CITIZENS'
Budget
2003–05

A 10-Point Plan to Balance the California Budget and Protect Quality-of-Life Priorities

Reason

The Performance Institute

Project Director: Carl DeMaio

Appendix B

A Menu of Possible Reductions in Budget Line-Items

Department/ Service	Line Item	Descriptor	Base Amount Analyzed ($)	Competitive Sourcing ($)	Performance-based Reductions ($)	Reorganization Plan Savings ($)	Final Budget Savings ($)	Comments
Agricultural Labor Relations Board	7300	Agricultural Labor Relations Board	4,765,000			715,000	715,000	Integrate into Division of Labor Relations
Assessments	6110-123-0001	California Achievement Test-6 (CAT-6)			10,000,000		10,000,000	(LAO) Recommend legislature reduce emphasis on norm-referenced tests by requiring school districts to administer the CAT-6 only in grades 4 and 8 instead of grades 2 through 11, and reduce funding by $10 million.
Assessments	6110-123-0001	Primary Language Assessment			1,600,000		1,600,000	(LAO) Recommend legislature reduce the primary language test requirement to be consistent with the state's emphasis on English language development and reduce funding by $1.6 million.
Assessments	6110-295-0001	Physical Performance Test			1,100,000		1,100,000	(LAO) Recommend legislature make the physical fitness test optional for grades 5, 7, and 9, and reduce funding of $1.1 million.
Assessments	6610-123-0001	Golden State Exams			5,900,000		5,900,000	(LAO) Recommend legislature reduce the Golden State Exams to reduce duplicative testing at the high school level and reduce funding by $5.9 million.
Board of Corrections	5430	Board of Corrections	132,058,000	19,809,000			19,809,000	Division of Corrections
Board of Pilot Commissioners for the Bays of San Francisco, San Pablo and Suisun	8530	Board of Pilot Commissioners for the Bays of San Francisco, San Pablo and Suisun			1,203,000		1,203,000	Reduce fuding for the board. The board's functions focus is on a very small region of the state, are not necessary for the operation of the state, and can be adequately performed through MOU arrangements with other federal, state and local government entities.
Board of Prison Terms	5440	Board of Prison Terms	28,813,000	4,322,000			4,322,000	Division of Corrections
CA Consumer Power and Conservation Financing Authority	8665	CA Consumer Power and Conservation Financing Authority	228,383,000			34,257,000	34,257,000	Integrate into Public Utilities Commission
CA Gambling Control Commission	855	CA Gambling Control Commission	5,498,000			825,000	825,000	Integrate into CA Lottery Commission (new Division of Gaming)
California Alternate Energy and Advanced Transportation Financing Authority	971	California Alternate Energy and Advanced Transportation Financing Authority	177,000		177,000		177,000	Suspend program funding. Relevance and priorities requires suspension for this budget cycle
California Arts Council	8260	California Arts Council	13,566,000		6,783,000		6,783,000	Suspend 50 percent of program funding. Relevance and priorities requires suspension for this budget cycle
California Children and Families Commission	4250	California Children and Families Commission	571,986,000		285,993,000		285,993,000	Eliminate this commission as programs are duplicative (child care is handled by HHS, child literacy is handled by the public schools), and realign 50 percent of commission funding to these programs better suited to provide services to children
California Community Colleges	6870	Part-Time Faculty Compensation			50,800,000		50,800,000	(LAO) Reduce Part-Time Faculty Compensation funding. This program increases part-time faculty salaries with no demonstrated linkage to improved student outcomes.
California Community Colleges	6870	Part Time Faculty Office Hours			3,900,000		3,900,000	(LAO) Reduce Part Time Faculty Office Hours funding. Office hours can be negotiated as part of collective bargaining, without categorical funding.
California Community Colleges	6870	Partnership for Excellence Program	164,500,000		164,500,000		164,500,000	(LAO) Terminate Partnership for Excellence program. Program is due to sunset at end of 2004 calendar year. Has shown little evidence of progress in reaching performance targets.
California Community	6870-301-	Contra Costa Community			700,000		700,000	(LAO) Recommend the legislature delete $716,000 for

Department/ Service	Line Item	Descriptor	Base Amount Analyzed ($)	Competitive Sourcing ($)	Performance-based Reductions ($)	Reorganization Plan Savings ($)	Final Budget Savings ($)	Comments
Colleges	6028 (13)	College District (CCD), Los Medanos College: Math, Science and Technology						development of preliminary plans for the Math and Science Building at Los Mandanos College and recognize zero future costs.
California Community Colleges	6870-301-6028 (31)	Long Beach CCD, Long Beach City College: Industrial Technology Center, Manufacturing			698,000		698,000	(LAO) Recommend the legislature delete $698,000 for development of preliminary plans and working drawings for the Industrial Technology Center, Phase I, at Long Beach City College and recognize zero future costs.
California Community Colleges	6870-301-6028 (32)	Los Angeles CCD, East Los Angeles College: Fine and Performing Arts Center			15,882,000		15,882,000	(LAO) Recommend the legislature delete $15,882,000 for development of preliminary plans, working drawings, construction and equipment for the Fine and Performing Arts Center at East Los Angeles College.
California Community Colleges	6870-301-6028 (33)	Los Angeles CCD, Los Angeles Harbor College: Applied Technology Building.			613,000		613,000	(LAO) Recommend the legislature delete $613,000 for development of preliminary plans and working drawings for the Applied Technology Building at Los Angeles Harbor College and recognize zero future costs.
California Conservation Corps	3340	California Conservation Corps	73,980,000			11,097,000	11,097,000	Integrate into Division of Lands and Forests
California Debt and Investment Advisory Commission	956	California Debt and Investment Advisory Commission	1,995,000		598,500		598,500	Suspend municipal education program / continuing education programs in the public debt and investment areas, as well as research and publications not directly related to the state of California's public debt and finances.
California Gambling Control Commission	855	Special Distribution Fund			88,000,000		88,000,000	(LAO) Recommend legislature use available $88 million in the Special Distribution Fund for programs, currently funded from General Fund, that address the impact of gambling on communities
California Health and Human Services Agency Data Center	4130-25	Operations	117,566,000	35,269,800	750,000	8,817,450	44,837,250	Operations is a commercial activity that should be competitively sourced for savings; integrate into centralized data processing center for entire state; prioritize and reduce data sets to achieve additional $750,000 target of savings
California Horse Racing Board	8550	California Horse Racing Board	6,525,000			979,000	979,000	Integrate into CA Lottery Commission (new Division of Gaming)
California Industrial Development Financing Advisory Commission	965	California Industrial Development Financing Advisory Commission	521,000		521,000		521,000	Suspend program funding. Relevance and priorities requires suspension for this budget cycle
California Integrated Waste Management Board	3910	California Integrated Waste Management Board	115,478,000	25,077,324	16,500,000		41,577,324	Maintain regulatory functions; competitively source permitting and inspection functions; suspend research (leave this to the universities and the private sector), education programs, and public awareness/advocacy programs.
California Medical Assistance Program	4260-101-0001	County Eligibility Determinations			41,300,000		41,300,000	(LAO) Reject proposed augmentation for county administration because the budget has not demonstrated that county failure to complete annual redeterminations is the result of inadequate funding. Recommend adoption of the budget proposal to implement performance standards for the counties. Recommend the legislature go further and adopt workload or productivity standards for county eligibility workers and tie the level of funding to that individual county's performance in meeting the new standards.
California Medical Assistance Program	4260-101-0890	County Eligibility Determinations			41,300,000		41,300,000	(LAO) Reject proposed augmentation for county administration because the budget has not demonstrated that county failure to complete annual redeterminations is the result of inadequate funding. Recommend adoption of the budget proposal to implement performance standards for the counties. Recommend the legislature go further and adopt workload or productivity standards for county eligibility workers and tie the level of funding to that individual county's performance in meeting the new standards.
California State Library	6120	California State Library	61,151,000	18,345,300			18,345,300	Certain library functions are commercial activities that should be competitively sourced for savings
California State Summer School for the Arts	6255	California State Summer School for the Arts	1,623,000		1,623,000		1,623,000	Suspend program funding. Relevance and priorities require suspension for this budget cycle
California State University	6610	Institutional Aid Programs	51,100,000		51,100,000		51,100,000	(LAO) Suspend General Fund support for institutional aid programs. Substantial growth in state Cal Grant programs has weakened justification for separate institutional aid programs.
California State University	6610-001-0001	Higher Education Enrollment	66,200,000		66,200,000		66,200,000	(LAO) Recommend legislature suspend funding in the budget for enrollment growth at the California State University because proposed growth rates significantly exceed demographic projections.
California State University	6610-001-	Precollegiate Courses			10,000,000		10,000,000	(LAO) Recommend legislature fund CSU's precollegiate

Department/ Service	Line Item	Descriptor	Base Amount Analyzed ($)	Competitive Sourcing ($)	Performance-based Reductions ($)	Reorganization Plan Savings ($)	Final Budget Savings ($)	Comments
	0001							writing and mathematics courses at the same rate it funds credit courses at the community colleges.
California State University	6610-04	Academic Support	489,194,000	146,758,200			146,758,200	Academic support functions are commercial activities that should be competitively sourced for savings
California State University	6610-7	Operation and Maintenance of Plant	374,011,000	112,203,300			112,203,300	Operation and maintenance functions are commercial activities that should be competitively sourced for savings
California Tahoe Conservancy	3125	California Tahoe Conservancy	15,609,000			2,341,000	2,341,000	Integrate into Division of Lands and Forests
California Transportation Commission	2600	California Transportation Commission	77,353,000			11,603,000	11,603,000	Integrate into Division of Transportation
California Victim Compensation and Government Claims Board	8700-12	Quality Assurance and Revenue Recovery Division	8,310,000	2,493,000			2,493,000	Functions of this division are commercial activities that should be competitively sourced for savings
California Victim Compensation and Government Claims Board	8700-21	Disaster Relief Claim Program	19,000		19,000		19,000	Reduce program funding. This program "allows reimbursement to claimants for personal injury and property damage as a result of a natural or environmental disaster." This is the function of private insurance, not government.
Child Welfare Services	5180-151-0001	Projected Caseload Decline			11,000,000		11,000,000	(LAO) Recommend that the proposed expenditures for the CWS program be reduced by $11 million in General Funds because the budget does not reflect savings from its projected caseload declines.
Colorado River Board of California	3460	Colorado River Board of California	1,067,000			160,000	160,000	Integrate into Division of Water Resources
Commisison on Teacher Credentialing	6360-10.10	Certification, Assignment and Waivers	10,080,000		10,080,000		10,080,000	Relevance and priorities require the suspension of this program for this budget cycle
Commission on Teacher Credentialing	6360-10.20	Professional Services	51,941,000	15,582,300		5,194,100	20,776,400	Professional service functions are commercial activities that should be competitively sourced for savings; integrate into Dept. of Education
Commission on Aging	4180	Commission on Aging	644,000		322,000		322,000	The commission is duplicative of the department of Aging. Eliminate this commission and reallocate 50 percent of funding to the department
Commission on State Mandates	8885	Commission on State Mandates	1,302,000			195,000	195,000	Integrate into Department of Finance
Commission on the Status of Women	8820	Commission on the Status of Women	445,000		445,000		445,000	Reduce funding for the commission, request all relevant government programs factor in special needs for women into their services.
Corrections	5240	Prison Terms	15,000,000		15,000,000		15,000,000	(LAO) Remove prison as an option for persons convicted of petty theft with a prior. "Petty theft with a prior" is currently prosecuted as either a misdemeanor or a felony. This proposal would require the crime to be prosecuted as a misdemeanor, thereby reducing admissions to state prison in the budget year and beyond.
Corrections	5240-21	Institutional Programs	3,859,270,000	1,157,781,000			1,157,781,000	Using other states experiences as a model, institutional programs are commercial activities that should be competitively sourced for savings
Corrections	5240-22	Health Care	886,909,000	266,072,700	6,500,000		272,572,700	Using other states' experiences, health care is a commercial activity that should be competitively sourced for savings; prioritize and reduce health services for two year period
Corrections	5240-61.12.027	San Quentin Death Row	220,000,000		220,000,000		220,000,000	Suspend construction on this prison until better budget environment
Delta Protection Commission	3840	Delta Protection Commission	307,000		307,000		307,000	Duplicative of the California Bay-Delta Authority, eliminate funding for the commission. Land-use planning under this commission is "implemented by local governments, through local land use planning procedures and enforcement" and thus should not be a state function.
Department of Aging	Reduce 4170, Increase 5180	Aging Programs	3,400,000		908,000		908,000	(LAO) Recommend eliminating the Department of Aging and shifting all of its functions to the Department of Social Services. This consolidation results in a net savings of 37 positions and $3,420,000 ($908,000 General Fund).
Department of Alcohol and Drug Programs	4200	Asset Forfeiture Proceeds			10,000,000		10,000,000	(LAO) Redirect state and federal asset forfeiture proceeds. This option would use part of the proceeds taken from illegal narcotics traffickers to help pay for substance abuse treatment programs.
Department of Alcohol and Drug Programs	4200	Department of Alcohol and Drug Programs	483,144,000			72,472,000	72,472,000	Integrate into Division of Mental Health and Substance Abuse
Department of Boating and Waterways	3680-30	Beach Erosion Control	1,290,000		1,290,000		1,290,000	Relevance and priorities require the suspension of this program for this budget cycle, replace with local

Department/ Service	Line Item	Descriptor	Base Amount Analyzed ($)	Competitive Sourcing ($)	Performance-based Reductions ($)	Reorganization Plan Savings ($)	Final Budget Savings ($)	Comments
								investment
Department of Boating and Waterways	3680-50	Capital Outlay	13,655,000	4,096,500			4,096,500	Capital outlay functions are commercial activities that should be competitively sourced for savings
Department of Child Support Services	5175	Local Administration			26,400,000		26,400,000	(LAO) Suspend half of child support program initiatives for two years. The initiatives that have been established over the last two years are not part of the core collections program.
Department of Conservation	3480	Department of Conservation	541,138,000			81,171,000	81,171,000	Integrate into Division of Lands and Forests
Department of Conservation	3480-50	Beverage Container Recycler and Litter Reduction Program	499,945,000		499,945,000		499,945,000	Relevance and priorities require the suspension of this program for this budget cycle
Department of Corrections	5240-001-0001	Elderly Inmates Parole	9,000,000		9,000,000		9,000,000	(LAO) Given the high cost of housing *nonviolent* elderly inmates, and research showing the high rates of parole success among older inmates, we recommend the legislature release *nonviolent* inmates over 55 years of age to parole. In addition to saving approximately $9 million in the budget year, this would reduce prison health care costs, and reduce prison overcrowding, thereby increasing the level of safety in California prisons.
Department of Developmental Services	4300	Regional Centers			97,100,000		97,100,000	(LAO) Establish annual expenditure limits for regional centers for selected services. This option would establish limits for the maximum allowable units of specific types of services regional centers are allowed to purchase for clients thereby slowing the rapid rate of growth in this program. Regional centers would have to reduce the amount of services provided to clients in order to implement this option.
Department of Developmental Services	4300	Regional Centers			48,800,000		48,800,000	(LAO) Draw down federal funding for regional center services provided residents in intermediate care facilities for the developmentally disabled (ICF-DDs). The state could draw down additional federal funds to offset the state costs of services provided to these residents by modifying the rate structure of the ICF-DDs and through other changes.
Department of Developmental Services	4300	Medicaid Waiver Enrollment Cap			49,500,000		49,500,000	(LAO) Assume higher Medicaid waiver enrollment cap. The state can obtain greater federal fund support for regional center services than is budgeted to the extent that federal authorities will allow additional clients to be included in a Medicaid waiver program.
Department of Developmental Services	4300	Early Start Program			59,100,000		59,100,000	(LAO) Shift General Fund spending for the Early Start program to Proposition 98 funds. This option would shift all of the state's General Fund cost of early intervention services to Proposition 98, thus permitting a net reduction in non-Proposition 98 General Fund expenditures.
Department of Fish and Game	3600-25	Hunting,Fishing, and Public Use Program	43,469,000	13,040,700			13,040,700	Functions of this program are commercial activity that should be competitively sourced for savings
Department of Fish and Game	3600-30	Management of Department Lands and Facilities	39,854,000	11,956,200			11,956,200	Management of this program is commercial activity that should be competitively sourced for savings
Department of Fish and Game	3600-40	Conservation, Education, and Enforcement	47,292,000	14,187,600			14,187,600	Management of this program is a commercial activity that should be competitively sourced for savings
Department of Food and Agriculture	8570-11	Agricultural Plant and Animal Health; Pest Prevention; Food and Safety Services	131,857,000		131,857,000		131,857,000	Suspend funding for these programs. The protection of the livestock industry against losses of animals by theft and straying, marketing of nursery stock, seed quality assurance, and phytosanitary certification are all part of the costs of doing business and should not be subsidized by the state.
Department of Food and Agriculture	8570-21	Marketing; Commodities and Agricultural Services	80,767,000		80,767,000		80,767,000	Suspend program funding. Private firms are responsible for their own marketing efforts and should not be subsidized by the state
Department of Food and Agriculture	8570-31	Assistance to Fairs and County Agricultural Activities	55,471,000		55,471,000		55,471,000	Relevance and priorities require the suspension of this program for this budget cycle
Department of Forestry and Fire Protection	3540-0001-0022	Computer Aided Dispatch (CAD) Proposal	2,600,000		2,600,000		2,600,000	(LAO) Recommend rejection of CAD proposal because funding the proposal from the State Emergency Telephone Number (911) Account is inconsistent with current law and changes the nature of the 911 surcharge.
Department of Forestry and Fire Protection	3540-001-0140	Resource Assessment			100,000		100,000	(LAO) Recommend expenditure reductions for nonessential activities.
Department of Forestry and Fire Protection	3540-11.4	Cooperative Fire Protection	164,954,000	49,486,200			49,486,200	Functions of this program are commercial activities that should be competitively sourced for savings
Department of Forestry and Fire Protection	3540-11.6	Conservation Camps	69,618,000		69,618,000		69,618,000	Relevance and priorities require the suspension of this program for this budget cycle

Department/ Service	Line Item	Descriptor	Base Amount Analyzed ($)	Competitive Sourcing ($)	Performance-based Reductions ($)	Reorganization Plan Savings ($)	Final Budget Savings ($)	Comments
Department of Forestry and Fire Protection	3540-11.8	Emergency Fire Suppression	79,000,000	23,700,000			23,700,000	Functions of this program are commercial activities that should be competitively sourced for savings
Department of Health Services	4260	Medi-Cal			30,100,000		30,100,000	(LAO) Impose a moratorium on new adult day health centers. This would temporarily slow the rapid growth that has been occurring in the number of adult day health centers.
Department of Health Services	4260	Medi-Cal			76,200,000		76,200,000	(LAO) Rescind continuous eligibility for children. This option would disenroll children who are no longer eligible to receive Medi-Cal benefits. Administrative set-up would take three months and implementation would phase-in after that.
Department of Health Services	4260	Medi-Cal			7,600,000		7,600,000	(LAO) Exclude over-the-counter drugs from coverage. Coverage is not required by federal government and such an exclusion is similar to many private health coverage plans. This option would exclude analgesics and cough and cold medications.
Department of Health Services	4260	Medi-Cal			800,000		800,000	(LAO) Change default care to managed care for newly enrolled disabled persons. This option could help improve the coordination of care for disabled persons.
Department of Health Services	4260	Indian Health Program				4,000,000	4,000,000	(LAO) Move the Indian Health Program from DHS to MRMIB. Consolidating this program with similar programs would maintain overall funding at the current level by shifting support from General Fund to federal funds.
Department of Health Services	4260	Seasonal, Agricultural and Migratory Worker Program				5,000,000	5,000,000	(LAO) Move the Seasonal, Agricultural and Migratory Worker Program from DHS to MRMIB. Consolidating this program with similar programs would maintain overall funding at the current level by shifting support from General Fund to federal funds.
Department of Health Services	4260	Medi-Cal			250,000,000		250,000,000	(LAO) Screen for veterans who could receive VA health coverage. Federal survey data suggest that there could be more than 100,000 veterans on Medi-Cal (at a cost to the state of an estimated $250 million annually) who could be eligible instead for comprehensive health care from the Veterans Administration (VA). The state could verify this data to determine if actions are warranted to ensure they receive VA care, thereby reducing General Fund costs.
Department of Health Services	4260	Medi-Cal			39,600,000		39,600,000	(LAO) Establish a provider-specific fee to fund rate adjustments for Long-term care facilities. This proposal would impose a fee on nursing homes to draw down additional federal funds that would offset General Fund costs.
Department of Health Services	4260	California Children's Services Medical Therapy Program				37,000,000	37,000,000	(LAO) Shift financial responsibility for the California Children's Services Medical Therapy Program to Proposition 98. This option would shift all of the state's General Fund cost of these non-medical therapy services to Proposition 98, thus permitting a net reduction in non-Proposition 98 General Fund expenditures.
Department of Health Services	4260-10	Public and Environmental Health	976,700,000	293,010,000			293,010,000	Biomedical, bioenvironmental, and forensic alcohol and methadone drug analysis laboratory services are commercial activities and can be competitively sourced for savings. Also, cancer research can be conducted by universities and private sector
Department of Housing and Community Development	2240	Department of Housing and Community Development	16,619,000			2,493,000	2,493,000	Integrate into California Housing Finance Agency (new Division of Housing Services)
Department of Industrial Relations	7350-36	Committee on Health and Safety and Workers' Compensation	2,661,000			850,000	850,000	Revelance and priorities require a reduction in funding by $850,000 this budget cycle
Department of Industrial Relations	7350-60	Promotion, Development, and Administration of Apprenticeship and Other On-the-Job Training (Division of Apprenticeship Standards)	8,140,000		8,140,000		8,140,000	Suspend program funding. The program is duplicative of numerous job-training programs and its functions are the responsibility of the private sector. Note the 35 percent budget increase over two years, including a proposed 19 percent increase from 2002-03 to 2003-04.
Department of Industrial Relations	7350-70	Labor Force Research and Data Dissemination (Division of Labor Statistics and Research)	3,783,000	1,134,900			1,134,900	Functions of this program are commercial activities that should be competitively sourced for savings
Department of Insurance	845	Department of Insurance	169,058,000			25,359,000	25,359,000	Integrate prosecution functions into the Department of Justice and tax collection/audit functions into the new Division of Tax Collection

Department/ Service	Line Item	Descriptor	Base Amount Analyzed ($)	Competitive Sourcing ($)	Performance-based Reductions ($)	Reorganization Plan Savings ($)	Final Budget Savings ($)	Comments
Department of Justice	0820-001-0001	Youth Authority Lawsuit Funding	4,300,000		4,300,000		4,300,000	(LAO) We recommend deletion of $4.3 million requested for the defense of the California Youth Authority's class action lawsuit because the parties will probably reach settlement, and adoption of budget bill language to allow the Department of Justice to submit a funding request in the event that settlement is not reached.
Department of Justice	820-12.01	Legal Support and Technology	41,837,000	12,551,100			12,551,100	Legal support and technology are commercial activities that should be competitively sourced for savings
Department of Managed Health Care	2400	Department of Managed Health Care	34,544,000			5,182,000	5,182,000	Integrate into Division of Physical Health Services
Department of Mental Health	4400	Department of Mental Health	2,318,758,000	695,627,400			695,627,400	Competitively source four state hospitals (Atascadero, Metropolitan, Napa, and Patton) and the Acute Psychiatry Program at the California Medical Facility in Vacaville. Move to fixed-price, performance-based contracting for all services
Department of Mental Health	4260-101-0001	Early and Periodic Screening, Diagnosis and Treatment Costs			11,700,000		11,700,000	(LAO) New Projection Method Increases Early and Periodic Screening, Diagnosis and Treatment Costs. While there is merit to the effort to more accurately budget the costs of these children's mental health services, we recommend funding adjustments at this time to correct for apparent overbudgeting for this program.
Department of Mental Health	4440-011-0001	Patient Caseload			14,100,000		14,100,000	(LAO) Given the disparity between the actual census count in the state hospitals and the caseload assumptions in the current budget, it is recommended that caseload funding be reduced at this time.
Department of Motor Vehicles	2740-11	Vehicle Identification and Compliance	384,223,000	115,266,900			115,266,900	Vehicle identification and compliance are commercial activities that should be competitively sourced for savings
Department of Motor Vehicles	2740-22	Driver Licensing and Personal IDing	172,071,000	51,621,300			51,621,300	Driver licensing and personal IDing are commercial activities that should be competitively sourced for savings
Department of Motor Vehicles	2740-25	Driver Safety	87,134,000	26,140,200			26,140,200	Driver safety functions are commercial activities that should be competitively sourced for savings
Department of Motor Vehicles	2740-32	Occupational Licensing and Investigative Services	36,791,000	11,037,300			11,037,300	Occupational Licensing and investigative services are commercial activities that should be competitively sourced for savings
Department of Parks and Recreation	3790-10	Facilities	114,010,000	34,203,000			34,203,000	Facility management is a commercial activity that should be competitively sourced for savings
Department of Parks and Recreation	3790-10	Public Safety	59,148,000	17,744,400			17,744,400	Public safety management is a commercial activity that should be competitively sourced for savings
Department of Parks and Recreation	3790-10	Recreation	38,433,000	11,529,900			11,529,900	Recreation management is a commercial activity that should be competitively sourced for savings
Department of Parks and Recreation	3790-10	Education/Interpretation	29,165,000		29,165,000		29,165,000	Relevance and priorities require the suspension of this program for this budget cycle
Department of Parks and Recreation	3790-301-6029	Statewide Acquisition Program			35,000,000		35,000,000	(LAO) Recommend deletion because the budget provides minimal information on (1) how the funding will be spent and (2) future costs associated with the acquisitions.
Department of Parks and Recreation	3790-301-6029 [22]	California Indian Museum			5,000,000		5,000,000	(LAO) Recommend deletion of $5 million for preliminary plans, working drawings, and construction for the California Indian Museum (CIM). The department already has $5 million to begin the development of the CIM, and the California Indian Cultural Center and Museum Task Force has yet to make recommendations on the site location and design of the CIM.
Department of Parks and Recreation	3790-301-6029 [9]	California Heritage Center Project	10,000,000		6,600,000		6,600,000	(LAO) Recommend the legislature approve $3.4 million of the proposed $10 million project to fund the acquisition of a site for the project and the development of a master plan to establish facility standards, project programming, and site plan.
Department of Pesticide Regulation	3930-12	Registration and Health Evaluation	15,558,000		15,558,000		15,558,000	Suspend program funding. The program is duplicative of the Department's Pest Management, Environmental Monitoring, Enforcement, and Licensing program. CalOSHA could also perform these functions.
Department of Rehabilitation	5160	Department of Rehabilitation	343,820,000			51,573,000	51,573,000	Integrate into Department of Developmental Services (new Division Of Rehabilitation and Developmental Services)
Department of Rehabilitation	5160-10	Vocational Rehabilitation Services	321,250,000	96,375,000			96,375,000	Vocational rehabilitation services are commercial activities that should be competitively sourced for savings
Department of Rehabilitation	5160-30	Support of Community Facilities	22,570,000	6,771,000			6,771,000	Support of community facilities is a commercial activity that should be competitively sourced for savings

Department/ Service	Line Item	Descriptor	Base Amount Analyzed ($)	Competitive Sourcing ($)	Performance-based Reductions ($)	Reorganization Plan Savings ($)	Final Budget Savings ($)	Comments
Department of Social Services	5180	Child Welfare Services			20,800,000		20,800,000	(LAO) Cap total cost per caseworker (including administrative costs) at $135,000. Under this proposal, 11 high-cost counties would need to reduce their cost per caseworker.
Department of Social Services	5180	Child Welfare Services			7,500,000		7,500,000	(LAO) Reduce frequency of group home visits from monthly to quarterly. This option would still leave the frequency of home visits above the federal requirement which is semi-annual.
Department of Social Services	5180-101-0001	Adoptions Assistance Program (AAP)			4,600,000		4,600,000	(LAO) Recommend that proposed spending for the AAP be reduced by $2.6 million in General Funds for 2002-03 and $4.6 million in General Funds for 2003-04 because the caseload is overstated.
Department of Social Services	5180	Child Welfare Services			3,600,000		3,600,000	(LAO) Suspend emancipated foster youth stipend for two years. The emancipated foster youth stipend is not a core component of the foster care program.
Department of Social Services	5180	Foster Care			3,300,000		3,300,000	(LAO) Suspend supplemental clothing allowance for two years. The clothing allowance is not a core component of the foster care program.
Department of Social Services	5180	Community Care Licensing			3,200,000		3,200,000	(LAO) Remove FBI fingerprinting fee exemption for small licensed providers (caring for six children or less). This creates parity among large (non-fee exempt) and small (fee exempt) providers. The fee for FBI fingerprinting is $24 and there is an additional $16 live-scan fee.
Department of Social Services	5180-16.40	Foster Care	530,927,000	159,278,100			159,278,100	Certain foster care functions are commercial activities that should be competitively sourced for savings
Department of Social Services	5180-16.50	Adoption Assistance Program	214,396,000	64,318,800			64,318,800	Certain adoption assistance functions are commercial activities that should be competitively sourced for savings
Department of Social Services	5180-16.55	Refugee Cash Assistance	6,465,000		6,465,000		6,465,000	Relevance and priorities require the suspension of this program for this budget cycle
Department of Social Services	5180-25	Social Services and Licensing	4,600,462,000	1,380,138,600			1,380,138,600	Social service and licensing functions are commercial activities that should be competitively sourced for savings
Department of Social Services	5180-35.15	Disability Evaluation	204,407,000	61,322,100			61,322,100	Disability evaluations are commercial activities that should be competitively sourced for savings
Department of Social Services	5180-45	Energy Programs	95,202,000		95,202,000		95,202,000	Suspend funding for the programs. Utilities providers already offer reduced rates programs, making these programs unnecessary. If additional assistance is needed (for energy expenses or other purposes), it should simply be included in general welfare assistance programs, eliminating the need for a separate energy assistance program.
Department of Social Services	5180-101-0890	CalWORKs Program			100,000,000		100,000,000	(LAO) Recommend that proposed spending for California Work Opportunity and Responsibility to Kids (CalWORKs) grants be reduced by $250 million (federal Temporary Assistance for Needy Families [TANF] funds) in 2002-03 and $100 million in 2003-04 because the caseload is overstated.
Department of Social Services	5180-101-0890	CalWORKs Program			7,300,000		7,300,000	(LAO) Recommend a technical adjustment to reduce proposed expenditures for CalWORKs administration by $7.3 million (federal TANF funds) because the budget does not reflect the administrative savings from the Governor's proposal to reduce CalWORKs grant payments.
Department of the Youth Authority	5460-20	Institutions - Camps	315,728,000	94,718,400			94,718,400	Camp management is a commercial activity that should be competitively sourced for savings
Department of the Youth Authority	5460-30	Parole Services and Community Corrections	46,707,000	14,012,100			14,012,100	Youth parole services and community corrections are commercial activities that should be competitively sourced for savings
Department of the Youth Authority	5460-40	Education	50,024,000	15,007,200			15,007,200	Education management is a commercial activity that should be competitively sourced for savings
Department of Toxic Substances Control	3960-12	Site Mitigation	89,301,000	26,790,300			26,790,300	Toxic site mitigation is a commercial activity that should be competitively sourced for savings
Department of Toxic Substances Control	3960-20	Science, Pollution Prevention, and Technology	11,324,000		11,324,000		11,324,000	Suspend program funding. Such research activities can be performed by universitites and private sector researchers.
Department of Transportation	2660-10	Aeronautics	8,267,000		8,267,000		8,267,000	Relevance and priorities require the suspension of this program for this budget cycle
Department of Transportation	2660-20	Highway Transportation	5,581,621,000	1,674,486,300			1,674,486,300	Certain highway functions are commercial activities that should be competitively sourced for savings and converted to fixed-price, performance -based contracts
Department of Transportation	2660-60.10	Equipment Program	146,060,000	43,818,000			43,818,000	Certain equipment program functions are commercial activities that should be competitively sourced for

Department/ Service	Line Item	Descriptor	Base Amount Analyzed ($)	Competitive Sourcing ($)	Performance-based Reductions ($)	Reorganization Plan Savings ($)	Final Budget Savings ($)	Comments
								savings
Department of Transportation	2740-35	New Motor Vehicle Board	1,708,000		1,708,000		1,708,000	Relevance and priorities require the suspension of this program for this budget cycle
Department of Veterans Affairs	8950	Yountville Veterans' Home			2,000,000		2,000,000	(LAO) Close acute care hospital at Yountville veterans' home. The state could close the underutilized acute care hospital at the Yountville veterans' home and provide care to veterans at a lower cost through facilities in the surrounding community.
Department of Veterans Affairs	8950-30	Care of Sick and Disabled Veterans	112,164,000	33,649,200			33,649,200	Competitively source Yountville, Barstow, and Chula Vista Veterans Homes
Department of Water Resources	3860-101-6031	Desalination Program	15,000,000		15,000,000		15,000,000	(LAO) Suspend funding for desalination grants in the budget year, pending legislative receipt and review of a specified report. Also, recommend the enactment of legislation to direct the department to develop, as part of the specified report, a plan for expenditure of Proposition 50 bond funds.
Department of Water Resources	3860-20.20	Design, Right of Way, and Construction of the State Water Resources Development System	41,619,000	12,485,700			12,485,700	Design and construction of the Water Resource Development System are commercial activities that should be competitively sourced for savings
Department of Water Resources	3860-20.30	Operation and Maintenance of the State Water Resources Development System	143,079,000	42,923,700			42,923,700	Operation and maintenance of the Water Resource Development System are commercial activities that should be competitively sourced for savings
Department of Water Resources	3860-40	Services	6,279,000	1,883,700			1,883,700	Certain water services are commercial activities that should be competitively sourced for savings
Departments of Social Services and Education	5180	Child Care			400,000,000		400,000,000	(LAO) On a one-time basis, replace state child care spending with federal Temporary Assistance for Needy Families block grant funds transferred to the Child Care and Development Fund block grant. If child care is realigned, as proposed by the budget, General Fund savings can be achieved by either (1) reducing the amount of revenues transferred to the counties with the state "recapturing" these revenues or (2) shifting other state program costs to counties. If child care is not realigned, the cost of maintaining current child care programs could be reduced by the $400 million proposed fund shift.
Dept of Boating and Waterways	3680-20	Boating Operations	16,726,000	5,017,800			5,017,800	Boating operations are commercial activities that should be competitively sourced for savings
Dept of Child Support Services	5175-30	Child Spport Services Program	1,164,360,000	349,308,000			349,308,000	Child support payment collection services and database management/IT services are commercial activities that should be competitively sourced for savings
Dept of Community Services	4700-40	Community Services	59,932,000	17,979,600	4,400,000		22,379,600	Certain community services are commercial activities that should be competitively sourced for savings. Note: 26 percent single-year increase in the budget from 2001-02 to 2002-03, compared with a 12 percent increase in staff. Suspend $4,400,000 from this budget to correct for this.
Dept of Consumer Affairs	1111	Bureaus (Licensing)	146,519,000	43,955,700			43,955,700	Licensing operations are commercial activities that should be competitively sourced for savings while the state oversees quality of licensing process
Dept of Developmental Services	4300-10	Community Services Program	2,558,318,000	767,495,400	100,000,000		867,495,400	Certain community services are commercial activities that should be competitively sourced for savings; $100,000,000 suspension can be supplemented by moving to a "one-stop" service model with affiliated programs at the local level
Dept of Developmental Services	4300-20	Developmental Services Program	668,913,000	200,673,900			200,673,900	Certain developmental services are commercial activities that should be competitively sourced for savings
Dept of Social Services	5180-16.85	Welfare Program - Automation Projects	280,890,000	84,267,000			84,267,000	Welfare automation projects are commercial activities that should be competitively sourced for savings, using Wisconsin as a model
DOT	2660-365	Historic Property Maintenance	1,521,000	456,300			456,300	Historical property maintenance is a commercial activity that should be competitively sourced for savings
Education - Prop. 98	6110	Staff Development Buyout Days	202,000,000		202,000,000		202,000,000	(LAO) Suspend funding for one year. One-time reduction would help preserve core services.
Education - Prop. 98	6110	Mathematics and Reading Professional Development Program	27,900,000		27,900,000		27,900,000	(LAO) Suspend funding. Short-term program would serve only 3 percent of core subject matter teachers in 2003-04. The State Board of Education has approved few training providers.
Education - Prop. 98	6110	Principal Training Program	28,700,000		28,700,000		28,700,000	(LAO) Suspend funding over next several years. The State Department of Education (SDE) can fund all existing commitments for 2003-04 using $15 million in

Department/ Service	Line Item	Descriptor	Base Amount Analyzed ($)	Competitive Sourcing ($)	Performance-based Reductions ($)	Reorganization Plan Savings ($)	Final Budget Savings ($)	Comments
								2001-02 carryforward funds. This option would increase costs in 2004-05.
Education - Prop. 98	6110	Administrator Training and Evaluation Program	4,700,000		4,700,000		4,700,000	(LAO) Suspend funding. Program is outdated and is duplicative with the new Principal Training program.
Education - Prop. 98	6110	Peer Assistance and Review	76,600,000		76,600,000		76,600,000	(LAO) Suspend funding. No available evidence showing program effectiveness.
Education - Prop. 98	6110	Advanced Placement Challenge Grant Program	3,200,000		3,200,000		3,200,000	(LAO) Sunset one year early. Program would otherwise terminate at end of 2003-04.
Education - Prop. 98	6110	Teacher Recruitment Centers	8,300,000		8,300,000		8,300,000	(LAO) Suspend program funding. Various other entities recruit and assist aspiring teachers.
Education - Prop. 98	6110	Year Round Operations Grant Program			14,200,000		14,200,000	(LAO) Phase out over next two years. Program no longer meets original intent.
Education - Prop. 98	6110	Charter School Facilities Grant Program	2,300,000		2,300,000		2,300,000	(LAO) Suspend funding. Program no longer needed because Proposition 39 requires school districts to provide charter schools with sufficient facilities.
Education - Prop. 98	6110	K-3 Class Size Reduction			219,000,000		219,000,000	(LAO) Change student teacher ratio to 22 to 1 for schools with less than 50 percent free and reduced priced lunch eligible students. Schools with at least 50 percent free and reduced lunch eligible students continue at 20 to 1.
Education - Prop. 98	6110	College Preparation Partnership Program	4,800,000		4,800,000		4,800,000	(LAO) Suspend funding. Duplicative and more restrictive than the Academic Improvement and Achievement program (also administered by SDE).
Education - Prop. 98	6110	Local Arts Education Program	5,700,000		5,700,000		5,700,000	(LAO) Suspend funding. Program provides supplemental services that could be funded using other resources.
Education - Prop. 98	6110	Miller-Unruh Reading Program	25,500,000		25,500,000		25,500,000	(LAO) Suspend funding. Current funding distribution promotes historic inequities.
Education - Prop. 98	6110	School Improvement Program			85,800,000		85,800,000	(LAO) Reduce funds by 20 percent. Funds generally used for one-time purposes. These purposes could be delayed.
Education - Prop. 98	6110	Civic Education	300,000		300,000		300,000	(LAO) Suspend program. Program funds curriculum development by nonprofit entity that is duplicative of state efforts.
Education - Prop. 98	6110	County Offices of Education	22,300,000		22,300,000		22,300,000	(LAO) Suspend growth funding in county apportionments. County offices fund services similar to categorical programs, which would receive no growth funding in 2003-04.
Education - Prop. 98	6110	Elementary School Intensive Reading Program	26,900,000		26,900,000		26,900,000	(LAO) Suspend program. Services are duplicative of those provided through the existing supplemental instruction programs.
Education - Prop. 98	6110	At Risk Youth (Angel Gate Academy LAUSD	600,000		600,000		600,000	(LAO) Suspend funding. The federal Department of Defense provides $4 million in funding that covers a majority of the program's expenses.
Education - Prop. 98	6110	Intensive Algebra Instruction Academies	11,200,000		11,200,000		11,200,000	(LAO) Suspend program. Duplicative of services provided through existing supplemental instruction programs.
Education - Prop. 98	6110	Gifted and Talented Education (GATE)	49,800,000		49,800,000		49,800,000	(LAO) Suspend the program for one year. Targets extra resources at highest-achieving students. These students can be served within base resources.
Education - Prop. 98	6110	School Law Enforcement Partnership	13,100,000		13,100,000		13,100,000	(LAO) Suspend program. Program duplicative of services provided through the School Safety and Violence Prevention Grant Program.
Education - Prop. 98	6110	Statewide Education Technology Services	2,300,000		2,300,000		2,300,000	(LAO) Suspend program. Program services do not directly affect core classroom services.
Education - Prop. 98	6110	Gang Risk Intervention Program	2,900,000		2,900,000		2,900,000	(LAO) Suspend program. These services can be provided through existing safety programs.
Education - Prop. 98	6110	School Library Materials	20,400,000		20,400,000		20,400,000	(LAO) Suspend program for one year. Suspend this program because of one-time nature of expenses.
Education - Prop. 98	6110	Institute for Computer Technology			500,000		500,000	(LAO) Reduce state funding. This program receives a significant amount of foundation and grant funding.
Education - Prop. 98	6110	California Technology Assistance Project			1,300,000		1,300,000	(LAO) Reduce funding by 10 percent. Program does not directly affect students.
Education - Prop. 98	6110	Deferred Maintenance	181,000,000		181,000,000		181,000,000	(LAO) Suspend funding for one year. Existing law would continue to require that 3 percent of districts' unrestricted funds go to maintenance.
Education - Prop. 98	6110	9th Grade Class Size Reduction	97,000,000		97,000,000		97,000,000	(LAO) Suspend funding. Schools with greatest need less likely to use program because of lack of qualified teachers.
Education Audit Appeals Panel	6125	Education Audit Appeals Panel	1,500,000		1,500,000		1,500,000	Relevance and priorities require the suspension of this program for this budget cycle
Employee Development Department	7100-10	Employment and Employment-Related	207,981,000	62,394,300			62,394,300	Employment-related services are commercial activities that should be competitively sourced for savings

Department/ Service	Line Item	Descriptor	Base Amount Analyzed ($)	Competitive Sourcing ($)	Performance-based Reductions ($)	Reorganization Plan Savings ($)	Final Budget Savings ($)	Comments
		Services						
Employee Development Department	7100-50	Employment Training Panel Program	67,583,000		67,583,000		67,583,000	Suspend program funding. The program is duplicative of other unemployment and job-training programs, particularly Workforce Investment Act (WIA). While performance-based contracting is a positive feature of the program, the program can be deemed unnecessary due to the existence of adequate alternatives in the private sector
Energy Resources Conservation and Development Commission	3360	Energy Resources Conservation and Development Commission	355,728,000		255,728,000		255,728,000	Suspend portion of funding for the commission. The commission's functions are duplicative of the Public Utilities Commission. In addition, it duplicates private sector activities such as research and development.
Environmental Protection Agency	3900	Environmental Protection Agency	1,260,000,000			189,000,000	189,000,000	Integrate into Resources Agency
Fair Employment and Housing Commission	1705	Fair Employment and Housing Commission	1,308,000		1,308,000		1,308,000	Suspend funding for the commission; duplicative of federal and court programs. If duplication of federal role is truly needed, the commission's functions are, and should be, performed by the courts.
Fair Political Practices Commission	8620	Fair Political Practices Commission	6,522,000			978,000	978,000	Integrate into Office of the Secretary of State
Food and Agriculture	8570	Pierce's Disease	6,400,000		6,400,000		6,400,000	(LAO) Suspend General Fund support for control of Pierce's Disease. Fees already support a portion of the program's costs. The General Fund costs could be shifted to fees as well.
General Services	1760	California Home Page	3,000,000	3,000,000			3,000,000	(LAO) Competitively sourcing the home page and make it self-sufficient. Other states have competitively sourced their home pages and cover costs through the collection of fees for online services (primarily for businesses).
Hastings College of the Law	6600-30	Law Library	3,060,000	918,000			918,000	Library functions are commercial activities that should be competitively sourced for savings
Hastings College of the Law	6600-55	Operation and Maintenance of Plant	1,804,000	541,200			541,200	Plant operation and maintenance are commercial activities that should be competitively sourced for savings
Health and Human Services Agency Data Center	4130-001-0632	Child Welfare Services/Case Management System (CWS/CMS) Maintenance and Operation	11,000,000		11,000,000		11,000,000	(LAO) Suspend request and direct HHSDC to submit a revised request that finances all proposed hardware.
Health and Human Services Agency Data Center	4130-001-0683	Equipment Proposal	4,700,000		4,700,000		4,700,000	(LAO) Recommend rejecting an equipment augmentation since the estimate is based on past workload growth trends. Direct Health and Human Services Agency Data Center (HHSDC) to report at hearings on actions it will take to reduce costs and rates. Direct HHSDC to report at hearings on status of requested rate study.
Health and Human Services Agency Data Center	4130-001-0683	Operational Recovery Proposal	1,200,000		1,200,000		1,200,000	(LAO) Recommend denying request since proposal is inconsistent with Feasibility Study Report and HHSDC did not examine all viable options.
High Speed Rail Authority	2660-30 (2665)	High Speed Rail Authority	2,581,000		2,581,000		2,581,000	Relevance and priorities require the suspension of this program indefinitely.
Housing and Community Development	2240	Regional Planning for Cities and Counties	2,000,000		2,000,000		2,000,000	(LAO) Recommend the elimination of the regional planning mandate for cities and counties since it provides broad discretion on effort and does not ensure compliance with state law. This would result in reduced state liabilities of approximately $2 million annually.
Housing and Community Development	2240	Regional Governments Mandate	700,000		700,000		700,000	(LAO) Recommend the suspension of the regional planning mandate for councils of government, pending the enactment of legislation to reform the housing element process. This would result in reduced liabilities of roughly $700,000.
Judges' Retirement System	0390-101-0001	Judges' Retirement System			10,000,000		10,000,000	(LAO) Recommend that the legislature reduce the appropriation for the Judges' Retirement System by $10 million to help address the General Fund shortfall but still leave an adequate reserve.
Legislature	100	Assembly - Printing	3,173,000	951,900			951,900	Printing is a commercial activity that should be competitively sourced for savings
Legislature	100	Assembly - Office Supplies	675,000	202,500			202,500	Pool purchases for savings; competitively bid management of this activity
Legislature	100	Senate - Printing	539,000	161,700			161,700	Printing is a commercial activity that should be competitively sourced for savings
Legislature	100	Assembly - Publications	283,000	42,450			42,450	Publication management is a commercial activity that should be competitively sourced for savings
Legislature	100	Senate - Office Supplies	198,000	59,400			59,400	Pool purchases for savings; competitively bid

Department/ Service	Line Item	Descriptor	Base Amount Analyzed ($)	Competitive Sourcing ($)	Performance-based Reductions ($)	Reorganization Plan Savings ($)	Final Budget Savings ($)	Comments
								management of this activity
Legislature	100	Senate - Publications	160,000	48,000			48,000	Publication management is a commercial activity that should be competitively sourced for savings
Legislature	100	Assembly - Session Per Diem	2,496,000		2,496,000		2,496,000	Suspend per diem funding. Legislators already receive generous wage and benefits compensation.
Legislature	100	Assembly - Furniture and Equipment Expense	1,982,000		1,982,000		1,982,000	Suspend funding for furniture and equipment expenses. Legislators already receive generous wage and benefits compensation.
Legislature	100	Senate - Session Per Diem	1,320,000		1,320,000		1,320,000	Suspend per diem funding. Legislators already receive generous wage and benefits compensation.
Legislature	100	Senate - Furniture and Equipment Expense	837,000		837,000		837,000	Suspend funding for furniture and equipment expenses. Legislators already receive generous wage and benefits compensation.
Legislature	100	Senate - Automotive Expenses	802,000		802,000		802,000	Suspend funding for automotive expenses. Legislators already receive generous wage and benefits compensation.
Legislature	100	Assembly - Automotive Expenses	452,000		452,000		452,000	Suspend funding for automotive expenses. Legislators already receive generous wage and benefits compensation.
Legislature	100	Senate - Office Alterations	280,000		280,000		280,000	Suspend funding for office alterations. Legislators already receive generous wage and benefits compensation.
Legislature	100	Assembly - Office Alterations	230,000		230,000		230,000	Suspend funding for office alterations. Legislators already receive generous wage and benefits compensation.
Legislature	100	Assembly - Automotive Repairs	132,000		132,000		132,000	Suspend funding for automotive repairs. Legislators already receive generous wage and benefits compensation.
Legislature	100	Senate - Meals	128,000		128,000		128,000	Suspend funding for meals. Legislators already receive generous wage and benefits compensation.
Legislature	100	Senate - Automotive Repairs	120,000		120,000		120,000	Suspend funding for automotive repairs. Legislators already receive generous wage and benefits compensation.
Legislature	100	Assembly - Meals	98,000		98,000		98,000	Suspend funding for meals. Legislators already receive generous wage and benefits compensation.
Legislature	100	Assembly - Ceremonies and Events	43,000		43,000		43,000	Suspend funding for ceremonies and events. Legislators already receive generous wage and benefits compensation.
Legislature	100	Senate - Ceremonies and Events	35,000		35,000		35,000	Suspend funding for ceremonies and events. Legislators already receive generous wage and benefits compensation.
Legislature – Senate Printing Services	100	Legislature – Senate Printing Services	539,000			81,000	81,000	Integrate into legislature – Assembly Printing Services
Legislature – Senate Publications Services	100	Legislature – Senate Publications Services	160,000			24,000	24,000	Integrate into legislature – Assembly Publications Services
Little Hoover Commission	8780	Little Hoover Commission	900,000		900,000		900,000	(LAO) Suspend the Little Hoover Commission. The commission is a nonessential state operation.
Local Government	9210	High-Tech Law Enforcement Grants	18,500,000		18,500,000		18,500,000	(LAO) Suspend the High-Tech Law Enforcement Grants. This program provides grants to local law enforcement agencies for equipment. The statewide objective of this program is unclear. Law enforcement is largely a local function, and local funds can be used to purchase equipment if it is a local priority.
Local Government	9210	Rural County Law Enforcement Grants	18,500,000		18,500,000		18,500,000	(LAO) Suspend the Rural County Law Enforcement Grants. This program provides grants to rural county sheriffs for equipment. The statewide objective of this program is unclear. Law enforcement is largely a local function and local funds can be used to purchase equipment if it is a local priority.
Local Government	9210	Citizen's Options for Public Safety (COPS) Grant Program	116,300,000		116,300,000		116,300,000	(LAO) Suspend Citizen's Options for Public Safety (COPS) grant program. The COPS program provides grants to local law enforcement mostly for personnel and equipment. Given that COPS funding represents a small share of total local law enforcement expenditures, its impact on public safety, if any, is likely to be relatively small.
Local Government	9210	Juvenile Justice Grants Program	116,300,000		116,300,000		116,300,000	(LAO) Suspend the Juvenile Justice grants program for one year pending evaluation results. The Juvenile Justice grants provide funds to address service gaps in county juvenile justice systems. This proposal would suspend funding for one year pending completion of evaluations currently under-way. Suspension should not adversely affect the programs because grant recipients

Department/ Service	Line Item	Descriptor	Base Amount Analyzed ($)	Competitive Sourcing ($)	Performance-based Reductions ($)	Reorganization Plan Savings ($)	Final Budget Savings ($)	Comments
								receive funding one year in advance of projected expenditures.
Managed Risk Medical Insurance Board	4280	Managed Risk Medical Insurance Board	972,350,000			145,853,000	145,853,000	Integrate into Division of Physical Health Services
Managed Risk Medical Insurance Board	4280-20	Access for Infants and Mothers (AIM) Program	117,488,000		117,488,000		117,488,000	Suspend program funding temporarily. Coverage for most recipients of this program is already provided for under Medi-Cal if their family incomes are up to 200 percent of the Federal Poverty Level (FPL). Extending this to include families with incomes up to 300 percent of the FPL is not sustainable in such a budget climate.
Memberships in Interstate Organizations	8800	Memberships in Interstate Organizations	931,000		931,000		931,000	Suspend funding for these organizations. The organizations are not essential to the operation of the state. Offer in-kind support instead.
Military Department	8940-50	California Cadet Corps	848,000		848,000		848,000	Suspend program fuding. Numerous non-profit and private organizations perform these functions and serve these goals. DOD programs can supplement for 2 years during suspension
Military Department	8940-65	California National Guard Youth Programs	11,889,000		11,889,000		11,889,000	Relevance and priorities require the suspension of this program for this budget cycle; DOD programs can supplement for 2 years during suspension
Office of Administrative Law	8910	Office of Administrative Law	2,000,000		2,000,000		2,000,000	(LAO) Suspend funding to the Office of Administrative Law. The office is a nonessential state operation.
Office of Administrative Law	8910	Office of Administrative Law	2,004,000			301,000	301,000	Integrate into Office of the Secretary of State
Office of Criminal Justice Planning	8100	Office of Criminal Justice Planning	253,866,000			38,080,000	38,080,000	Integrate Victims Services programs into HHS and other programs and administration into the Division of Corrections
Office of Environmental Health Hazard Assessment	3980	Office of Environmental Health Hazard Assessment	10,846,000			1,627,000	1,627,000	Integrate into Department of Toxic Substances (new DEHHC)
Office of Planning and Research	650	Office of Planning and Research	54,095,000		54,095,000		54,095,000	Suspend funding for the office. Volunteer activity should require no state funding
Office of Planning and Research	650-11	State Planning and Policy Development	5,395,000		5,395,000		5,395,000	Suspend land-use, growth planning, and California Environmental Quality Act functions, as these should be performed by the Environmental Protection Agency or the Resources Agency. If not, they should be incorporated into the aforementioned agencies.
Office of Statewide Health Planning and Development	4140-30	Healthcare Workforce	10,593,000		10,593,000		10,593,000	Suspend program funding. The program is duplicative of multiple job-training and student-aid programs.
Office of Statewide Health Planning and Development	4140-45	Cal-Mortgage Loan Insurance	4,241,000		4,241,000		4,241,000	Suspend program funding. Mortgage loans are readily available in the private sector, causing the program to be unnecessary
Office of Statewide Health Planning and Development	4140-60	Healthcare Information	9,550,000	2,865,000			2,865,000	Providing healthcare information is a commercial activity that should be competitively sourced for savings
Office of the Secretary for Education	558-20	Academic Volunteer and Mentor Service Program	5,017,000		5,017,000		5,017,000	Relevance and priorities require the suspension of this program for this budget cycle; school districts should best design and implement these programs
Office of the Secretary of State	0890-001-0228	Vacant Positions	200,000		200,000		200,000	(LAO) Recommend denying augmentation request since no workload data have been provided.
Office of the State Controller	0840-001-0001	Unclaimed Property Program			2,400,000		2,400,000	(LAO) Recommend the legislature adopt a processing fee to be charged on all approved claims sufficient to cover program administrative costs. This would result in additional General Fund savings of $2.4 million in the budget year and $4.8 million thereafter.
Proposition 50 Water-Related Proposals	3860-001-6031	Proposition 50 Water-Related Proposals			5,900,000		5,900,000	(LAO) Recommend deletion of bond funding for water-related activities because funding should be put in legislation that better defines the programs.
Proposition 50 Water-Related Proposals	3860-101-6031	Proposition 50 Water-Related Proposals			50,600,000		50,600,000	(LAO) Recommend deletion of bond funding for water-related activities because funding should be put in legislation that better defines the programs.
Proposition 50 Water-Related Proposals	3940-001-6031	Proposition 50 Water-Related Proposals			600,000		600,000	(LAO) Recommend deletion of bond funding for water-related activities because funding should be put in legislation that better defines the programs.
Proposition 50 Water-Related Proposals	3940-101-6031	Proposition 50 Water-Related Proposals			32,500,000		32,500,000	(LAO) Recommend deletion of bond funding for water-related activities because funding should be put in legislation that better defines the programs.
Proposition 50 Water-Related Proposals	4260-001-6031	Proposition 50 Water-Related Proposals			400,000		400,000	(LAO) Recommend deletion of bond funding for water-related activities because funding should be put in legislation that better defines the programs.
Proposition 50 Water-Related Proposals	4260-101-6031	Proposition 50 Water-Related Proposals			9,900,000		9,900,000	(LAO) Recommend deletion of bond funding for water-related activities because funding should be put in legislation that better defines the programs.
Public Utilities Commission	8660-15	Universal Service Telephone	892,513,000	267,753,900			267,753,900	Competitively source this program through a PBC

Department/ Service	Line Item	Descriptor	Base Amount Analyzed ($)	Competitive Sourcing ($)	Performance-based Reductions ($)	Reorganization Plan Savings ($)	Final Budget Savings ($)	Comments
		Programs						
San Francisco Bay Conservation and Development Commission	3820	San Francisco Bay Conservation and Development Commission	4,240,000		4,240,000		4,240,000	Suspend funding for the commission. The commission is duplicative and no longer needed due to the larger, newly-created California Bay-Delta Authority, which assumes the same functions.
San Francisco Bay Conservation and Development Commission	3820	San Francisco Bay Conservation and Development Commission	4,240,000			4,240,000	4,240,000	Integrate into CA Coastal Commission
Santa Monica Mountains Conservancy	3810	Santa Monica Mountains Conservancy	676,000			101,000	101,000	Integrate into Division of Lands and Forests
ScholarShare Investment Board	954	ScholarShare Investment Board	45,526,000			45,526,000	45,526,000	Suspend funding for the board. The board's functions are duplicative of other state resources (UC Student Financial Aid, CSU Student Financial Aid, California Student Aid Commission). In addition, scholarships are already provided by public and private colleges, as well as by non-profit organizations and federal programs.
Secretary for California Health and Human Services Agency	530-21	Office of HIPAA Implementation	3,572,000	1,071,600			1,071,600	Functions of this office are commercial activities that should be competitively sourced for savings: Note the 140 percent increase over two years, including a 30 percent increase from 2002-03 to 2003-04, despite the fact that the planned staffing level remains the same from year to year
Secretary for Environmental Protection	555-20.10	Permit Assistance Centers	152,000		152,000		152,000	Suspend program funding. These functions can adequately be performed by the private sector, as has been demonstrated in other public agencies.
Secretary for Labor and Workforce Development Agency	559	Secretary for Labor and Workforce Development Agency	2,311,000		2,311,000		2,311,000	Suspend funding for this office. Our plan would reduce this agency and incorporate necessary functions of its departments elsewhere.
Secretary for Resources	540	Secretary for Resources	54,285,000			25,000,000	25,000,000	Reduce funding by $25,000,000; The planned sizeable reduction in 2003-04 yields a budget increase of 217.5 percent over two years (from the 2001-02 level)
Secretary for Resources	0540-001-6029	River Parkways and Sierra Nevada Cascade Programs			7,900,000		7,900,000	(LAO) Recommend deleting the proposed funding because funding should be included in legislation that defines the programs, establishes grant or project funding criteria, and sets expenditure priorities.
Secretary for Resources	0540-001-6031	River Parkways and Sierra Nevada Cascade Programs			32,000,000		32,000,000	(LAO) Recommend deleting the proposed funding because funding should be included in legislation that defines the programs, establishes grant or project funding criteria, and sets expenditure priorities.
Secretary of State	890-30	Archives	13,772,000	4,131,600			4,131,600	Archive management is a commercial activity that should be competitively sourced for savings
Secretary of State	890-32	International Business Relations	2,590,000		2,590,000		2,590,000	Relevance and priorities require the suspension of this program for this budget cycle
Secretary of State	890-38	Information Technology	7,515,000	2,254,500			2,254,500	IT is a commercial activity that should be competitively sourced for savings
Secretary of State	890-5	Business Programs	39,624,000		39,624,000		39,624,000	Suspend the Notary Republic function, which can be adequately served by the private sector. Other services can be provided through other CA state programs
State and Consumer Services	1100	California Science Center	17,683,000	5,304,900			5,304,900	Management of this center is a commercial activity that should be competitively sourced for savings
State Board of Equalization	860	State Board of Equalization	321,397,000			48,210,000	48,210,000	Integrate into Franchise Tax Board (new Division of Tax Collection)
State Coastal Conservancy	3760-25	Coastal Resource Enhancement	2,573,000		2,573,000		2,573,000	Relevance and priorities require the suspension of this program for this budget cycle
State Coastal Conservancy	3760	State Coastal Conservancy	7,020,000			1,053,000	1,053,000	Integrate into CA Coastal Commission
State Controller	840-40	Information Systems	13,335,000	4,000,500			4,000,500	Information systems are commercial activities that should be competitively sourced for savings
State Controller	840-50	Collections	12,878,000	3,863,400			3,863,400	Collections are commercial activities that should be competitively sourced for savings
State Controller	840-60	Disbursement and Support	32,915,000	9,874,500			9,874,500	Disbursement and support are commercial activities that should be competitively sourced for savings
State Independent Living Council	5170	State Independent Living Council	515,000		515,000		515,000	Suspend funding for the council. The council's functions are duplicative of Department of Rehabilitation programs.
State Lands Commission	3560	State Lands Commission	21,805,000			3,271,000	3,271,000	Integrate into Division of Lands and Forests
State Treasurer	950-50	Administration and Information Technology	9,100,000	2,730,000			2,730,000	Administration and IT are commercial activities that should be competitively sourced for savings
Stephen P. Teale Data Center	2780	Stephen P. Teale Data Center	101,209,000	30,362,700		15,181,000	45,543,700	Streamlining by integrating into single state data center; competitively source the activity since it is a commercial activity.
Stephen P. Teale Data Center	2780-001-0683	California Home Page	500,000		500,000		500,000	(LAO) Recommend suspending proposal to increase spending for the Home Page by five positions, due to the lack of workload data.

Department/ Service	Line Item	Descriptor	Base Amount Analyzed ($)	Competitive Sourcing ($)	Performance-based Reductions ($)	Reorganization Plan Savings ($)	Final Budget Savings ($)	Comments
Student Aid Commission	7980	Cal Grant T Program	3,000,000		3,000,000		3,000,000	(LAO) Suspend Cal Grant T program. State has another, better structured financial aid program that also encourages aspiring teachers to become fully credentialed and work in low-performing schools.
Student Aid Commission	7980	Graduate Assumption Program of Loans for Education	500,000		500,000		500,000	(LAO) Suspend Graduate Assumption Program of Loans for Education. This is a highly specialized program that benefits few students (only two warrants were redeemed in 2000, for a total cost of $4,000).
Technology, Trade and Commerce Agency	2920-07	Technology and Community Innovation	2,038,000		2,038,000		2,038,000	Relevance and priorities require the suspension of this program for this budget cycle
Technology, Trade and Commerce Agency	2920-10	Economic Development - Boards and Commissions	11,212,000		11,212,000		11,212,000	Relevance and priorities require the suspension of this program for this budget cycle. The program's impact is questionable.
Technology, Trade and Commerce Agency	2920-20	Global Economic Development	6,215,000		6,215,000		6,215,000	Relevance and priorities require the suspension of this program for this budget cycle
Technology, Trade and Commerce Agency	2920-60	Economic Research	188,000		188,000		188,000	Suspend program funding. This function is duplicative of Department of Finance research responsibilities, as well as that of numerous universities, non-profit organizations, and private organizations.
Technology, Trade, and Commerce Agency	2920	Technology, Trade, and Commerce Agency			16,500,000		16,500,000	(LAO) Reduce General Fund support for various programs. Estimated savings assumes elimination of funding for the Film Commission, small business loan guarantee program, and Office of California-Mexico Affairs.
Technology, Trade, and Commerce Agency	2920-012-0001	Foreign Trade Offices	3,400,000		3,400,000		3,400,000	(LAO) Recommend that the legislature suspend all trade offices—five contract offices and seven state-staffed foreign trade offices—because they have questionable effectiveness.
Technology, Trade, and Commerce Agency	2920-111-0001	Film Permit Subsidy Program	8,200,000		8,200,000		8,200,000	(LAO) Recommend elimination of the film permit subsidy program and three related positions in the Film Commission because the program has an unclear rationale and a questionable impact on film location decisions. Further recommend that remaining monies in the fund be reverted.
University of California	6440-001-0001	Higher Education Enrollment	48,700,000		48,700,000		48,700,000	(LAO) Recommend legislature suspend funding in the budget for enrollment growth at the University of California because proposed growth rates significantly exceed demographic projections.
University of California	6440-20	Academic Support (Libraries)	244,245,000	73,273,500			73,273,500	Library functions are commercial activities that should be competitively sourced for savings
University of California	6440-301-6028 (16)	UC San Diego - Mayer Hall Addition and Renovation			2,072,000		2,072,000	(LAO) Recommend the legislature reduce $2,072,000 for development of preliminary plans and working drawings for the Mayer Hall Addition and Renovation project at the San Diego campus and recognize future costs of $15,029,000 for construction and $441,000 for equipment.
University of California	6440-302-6028 (9)	UC Irvine - Biological Sciences Unit 3			3,100,000		3,100,000	(LAO) Recommend the legislature reduce $3,080,000 for development of preliminary plans and working drawings for the Biological Sciences Unit 3 building at the Irvine campus and recognize future costs of $7,003,000 for construction and $3,150,000 for equipment.
University of California	6440-40	Operation and Maintenance of Plant	422,847,000	126,854,100			126,854,100	Plant operation and maintenance functions are commercial activities that should be competitively sourced for savings
University of California	6440	California State Summer School for Math and Science	1,600,000		1,600,000		1,600,000	(LAO) Suspend General Fund support for California State Summer School for Math and Science. The program serves high-achieving high school students.
University of California	6440	Community Teaching Internships for Mathematics and Science Programs	1,300,000		1,300,000		1,300,000	(LAO) Suspend General Fund support for Community Teaching Internships for Mathematics and Science Programs. The programs provide stipends to juniors and seniors majoring in math, science, and engineering, who work in local public schools as teaching interns. Other state and federal programs provide similar services.
University of California	6440	Digital California Project			6,600,000		6,600,000	(LAO) Reduce funding for Digital California Project by an additional 30 percent. Option leaves approximately $15 million for program.
University of California	6440	Cooperative Extension Program			3,000,000		3,000,000	(LAO) Reduce General Fund support for cooperative extension program by an additional 5 percent. Governor proposes a 10 percent reduction.
University of California	6440	UC Merced	11,300,000		11,300,000		11,300,000	(LAO) Suspend augmentation for UC Merced. UC Merced is not scheduled to open until fall 2004. Approximately $10 million will still be available for start up costs associated with the campus in 2003-04.

Department/ Service	Line Item	Descriptor	Base Amount Analyzed ($)	Competitive Sourcing ($)	Performance-based Reductions ($)	Reorganization Plan Savings ($)	Final Budget Savings ($)	Comments
University of California	6440	Institutional Aid Programs	68,900,000		68,900,000		68,900,000	(LAO) Suspend General Fund support for institutional aid programs. Substantial growth in state Cal Grant programs has weakened justification for separate institutional aid programs.
University of California	6440	Federal Overhead Reimbursements			35,000,000		35,000,000	(LAO) Increase state's share of federal overhead reimbursements by 10 percent. The federal government reimburses UC for the overhead costs of contracted research. The state funds much of this overhead, but currently shares with UC these federal reimbursements. This option would increase the state's share from 55 percent to 65 percent, generating an estimated General Fund savings of $35 million.
Wildlife Conservation Board	3640	Natural Heritage Preservation Tax Credit Program			8,700,000		8,700,000	(LAO) Suspend award of new credits for two years. This program allows the donation of property to state or local agencies or nonprofit organizations, and gives the donor a partial state tax credit based on the assessed value of the property. The act authorizes $100 million of tax credits through 2005. As of January 2002, a balance of approximately $60 million of credits remains to be authorized by the Wildlife Conservation Board. The General Fund fiscal impact of this option reflects a reduction in tax credits that would otherwise be claimed if it were not for the suspension.
Workforce Investment Board	7120	Workforce Investment Board	5,378,000			807,000	807,000	Integrate into Division of Employee Development
Youth Authority	5460	Gang Violence Reduction Program	1,700,000		1,700,000		1,700,000	(LAO) Suspend the Gang Violence Reduction Program. This program, which provides grants to local law enforcement agencies for gang prevention, is duplicative of crime prevention programs administered by the Office of Criminal Justice Planning, Department of Justice, and Department of Education.
Youth Authority	5460	Young Men as Fathers Program	900,000		900,000		900,000	(LAO) Suspend the Young Men as Fathers Program. This program provides grants to counties for parenting programs in county juvenile facilities and alternative schools. This program is duplicative of a program administered by the Department of Health Services.
Youthful Offender Parole Board	5450	Youthful Offender Parole Board	3,287,000			493,000	493,000	Integrate into the Division of the Youth Authority
Totals			39,210,210,000	8,989,839,074	6,036,381,500	881,109,550	15,907,330,124	