

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

MAY 24, 1984

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SENATE FLOOR PACKET

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Legislative Analyst Office
May 24, 1984

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The purpose of this report is to provide a summary of the financial activities of the Department of Health and Human Services for the year ending June 30, 1954.

	Actual	Budget	Variance
Starting Balance	1,346	1,346	
Revenues and Receipts	25,419	25,419	
Expenditures	24,257	24,257	1,308

I. OVERVIEW

Revenues and Receipts	25,419	25,419
Expenditures	24,257	24,257

The following table shows the actual and budgeted figures for the Department of Health and Human Services for the year ending June 30, 1954.

The 1984-85 Budget Act
As Passed by the ~~Assembly~~ *Senate*
Impact of Senate Version
on the General Fund Condition
1984-85
(in millions)

	Governor's Budget (May)	Senate Action	Difference
Starting Balance, July 1, 1984	\$465	\$465	--
Revenues and Transfers	25,759	25,759	--
Expenditures	24,857	26,243	1,386
Ending Balance, June 30, 1985	\$1,367	-\$19	-\$1,386
Funds already committed	4	4	--
Reserve for Economic Uncertainties	951	--	-951
Amount available for appropriation	413	-23 ^a	-436

- a. If Legislative Analyst's estimates of starting balance, expenditures, and revenues are used, the uncommitted balance at year end is \$278 million.

The 1984-85 Budget Act
As Passed by the Senate

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>	<u>39</u>	<u>352</u>	<u>172</u>
Governor's Budget as revised (May)	\$25,759	\$24,857	\$4,820	\$767	\$30,444
Changes made by the Senate	<u>--</u>	<u>1,386</u>	<u>--</u>	<u>3</u>	<u>1,389</u>
Budget, as approved by Senate	\$25,759	\$26,243	\$4,820	\$770	\$31,833
Senate Version compared with:					
1983-84 Budget, as revised (May)	\$23,631	\$22,645	\$3,769	\$824	\$27,238
Amount	2,128	3,598	1,051	-54	4,595
Percent	9.0%	15.9%	27.9%	-6.6%	16.9%
Governor's Budget, as revised (May)					
Amount	--	\$1,386	--	\$3	\$1,389
Percent	--	5.6%	--	0.4%	4.6%

Expenditures, by Functional Function (in millions)

	General Fund	Special Funds	Budget Total	Actual Total	
State Operations	17,550	32,000	49,550	58	12,000
Local Assistance	20,000	3,000	23,000	33	23,000
Other	10	10	20	20	10
Other	10	10	20	10	10
TOTAL	37,560	35,010	72,570	1170	55,000

II. EXPENDITURES

The 1984-85 Budget Act
As Passed by the Senate

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	\$5,858	\$2,041	\$7,899	\$8	\$7,907
Local Assistance	20,184	2,300	22,484	553	23,037
Capital Outlay	76	473	549	209	758
Other	<u>125</u>	<u>6</u>	<u>131</u>	<u>--</u>	<u>131</u>
TOTAL	\$26,243	\$4,820	\$31,063	\$770	\$31,833

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>1974 Dollars^b</u>		<u>Current Dollars</u>		<u>1974 Dollars^b</u>	
	<u>Amount</u>	<u>Change</u>	<u>Amount</u>	<u>Change</u>	<u>Amount</u>	<u>Change</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%
Senate Version	\$26,243	15.9%	\$12,554	8.9%	\$19,161	16.2%	\$9,166	9.2%

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.

The 1967-68 Budget for
the District of Columbia

Approved by the Council of the District of Columbia
on July 14, 1968

Approved by the Council of the District of Columbia

Signature of the Mayor
of the District of Columbia
General Fund Special Fund

Approved by the Council of the District of Columbia

Approved by the Council of the District of Columbia

Approved by the Council of the District of Columbia

Approved by the Council of the District of Columbia

Approved by the Council of the District of Columbia

III. SIGNIFICANT CHANGES

Approved by the Council of the District of Columbia

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Approved by the Council of the District of Columbia

The 1984-85 Budget Act
As Passed by the Senate

Significant Changes From the Current Year
(in millions)

<u>Description</u>	<u>Expenditure Change from Current Year</u>	
	<u>General Fund</u>	<u>Special Funds</u>
LEGISLATIVE, JUDICIAL AND EXECUTIVE		
<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>Judges Retirement System</u>		
• Augmented to cover normal costs	3.2	
<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>Description</u>	<u>Expenditure Change from Current Year</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		6.2
• Contractors' State License Board: increased funds to support 30.5 additional field deputies		1.2
BUSINESS, TRANSPORTATION AND HOUSING		
<u>California Highway Patrol</u>		
• Salary increase for uniformed supervisors		4.5
• Olympics		3.1
• Telecommunications		2.5
• Additional patrol officers (AB 202)		10.4
• Operating efficiencies		-4.0
<u>Department of Motor Vehicles</u>		
• Vehicle Inspection Program		1.0
• Microfilming of registration files		1.7
• DMV automation		-2.6
<u>Department of Transportation</u>		
• Highway capital outlay		462.0 ^a
• Capital outlay support staff		47.6 ^a
• Highway maintenance		12.1
• Capital improvements to transit services		6.1
• Capital improvements to intercity rail service		5.3

<u>Description</u>	<u>Expenditure Change from Current Year</u>	
	<u>General Fund</u>	<u>Special Funds</u>
• Special transportation program: state transit assistance		-1.3
• Expanded highway systems planning activity by 25.2 personnel-years		1.0
RESOURCES		
<u>Department of Parks and Recreation</u>		
• Support: Funding shift to compensate for parks revenue shortfall	8.3	-8.3
• Local assistance:		-18.1
Roberti-Z'berg Urban Open Space (1.6) and Recreation Program		
Off-Highway Vehicle Grants (-5.5)		
Park Bond Fund Grant Programs (-14.2)		
<u>California Conservation Corps</u>		
• Fund shift to General Fund (\$0.5 ERF and \$7.4 ELPF)	7.9	-7.9
<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	1.4	2.0
• Tijuana River Sewage Treatment Facility	3.5 ^b	
HEALTH AND WELFARE		
<u>Department of Health Services--Preventive Health Services</u>		
• Augmented:	79.8	
Family planning (9.5)		
Primary care clinics (2.4)		
Rural health (2.3)		
Medically indigent services (65.6)		

<u>Description</u>	<u>Expenditure Change from Current Year</u>	
	<u>General Fund</u>	<u>Special Funds</u>
● 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	3.1	0.5
● 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	6.4	
● Recognized savings due to:		
Peer group hospital reimbursements	-24.3	
Increase in amount of federal share of Medi-Cal	-23.3	
● Approved proposal to fund retroactive county COLAs	5.0	
<u>Department of Mental Health</u>		
● Approved funds for model programs in state hospitals	6.0	
● 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	6.0	

<u>Description</u>	<u>Expenditure Change from Current Year</u>	
	<u>General Fund</u>	<u>Special Funds</u>
• Added funds for prevention		1.0
• Approved program to place 800 state hospital residents in the community	2.6	
• Added funds for residential care rate increases and day program equity adjustments	17.6	
• Augmented worker's compensation in state hospitals	4.5	
<u>Office of Statewide Health Planning and Development</u>		
• Added staff for seismic safety reviews		3.0
<u>Department of Social Services</u>		
• Increased AFDC cash grants by \$158.7 million from current year, due primarily to COLA	158.7	
• Increased SSI/SSP cash grants by \$76.6 million from current year, due to the net effect of (1) reduced grant costs and (2) increased COLA costs (\$100 million)	76.6	
• Increased social services programs by \$89.2 million due to (1) increased cost estimates funded in the Governor's Budget, as revised, (2) increased federal funds of \$13.4, which is partially offset increased General Fund costs, (3) Senate augmentation (\$20.5 million OCSS (SB 14) is the major augmentation), and (4) \$27.4 million for 5.6 percent COLAs	89.2	

<u>Description</u>	<u>Expenditure Change from Current Year</u>	
	<u>General Fund</u>	<u>Special Funds</u>
YOUTH AND ADULT CORRECTIONS		
<u>Department of Corrections</u>		
● Provided staff and operating expenses for ten new prisons and five new camps	48.3	
● Expanded inmate work and education program	5.9	
● Increased staff to plan and monitor new prison construction	1.4	
<u>Board of Corrections</u>		
● Increased county jail construction program expenditures authority		227.3
K-12 EDUCATION		
● Provided 5.9% COLA for revenue limits and all categorical programs	672.0	
● Contributions to State Teachers' Retirement System (STRS)		
Provided full 1984-85 and "catch-up" funding for STRS unfunded liability	533.4	
Augmented item to provide additional COLA funds	19.9	
Provided full funding of "sick leave" mandate	20.9	
● Provided "full funding" for SB 813 programs (excludes COLAs)	554.1	
● Increased funding for school construction		175.0
● Augmented special education to fully fund AB 1773 (Papan) -- major special education financial legislation	146.7	

<u>Description</u>	<u>Expenditure Change from Current Year</u>	
	<u>General Fund</u>	<u>Special Funds</u>
● Provided full funding for court-mandated school desegregation programs	45.2	
● Augmented home-to-school transportation to fund current-year and budget-year deficit	50.4	
● Augmented special education to fund current-year and budget-year deficit	28.4	
● 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	
● Provided funding repeal of PERS adjustment to school district revenue limits	15.0	
● Provided funding for Fullerton-Rowland settlement agreement	11.0	
● Reinstated 100 percent minimum revenue guarantee	9.0	

HIGHER EDUCATION

University of California

● Compensation	166.0
● Retirement restoration	70.6
● Retirement benefit decrease	12.3
● Price increases	27.0
● Instructional equipment replacement	12.3
● Instructional use of computers	4.0
● Micro-electronics research	2.0
● Deferred maintenance	10.5
● Enrollment increases	9.7

<u>Description</u>	<u>Expenditure Change from Current Year</u>	
	<u>General Fund</u>	<u>Special Funds</u>
● Student fee reduction	14.4	
● Comparable worth	10.8	
● Health science instruction	7.2	
<u>California State University</u>		
● Employee compensation	121.8	
● Instructional equipment	11.9	
● Computing support	5.0	
● Deferred maintenance	10.7	
● Nonresident tuition shortfall	3.2	
<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	
<u>Student Aid Commission</u>		
● Increased award programs	8.7	
GENERAL GOVERNMENT		
<u>General Administration</u>		
● Department of General Services: Added funds for Capitol security	2.0	
● Information Technology Equipment Management Program: Provided funding for new program	10.0	
● Augmentation for Employee Compensation: Provided additional monies for state employee compensation	132.0	133.0
● Public Employees' Retirement System: Provided additional resources for various divisions/activities	3.4	

<u>Description</u>	<u>Expenditure Change from Current Year</u>	
	<u>General Fund</u>	<u>Special Funds</u>
● Public Utilities Commission: Increased telecommunications		1.7
<u>Labor</u>		
● Agricultural Labor Relations Board: Augmented funding for increased compliance and legal work	1.1	
● Department of Industrial Relations: Made various augmentations	5.0	
<u>Cultural Development</u>		
● California Public Broadcasting Commission: Restored funding for increased compliance and legal work	3.8	
● Museum of Science and Industry: Provided increase security resources	1.0	
● California Arts Council: Increased funding for grant programs	3.0	0.2
<u>CAPITAL OUTLAY</u>		
● State and Consumer Services		16.3
● Resources Department of Parks and Recreation		-75.0
● Youth and Adult Corrections	75.5	138.6
● Higher Education		132.6 ^c

a. Includes State Highway Account funds and federal funds.

b. Includes \$0.9 in increased fee reimbursement to the General Fund.

c. Budget Bill includes \$59.7 million from high-technology revenue bonds.

The 1984-85 Budget Act
As Passed by the Senate

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

<u>Description</u>	<u>Expenditure Change</u> <u>from Governor's Budget (May)</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>Judges Retirement System</u>		
• Augmented to cover normal costs	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	
STATE AND CONSUMER SERVICES		
<u>Department of Consumer Affairs</u>		
• Contractors' State License Board: increased funds to support 30.5 additional field deputies		1.2

<u>Description</u>	<u>Expenditure Change</u> <u>from Governor's Budget (May)</u>	
	<u>General Fund</u>	<u>Special Funds</u>
BUSINESS, TRANSPORTATION AND HOUSING		
<u>California Highway Patrol</u>		
• Salary increase for uniformed supervisors		4.5
• Telecommunications		-4.7
• Gasoline expenditures		-1.9
<u>Department of Transportation</u>		
• 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		5.3
<u>Department of Economic and Business Development</u>		
• Deleted funds for tourism advertising	-5.0	
• Deleted funds for industrial marketing	-1.5	
RESOURCES		
<u>Department of Parks and Recreation</u>		
• Support: Funding shift to compensate for revenue shortfall	3.9	-3.9
• Local assistance: Roberti-Z'berg Urban Open Space and recreation program		2.5
<u>State Water Resources Control Board</u>		
• Additional staff for water quality inspection and enforcement	0.9 ^a	2.0
• Tijuana River Sewage Treatment Facility	3.5	

<u>Description</u>	<u>Expenditure Change</u> <u>from Governor's Budget (May)</u>	
	<u>General Fund</u>	<u>Special Funds</u>
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:	79.8	
Family planning	(9.5)	
Primary care clinics	(2.4)	
Rural health	(2.3)	
Medically indigent services	(65.6)	
● 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 to provide a 4.2 percent COLA for county health and 5.6 percent COLA for other programs	37.8	
<u>Department of Health Services--Toxics and Health Protection</u>		
● Added funds to augment various functions	3.1	0.5
<u>Department of Health Services--Medi-Cal</u>		
● 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 nonsteroidal anti-inflammatory drugs to the formulary	6.4	

<u>Description</u>	<u>Expenditure Change</u> <u>from Governor's Budget (May)</u>	
	<u>General Fund</u>	<u>Special Funds</u>
<ul style="list-style-type: none"> ● Provided 5.6 percent increase to beneficiary income standards 	9.8	
<ul style="list-style-type: none"> ● Added funds for a 5.6 percent COLA for Medi-Cal providers and county administration; prosthetic, orthotic, and adult day health care providers received higher percent increases 	20.2	
<u>Department of Mental Health</u>		
<ul style="list-style-type: none"> ● Specified that state hospital initiative funds shall be used for model programs 	--	
<ul style="list-style-type: none"> ● Added funds for a 5.6 percent COLA 	11.4	
<ul style="list-style-type: none"> ● Rejected administration's local program initiative 	0.7	
<u>Department of Developmental Services</u>		
<ul style="list-style-type: none"> ● Added funds for regional center purchase of services 	6.0	
<ul style="list-style-type: none"> ● Added funds for a 5.6 percent COLA 	4.7	
<u>Department of Social Services</u>		
<ul style="list-style-type: none"> ● Provided a 5.6 percent COLA for AFDC recipients 	59.2	
<ul style="list-style-type: none"> ● Provided a 5.6 percent COLA for SSI/SSP recipients 	53.5	
<ul style="list-style-type: none"> ● Provided a 5.6 percent discretionary COLA for various welfare programs 	24.4	
<ul style="list-style-type: none"> ● Provided a 5.6 percent COLA for IHSS recipients receiving the maximum grant 	0.6	
<ul style="list-style-type: none"> ● Augmented for group home and foster family rate increases 	16.0	

<u>Description</u>	<u>Expenditure Change</u> <u>from Governor's Budget (May)</u>	
	<u>General Fund</u>	<u>Special Funds</u>
● Augmented child welfare services programs (SB 14)	20.5	
● Augmented for Deaf Access Assistance program	2.3	
<u>Department of Alcohol and Drug Programs</u>		
● Rejected state/county program realignment proposal and restored 54 of 80 positions proposed for deletion	No net change	
● Augmented for a 5.6 percent COLA for alcohol and drug programs	2.2	
<u>Department of Aging</u>		
● Augmented to provide for "equity" funding of senior citizen nutrition and social services programs	5.7	
● Augmented to provide a 4 percent COLA for social services programs	1.0	
● Augmented funds for Alzheimer's Disease program	0.5	
<u>Health and Welfare Agency</u>		
● Augmented funds for the Multipurpose Senior Services program	2.7	
<u>Department of Rehabilitation</u>		
● Augmented for a 5.6 percent COLA for Work Activity program and the independent living centers	1.9	
<u>K-12 EDUCATION</u>		
● 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	

<u>Description</u>	<u>Expenditure Change</u> <u>from Governor's Budget (May)</u>	
	<u>General Fund</u>	<u>Special Funds</u>
● Augmented home-to-school transportation to fund current-year deficit	50.4	
● 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 special education to fund current-year and budget-year deficit	28.4	
● Provided full funding for Computer Education Act of 1983	23.6	
● Augmented funding for SB 813 Mentor Teacher Program	23.2	
● Contributions to State Teachers' Retirement System:		
Increased state contribution for interest deficiencies	21.1	
Provided additional funds for retirees' COLAs	16.7	
Augmented STRS "sick leave" mandate	20.9	
● 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	
● Provided funding for repeal of PERS adjustment to school district revenue limits	15.0	
● Provided funding for Fullerton-Rowland settlement agreement	11.0	
● Reinstated 100 percent minimum revenue guarantee	9.0	

<u>Description</u>	<u>Expenditure Change</u> <u>from Governor's Budget (May)</u>	
	<u>General Fund</u>	<u>Special Funds</u>
● Provided "level-up" equalization of juvenile court school revenue limits, contingent on passage of SB 2282	4.9	
● Provided funding for public library adult literacy programs	3.7	
● Provided funding for new summer school teacher training programs	3.0	
● Increased various federal fund expenditures to reflect revised funding level estimates		79.3
● Increased driver training reimbursement rates		2.2
HIGHER EDUCATION		
<u>University of California</u>		
● Comparable worth	10.8	
● Health science instruction	7.2	
● Student fee inflation	4.1	
● Student fee reduction	3.3	
<u>California State University</u>		
● Employee compensation	17.9	
● Student fee reduction of \$30	7.6	
<u>California Community Colleges</u>		
● Apportionments	106.5	
● Categorical COLAs	4.2	

<u>Description</u>	<u>Expenditure Change from Governor's Budget (May)</u>	
	<u>General Fund</u>	<u>Special Funds</u>
GENERAL GOVERNMENT		
<u>General Administration</u>		
• Department of General Services: Added funds for Capitol security	2.0	
• Statewide Telecommunications: Deleted all funds proposed for this program	-18.2	
• Information Technology Equipment Management Program: Provided additional monies for this revolving loan fund	5.0	
• Augmentation for Employee Compensation: Added monies for "comparable worth"	33.1	35.0
• Public Utilities Commission: Increased telecommunications regulation		1.0
<u>Labor</u>		
• Agricultural Labor Relations Board: Increased funding for compliance and legal workload	1.1	
• Department of Industrial Relations: Augmented budget for various programs and divisions	5.0	
<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		-9.9

<u>Description</u>	<u>Expenditure Change</u> <u>from Governor's Budget (May)</u>	
	<u>General Fund</u>	<u>Special Funds</u>
• Resources		
Department of Parks and Recreation		8.2
• Youth and Adult Corrections		
Department of Corrections	--	--
• Higher Education		41.1 ^b
<hr/>		
a. Fee reimbursements to General Fund.		
b. Includes \$59.7 million from high-technology revenue bonds.		

IV. EMPLOYMENT

The 1984-85 Budget Act
As Passed by the Senate

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 Senate	101.0	11.0	-1.6	125.6	535.7	7.8	20.1	352.8	217.4	1,369.8
Budget, as approved by the Senate	9,949.1	12,165.1	33,421.8	13,962.0	40,064.8	18,516.0	2,725.0	91,428.7	9,650.3	231,882.8
Senate Version compared with:										
1983-84										
Number	136.9	-12.5	-277.5	-331.6	-1,307.9	637.7	-12.7	-1,496.0	126.4	-1,783.3
Percent	1.4%	-0.1%	-0.8%	-2.3%	-3.2%	3.6%	-0.5%	-1.6%	1.3%	-0.8%
Governor's Budget, as revised (May)										
Number	101.0	11.0	-1.6 ^a	125.6	535.7	7.8 ^a	20.1	352.8	217.4	1,369.8
Percent	1.0%	-0.1%	-- ^a	0.9%	1.4%	-- ^a	0.7%	0.4%	2.3%	0.6%

a. Percentage change less than 0.1 percent.

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
Senate Version	9,949.1	12,165.1	33,421.8	13,962.0	40,064.8	18,516.0	2,725.0	91,428.7	9,650.3	231,882.8

V. MAJOR PROGRAMS

The 1984-85 Budget Act
as Passed by the Senate

Total Revenue for K-12 Education
(in millions)

	<u>Estimated 1983-84</u>	<u>1984-85</u>		<u>Senate Version Versus 1983-84</u>		<u>Senate Version Versus Governor's Budget</u>	
		<u>Proposed by Governor</u>	<u>Senate Version</u>	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
State:							
General Fund	\$8,635.6	\$9,556.3 ^a	\$10,342.7 ^{ab}	\$1,707.1	19.8%	\$786.4	8.2%
Special funds	77.5	77.5	79.6	2.1	2.7	2.1	2.7
Subtotals, State	<u>\$8,713.1</u>	<u>\$9,633.8</u>	<u>\$10,422.3</u>	<u>\$1,709.2</u>	19.6%	<u>\$788.5</u>	8.2%
Local:							
Property Tax Levies	<u>2,549.1</u>	<u>3,031.4</u>	<u>3,031.4</u>	<u>482.3</u>	18.9	--	--
Subtotals, State and Local	<u>\$11,262.2</u>	<u>\$12,665.2</u>	<u>\$13,453.7</u>	<u>\$2,191.5</u>	19.5%	<u>\$788.5</u>	6.2%
Other:							
Federal	\$1,002.2	\$998.3	\$1,077.6	\$75.4	7.5%	\$79.3	7.9%
State Capital Outlay	150.0	325.0	325.0	175.0	116.7	--	--
Local Debt Service	439.9	429.8	429.8	-10.1	-2.3	--	--
Local Misc. Revenues	<u>1,039.9</u>	<u>1,123.4</u>	<u>1,123.4</u>	<u>83.5</u>	8.0	--	--
Subtotals, Other	<u>\$2,632.0</u>	<u>\$2,876.5</u>	<u>\$2,955.8</u>	<u>\$323.8</u>	12.3%	<u>\$79.3</u>	2.8%
TOTALS	<u>\$13,894.2</u>	<u>\$15,541.7</u>	<u>\$16,409.1</u>	<u>\$2,515.3</u>	18.1%	<u>\$867.8</u>	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.

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
Senate version	16,409.5	4,330,951	3,789	16.5	1,813	9.4

The 1984-85 Budget Act
As Passed by the Senate

Aid to Higher Education
(in thousands)

		1984-85		Senate Version Versus 1983-84		Senate Version Versus Governor's Budget	
	1983-84	Governor's Budget	Senate Version	Amount	Percent	Amount	Percent
I. <u>Amount Budgeted</u>							
A. Support:							
University of California	\$1,110,012	\$1,446,673	\$1,476,860	\$366,848	33.0%	\$30,187	2.1%
California State University	948,000	1,149,014	1,180,452	232,452	35.9	31,438	2.7
California Community Colleges	<u>1,067,330</u>	<u>1,030,688</u>	<u>1,141,359</u>	<u>74,029</u>	6.9	<u>110,671</u>	10.7
Total, Support	\$3,125,342	\$3,626,375	\$3,798,671	\$673,329	21.5%	\$172,296	4.8%
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	24,988	13,724	-- ^a	-2,769	-10.0
California Community Colleges	<u>7,449</u>	<u>26,704</u>	<u>24,727</u>	<u>17,278</u>	-- ^a	<u>-1,977</u>	-7.4
Total, Capital Outlay	\$25,870	\$105,696	\$100,238	\$74,368	-- ^a	-\$5,458	-5.2%
II. <u>Student Fee Assumptions</u> (Fee per academic year)							
University of California:							
Graduate Students	\$1,434	\$1,364	\$1,334	-\$100	-7.0%	-\$30	-2.2%
Undergraduates	1,387	1,317	1,287	-100	-7.2	-30	-2.3
California State University:							
Graduate Students	\$728	\$686	\$656	-\$72	-9.9%	-\$30	-4.4%
Undergraduates	692	650	620	-72	-10.4	-30	-4.6
California Community Colleges	--	\$100	\$100	\$100	100.0%	--	--

^aPercentage change greater than 100 percent.

The 1984-85 Budget Act
As Passed by the Senate

Change in Welfare Benefits^a
(in millions)

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

- There is a \$1 difference between the Senate and the Assembly versions.
- 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).
- 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.
- Does not equal 5.6 percent due to rounding of the dollar increase.

The 1984-85 Budget Act
As Passed by the Senate

Cost-of-Living Adjustments
(in thousands)

<u>Program</u>	<u>Statutory</u>	<u>Governor's Budget (May)</u>	<u>Senate Version</u>	<u>Dollar Difference</u>
HEALTH AND WELFARE				
Alcohol and Drug Realignment	--	2.0%	5.6%	\$2,232
Health Services				
County Health (AB 8)	4.2	2.0	4.2	8,116
Medically Indigent Services	--	--	5.6	26,667
Public Health	--	2.0	5.6	2,999
Medi-Cal				
Contract Hospitals	--	--	--	--
Noncontract Hospitals	10.4	10.4	10.4	--
(including PHPs and RHF)				
PHPs, CDS, and RHF	5.0	2.0	5.6	4,548
(non-hospital services)				
Long-term Care Facilities	6.5	2.0	6.5	23,951
(including state hospitals)				
Providers, all others	--	2.0	5.6 ^a	13,854
Beneficiary ("Spin-off")	5.6	2.6	5.6	9,791
Drug Ingredients	7.5	7.5	7.5	--
County Administration	--	2.0	5.6	1,792
Developmental Services				
Regional Centers	--	2.0	5.6	4,694 ^b
State Hospital Education	--	2.0	5.6	151
Programs				
Local Mental Health Programs	--	2.0	5.6	11,419
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	5.6	571
IHSS--Nonstatutory	--	2.0	5.6	10,093
Community Care Licensing--	--	2.0	5.6	270
Local Assistance				
County Administration	--	0.0	5.6	7,011

<u>Program</u>	<u>Statutory</u>	<u>Governor's Budget (May)</u>	<u>Senate Version</u>	<u>Dollar Difference</u>
Social Services--Other	--	2.0	5.6	6,977
Department of Rehabilitation	--	2.0	5.6	1,886
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	--	3.0	5.9	539
Transportation				
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>Senate 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				
State Contributions to STRS	5.5	5.5	5.5	--
Employee Compensation	--	10.5	--	--
Civil Service and Related	--	(10.0)	(11.5)	33,097
University of California	--	(11.0)	(11.0)	--
California State University	--	(10.3)	(10.3)	--
Hastings College of the Law	--	(11.1)	(11.1)	--

- a. Prosthetics, orthotics and adult day health care providers received higher percentages.
- 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.

STATEMENT OF APPROPRIATIONS

	1980-81	1981-82	1982-83	1983-84	1984-85
Appropriations	117,238	142,257	119,181	170,627	391,000
Appropriations subject to limitation	15,637	15,733	15,409	17,182	29,225
Amount over the limit	101,601	126,524	103,772	153,445	361,775

VI. OTHER EXHIBITS

The 1984-85 Budget Act
As Passed by the Senate

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 Senate

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>10</u>
TOTAL, One-time Expenditures	\$421
NET, One-time cost to the General Fund	\$421