

# Analysis of the 1990-91 Budget Bill

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*Report from the Legislative Analyst's Office  
to the Joint Legislative Budget Committee*

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## INTRODUCTION

This *Analysis* reports the results of our detailed examination of the Governor's Budget for 1990-91. It contains our findings and recommendations on the funding levels proposed in the budget. In order to enhance legislative oversight of state programs, we have separately highlighted major issues facing the Legislature in our reviews of individual state departments. Our recommendations are offered to assist the Legislature in its efforts to fashion a budget which reflects *legislative* priorities.

Based on our analysis, we have recommended numerous reductions in the funding levels proposed by the Governor. Generally, we conclude that these reductions are warranted for one of the following reasons:

- The objectives established by the Legislature in a particular program area can be achieved at a lower cost to the state.
- The amounts requested by the Governor have not been justified on the basis of workload, need, or the potential benefits to be gained from the proposed expenditure.
- A program or activity is not effective in achieving the purpose for which it was created.

In many cases, our analysis indicates that the Legislature does not have sufficient information to determine the appropriate funding or staffing levels which are warranted for a particular program. Where the Legislature has not been given the information it needs, we have withheld recommendation on the budget proposal. As the information becomes available, we will provide the Legislature with "supplemental analyses" of these proposals, along with our recommendations. We will also submit analyses and recommendations for changes to the Governor's Budget proposed by the Department of Finance through "Finance letters."

### **Perspectives and Issues**

This *Analysis* is accompanied by a companion document entitled, *The 1990-91 Budget: Perspectives and Issues*. This document is divided into four parts:

Part One, "State Fiscal Picture" provides an overall perspective on the fiscal dilemma the Legislature faces in the coming year.

Part Two, "Perspectives on the 1990-91 Budget: Expenditures" presents data on the state's spending plan, focusing on proposed General Fund and special fund expenditures. It provides an overview of state spending in each program area over the last decade, the factors which contributed to this trend, the priorities reflected in the budget and the major program changes proposed for 1990-91.

Part Three, "Perspectives on the 1990-91 Budget: Revenues" describes the state's major funding sources and evaluates the administration's economic and revenue forecasts.

Part Four, "Major Issues Facing the Legislature," discusses some of the broader issues currently facing the Legislature. Wherever possible, our analysis identifies options that the Legislature may wish to consider in addressing these issues. The issues in this part fall into five general categories: (1) *drug-related issues* (including drug use in California, an

inventory of programs to fight drug abuse, and an analysis of state prevention programs); (2) *infrastructure topics* (such as the state's infrastructure situation and an analysis of the capital outlay needs (including proposed new campuses) of postsecondary education); (3) *resources issues* (for example, an alternative method of addressing air pollution and state preparedness for small oil spills); (4) *health issues* (such as state health services to rural areas, long-term health care, and the status of Proposition 99 programs); (5) *oversight issues* (including an analysis of county fiscal capacity and the implementation of Proposition 103).