood control subventions	• Provides \$44 million.	• Augmented by \$68 million.	• \$68 million cost.
Stormwater runoff control	• Provides \$500,000 (\$6.1 million all funds).	• Augmented by \$7.5 million.	• \$7.5 million cost.
Water pollution	• Provides \$6.9 million (\$10.8 million all funds) for plans (TMDLs) to address pollution in impaired water bodies.	• Augmented by \$15.5 million.	• \$15.5 million cost.
<b>Parks</b>			
Park bond (Proposition 12)	• Provides \$674 million for projects and support costs.	• Augmented by \$1.3 billion.	• —
Park fees	• Provides \$36.6 million to backfill reduction in state park fees.	• Augmented by \$10 million.	• \$10 million cost.
Park maintenance	• Provides \$12 million for ongoing maintenance.	• Augmented by \$15 million.	• \$15 million cost.
<b>Habitat and Coastal Protection</b>			
Habitat acquisition and restoration	• Provides a total of \$107.9 million.	• Augmented by \$5.8 million.	• \$5.8 million cost.
UC Merced	• Provides \$43.8 million for environmental review and habitat acquisition.	• Approved as budgeted.	• —
Beach protection and restoration	• No proposal.	• Augmented by \$10 million.	• \$10 million cost.

(continued)





# Major Conference Actions Resources Programs General Fund

(Continued)

Issue	Governor	Conference Action	Fiscal Impact
<b>Air Pollution</b>			
Old school bus replacement	• Provides \$50 million.	• Approved as budgeted.	• —
Diesel emissions reduction (Air Resources Board); alternative fuel infrastructure (Energy Commission)	• Provides \$47.5 million (\$55.4 million all funds).	• Approved as budgeted.	• —
<b>Other</b>			
Department of Fish and Game—support	• Provides \$68.1 million for support of various programs.	• Augmented by \$25.6 million.	• \$25.6 million cost.
Firefighters and firefighting training capacity	• No proposal.	• Provided \$4.5 million for additional firefighters and firefighting training.	• \$4.5 million cost.
Auburn Dam tunnel closure	• No proposal.	• Provided \$8 million.	• \$8 million cost.
Conservation crew reactivation	• No proposal.	• Provided \$4.6 million to reactivate 17 crews.	• \$4.6 million cost.
Sustainable agriculture research grants	• Provides \$1 million to be allocated by Department of Pesticide Regulation (\$1.5 million all funds).	• Augmented by \$5.2 million (and an additional \$6.8 million in the Department of Food and Agriculture).	• \$12 million cost.
Brownfields redevelopment	• Provides \$125 million.	• Reduced by \$40 million.	• \$40 million savings.



## Major Conference Actions Higher Education

(Dollars in Millions)

	1999-00	Governor's Budget	Conference	Increase Over 1999-00
UC	\$2,717.9	\$3,168.7	\$3,221.8	18.5%
CSU	2,194.1	2,425.9	2,479.5	13.0
CCC (Proposition 98)	2,289.2	2645.0	2774.3 <sup>a</sup>	21.2
Student Aid Commission	381.4	493.9	572.2	50.0
<b>Totals</b>	<b>\$7,601.9</b>	<b>\$8,755.3</b>	<b>\$9,071.8</b>	<b>19.3%</b>

<sup>a</sup> The conference committee also approved \$108.6 million in one-time funding in the current year.



### University of California

- The conference committee's budget is \$53 million higher than proposed by the Governor, including \$36 million for the UC Davis M.I.N.D. Institute, \$22.8 million for additional 2 percent nonfaculty salary increases, and \$13.8 million to reduce summer fees to regular levels.



### California State University

- The conference committee added \$53.3 million to the budget proposed by the Governor, including \$19.9 million to reduce summer fees and \$15 million for high-cost programs.



### California Community Colleges

- The conference committee's budget for CCC is \$129.3 million higher than proposed by the Governor, including \$45 million for equalization, \$34 million for a higher COLA increase, and an additional \$50 million block grant for deferred maintenance (from one-time current-year funds).



### Student Aid Commission

- The conference committee's budget is \$78.3 million higher than the Governor's proposal, resulting primarily from adding more Cal Grant awards, providing for campus-based fees, and increasing the Cal Grant B subsistence level.



## Major Issues Affecting Local Government

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The Conference Committee adopted a number of proposals providing funding for local governments, including the following:

- Set-Aside for Reform.*** Provided \$200 million in one-time funds for use by the Conference Committee on AB 1396 for implementing a local government finance reform proposal.
- Flood Control Subventions.*** Augmented the Governor’s proposal by \$68 million—for a total of \$112 million—for the state’s share of costs for flood control projects.
- Juvenile Justice Funding.*** Provided \$121 million (via trailer bill) in new funding for county juvenile justice programs.
- The Citizens' Option for Public Safety Program.*** Increased current program by \$21 million (via trailer bill) to provide minimum grant of \$100,000 for each law enforcement agency.
- California Law Enforcement Equipment Program.*** Provided \$75 million for a new program to fund local public safety equipment purchases.
- Public Library Foundation.*** Augmented the Governor’s proposal by \$15 million—for a total of \$72 million—in funding for local libraries.
- Disproportionate Share Hospital “Administrative Fee.”*** Reduced the state’s fee by \$55 million, providing counties with savings of about half of that amount.



## General Fund Spending Trends

**1989-90 Through 2000-01  
(Dollars in Millions)**

	Current Dollars		Constant Dollars	
	Amount	Percent Change	Amount	Percent Change
1989-90	\$39,456	10.0%	\$39,456	5.5%
1990-91	40,264	2.0	38,632	-2.1
1991-92	43,327	7.6	40,758	5.5
1992-93	40,948	-5.5	37,666	-7.6
1993-94	39,958	-2.4	35,879	-4.7
1994-95	41,961	5.0	36,572	1.9
1995-96	45,393	8.2	38,621	5.6
1996-97	49,088	8.1	40,872	5.8
1997-98	52,784	7.5	43,058	5.3
1998-99	57,827	9.6	46,290	7.5
1999-00				
Governor's budget (May Revision)	\$67,263	16.3%	\$52,041	12.4%
Conference Committee	67,212	16.2	52,000	12.3
2000-01				
Governor's budget (May Revision)	\$78,242	16.3%	\$58,375	12.2%
Conference Committee	79,435	18.2	59,265	14.0

- Under the Conference Committee version, General Fund spending would be \$67.2 billion in the current year, a 16.2 percent increase from 1998-99. In inflation adjusted terms, the increase would be 12.3 percent.
- General Fund spending would increase to \$79.4 billion in 2000-01 under the Conference Committee version, an 18.2 percent increase from the current year. In inflation adjusted terms, the increase would be 14 percent.
- Over the past decade, real spending fell during the recession and early recovery years, but has risen substantially in recent years.