



Updated March 22, 2011

Back to the Future: How Do the Budget Plans Compare?

Last week, the Legislature passed most of the bills implementing the 2011-12 budget package, closing approximately half of the state's \$26.6 billion budget gap. The Legislature made deep cuts to higher education, child care, health care, cash assistance for low-income children and people with disabilities, and a range of other state services. Democrats used their new authority provided by Proposition 25 of 2010 to pass the budget bill and several budget "trailer bills" on a simple majority vote. However, the Legislature has not yet acted on key bills that require a two-thirds vote, including the Governor's proposals to eliminate enterprise zones and to call a special election asking voters to extend temporary taxes for five years and transfer a range of services from the state to local governments. In addition, the Governor's proposal to eliminate redevelopment agencies stalled in the Assembly, where it fell one vote short of the two-thirds needed for approval.

The following table compares the budget plans proposed by the Governor, passed by the Budget Conference Committee, and approved by the Legislature as of Thursday, March 17. Details are drawn from Conference Committee reports, bills that are part of the 2011-12 budget package, and other legislative documents. Please check the CBP's website at www.cbp.org for updates as more information becomes available.

Pending Bills

- SB 77 / AB 101 Eliminates redevelopment agencies
- SB 79 / AB 103 Eliminates enterprise zones and establishes mandatory single sales factor apportionment
- SB 83 / AB 107 Calls special election
- SCAX1 1 / ACAX1 2 Extends temporary taxes and "realigns" services to local governments

Bills Passed by the Legislature on March 16 and 17

- AB 95 Resources
- AB 97 Health care services
- AB 99 Proposition 10 of 1998 fund shift
- AB 100 Proposition 63 of 2004 fund shift
- AB 105 Transportation/fuel tax swap
- AB 109 Criminal justice
- AB 111 Jail construction funding
- SB 69 2011-12 budget bill
- SB 70 Child care and K-12 and higher education
- SB 72 Human services
- SB 74 Services for people with developmental disabilities
- SB 78 Judiciary
- SB 80 General government
- SB 82 Cash management
- SB 84 Special fund loans and transfers
- SB 86 Tax compliance

	Governor's Proposed Budget	Conference Committee	Budget Agreement as Passed by the Legislature	Comments
Overview				
Expenditure reductions	\$12.8 billion	\$12.5 billion	\$12.5 billion	
Revenues	\$12.0 billion	\$12.0 billion	\$12.0 billion	
Other solutions	\$2.8 billion	\$3.0 billion	\$3.0 billion	
2011-12 budgeted reserve	\$1.0 billion	\$1.0 billion	\$1.0 billion	
Temporary Tax Increases				
Personal income tax	Extends the 0.25 percentage point personal income tax rate surcharge through 2015, which would increase revenues by an estimated \$1.187 billion in 2010-11 and \$2.077 billion in 2011-12.	Reflects the Governor's proposal.		The prior personal income tax rate surcharge sunset at the end of 2010. The temporary tax increases would be submitted to the voters for approval at a special election in June 2011.
Dependent tax credit	Reduces the dependent tax credit to the amount of the personal tax credit through 2015, which would increase revenues by an estimated \$725 million in 2010-11 and \$1.248 billion in 2011-12.	Reflects the Governor's proposal.		The prior reduction in the dependent credit sunset at the end of 2010. The temporary tax increases would be submitted to the voters for approval at a special election in June 2011.

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Temporary Tax Increases				
Sales and use tax	Extends the 1 percentage point increase in the state sales and use tax rate through June 30, 2016, which would increase revenues by an estimated \$4.549 billion in 2011-12.	Reflects the Governor's proposal.		Revenues raised through the proposed extension would be transferred to counties as part of the "realignment" of program responsibilities. The temporary tax increases would be submitted to the voters for approval at a special election in June 2011.
Vehicle License Fee (VLF)	Extends the 0.5 percentage point increase in the VLF rate through June 30, 2016, which would increase revenues by an estimated \$1.382 billion in 2011-12.	Reflects the Governor's proposal.		Revenues raised through the proposed extension would be transferred to counties as part of the "realignment" of program responsibilities. The temporary tax increases would be submitted to the voters for approval at a special election in June 2011.

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Permanent Tax Increases				
Mandatory single sales factor (SSF) apportionment	Modifies current law to require most corporations to use a single formula for determining the share of their profits that would be taxed in California. The shift would increase revenues by an estimated \$468 million in 2010-11 and \$942 million in 2011-12.	Reflects the Governor's proposal.		Legislation approved in February 2009 allowed multi-state and multinational corporations to choose between two methods for determining the share of their profits that would be taxed in California beginning in 2011. Corporations, as a whole, would still pay lower taxes than under the pre-2009 law.
Enterprise Zone (EZ) Program	Eliminates the EZ Program and related tax breaks for savings of \$924 million in 2010-11 and 2011-12 and more than \$600 million per year thereafter.	Reflects the Governor's proposal.		

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Local Economic Development				
Redevelopment Agencies (RDAs)	Eliminates RDAs by July 1, 2011 and proposes to use \$5.2 billion in 2011-12 "tax increment" revenues to repay redevelopment agency debt (\$2.2 billion), provide pass-through payments to schools and local agencies (\$1.1 billion), offset state costs for Medi-Cal and trial courts (\$1.7 billion), and make payments to local governments (\$210 million).	Adopts the Governor's proposal		In future years, under the Governor's proposal, property tax increment revenues would be allocated to schools and local governments and would repay redevelopment agency debt. The additional property tax revenues that would go to schools would augment existing school funding, rather than count against the Proposition 98 guarantee.
Realignment				
Programs proposed to be transferred to counties in 2011-12	Proposes to transfer certain state-funded substance use treatment programs; all child welfare system costs, including Child Welfare Services, Foster Care, Adoptions, and Adoptions Assistance; Adult Protective Services; court security costs; and a range of public safety grant programs, including the Citizens' Option for Public Safety (COPS) Program and juvenile justice grant programs.	Adopts the Governor's proposed realignment framework along with initial implementation language, with the understanding that remaining details "will be determined through future Legislative deliberations."		

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Realignment				
Programs proposed to be transferred to counties in 2012-13	Proposes to transfer the Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) Program; Mental Health Managed Care (MHMC); and AB 3632 state-mandated mental health services for special education students. In addition, proposes to fund existing community mental health programs from the proposed realignment revenues.	Adopts the Governor's proposed realignment framework along with initial implementation language, with the understanding that remaining details "will be determined through future Legislative deliberations."		Under the Governor's proposal, EPSDT, MHMC, and AB 3632 mental health services would temporarily be funded in 2011-12 with \$861 million in revenues raised by Proposition 63 of 2004.
Program transfers proposed to be phased in between 2011-12 and 2014-15	Proposes to gradually transfer responsibility for lower-level offenders and parole violators; adult parole; and juvenile offenders who are currently supervised by the state. In addition, proposes to shift responsibility for fire protection and emergency response in relatively populated wildland areas to local governments.	Adopts the Governor's proposed realignment framework along with initial implementation language, with the understanding that remaining details "will be determined through future Legislative deliberations."		

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Realignment				
Financing	<p>Proposes to place a measure on a June 2011 special election ballot asking voters to extend – for five years – two temporary taxes that expire on June 30, 2011: the 0.5 percentage point increase in the Vehicle License Fee rate and the 1 percentage point increase in the sales tax rate.</p> <p>Extending these taxes would raise an estimated \$5.9 billion in 2011-12, increasing to \$7.3 billion in 2014-15. These revenues would be allocated to counties to fund the realigned programs. These programs would be funded with state General Fund dollars after the tax extensions expire in 2016.</p>	Reflects the Governor's proposal.		

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Health				
Proposition 10/First 5 commissions	Shifts \$1 billion in Proposition 10 reserve funds on a one-time basis to pay for Medi-Cal services for children up to age 5 in 2011-12. Shifts half of state and local First 5 commissions' future Proposition 10 revenues to the state on an ongoing basis.	Adopts a one-time diversion of \$1 billion in Proposition 10 reserves to the Medi-Cal Program in 2011-12. Rejects the Governor's proposal to shift half of local First 5 commissions' future Proposition 10 revenues to the state on an ongoing basis.	Adopts the Conference Committee's action.	<p>First 5 supports a range of programs for children from birth to age 5 using funds provided by a 50-cent-per-pack state tax on cigarettes imposed by Proposition 10 of 1998.</p> <p>The Legislature's action assumes that the one-time diversion of Proposition 10 funds can be approved by a two-thirds vote of the Legislature and does not require a vote of the people.</p>
Proposition 63/mental health services	Diverts \$861.2 million in Proposition 63 funds from counties to state mental health programs in 2011-12. Shifted funds would be used for Mental Health Managed Care, the Early and Periodic Screening, Diagnosis and Treatment Program, and AB 3632 mental health services for special education students.	Reflects the Governor's proposal.	Adopts the Conference Committee's action.	<p>Proposition 63 of 2004 imposed a 1 percent tax on the portion of individuals' taxable income that exceeds \$1 million to provide dedicated funding for mental health services.</p> <p>The Legislature's action assumes that the one-time diversion of Proposition 63 funds can be approved by a two-thirds vote of the Legislature and does not require a vote of the people.</p>

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Health				
Maddy Emergency Medical Services Fund	No proposal.	Requires counties to collect an additional \$2 for every \$10 in fines and penalties and diverts most of these funds, effective July 1, 2011, to the state to support the Medi-Cal Program for estimated state savings of \$55 million.	The Legislature did not approve this change as part of the 2011-12 budget package.	Since 2006, counties have been allowed to collect an additional \$2 for every \$10 in fines and penalties to support emergency medical services and pediatric trauma services. At least 49 counties currently collect these additional penalties.
Limits on Medi-Cal services and coverage	Caps prescription drugs at six per month and establishes dollar caps for medical supplies, including durable medical equipment, hearing aids, and other supplies for state savings of \$20.9 million in 2011-12.	Adopts the Governor's proposal to cap annual hearing aid expenses at \$1,510 per enrollee, effective October 1, 2011, for state savings of \$507,000.	Adopts the Conference Committee's action.	This change will require federal approval.

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Health				
Limits on physician or clinic visits	Caps physician or clinic visits at 10 per year for state savings of \$196.5 million in 2011-12.	Adopts a "soft cap" of seven office visits per year, effective October 1, 2011, for state savings of \$44.9 million.	Adopts the Conference Committee's action.	Under the Legislature's action, patients requiring more than seven annual visits will need a physician to certify that services are medically necessary. The savings estimate assumes that 15 percent of visits above the soft cap will not be certified.
Mandatory Medi-Cal copayments	Imposes copayments ranging from \$3 for generic prescription drugs to \$100 per day for hospital stays, for state savings of \$4 million in 2010-11 and \$583.8 million in 2011-12.	Reflects the Governor's proposal.	Adopts the Conference Committee's action.	Copayments for physician, clinic, and dental office visits will be \$5. Copayments for brand name prescription drugs will be \$5. Copayments for emergency room visits will be \$50. These changes will require a waiver of federal rules, which set limits on copayments for those enrolled in Medi-Cal.

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Health				
Adult Day Health Care (ADHC) services	Eliminates Medi-Cal coverage of ADHC services, effective June 1, 2011, for state savings of \$1.7 million in 2010-11 and \$176.6 million in 2011-12.	Eliminates Medi-Cal coverage of ADHC for state savings of \$90 million. Proposes to create an alternative, narrowly defined program under a new federal waiver and provides \$85 million in state funds for that purpose.	Adopts the Conference Committee's action.	The Governor's proposal would have resulted in 27,000 seniors and persons with disabilities losing ADHC or paying out of pocket for services.
Medi-Cal provider payments	Reduces payments to Medi-Cal providers by 10 percent, effective June 1, 2011, for state savings of \$11.7 million in 2010-11 and \$709.1 million in 2011-12.	Adopts a technical adjustment to include certain facilities as part of the previously adopted provider payment reduction for additional state savings of \$39.1 million.	Adopts the Conference Committee's action.	This change assumes that the US Supreme Court will reverse lower court rulings, which blocked similar reductions. The Court is expected to decide on this issue in the Fall of 2011.

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Health				
Medication dispensing pilot project	No proposal.	<p>Establishes a pilot project to encourage Medi-Cal recipients to take prescribed medications, with the goal of achieving ongoing annual state savings of \$140 million.</p> <p>If the pilot project does not achieve this level of savings, the Legislature could adopt alternative proposals by July 1, 2012. If the Department of Finance subsequently determines that \$140 million in annual savings still would not be achieved, an unspecified cut to In-Home Supportive Services recipients' hours of service would be triggered effective October 1, 2012 (see below).</p>	Adopts the Conference Committee's action.	

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Health				
Nutritional supplements and over-the-counter medications	Eliminates Medi-Cal coverage for over-the-counter cough and cold products and limits coverage of certain nutritional supplements, effective June 1, 2011, for state savings of \$16.7 million in 2011-12.	Reflects the Governor's proposal.	Adopts the Conference Committee's action.	
Healthy Families premiums	Increases premiums for Healthy Families coverage for an estimated 565,000 children, effective June 1, 2011, for state savings of \$1.9 million in 2010-11 and \$22.2 million in 2011-12.	Reflects the Governor's proposal.	Adopts the Conference Committee's action.	<p>Monthly premiums for children in families with incomes between 151 percent and 200 percent of the federal poverty line will rise from \$16 to \$30 per child.</p> <p>Monthly premiums for children in families with incomes between 201 percent and 250 percent of the poverty line will rise from \$24 to \$42 per child.</p> <p>This change will require federal approval.</p>

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Health				
Healthy Families copayments	Imposes copayments of \$50 for emergency room visits that do not result in hospitalization and \$100 per day for hospital stays, effective October 1, 2011, for state savings of \$5.5 million in 2011-12.	Reflects the Governor's proposal.	Adopts the Conference Committee's action.	This change will require federal approval.
Vision coverage in the Healthy Families Program	Eliminates vision benefits for children enrolled in Healthy Families, effective June 1, 2011, for state savings of \$0.9 million in 2010-11 and \$11.3 million in 2011-12.	Reduces state support for vision coverage by \$3 million.	Adopts the Conference Committee's action.	Approximately 875,000 children will be affected by this change.
Community Challenge Grants	No proposal.	Eliminates \$20 million for Community Challenge Grants.	Adopts the Conference Committee's action.	This program aims to reduce the number teenage pregnancies and promote responsible parenting among adolescents.

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Human Services				
California Work Opportunity and Responsibility to Kids (CalWORKs) Program time limit	Retroactively limits families – including both adults and children – to 48 months of cash assistance effective July 1, 2011 for savings of \$832.9 million in 2011-12. Months in which an adult was exempt from work requirements or temporarily disabled would count toward the 48-month limit. Certain families, however, could receive a grant on behalf of the children beyond 48 months.	Retroactively limits adults – but not children – to 48 months of cash assistance effective June 1, 2011 for savings of \$13 million in 2010-11 and \$158 million in 2011-12. Months in which an adult was exempt from work requirements or temporarily disabled would not count toward the 48-month limit.	Adopts the Conference Committee's action.	Adults are currently subject to a 60-month time limit, while children may receive state-funded cash assistance as long as the family meets eligibility requirements.
CalWORKs grants	Reduces maximum grant levels by 13 percent effective June 1, 2011 for savings of \$405.0 million in 2011-12.	Reduces maximum grant levels by 8 percent for ongoing annual savings of \$304 million. Reduces grants for families who receive child-only grants by an additional 15 percent for ongoing annual savings of \$100 million. This reduction would occur in three steps – a 5 percent cut after 60 months on aid, an additional 5 percent cut after 72 months on aid, and a final 5 percent cut after 84 months on aid.	Adopts the Conference Committee's action.	The Conference Committee's 8 percent cut reduces the maximum monthly grant for a family of three in high-cost counties from \$694 to \$638. Both Conference Committee grant cuts would take effect on the first of the month following 90 days after enactment.

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Human Services				
CalWORKs funding	Reduces funding that counties use to provide welfare-to-work services and child care by \$376.9 million in 2011-12. The Governor proposes to repeal the current work participation exemptions for families with young children that were implemented beginning in 2009-10 to help counties prioritize their remaining funding.	Reduces funding that counties use to provide welfare-to-work services and child care by \$427 million in 2011-12. Extends and expands the work participation exemptions for families with young children to help counties prioritize their remaining funding.	Adopts the Conference Committee's action.	The state imposed annual cuts of \$375 million to counties' CalWORKs funding as part of the 2009-10 and 2010-11 budget agreements.
CalWORKs July 2011 sanctions and time limit changes	Repeals the major CalWORKs sanction and time-limit changes that were enacted as part of the July 2009 budget agreement and that are scheduled to take effect on July 1, 2011.	Reflects the Governor's proposal.	Adopts the Conference Committee's action.	
CalWORKs earned income disregard	No proposal.	Modifies the earned income disregard by not counting the first \$112 of earnings – rather than the first \$225 – for ongoing annual savings of \$95 million.	Adopts the Conference Committee's action.	California currently disregards, or does not count, the first \$225 of earnings and 50 percent of each additional dollar earned when calculating a family's grant.

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Human Services				
CalWORKs subsidized employment	No proposal.	Expands the state's participation in the AB 98 subsidized employment program. This change is not projected to result in either savings or costs.	Adopts the Conference Committee's action.	Currently, counties may receive a match from the state to offset the cost of providing a subsidized job, with the match limited to 50 percent of the maximum grant.
CalWORKs Cal-Learn Program	No proposal.	Suspends certain Cal-Learn services for one year for savings of \$45 million in 2011-12. Cal-Learn participants would continue to be eligible for bonuses related to progress in school.	Adopts the Conference Committee's action.	Cal-Learn provides case management services to approximately 12,000 teen parents who remain in school.
CalWORKs substance abuse and mental health services	No proposal.	Cuts funding by \$5 million in 2011-12.	Adopts the Conference Committee's action.	
CalWORKs automation systems	No proposal.	Cuts funding by \$5 million in 2011-12.	Adopts the Conference Committee's action.	

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Human Services				
In-Home Supportive Services (IHSS) Program hours of service	Reduces all IHSS recipients' authorized hours of service by 8.4 percent for savings of \$127.5 million in 2011-12.	Triggers a reduction in hours of service effective October 1, 2012 to achieve state savings of up to \$140 million if alternative policy changes – including a pilot project to encourage Medi-Cal recipients to take prescribed medications (see above) – fail to achieve those savings.	Adopts the Conference Committee's action.	The 2010-11 budget agreement included a temporary 3.6 percent cut to recipients' authorized hours of service. The Governor proposed to make that cut permanent. Therefore, the total ongoing reduction to authorized hours would have equaled 12 percent under the Governor's proposal.
IHSS domestic and related services	Eliminates domestic and related services for IHSS recipients who live with others for savings of \$236.6 million in 2011-12.	Rejects the Governor's proposal.	Adopts the Conference Committee's action.	Domestic and related services include shopping and laundry. The Governor's proposal would have affected 300,000 recipients.
IHSS certification	Eliminates all services for recipients who lack a doctor's certification that IHSS is necessary to prevent out-of-home care for savings of \$152 million in 2011-12.	Reflects the Governor's proposal.	Adopts the Conference Committee's action.	This change will affect an estimated 43,000 recipients. The Administration's initial savings estimate of \$120.4 million was subsequently revised to reflect interactions with other IHSS proposals.

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Human Services				
IHSS Community First Choice Option (CFCO)	No proposal.	Assumes \$121 million in state savings due to "expected approval" of additional federal funding for IHSS under the new federal CFCO.	Adopts the Conference Committee's action.	The CFCO is a new Medicaid state plan option available effective October 1, 2011.
IHSS enrollment estimates	No proposal.	Reduces enrollment estimates based on more recent data for savings of \$83.2 million.	Adopts the Conference Committee's action.	
Supplemental Security Income/State Supplementary Payment (SSI/SSP) Program	Reduces the state's share of SSI/SSP grants to the minimum allowed by federal law, effective June 1, 2011, for savings of \$14.7 million in 2010-11 and \$177.3 million in 2011-12.	Reflects the Governor's proposal, with the cut taking effect on the first of the month following 90 days after enactment.	Adopts the Conference Committee's action.	<p>The maximum monthly SSI/SSP grant for individuals will drop from \$845 to \$830 under the Legislature's action. Approximately 8,500 seniors and people with disabilities will lose their SSI/SSP grant due to this cut.</p> <p>The maximum grant for SSI/SSP couples is already at the minimum permitted by federal law, and therefore the state cannot reduce it further.</p>

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Human Services				
Child support	Suspends counties' share of child support collections – estimated to be \$24.4 million in 2011-12 – and shifts those dollars to the state General Fund.	Reflects the Governor's proposal.	Adopts the Conference Committee's action.	
Multipurpose Senior Services Program (MSSP)	Eliminates the MSSP for savings of \$19.9 million in 2011-12.	Reduces funding by \$2.5 million.	Adopts the Conference Committee's action.	The MSSP provides services to help elderly Medi-Cal recipients who are eligible to enter a nursing home remain in their own homes.
Transitional Housing Program-Plus (THP-Plus)	Reduces funding by \$19 million in 2011-12.	Defers this issue to the "discussion on realignment of Child Welfare Services."	Reflects the Conference Committee's action.	THP-Plus provides up to two years of transitional housing and supportive services to former foster youth.
Child Care and Development				
Funding for child care and preschool providers	Cuts funding per "slot" by 34.6 percent for all programs except state preschool and CalWORKs Stage 1 child care for savings of \$577.0 million in 2011-12.	Cuts funding per slot by 15 percent for state preschool and all child care programs except CalWORKs Stages 1 and 2 for savings of \$267 million in 2011-12.	Adopts the Conference Committee's action.	The Governor's proposal assumed that each family would pay more – potentially hundreds of dollars per month – to make up for reduced state funding to child care providers.

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Child Care and Development				
Child care for 11- and 12-year-olds	Eliminates child care for 11- and 12-year-olds for savings of \$93.0 million in 2011-12.	Eliminates child care for 11- and 12-year-olds – except for those who need care during non-traditional hours and those who are disabled, at risk of abuse, or homeless – for savings of \$38.5 million in 2011-12. Prioritizes 11- and 12-year-olds for afterschool program waiting lists and allows those children to attend an afterschool program at another school in their district.	Adopts the Conference Committee's action.	
Income eligibility limit	Reduces the income eligibility limit from 75 percent of the state median income (SMI) to 60 percent of the SMI – except for the state preschool program – for savings of \$79.0 million in 2011-12.	Reduces the income eligibility limit from 75 percent of the SMI to 70 percent of the SMI for child care programs and state preschool for savings of \$30.1 million in 2011-12.	Adopts the Conference Committee's action.	
Child and Dependent Care Credit	No proposal.	Eliminates the refundable portion of the credit and "allocates the savings to direct provision of child care for eligible households."	It is unclear whether the Legislature has adopted this change yet.	

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Child Care and Development				
Reimbursement rate for "license-exempt" child care providers	No proposal.	Reduces the maximum rate that license-exempt providers can charge from 80 percent to 60 percent of the maximum licensed rate for savings of \$44.1 million.	Adopts the Conference Committee's action.	The October 2010 budget agreement reduced the maximum rate that license-exempt providers can charge from 90 percent to 80 percent of the maximum licensed rate.
Family fee schedule	No proposal.	Adopts a 10 percent across-the-board increase to the fees that families pay for child care for savings of \$12 million in 2011-12.	Adopts the Conference Committee's action.	Total fees may not exceed 10 percent of a family's monthly income under the Conference Committee's action.
Standard Reimbursement Rate (SRR)	No proposal.	Reduces the maximum SRR for child care and state preschool by 10 percent effective July 1, 2011 for savings of \$109.1 million in 2011-12.	Adopts the Conference Committee's action.	The SRR is paid to child care and preschool providers who are under contract with the California Department of Education.
Other child care "solutions"	No proposal.	Approves \$215.2 million in other child care solutions, including redirecting Proposition 98 savings to child care.	Adopts the Conference Committee's action.	

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K-12 Education				
Proposition 98	Reflects a 2011-12 base funding level of \$49.3 billion for K-14 programs covered by the Proposition 98 guarantee.	Reflects a 2011-12 base funding level of \$49.4 billion for K-14 programs covered by the Proposition 98 guarantee. The \$110 million increase in the Proposition 98 funding level reflects revenue adjustments adopted by the Conference Committee.	Adopts the Conference Committee's action.	
Deferrals	Defers \$2.1 billion in 2011-12 spending from July 2011 to July 2012.	Adopts the Governor's proposal. Defers \$1.3 billion in March 2012 payments and \$763 million in April 2012 payments to August 2012.	Adopts the Conference Committee's action.	
K-3 Class Size Reduction (K-3 CSR)	Appropriates \$1.275 billion in 2011-12 Proposition 98 funding. Allocates \$704.6 million in the 2011-12 Budget Act and an additional \$570 million that would be paid as a deferral in 2012 through a "trailer bill" after the close of the budget year.	Provides \$1.46 billion in 2011-12 through a statutory appropriation rather than through the 2011-12 Budget Act.	Adopts the Conference Committee's action.	In 2010-11, funding for K-3 CSR was converted to a one-year statutory appropriation with the funding level determined by the SPI.

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K-12 Education				
Economic Impact Aid	Provides \$888.4 million in 2011-12 Proposition 98 funding.	Provides \$56 million more than the Governor's proposal based on updated workload estimates for a total of \$944.4 million in 2011-12 Proposition 98 funding.	Adopts the Conference Committee's action.	
K-14 education mandates	Provides \$89.9 million in 2011-12 Proposition 98 funding.	Adopts the Governor's proposal.	Adopts the Conference Committee's action.	
Charter School Facility Grant Program	Provides \$95.4 million in 2011-12 Proposition 98 funding.	Adopts the Governor's proposal.	Adopts the Conference Committee's action.	Historically, funds for this program were used to reimburse eligible charter schools for prior year facilities rent and lease spending. However, the 2010-11 Budget Act transitioned this program from reimbursement to grant-funding.
Office of the Secretary of Education (OSE)	Eliminates the OSE for savings of \$400,000 in 2010-11 and \$1.6 million in 2011-12.	Reflects the Governor's proposal.	Adopts the Conference Committee's action.	

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K-12 Education				
Categorical programs	Extends various provisions of the February 2009 budget agreement from 2012-13 to 2014-15, including provisions allowing the transfer of funds from approximately 40 categorical programs to a school district's or county office of education's General Fund.	Reflects the Governor's proposal.	Adopts the Conference Committee's action.	
California State Library	Eliminates 2011-12 funding for the Public Library Foundation, the California Library Services Act, and California Library Literacy and English Acquisition Services for savings of \$30.4 million.	Reduces funding by \$15 million.	Adopts the Conference Committee's action.	Currently, the State Library receives \$19.7 million in federal grant funds, based on the last three years of state General Fund support. Federal support for California libraries will end by 2014-15, if state funding is reduced by \$30.4 million and not restored in future years.
Emergency Repair Program (ERP)	Provides \$42.8 million in 2011-12 Proposition 98 funding.	Rejects the Governor's proposal.	Adopts the Conference Committee's action.	The <u>Williams v. California</u> settlement agreement obligated the state to make annual payments to the ERP beginning in 2005-06, however the state has not done so since 2008-09.

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K-12 Education				
Basic aid districts	No proposal.	Reduces 2010-11 and 2011-12 categorical program funding by 8.9 percent.	Adopts the Conference Committee's action.	The Legislature intends to reduce basic aid district funding by the same proportion as 2008-09 and 2009-10 revenue limit reductions to non-basic aid districts.
California Longitudinal Pupil Achievement Data System (CALPADS)	Does not provide federal funds in 2010-11.	Provides \$2.3 million in federal funds to support implementation and development of CALPADS in 2010-11.	Adopts the Conference Committee's action.	Governor Schwarzenegger vetoed \$3.0 million in federal funds for the support and development of CALPADS in 2010-11. The Conference Committee action would prioritize restored funding to support the transfer of knowledge from the CALPADS contractor to the California Department of Education and any other relevant state agency.
Community Colleges				
Funding	Makes \$400 million in unallocated reductions in 2011-12.	Reflects the Governor's proposal.	Adopts the Conference Committee's action.	
Deferrals	Defers \$129 million in spending from 2011-12 to 2012-13.	Reflects the Governor's proposal.	Adopts the Conference Committee's action.	

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Community Colleges				
Fees	Increases student fees from \$26 to \$36 per credit unit.	Reflects the Governor's proposal.	Adopts the Conference Committee's action.	
Categorical fee waivers	Decouples the formula in current law that links the amount community colleges receive for administering categorical fee waivers to the dollar value of fee waivers for 2011-12 savings of \$2.9 million.	Conference Committee compromise budget bill language states "the amount of funds appropriated for the purposes of administering fee waivers shall be determined in the annual Budget Act for the 2011-12 fiscal year."	Adopts the Conference Committee's action.	
Attendance accounting	Changes attendance accounting to create incentives for colleges to maximize academic course sections available for students seeking vocational certificates and transfers to four-year colleges.	Rejects the Governor's proposal.	Adopts the Conference Committee's action.	

	Governor's Proposed Budget	Conference Committee	Budget Agreement as Passed by the Legislature	Comments
University of California				
Funding	Makes \$500 million in unallocated 2011-12 reductions.	Adopts the Governor's proposal. Requires the UC to minimize fee and enrollment impacts on students and to report how reductions would be implemented by June 1, 2011, prior to adoption of a final plan by the Board of Regents. Requires the UC to report to the Legislature by May 1, 2012 whether it fulfilled an enrollment target of 209,977 state-supported full-time equivalent students (FTES) during the 2011-12 academic year.	Adopts the Conference Committee's action.	
Academic preparation and outreach programs	No proposal.	Protects academic preparation and outreach programs from reductions "proportionately greater than the overall General Fund reduction."	Adopts the Conference Committee's action.	

	Governor's Proposed Budget	Conference Committee	Budget Agreement as Passed by the Legislature	Comments
California State University				
Funding	Makes \$500 million in unallocated 2011-12 reductions.	Adopts the Governor's proposal. Requires the CSU to minimize fee and enrollment impacts on students and to report how reductions would be implemented by June 1, 2011, prior to adoption of a final plan by the Board of Trustees. Requires the CSU to report to the Legislature by May 1, 2012 whether it fulfilled an enrollment target of 331,716 during the 2011-12 academic year.	Adopts the Conference Committee's action.	
Academic preparation and outreach programs	No proposal.	Protects academic preparation and outreach programs from reductions "proportionately greater than the overall General Fund reduction."	Adopts the Conference Committee's action.	

	Governor's Proposed Budget	Conference Committee	Budget Agreement as Passed by the Legislature	Comments
Hastings College of Law				
Funding	Makes \$1.5 million in unallocated reductions in 2011-12.	Adopts the Governor's proposal.	Adopts the Conference Committee's action.	
California Student Aid Commission				
Cal Grants	Shifts \$947 million in Temporary Assistance to Needy Families (TANF) funds to support Cal Grants. Increases Cal Grant funding by \$147.2 million in 2010-11 and \$369.5 million in 2011-12 to reflect revised California Student Aid Commission (CSAC) cost estimates. The higher-than-anticipated costs include \$141.4 million in 2010-11 and \$279 million in 2011-12 due to a larger than previously anticipated number of new Cal Grant entitlement awards.	Shifts \$285.3 million in TANF funds to support Cal Grants. Institutions will be required to meet minimum default rate standards in order to qualify as a Cal Grant eligible institution. This provision will only apply to new Cal Grant awards. Requires Cal Grant renewal recipients to meet income eligibility standards.	Adopts the Conference Committee's action.	California has historically used most of its annual TANF block grant to support the CalWORKs welfare-to-work program. Federal law, however, allows states to use TANF funds for a broader range of purposes, including college financial aid. The Governor proposes to make deep cuts to CalWORKs in order to "free up" TANF funds to support Cal Grants.

	Governor's Proposed Budget	Conference Committee	Budget Agreement as Passed by the Legislature	Comments
Local Government				
Open space subventions	Suspends the Williamson Act Program, which backfills a portion of local property tax revenues lost to local governments under contracts to maintain open space and agricultural land, for savings of \$20 million in 2010-11 and 2011-12.	Reflects the Governor's proposal.	Adopts the Conference Committee's action.	
Local government mandates	Suspends most local government mandates and defers payment for pre-2004 mandate claims for savings of \$321.8 million. Suspended mandates include the Brown Act "open meetings" mandate (\$63.3 million) and six related to elections (\$32.7 million).	Suspends election-related mandates. Amends the state Constitution so that local government costs related to complying with open meetings requirements shall not be deemed a reimbursable mandate.	Adopts the Conference Committee's action to suspend election-related mandates. The open meetings change is included in a bill that the Legislature has not yet acted upon.	Suspension of election-related mandates means counties are not required to mail ballots to individuals who request to be permanent absentee voters, count absentee ballot voting by precinct, or hold special elections when a candidate dies within three months of a general election.

	Governor's Proposed Budget	Conference Committee	Budget Agreement as Passed by the Legislature	Comments
General Government				
Interest on loans to pay Unemployment Insurance benefits	Borrows \$362.3 million from the Unemployment Compensation Disability Fund – commonly known as the State Disability Insurance fund – to pay interest due on loans from the federal UI trust fund.	Reflects the Governor's proposal.	Adopts the Conference Committee's action.	
Protection of federal extended UI benefits	No proposal.	Temporarily changes a "trigger" to allow unemployed workers to continue to receive federal extended UI benefits.	Adopts the Conference Committee's action.	Eligible jobless workers receive 20 weeks of federally funded extended UI benefits when a "trigger" based on a state's unemployment rate is "on." Congress recently adopted a new "trigger" that requires state conforming legislation. If the new "trigger" is not adopted, California is expected to "trigger off" the federal extended benefits program in spring 2011.

	Governor's Proposed Budget	Conference Committee	Budget Agreement as Passed by the Legislature	Comments
General Government				
State employees	Assumes \$308.4 million General Fund savings from a 10 percent reduction in workers' take-home pay that would be achieved through collective bargaining with six bargaining units that have expired contracts or "other administrative actions."	Reflects the Governor's proposal.	Adopts the Conference Committee's action.	<p>The Governor's Proposed Budget also reflects \$71.6 million in savings from employee compensation reductions achieved through collective bargaining agreements reached with 15 bargaining units in 2010. Those agreements reduced the take-home pay of covered state workers by between 8 and 10 percent.</p> <p>The Governor also issued an executive order in mid-February imposing a hiring freeze.</p>

	Governor's Proposed Budget	Conference Committee	Budget Agreement as Passed by the Legislature	Comments
General Government				
State employee and retiree health care costs	Assumes savings of \$80 million that would be achieved through legislation directing the California Public Employees' Retirement System (CalPERS) to provide a new lower-cost health plan option and/or implement other measures to achieve equivalent ongoing savings beginning in 2012-13.	Reflects the Governor's proposal.	Adopts the Conference Committee's action.	In February, the Governor modified his original proposal, which assumed savings of \$72 million from legislation directing CalPERS to provide a new lower-cost health plan. Under the revised proposal, CalPERS would be required to achieve \$8 million more in savings through either the provision of a new lower-cost health plan or other unspecified measures.
State operations	Proposes a \$200 million unallocated reduction in state operations spending.	Adopts the Governor's proposal, but reduces spending on state operations by \$250 million.	Adopts the Conference Committee's action.	In January, the Governor issued one executive order imposing a 50 percent reduction in the number of state-issued cell phones to achieve at least \$20 million in savings, and another requiring state agencies and departments to relinquish non-essential or cost-inefficient vehicles and equipment.

	Governor's Proposed Budget	Conference Committee	Budget Agreement as Passed by the Legislature	Comments
General Government				
Sale of state office buildings	As announced in February, cancels the sale of 11 state office buildings and proposes to backfill the \$1.2 billion in lost revenues through special fund loans and transfers (\$905.5 million) and spending reductions (\$266.8 million).	Reflects the Governor's proposal.	Adopts the Conference Committee's action.	Legislation included as part of the July 2009 budget agreement authorized the state to sell 11 state office buildings and lease the buildings back from the new owners. The 2010-11 budget agreement assumed \$1.2 billion in one-time revenue from the sale. The Legislative Analyst's Office recommended that the state consider alternatives to the "sale-leaseback" because the long-term cost of leasing would exceed the revenues generated by the sale.

	Governor's Proposed Budget	Conference Committee	Budget Agreement as Passed by the Legislature	Comments
Legislative, Executive, and Judicial				
Trial courts	Reduces 2011-12 funding by \$200 million.	Adopts the reduction, allocating \$176.8 million to trial courts and \$23.2 million to state operations. Requires that implementation of the reductions avoids court closures and minimizes impacts on court operations.	Adopts the Conference Committee's action.	
Department of Justice (DOJ) legal services	Converts most DOJ clients that currently receive legal services on a "non-billable" basis to a "billable" basis. The Governor reduces funding for the DOJ and increases General Fund support for certain departments to cover their anticipated "billable" costs.	Adopts the Governor's proposed policy but reduces the proposed increase in General Fund support for the California Department of Corrections and Rehabilitation by \$5.5 million.	Adopts the Conference Committee's action.	The DOJ is responsible for representing state agencies and employees in judicial proceedings. Historically, the DOJ has provided legal services to agencies that are supported by the General Fund on a "non-billable" basis and has received a General Fund appropriation for those services.

	Governor's Proposed Budget	Conference Committee	Budget Agreement as Passed by the Legislature	Comments
Resources				
CalFIRE fire engine staffing	Eliminates funding for the fourth firefighter on CalFIRE fire engines for savings of \$30.7 million in 2011-12.	Reflects the Governor's proposal.	Adopts the Conference Committee's action.	
CalFIRE fire protection funding	Reduces 2011-12 funding for fire protection activities, including CalFIRE's aviation program, by \$42.8 million.	Rejects the Governor's proposal.	Adopts the Conference Committee's action.	
Civil Cost Recovery Program	Increases funding for cost recovery for wildfires caused by negligence or illegal activity by \$1.7 million in 2011-12. The Governor assumes net General Fund savings of approximately \$5.1 million.	Rejects the Governor's proposal.	Adopts the Conference Committee's action.	

	Governor's Proposed Budget	Conference Committee	Budget Agreement as Passed by the Legislature	Comments
Resources				
Department of Parks and Recreation (DPR)	Reduces 2011-12 funding by \$11.0 million by partially or fully closing some state parks and reducing DPR headquarters' expenditures.	Adopts the Governor's proposal.	Adopts the Conference Committee's action.	
Off-highway vehicle parks	No proposal.	Transfers \$10 million to the General Fund.	Adopts the Conference Committee's action.	This reduction is proportionate to the cut to non-vehicle parks.
Gas consumption surcharge	No proposal.	Transfers \$155 million to the General Fund, maintaining funding for the Energy Low Income Program and low-income energy-efficiency programs.	Adopts the Conference Committee's action.	This surcharge on natural gas consumption funds low-income assistance and energy-efficiency programs and public interest research.

	Governor's Proposed Budget	Conference Committee	Budget Agreement as Passed by the Legislature	Comments
Transportation				
Fuel tax swap	Requests that the Legislature reenact the March 2010 fuel tax swap, allowing the state to continue to use certain fuel tax revenues to pay debt service on transportation bonds. The Governor's Proposed Budget also provides additional funds from the Public Transportation Account to local transit agencies to maintain funding that was overturned by the voters' approval of Proposition 22 in November 2010.	Reflects the Governor's proposal.	Adopts the Conference Committee's action.	The Assembly and Senate both adopted the conference committee's action by a two-thirds vote, meeting the requirements of Proposition 26 of 2010.
Truck weight fees	Uses \$1.0 billion in truck weight fees in 2010-11 and 2011-12 to pay transportation general obligation (GO) bond debt service costs. The Governor also proposes to borrow \$660 million in truck weight fee revenues from the State Highway Account.	Uses \$1.6 billion in truck weight fees in 2010-11 and 2011-12 to pay GO bond debt service costs for transportation-related bonds and for loans to the General Fund.	Adopts the Conference Committee's action.	Proposition 22 of 2010 limits the use of gasoline excise taxes for paying GO bond debt service and prohibits the use of gasoline excise taxes for loans to the General Fund. This proposal uses truck weight fees for these purposes instead.