



Judicial Council of California · Administrative Office of the Courts

455 Golden Gate Avenue · San Francisco, California 94102-3688

www.courts.ca.gov

REPORT TO THE JUDICIAL COUNCIL

For educational meeting on: February 25, 2013

Title	Agenda Item Type
Judicial Branch Budget: Educational Session on Branch Budget (No Action Required)	Informational
Rules, Forms, Standards, or Statutes Affected	Effective Date
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Presented by	Date of Report
Administrative Office of the Courts Curt Soderlund, Chief Administrative Officer Zlatko Theodorovic, Director Fiscal Services Office Judicial and Court Administrative Services Division Gisele Corrie, Financial Manager Judicial Branch Capital Program Office Judicial and Court Operations Services Division	February 20, 2013
	Contact
	Zlatko Theodorovic, 916-263-1397 zlatko.theodorovic@jud.ca.gov

Executive Summary

The Administrative Office of the Courts (AOC) presents information on the judicial branch budget, including a history of allocation methodology, a review of various branch funds, and efforts to simplify branch budget development and fiscal processes.

Previous Council Action

History of Allocation Methodology

Each year, funding for judicial branch entities is appropriated in the annual Budget Act approved by the Legislature and signed into law by the Governor. Funding is then allocated to the Supreme Court, Courts of Appeal, trial courts, Judicial Council/Administrative Office of the Courts, and

the Habeas Corpus Resource Center. Trial court allocations are approved by the Judicial Council shortly after enactment of the State Budget and generally represent the single largest amount of monies acted on by the council in any given year. Since state trial court funding was implemented, trial court allocations typically have been approved on a pro-rata basis with a few exceptions in 1997-98, 2000-01, and then in conjunction with State Appropriations Limit (SAL) funding between 2005-06 and 2007-08).

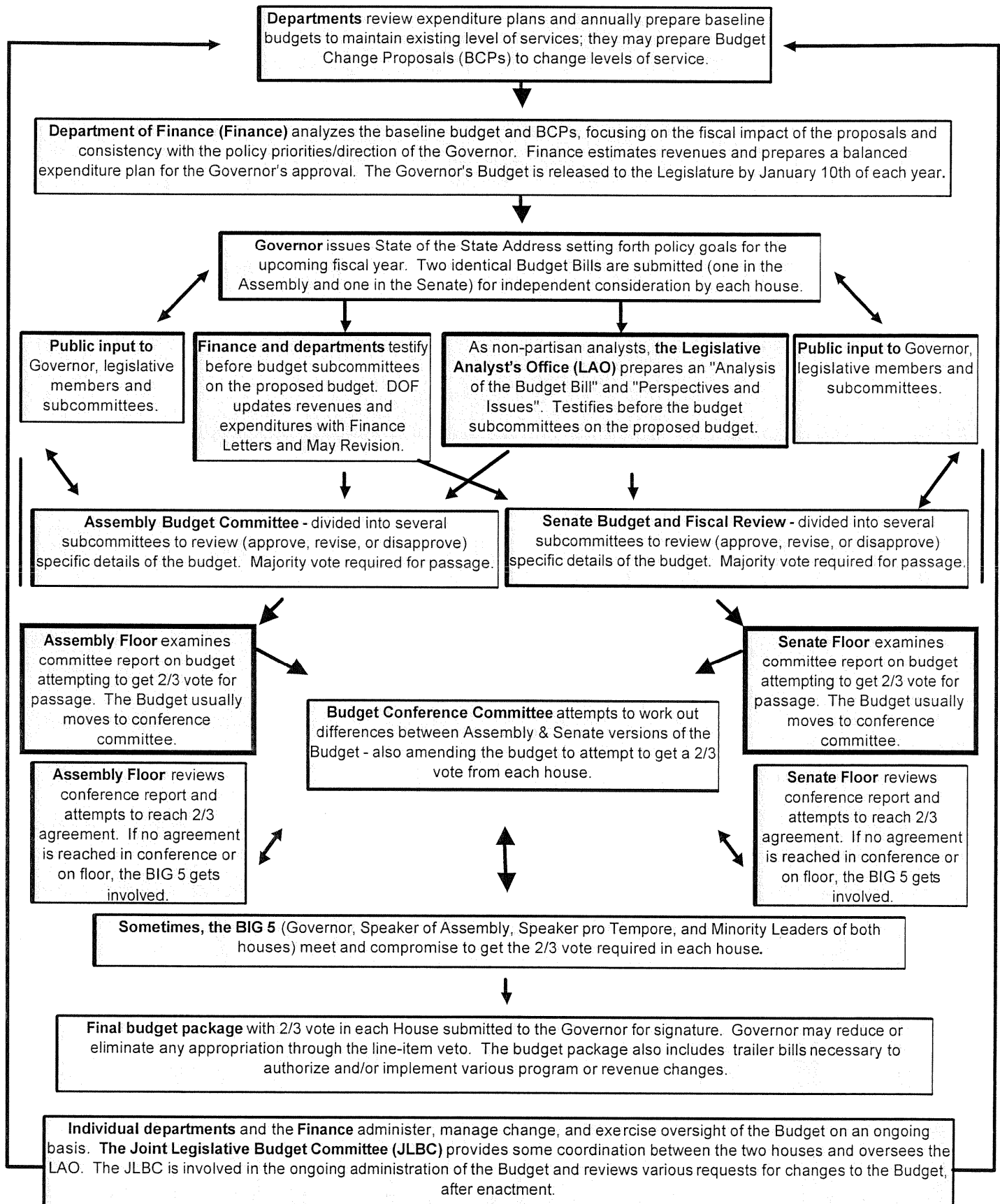
Reports to the council regarding trial court base funding allocations dating back to 2005 are listed below:

Fiscal Year 2005-06: <http://www.courts.ca.gov/documents/0705item1.pdf>
Fiscal Year 2006-07: <http://www.courts.ca.gov/documents/082506item7.pdf>
Fiscal Year 2007-08: <http://www.courts.ca.gov/documents/083107item7.pdf>
Fiscal Year 2008-09: <http://www.courts.ca.gov/documents/101008item1.pdf>
Fiscal Year 2009-10: <http://www.courts.ca.gov/documents/072909item2.pdf>
Fiscal Year 2010-11: <http://www.courts.ca.gov/documents/20101029itemh.pdf>
Fiscal Year 2011-12: <http://www.courts.ca.gov/documents/20110722item2.pdf>
Fiscal Year 2012-13: <http://www.courts.ca.gov/documents/jc-20120727-itemF.pdf>

Attachments

1. Attachment A: Budget Process Overview
2. Attachment B: Budget Glossary of Terms
3. Attachment C: Governor's Proposed 2013-14 Budget Summary
4. Attachment D: Governor's Proposed 2013-14 Budget "A" Pages and Summary Charts
5. Attachment E: Governor's Proposed 2013-14 Budget, Judicial Branch Detail
6. Attachment F: Schedule of Positions for State Operations (non-trial court judicial entities)
7. Attachment G: Budget Bill (AB 73)
8. Attachment H: LAO Report on Criminal Justice Proposals
9. Attachment I: LAO Overview of Governor's Proposed 2013-14 Budget

THE ANNUAL BUDGET PROCESS



CALIFORNIA'S BUDGET PROCESS

Preface

The budget process for California defies a simple concise definition. It is a process rather than a product. It is not the development of the Governor's Budget, the Legislature's enactment of a budget nor the executive branch's administration of the budget. Rather, it is the combination of all of these phases with all the ramifications and influences of political interactions, relationships with federal and local governments, public input, natural events, legal issues, the economy, initiatives and legislation, etc.

Although the size and complexity of California and the dynamics of the process make it difficult to establish and maintain an orderly process, these very reasons necessitate an orderly formalized process. The following sections summarize the major steps and procedures of California's budget process.

Budget Development

The State Constitution requires that the Governor submit a budget to the Legislature by January 10. It provides for a balanced budget in that, if the proposed expenditures for the budget year exceed estimated revenues, the Governor is required to recommend the sources for the additional funding.

The Director of Finance, as the chief financial advisor to the Governor, directs the effort for preparation of the Governor's Budget. Under the policy direction of the Governor, the Director of Finance issues instructions and guidelines for budget preparation to agencies and departments. This effort typically gets underway even before the Legislature has passed the budget for the current fiscal year.

Although California has utilized concepts such as Zero-Based Budgeting, Management by Objectives, and Total Quality Management, the basic approach utilized is incremental budgeting. This approach essentially uses the current departmental level of funding as a base amount to be adjusted by change proposals. The Budget Change Proposal (BCP) has been the traditional decision document which proposes a change to the existing budget level. The BCPs are submitted by departments to the Department of Finance for review and analysis.

The general goal in the budget decision process is to resolve budget issues at the lowest level possible. For those departments that are under an Agency Secretary, departments must clear their proposals through Agency-level hearings. The Department of Finance generally attends these hearings. For non-Agency departments, proposals are presented directly to the Department of Finance. Issues which are not resolved between departments and Finance staff are discussed at hearings conducted by the Director of Finance. The most sensitive issues are ultimately presented to the Governor for a decision.

After all decisions are completed, the Department of Finance coordinates the printing of the following publications which comprise the Governor's Budget package. They are available from the [Department of Finance Website](#).

Governor's Budget Summary—A summary volume which includes the Governor's goals and objectives for the forthcoming year, and the policy perspectives and highlights of changes in the Governor's Budget.

Governor's Budget—A detailed presentation for each department for the past, current, and budget years.

Salaries and Wages Supplement—A detailed presentation of authorized staffing and related salaries.

The Governor annually unveils the budget at a formal press conference. The Governor's State of the State address typically includes a general presentation of the Administration's budget policies and priorities.

Budget Enactment

By constitutional requirement, the Governor's Budget must be accompanied by a Budget Bill itemizing recommended expenditures which shall be introduced in each house of the Legislature. The Constitution also requires that the Legislature pass the bill by June 15.

The Senate Budget and Fiscal Review Committee and the Assembly Budget Committee are the two committees that hear the Budget Bills. They assign the items in the bill to several subcommittees (by major subject areas such as Education or Health and Human Services) which conduct budget hearings. These hearings generally begin in late February soon after the Legislative Analyst issues the "Analysis of the Budget Bill". The Legislative Analyst is appointed by the Joint Legislative Budget Committee and is charged with providing a nonpartisan analysis and recommendations for changes to the Governor's budget plan.

In addition to the Legislative Analyst, the Department of Finance and departmental staff typically provide testimony at the subcommittee hearings. In recent years, there has been increasing input by partisan fiscal committee consultants of both the majority and minority parties. Additionally, lobbyists and the public may provide testimony at the hearings.

The Department of Finance proposes adjustments to the Governor's Budget through "Finance Letters" in the spring. By statute, the Department of Finance is required to give the Legislature all proposed adjustments, other than Capital Outlay and May Revision, to the Governor's Budget by April 1. Capital Outlay adjustments are due by May 1. The traditional May Revision adjustments are due by May 14, and consist of an update of General Fund revenues and changes in expenditures for school funding requirements pursuant to Proposition 98, caseload, enrollment, or population. The Legislature typically waits for the May Revision update before final budget decisions are made on major programs such as Education, Corrections, and Health and Human Services.

When a subcommittee completes its actions, it reports its recommendations to the full committee. Upon adoption of the budget by the full committee, a recommendation is made to the Floor (full house). Upon simple majority vote of the house, the Budget Bill is passed to the other house. A Budget Conference Committee is then appointed to work out differences between the Senate and Assembly versions of the bill. Upon completion of action by the Conference Committee and a simple majority vote, this conference version is then sent to the two houses for approval.

Sometimes the Conference Committee does not reach final resolution on the budget. This stalemate typically results from non-resolution of a few major issues. These issues are then resolved by the "Leadership" or "Big 5" (Governor, Speaker of the Assembly, President Pro Tempore, and the minority leaders of both houses).

When the Budget Bill receives a simple majority vote of each house, it is passed on to the Governor. The Constitution allows the Governor to reduce or eliminate an item of appropriation.

The Constitution prohibits the Legislature from sending to the Governor, and the Governor from signing into law, a budget bill that would appropriate from the General Fund a total amount that, when combined with all appropriations from the General Fund for that fiscal year, and any amount transferred to the Budget Stabilization Account, exceeds General Fund revenues for that fiscal year. In addition, Government Code Section 13337.5 requires that projected expenditures shall not exceed projected revenues for the ensuing fiscal year.

The Department of Finance publishes three documents upon enactment of the Budget Act. The first two

are also available from the Department of Finance Website.

California State Budget Summary/Veto Message Package—This is a highlight narrative summary of the budget package, and includes charts and graphs.

Final Budget Summary—This document is an annotated version of the Budget Act which includes summary tables, technical corrections to the Budget Act, and the effect of vetoes on the items and sections of the Budget Act.

Final Change Book—This document provides the detail of changes between the January 10 budget and the enacted budget.

There are generally budget changes proposed by the Governor or the Legislature which necessitate changes to existing law in order to implement the budget changes. If this is the case, separate bills are introduced to implement the change. These budget implementation bills are called "trailer bills" and are heard concurrently with the Budget Bill. By law, all proposed statutory changes necessary to implement the Governor's Budget are due to the Legislature by February 1.

Administration

The Budget Act is the primary source for appropriations. Continuous statutory appropriations and special legislation also provide expenditure authority.

Departments have the primary responsibility to operate within budgeted levels and to comply with any restrictions or limitations enacted by the Legislature. Further, the general expectation is that State agencies comply with the legislative intent. Although the general expectation is to conform to the enacted budget, the Legislature has recognized a need to establish some flexibility to adjust budgets. For example, the statutes provide a continuous appropriation for allocations by the Director of Finance to meet expenditures resulting from natural disasters for any emergency proclaimed by the Governor. The Legislature has also provided provisions in the Budget Act to allow for budget adjustments. Most of this authority requires Director of Finance approval; many require a formal notice to the Legislature and a waiting period to provide the opportunity for legislative review and response before final approval. Budget Act provisions to allow adjustments include authorizations for:

- Changes to federal funding levels
- Funding for unanticipated costs
- Changes to reimbursements
- Intra-item transfers

The Department of Finance approves budget changes using Budget Revisions, Executive Orders and letters. These changes are transmitted to the State Controller's Office, which maintains the statewide appropriation control accounts.

The Governor has certain powers to adjust expenditures. Although these powers do not permit for adjustment of appropriations, the expenditure plan may be changed. For example, past Governors have issued Executive Orders to implement hiring and equipment purchase freezes and delayed capital expenditures. Under emergency conditions, the Governor is also authorized to direct State resources to meet emergency needs.

BUDGET PROCESS

Because of the dynamic nature of California's budget process, there is no single document which provides a comprehensive description of the process. The dynamics require changing instructions, descriptions, forms and procedures, law changes, etc. The following provide information about the budget process:

- Governor's Budget package
- Legislative Analyst's "Analysis of the Budget Bill"
- State Administrative Manual
- Budget Act and Final Budget Summary
- Final Change Book
- Budget Letters and budget related Management Memos
- Internet:

[Finance Website](#)

[Budget Letters Website](#)

The annual budget process is portrayed in a relatively simple flow chart. It may be viewed and **printed using the Adobe Acrobat Reader**; scroll down to "Budget Process" and click on "[flowchart](#)"

(September 2012)

Finance Glossary of Accounting and Budgeting Terms

The following budgetary terms are used frequently throughout the Governor's Budget, the Governor's Budget Summary, and the annual Budget (Appropriations) Bill. Definitions are provided for terminology that is common to all publications. For definitions of terms unique to a specific program area, please refer to the individual budget presentation.

Abatement

A reduction to an expenditure that has already been made. In state accounting, only specific types of receipts are accounted for as abatements, including refund of overpayment of salaries, rebates from vendors or third parties for defective or returned merchandise, jury duty and witness fees, and property damage or loss recoveries. (See *SAM 10220* for more detail.)

Abolishment of Fund

The closure of a fund pursuant to the operation of law. Funds may also be administratively abolished by the Department of Finance with the concurrence of the State Controller's Office. When a special fund is abolished, all of its assets and liabilities are transferred by the State Controller's Office to a successor fund, or if no successor fund is specified, then to the General Fund. (*GC 13306, 16346.*)

Accrual Basis of Accounting

The basis of accounting in which transactions are recognized when they occur, regardless of when cash is received or disbursed. Revenue is recorded when earned, and expenditures are recorded when obligations are created (generally when goods/services are ordered or when contracts are signed).

Administration

Refers to the Governor's Office and those individuals, departments, and offices reporting to it (e.g., the Department of Finance).

Administration Program Costs

The indirect cost of a program, typically a share of the costs of the administrative units serving the entire department (e.g., the Director's Office, Legal, Personnel, Accounting, and Business Services). "Distributed Administration" costs represent the distribution of the indirect costs to the various program activities of a department. In most departments, all administrative costs are distributed. (Also see "Indirect Costs" and "SWCAP.")

Administratively Established Positions

Positions authorized by the Department of Finance during a fiscal year that were not included in the Budget and are necessary for workload or administrative reasons. Such positions terminate at the end of the fiscal year, or, in order to continue, must meet certain criteria under Control Section 31.00. (*SAM 6406, Control Section 31.00*)

Agency

A legal or official reference to a government organization at any level in the state organizational hierarchy. (See the *UCM* for the hierarchy of State Government Organizations.)

Or:

A government organization belonging to the highest level of the state organizational hierarchy as defined in the *UCM*. An organization whose head (Agency Secretary) is designated by Governor's order as a cabinet member. (*SAM 6610*)

Allocation

A distribution of funds or costs from one account or appropriation to one or more accounts or appropriations (e.g., the allocation of employee compensation funding from the statewide 9800 Budget Act items to departmental Budget Act items).

Allotment

The approved division of an amount (usually of an appropriation) to be expended for a particular purpose during a specified time period. An allotment is generally authorized on a line item expenditure basis by program or organization. (*SAM 8300 et seq*)

Amendment

A proposed or accepted change to a bill in the Legislature, the California Constitution, statutes enacted by the Legislature, or ballot initiative.

A-pages

A common reference to the Governor's Budget Summary. Budget highlights now contained in the Governor's Budget Summary were once contained in front of the Governor's Budget on pages A-1, A-2, etc., and were, therefore, called the A-pages.

Appropriated Revenue

Revenue which, as it is earned, is reserved and appropriated for a specific purpose. An example is student fees received by state colleges that are by law appropriated for the support of the colleges. The revenue does not become available for expenditure until it is earned.

Appropriation

Authorization for a specific agency to make expenditures or create obligations from a specific fund for a specific purpose. It is usually limited in amount and period of time during which the expenditure is to be recognized. For example, appropriations made by the Budget Act are available for encumbrance for one year, unless otherwise specified. Appropriations made by other legislation are available for encumbrance for three years, unless otherwise specified, and appropriations stating "without regard to fiscal year" shall be available from year to year until fully expended. Legislation or the California Constitution can provide continuous appropriations, and voters can also make appropriations by approving ballot measures. An appropriation shall be available for encumbrance during the period specified therein, or if not specified, for a period of three years after the date upon which it first became available for encumbrance. Except for federal funds, liquidation of encumbrances must be within two years of the expiration date of the period of availability for encumbrance, at which time the undisbursed (i.e., unliquidated) balance of the appropriation is reverted back into the fund. Federal funds have four years to liquidate. (*GC 16304, 16304.1*)

Appropriation Without Regard To Fiscal Year (AWRTFY)

An appropriation for a specified amount that is available from year to year until fully expended.

Appropriations Limit, State (SAL)

The constitutional limit on the growth of certain appropriations from tax proceeds, generally set to the level of the prior year's appropriation limit as adjusted for changes in cost of living and population. Other adjustments may be made for such reasons as the transfer of services from one government entity to another. (*Article XIII B, § 8; GC Sec. 7900 et seq; CS 12.00*)

Appropriation Schedule

The detail of an appropriation (e.g., in the Budget Act), showing the distribution of the appropriation to each of the categories, programs, or projects thereof.

Assembly

California's lower house of the Legislature composed of 80 members. As a result of Proposition 140 (passed in 1990) and Proposition 28 (passed in 2012), members elected in or after 2012 may serve 12 years in the Legislature in any combination of four-year state Senate or two-year state Assembly

terms. Prior to Proposition 28, Assembly members could serve two-year terms and a maximum of three terms. (*Article IV, § 2 (a)*)

Audit

Typically a review of financial statements or performance activity (such as of an agency or program) to determine conformity or compliance with applicable laws, regulations, and/or standards. The state has three central organizations that perform audits of state agencies: the State Controller's Office, the Department of Finance, and the California State Auditor's Office. Many state departments also have internal audit units to review their internal functions and program activities. (*SAM 20000, etc.*)

Augmentation

An authorized increase to a previously authorized appropriation or allotment. This increase can be authorized by Budget Act provisional language, control sections, or other legislation. Usually a Budget Revision or an Executive Order is processed to implement the increase.

Authorized

Given the force of law (e.g., by statute). For some action or quantity to be authorized, it must be possible to identify the enabling source and date of authorization.

Authorized Positions

As reflected in the Governor's Budget (Expenditures by Category and Changes in Authorized Positions), corresponds with the "Total, Authorized Positions" shown in the Salaries and Wages Supplement (Schedule 7A).

In these documents, for past year, authorized positions represent the number of actual positions filled for that year. For current year, authorized positions include all regular ongoing positions approved in the Budget Act for that year, less positions abolished by the State Controller per Government Code 12439, adjustments to limited term positions, and positions authorized in enacted legislation. For budget year, the number of authorized positions is the same as current year except for adjustments for any positions that have been removed due to expiring limited positions. (GC 19818; SAM 6406.)

Availability Period

The time period during which an appropriation may be encumbered (i.e., committed for expenditure), usually specified by the law creating the appropriation. If no specific time is provided in financial legislation, the period of availability is three years. Unless otherwise provided, Budget Act appropriations are available for one year. However, based on project phase, capital outlay projects may have up to three years to encumber. An appropriation with the term "without regard to fiscal year" has an unlimited period of availability and may be encumbered at any time until the funding is exhausted. (See also "Encumbrances")

Balance Available

In regards to a fund, it is the excess of resources over uses. For budgeting purposes, the balance available in a fund condition is the carry-in balance, net of any prior year adjustments, plus revenues and transfers, less expenditures. For accounting purposes, the balance available in a fund is the net of assets over liabilities and reserves that is available for expenditure.

For appropriations, it is the unobligated, or unencumbered, balance still available.

Baseline Adjustment

Also referred as Workload Budget Adjustment. See Workload Budget Adjustment.

Baseline Budget

Also referred as Workload Budget. See Workload Budget.

Bill

A draft of a proposed law presented to the Legislature for enactment. (A bill has greater legal formality and standing than a resolution.)

OR An invoice, or itemized statement, of an amount owing for goods and services received.

Bond Funds

For legal basis budgeting purposes, funds used to account for the receipt and disbursement of non-self liquidating general obligation bond proceeds. These funds do not account for the debt retirement since the liability created by the sale of bonds is not a liability of bond funds. Depending on the provisions of the bond act, either the General Fund or a sinking fund pays the principal and interest on the general obligation bonds. The proceeds and debt of bonds related to self-liquidating bonds are included in nongovernmental cost funds. (SAM 14400)

Budget

A plan of operation expressed in terms of financial or other resource requirements for a specific period of time. (GC 13320, 13335; SAM 6120)

Budget Act (BA)

An annual statute authorizing state departments to expend appropriated funds for the purposes stated in the Governor's Budget and amended by the Legislature. (SAM 6333)

Budget Bill

Legislation presenting the Governor's proposal for spending authorization for the next fiscal year. The Budget Bill is prepared by the Department of Finance and submitted to each house of the Legislature in January (accompanying the Governor's Budget). The Budget Bill's authors are typically the budget committee chairpersons.

The California Constitution requires the Legislature to pass the Budget Bill and send it by June 15 each year to the Governor for signature. The Budget Bill becomes the Budget Act upon signature by the Governor, after any line-item vetoes. (Art. IV. § 12(c); GC 13338; SAM 6325, 6333)

Budget Change Proposal (BCP)

A proposal to change the level of service or funding sources for activities authorized by the Legislature, propose new program activities not currently authorized, or to delete existing programs. The Department of Finance annually issues a Budget Letter with specific instructions for preparing BCPs. (SAM 6120)

Budget Cycle

The period of time required to prepare a state financial plan and enact that portion of it applying to the budget year. Significant events in the cycle include:

- preparation of the Governor's proposed budget (usually prepared between July 1st and January 10)
- submission of the Governor's Budget and Budget Bill to the Legislature (by January 10)
- submission to the Legislature of proposed adjustments to the Governor's Budget
 - April 1 - adjustments other than Capital Outlay and May Revision
 - May 1 - Capital Outlay appropriation adjustments
 - May 14 - May Revision adjustments for changes in General Fund revenues, necessary expenditure reductions to reflect updated revenue, and funding for Proposition 98, caseload, and population
- review and revision of the Governor's Budget by the Legislature
- return of the revised budget to the Governor by June 15, as required by the California Constitution, for signature after any line-item vetoes
- signing of the budget by the Governor. (Art. IV. § 10, GC 13308, SAM 6150)

Budget—Program or Traditional

A program budget expresses the operating plan in terms of the costs of activities (programs) to be undertaken to achieve specific goals and objectives. A traditional (or object of expenditure) budget expresses the plan in terms of categories of costs of the goods or services to be used to perform specific functions.

The Governor's Budget is primarily a program budget but also includes detailed categorization of proposed expenditures for goods and services (Expenditures by Category) for State Operations for each department. (GC 13336; SAM 6210, 6220)

Budget Revision (BR)

A document, usually approved by the Department of Finance, that cites a legal authority to authorize a change in an appropriation. Typically, BRs either increase the appropriation or make adjustments to the categories or programs within the appropriation as scheduled. (SAM 6533, 6542, 6545)

Budget Year (BY)

The next state fiscal year, beginning July 1 and ending June 30, for which the Governor's Budget is submitted (i.e., the year following the current fiscal year).

CALSTARS

The acronym for the California State Accounting and Reporting System, the state's primary accounting system. Most departments currently use CALSTARS. (GC 13300)

Capital Outlay (CO)

A character of expenditure of funds to acquire land, plan and construct new buildings, expand or modify existing buildings, and/or purchase equipment related to such construction. (CS 3.00)

Carryover

The unencumbered balance of an appropriation that continues to be available for expenditure in years subsequent to the year of enactment. For example, if a three-year appropriation is not fully encumbered in the first year, the remaining amount is carried over to the next fiscal year.

Cash Basis of Accounting

The basis of accounting in which revenues and expenditures are recorded when cash is received or disbursed.

Cash Flow Statement

A statement of cash receipts and disbursements for a specified period of time.

Category

A grouping of related types of expenditures, such as Personal Services, Operating Expenses and Equipment, Reimbursements, Special Items of Expense, Unclassified, Local Costs, Capital Costs, and Internal Cost Recovery. (UCM)

Category Transfer

An allowed transfer between categories or functions within the same schedule of an appropriation. Such transfers are presently authorized by Control Section 26.00 of the Budget Act (and prior to 1996-97, by Section 6.50 of the Budget Act). The control section specifies the amounts of the allowable transfers and requirements for reporting to the Legislature.

Change Book System

The system the Department of Finance uses to record all the legislative changes (including changes proposed by the Administration and approved by the Legislature) made to the Governor's Budget and the final actions on the budget taken by the Legislature and Governor. A "Final Change Book" is

published after enactment of the Budget Act. It includes detailed fiscal information on the changes made by the Legislature and by the Governor's vetoes. (SAM 6355)

Changes in Authorized Positions ("Schedule 2")

A schedule in the Governor's Budget that reflects staffing changes made subsequent to the adoption of the current year budget and enacted legislation. This schedule documents changes in positions due to various reasons. Some examples are: transfers, positions established, and selected reclassifications, as well as proposed new positions included in BCPs for the current or budget year. (SAM 6406)

Chapter

The reference assigned by the Secretary of State to an enacted bill, numbered sequentially in order of enactment each calendar year. The enacted bill is then referred to by this "chapter" number and the year in which it became law. For example, *Chapter 1, Statutes of 1997*, would refer to the first bill enacted in 1997.

Character of Expenditure

A classification identifying the major purpose of an expenditure, such as State Operations, Local Assistance, Capital Outlay, or Unclassified. (UCM)

Claim Schedule

A request from a state department to the State Controller's Office to disburse payment from a legal appropriation or account for a lawful state obligation. The claim schedule identifies the appropriation or account to be charged, the payee(s), the amount(s) to be paid, and an affidavit attesting to the validity of the request.

COBCP

Capital outlay budgets are zero-based each year, therefore, the department must submit a written capital outlay budget change proposal for each new project or subsequent phase of an existing project for which the department requests funding. (SAM 6818)

Codes, Uniform

See "Uniform Codes Manual."

Conference Committee

A committee of three members (two from the majority party, one from the minority party) from each house, appointed to meet and resolve differences between versions of a bill (e.g., when one house of the Legislature does not concur with bill amendments made by the other house). If resolution cannot be reached, another conference committee can be selected, but no more than three different conference committees can be appointed on any one bill. Budget staff commonly refer to the conference committee on the annual budget bill as the "Conference Committee." (SAM 6340)

Continuing Appropriation

An appropriation for a set amount that is available for more than one year. (SAM 8382)

Continuous Appropriation

Constitutional or statutory expenditure authorization which is renewed each year without further legislative action. The amount available may be a specific, recurring sum each year; all or a specified portion of the proceeds of specified revenues which have been dedicated permanently to a certain purpose; or it may be whatever amount is designated for the purpose as determined by formula, e.g., school apportionments. Note: Government Code Section 13340 sunsets statutory continuous appropriations on June 30 with exceptions specified in the section and other statutes. Section 30.00 of the annual Budget Act traditionally extends the continuous appropriations for one additional fiscal year. (GC 13340)

Continuously Vacant Positions

On July 1, positions which were continuously vacant for six consecutive monthly pay periods during the preceding fiscal year are abolished by the State Controller's Office. The six consecutive monthly pay periods may occur entirely within one fiscal year or between two consecutive fiscal years. The exceptions to this rule are positions exempt from civil service and instructional positions authorized for the California State University. The Department of Finance may authorize the reestablishment of positions in cases where the vacancies were (1) due to a hiring freeze, (2) the department has diligently attempted to fill the position but was unable to complete all steps to fill the position within six months, (3) the position is determined to be hard-to-fill, (4) the position has been designated as a management position for the purposes of collective bargaining and has been held vacant pending the appointment of the director or other chief executive officer of the department as part of the transition from one Governor to the succeeding Governor, or, (5) late enactment of the budget causes the department to delay filling the position, and the Department of Finance approves an agency's written appeal to continue the positions. In addition, departments may self-certify reestablishments by August 15 for positions that meet specified conditions during the vacancy period.

By October 15 of each year, the State Controller's Office is required to notify the Joint Legislative Budget Committee and the Department of Finance of the continuously vacant positions identified for the preceding fiscal year. (GC 12439)

Control Sections

Sections of the Budget Act (i.e., 1.00 to the end) providing specific controls on the appropriations itemized in Section 2.00 of the Budget Act. See more detail under "Sections."

Cost-of-Living Adjustments (COLA)

Increases provided in state-funded programs that include periodic adjustments predetermined in state law (statutory, such as K-12 education apportionments), or established at optional levels (discretionary) by the Administration and the Legislature each year through the budget process.

Current Year (CY)

A term used in budgeting and accounting to designate the operations of the present fiscal year in contrast to past or future periods. (See also "Fiscal Year.")

Debt Service

The amount of money required to pay interest on outstanding bonds and the principal of maturing bonds.

Department

A governmental organization, usually belonging to the third level of the state organizational hierarchy as defined in the Uniform Codes Manual. (UCM)

Department of Finance (Finance)

The Director of Finance functions as the Governor's chief fiscal policy advisor with emphasis on the financial integrity of the state. Finance is delegated the responsibility for preparation of the Governor's Budget. Primary functions of the department include:

- Prepare, explain, and administer the state's annual financial plan (budget), which the Governor is required under the State Constitution to present by January 10 of each year.
- Analyze legislation.
- Establish appropriate fiscal policies to carry out the state's programs.
- Develop and maintain the California State Accounting and Reporting System (CALSTARS), which is used by most state departments to record their accounting transactions.

- Monitor and audit expenditures by state departments to ensure compliance with the law, approved standards and policies.
- Develop economic forecasts and revenue estimates.
- Develop population and enrollment estimates and projections.
- Review expenditures for information technology activities of state departments.
- Support the Director or designee in their role as member of approximately 95 state boards and commissions.

(GC 13000 et seq.)

Detailed Budget Adjustments

Department Detailed Budget Adjustments are included in department budget displays to provide the reader a snapshot of proposed expenditure and position adjustments in the department, why those changes are being proposed, and their dollar and position impact.

The Detailed Budget Adjustments include two adjustment categories: workload and policy. Within the workload section, issues are further differentiated between budget change proposals and other workload budget adjustments. Below are the standard categories or headings including definitions: Additional categories or headings may be used as needed in any particular year.

- **Workload Budget Adjustments** - See "Workload Budget Adjustments."
- **Policy Adjustments** - See "Policy Adjustments."
- **Employee Compensation Adjustments** - See "Employee Compensation/Retirement."
- **Retirement Rate Adjustment** – See "Employee Compensation/Retirement."
- **Limited Term Positions/ Expiring Programs** - Reduction of the budget-year funding and positions for expiring programs or positions.
- **Abolished Vacant Positions** – Positions abolished that are vacant for six consecutive monthly pay periods, irrespective of fiscal years, per Government Code 12439.
- **One-Time Cost Reductions** - Reductions of the budget-year funding and positions to account for one-time costs budgeted in the current year.
- **Full-Year Cost of New/Expanded Programs** - Increases to the budget year funding and positions to reflect the full-year costs of programs authorized to begin after July 1 of the current fiscal year (does not include the full year effect of employee compensation adjustments that are displayed separately).
- **Carryover/Reappropriation** – See "Carryover" and "Reappropriation."
- **Legislation With an Appropriation** – New legislation with funding to carry out its purpose.
- **Expenditure Transfers** – Transfers of expenditures between two departments but within the same fund.
- **Lease Revenue Debt Service Adjustment** – Expenditures related to changes in lease revenue costs.
- **Miscellaneous Adjustments** – This category includes all workload budget adjustments not included in one of the aforementioned categories. This category may include Pro Rata and Statewide Costs Allocation Plan (SWCAP) adjustments. See Pro Rata and Statewide Cost Allocation.

Detail of Appropriations and Adjustments

A budget display, for each organization, that reflects appropriations and adjustments by fund source for each character of expenditure, (i.e., State Operations, Local Assistance, and Capital Outlay).

(SAM 6478)

Element

A subdivision of a budgetary program and the second level of the program structure in the Uniform Codes Manual.

Employee Compensation/Retirement

Salary, benefit, employer retirement rate contribution adjustments, and any other related statewide compensation adjustments for state employees. Various 9800 Items of the Budget Act appropriate funds for compensation increases for most state employees (excluding Higher Education and some others), that is, they appropriate the incremental adjustment proposed for the salary and benefit adjustments for the budget year. The base salary and benefit levels are included in individual agency/departmental budgets.

Encumbrance

The commitment of all or part of an appropriation for future expenditures. Encumbrances represent commitments related to unfilled purchase orders or unfulfilled contracts. Outstanding encumbrances are recognized as budgetary expenditures in the department's budget documents and annual financial reports. For budgeting purposes, the Department of Finance makes a statewide adjustment to remove encumbrances from overall General Fund expenditures and show the amount as a reserve in the fund balance, in accordance with Government Code section 13307. For other funds, such encumbrance adjustments are not made, and encumbrances are treated as budgetary expenditures which decrease the fund balance.

Enrolled Bill Report (EBR)

An analysis prepared on Legislative measures passed by both houses and referred to the Governor, to provide the Governor's Office with information concerning the measure with a recommendation for action by the Governor. While approved bill analyses become public information, EBRs do not. Note that EBRs are not prepared for Constitutional Amendments, or for Concurrent, Joint, or single house resolutions, since these are not acted upon by the Governor. (SAM 6965)

Enrollment, Caseload, & Population Adjustments

These adjustments are generally formula or population driven.

Executive Branch

One of the three branches of state government, responsible for implementing and administering the state's laws and programs. The Governor's Office and those individuals, departments, and offices reporting to it (the Administration) are part of the Executive Branch.

Executive Order (EO)

A budget document, issued by the Department of Finance, requesting the State Controller's Office to make an adjustment in their accounts. The adjustments are typically authorized by Budget Act provision language, Budget Act control sections, and other statutes. An EO is used when the adjustment makes increases or decreases on a state-wide basis, involves two or more appropriations, or makes certain transfers or loans between funds.

Exempts

State employees exempt from civil service pursuant to subdivision (e), (f), or (g) of Section 4 of Article VII of the California Constitution. Examples include department directors and other gubernatorial appointees. (SAM 0400)

Expenditure

Expenditures reported on a department's annual financial reports and "past year" budget documents consist of amounts paid and accruals (including encumbrances and payables) for obligations created for the fiscal year. "Current Year" and "Budget Year" expenditures in budget documents are estimates. See "Encumbrances".

Expenditure Authority

The authorization to make an expenditure (usually by a budget act appropriation, provisional language or other legislation).

Expenditures by Category

A budget display, for each department, that reflects actual past year, estimated current year, and proposed budget year expenditures presented by character of expenditure (e.g., State Operations and/or Local Assistance) and category of expenditure (e.g., Personal Services, Operating Expenses and Equipment).

3-year Expenditures and Positions

A display at the start of each departmental budget that presents the various departmental programs by title, dollar totals, positions, and source of funds for the past, current, and budget years.

Feasibility Study Report (FSR)

A document proposing an information technology project that contains analyses of options, cost estimates, and other information. (SAM 4920-4930)

Federal Fiscal Year (FFY)

The 12-month accounting period of the federal government, beginning on October 1 and ending the following September 30. For example, a reference to FFY 2013 means the period beginning October 1, 2012 and ending September 30, 2013. (See also "Fiscal Year.")

Federal Funds

For legal basis budgeting purposes, classification of funds into which money received in trust from an agency of the federal government will be deposited and expended by a state department in accordance with state and/or federal rules and regulations. State departments must deposit federal grant funds in the Federal Trust Fund, or other appropriate federal fund in the State Treasury. (GC 13326 (Finance approval), 13338 approp. of FF, CS 8.50)

Feeder Funds

For legal basis accounting purposes, funds into which certain taxes or fees are deposited upon collection. In some cases administrative costs, collection expenses, and refunds are paid. The balance of these funds is transferable at any time by the State Controller's Office to the receiving fund, in most cases, the General Fund.

Final Budget

Generally refers to the Governor's Budget as amended by actions taken on the Budget Bill (e.g. legislative changes, Governor's vetoes). Note: Subsequent legislation (law enacted after the Budget Bill is chaptered) may add, delete, or change appropriations or require other actions that affect a budget appropriation.

Final Budget Summary

A document produced by the Department of Finance after enactment of the Budget Act which reflects the Budget Act, any vetoes to language and/or appropriations, technical corrections to the Budget Act, and summary budget information. (See also "Budget Act," "Change Book.") (SAM 6130, 6350)

Finance Conversion Code (FCC) Listing

A listing distributed by the State Controller's Office to departments each spring, which based upon departmental coding updates, will dictate how the salaries and wages detail will be displayed in the Salaries and Wages publication. (SAM 6430)

Finance Letter (FL)

Proposals made, by the Director of Finance to the chairpersons of the budget committees in each house, to amend the Budget Bill and the Governor's Budget from that submitted on January 10 to reflect a revised plan of expenditure for the budget year and/or current year. Specifically, the

Department of Finance is required to provide the Legislature with updated expenditure and revenue information for all policy adjustments by April 1, capital outlay technical changes by May 1, and changes for caseload, population, enrollment, updated revenues, and Proposition 98 by May 14. (GC 13308)

Fiscal Committees

Committees of members in each house of the Legislature that review the fiscal impact of proposed legislation, including the Budget Bill. Currently, the fiscal committees include the Senate Budget and Fiscal Review Committee, Senate Appropriations Committee, Assembly Appropriations Committee, and the Assembly Budget Committee. The Senate Budget and Fiscal Review Committee and the Assembly Budget Committee are broken into subcommittees responsible for specific state departments or subject areas. Both houses also have Revenue and Taxation Committees that are often considered fiscal committees.

Fiscal Impact Analysis

Typically refers to a section of an analysis (e.g., bill analysis) that identifies the costs and revenue impact of a proposal and, to the extent possible, a specific numeric estimate for applicable fiscal years.

Fiscal Year (FY)

A 12-month period during which income is earned and received, obligations are incurred, encumbrances are made, appropriations are expended, and for which other fiscal transactions are recorded. In California state government, the fiscal year begins July 1 and ends the following June 30. If reference is made to the state's FY 2013, this is the time period beginning July 1, 2013 and ending June 30, 2014. (See also "Federal Fiscal Year.") (GC 13290)

Floor

The Assembly or Senate chambers or the term used to describe the location of a bill or the type of session. Matters may be referred to as "on the floor".

Form 9

A request by a department for space planning services (e.g., new or additional space lease extensions, or renewals in noninstitutional) and also reviewed by the Department of Finance. (SAM 6453)

Form 22

A department's request to transfer money to the Architectural Revolving Fund (e.g., for building improvements), reviewed by the Department of Finance. (GC 14957; SAM 1321.1)

Fund

A legal budgeting and accounting entity that provides for the segregation of moneys or other resources in the State Treasury for obligations in accordance with specific restrictions or limitations. A separate set of accounts must be maintained for each fund to show its assets, liabilities, reserves, and balance, as well as its income and expenditures.

Fund Balance

For accounting purposes, the excess of a fund's assets over its liabilities. For budgeting purposes, the excess of a fund's resources over its expenditures.

Fund Condition Statement

A budget display, included in the Governor's Budget, summarizing the operations of a fund for the past, current, and budget years. The display includes the beginning balance, prior year adjustments, revenue, transfers, loans, expenditures, the ending balance, and any reserves. Fund Condition Statements are required for all special funds. The Fund Condition Statement for the General Fund is Summary Schedule 1. Other funds are displayed at the discretion of the Department of Finance.

General Fund (GF)

For legal basis accounting and budgeting purposes, the predominant fund for financing state government programs, used to account for revenues which are not specifically designated to be accounted for by any other fund. The primary sources of revenue for the General Fund are the personal income tax, sales tax, and corporation taxes. The major uses of the General Fund are education (K-12 and higher education), health and human service programs, and correctional programs.

Generally Accepted Accounting Principles (GAAP)

The accounting principles, rules, conventions, and procedures that are used for accounting and financial reporting. GAAP for governments are set by the Governmental Accounting Standards Board (GASB), the accounting and financial reporting standards setting body for state and local governments.

Governmental Cost Funds

For legal basis accounting and budgeting purposes, funds that derive revenue from taxes, licenses, and fees.

Governor's Budget

The publication the Governor presents to the Legislature, by January 10 each year. It contains recommendations and estimates for the state's financial operations for the budget year. It also displays the actual revenues and expenditures of the state for the prior fiscal year and updates estimates for the current year revenues and expenditures. This publication is also produced in a web format known as the Proposed Budget Detail on the Department of Finance website. (*Article IV, § 12; SAM 6120, et seq*)

Governor's Budget Summary (or A-Pages)

A companion publication to the Governor's Budget that outlines the Governor's policies, goals, and objectives for the budget year. It provides a perspective on significant fiscal and/or structural proposals. This publication is also produced in a web format known as the Proposed Budget Summary on the Department of Finance web site.

Grants

Typically used to describe amounts of money received by an organization for a specific purpose but with no obligation to repay (in contrast to a loan, although the award may stipulate repayment of funds under certain circumstances). For example, the state receives some federal grants for the implementation of health and community development programs, and the state also awards various grants to local governments, private organizations and individuals according to criteria applicable to the program.

Indirect Costs

Costs which by their nature cannot be readily associated with a specific organization unit or program. Like general administrative expenses, indirect costs are distributed to the organizational unit(s) or program(s) which benefit from their incurrence.

Initiative

The power of the electors to propose statutes or Constitutional amendments and to adopt or reject them. An initiative must be limited to a single subject and be filed with the Secretary of State with the appropriate number of voter signatures in order to be placed on the ballot. (*Article II, § 8*)

Item

Another word for appropriation.

Judgments

Usually refers to decisions made by courts against the state. Payment of judgments is subject to a variety of controls and procedures.

Language Sheets

Copies of the current Budget Act appropriation items provided to Finance and departmental staff each fall to update for the proposed Governor's Budget. These updated language sheets become the proposed Budget Bill. In the spring, language sheets for the Budget Bill are updated to reflect revisions to the proposed appropriation amounts, Item schedule(s), and provisions, and become the Budget Act.

Legislative Analyst's Office (LAO)

A non-partisan organization that provides advice to the Legislature on fiscal and policy matters. For example, the LAO annually publishes a detailed analysis of the Governor's Budget and this document becomes the initial basis for legislative hearings on the Budget Bill. (SAM 7360)

Legislative Counsel Bureau

A staff of attorneys who draft legislation (bills) and proposed amendments, and review, analyze and render opinions on legal matters for the legislative members.

Legislative Counsel Digest

A summary of what a legislative measure does contrasting existing law and the proposed change. This summary appears on the first page of a bill.

Legislative Information System (LIS)

An on-line system developed and used by the Department of Finance to maintain current information about all bills introduced in the Assembly and Senate for the current two-year session, and for other recently completed sessions. Finance analysts use this system to prepare bill analyses.

Legislature, California

A two-house body of elected representatives vested with the responsibility and power to make laws affecting the state (except as limited by the veto power of the Governor). See also "Assembly" and "Senate."

Limited-Term Position (LT)

Any position that has been authorized only for a specific length of time with a set termination date. Limited-term positions may be authorized during the budget process or in transactions approved by the Department of Finance. (SAM 6515)

Line Item

See "Objects of Expenditure."

Local Assistance (LA)

The character of expenditures made for the support of local government or other locally administered activities.

Mandates

See "State-Mandated Local Program." (UCM)

May Revision

An annual update to the Governor's Budget containing a revised estimate of General Fund revenues for the current and ensuing fiscal years, any proposals to adjust expenditures to reflect updated revenue estimates, and all proposed adjustments to Proposition 98, presented by the Department of Finance to the Legislature by May 14 of each year. (See also "Finance Letter.") (SAM 6130 and GC 13308)

Merit Salary Adjustment (MSA)

A cost factor resulting from the periodic increase in salaries paid to personnel occupying authorized positions. Personnel generally receive a salary increase of five percent per year up to the upper salary limit of the classification, contingent upon the employing agency certifying that the employee's job performance meets the level of quality and quantity expected by the agency, considering the employee's experience in the position.

Merit salary adjustments for employees of the University of California and the California State University are determined in accordance with rules established by the regents and the trustees, respectively.

Funding typically is not provided for MSAs in the budget; any additional costs incurred by a department usually must be absorbed from within existing resources. (GC 19832)

Minor Capital Outlay

Construction projects or equipment acquired to complete a construction project, estimated to cost less than \$600,000 plus any escalation per Public Contract Code 10108.

Modified Accrual Basis

The basis of accounting in which revenues are recognized if the underlying transaction has occurred as of the last day of the fiscal year and the amount is measurable and available to finance expenditures of the current period (i.e., the actual collection will occur either during the current period or after the end of the current period to be used to pay current year-end liabilities). Expenditures are accrued when the obligations are created, except for amounts payable from future fiscal year appropriations. This basis is generally used for the General Fund and special funds.

Non-add

Refers to a numerical value that is displayed in parentheses for informational purposes but is not included in computing totals, usually because the amounts are already accounted for in the budget system or display.

Nongovernmental Cost Funds

For legal basis purposes, used to budget and account for revenues other than general and special taxes, licenses, and fees or certain other state revenues.

Object of Expenditure (Objects)

A classification of expenditures based on the type of goods or services received. For example, the budget category of Personal Services includes the objects of Salaries and Wages and Staff Benefits. The Governor's Budget includes an "Expenditures by Category" for each department at this level. These objects may be further subdivided into line items such as State Employees' Retirement and Workers' Compensation. (UCM)

Obligations

Amounts that a governmental unit may legally be required to pay out of its resources. Budgetary authority must be available before obligations can be created. For budgetary purposes, obligations include payables for goods or services received but not yet paid for and encumbrances (i.e., commitments for goods and services not yet received nor paid for).

One-Time Cost

A proposed or actual expenditure that is non-recurring (usually only in one annual budget) and not permanently included in baseline expenditures. Departments make baseline adjustments to remove prior year one-time costs and appropriately reduce their expenditure authority in subsequent years' budgets.

Operating Expenses and Equipment (OE&E)

A category of a support appropriation which includes objects of expenditure such as general expenses, printing, communication, travel, data processing, equipment, and accessories for the equipment. (SAM 6451)

Organization Code

The four-digit code assigned to each state governmental entity (and sometimes to unique budgetary programs) for fiscal system purposes. The organization code is the first segment of the budget item/appropriation number. (UCM)

Out-of-State Travel (OST) blanket

A request by a state agency for Governor's Office approval of the proposed out-of-state trips to be taken by that agency's personnel during the fiscal year. (SAM 0760-0765)

Overhead

Those elements of cost necessary in the production of an article or the performance of a service that are of such a nature that the amount applicable to the product or service cannot be determined directly. Usually they relate to those costs that do not become an integral part of the finished product or service, such as rent, heat, light, supplies, management, or supervision. See also "Indirect Costs."

Overhead Unit

An organizational unit that benefits the production of an article or a service but that cannot be directly associated with an article or service to distribute all of its expenditures to elements and/or work authorizations. The cost of overhead units are distributed to operating units or programs within the department. (See "Administration Program Costs.")

Past Year

The most recently completed fiscal year. (See also "Fiscal Year.")

Performance Budget

A budget wherein proposed expenditures are organized and tracked primarily by measurable performance objectives for activities or work programs. A performance budget may also incorporate other bases of expenditure classification, such as character and object, but these are given a subordinate status to activity performance.

Personal Services

A category of expenditure which includes such objects of expenditures as the payment of salaries and wages of state employees and employee benefits, including the state's contribution to the Public Employees' Retirement Fund, insurance premiums for workers' compensation, and the state's share of employees' health insurance. See also "Objects of Expenditure." (SAM 6403, 6506)

Plan of Financial Adjustment (PFA)

A plan proposed by a department, approved by the Department of Finance, and accepted by the State Controller's Office (SCO), to permit the SCO to allocate costs paid from one item to one or more items within a department's appropriations. A PFA might be used, for example, to allow the department to pay all administrative costs out of its main item and then to transfer the appropriate costs to the correct items for their share of the costs paid. The SCO transfers the funds upon receipt of a letter (transaction request) from the department stating the amount to be transferred based on the criteria for cost distribution in the approved PFA. (SAM 8715)

Planning Estimate (PE)

A document used to record and monitor those current and budget year expenditure adjustments including budget change proposals approved for inclusion in the Governor's Budget. PEs are broken down by department, fund type, character, Budget Bill/Act appropriation number, and "lines"(i.e., expenditure groupings such as employee compensation, price increases, one-time costs). PEs are primarily used to record the incremental decisions made about changes to each base budget, are

updated at frequent intervals, and can be used for quick planning or "what if" analyses. PEs identify all proposed expenditure changes (baseline and policy) to the previous year's Budget Act, and once budget preparation is complete, PEs will tie to all other fiscal characterizations of the proposed Governor's Budget. (The term is sometimes used synonymously with Planning Estimate Line, which is one specific expenditure grouping.)

Planning Estimate Line

A separate planning estimate adjustment or entry for a particular expenditure or type. (See "Planning Estimate.")

Policy Adjustments

Changes to existing law or Administration policies. These adjustments require action by the Governor and/or Legislature and modify the workload budget.

Pooled Money Investment Account (PMIA)

A State Treasurer's Office accountability account maintained by the State Controller's Office to account for short-term investments purchased by the State Treasurer's Office as designated by the Pooled Money Investment Board on behalf of various funds.

Pooled Money Investment Board (PMIB)

A board comprised of the Director of Finance, State Treasurer, and the State Controller, the purpose of which is to design an effective cash management and investment program, using all monies flowing through the Treasurer's bank accounts and keeping all available monies invested consistent with the goals of safety, liquidity, and yield. (SAM 7350)

Positions

See "Authorized Positions."

Price Increase

A budget adjustment to reflect the inflation factors for specified operating expenses consistent with the budget instructions from the Department of Finance.

Prior Year Adjustment

An adjustment for the difference between prior year accruals and actual expenditures or revenues. The prior year adjustment amount is generally included in the Fund Condition Statements as an adjustment to realign the beginning fund balance to ensure accurate fund balances.

Pro Rata

The amount of state administrative costs, paid from the General Fund and the Central Service Cost Recovery Fund (e.g., amounts expended by central service departments such as the State Treasurer's Office, State Personnel Board, State Controller's Office, and Department Finance for the general administration of state government), that are chargeable to and recovered from special funds (other than the General Fund, Central Service Cost Recovery Fund, and federal funds) as determined by the Department of Finance. (GC 11270-11277, 13332.03; 22828.5; SAM 8753, 8754)

Program Budget

See "Budget, Program or Traditional."

Program Cost Accounting (PCA)

A level of accounting that identifies costs by activities performed in achievement of a purpose in contrast to the traditional line-item format. The purpose of accounting at this level is to produce cost data sufficiently accurate for allocating and managing its program resources. (SAM 9200)

Programs

Activities of an organization grouped on the basis of common objectives. Programs are comprised of elements, which can be further divided into components and tasks.

Proposed New Positions

A request for an authorization to expend funds to employ additional people to perform work. Proposed new positions may be for limited time periods (limited term) and for full or less than full time. Proposed new positions may be for an authorization sufficient to employ one person, or for a sum of funds (blanket) from which several people may be employed. (See also "Changes in Authorized Positions.")

Proposition 98

An initiative passed in November 1988, and amended in the June 1990 election, that provides a minimum funding guarantee for school districts, community college districts, and other state agencies that provide direct elementary and secondary instructional programs for kindergarten through grade 14 (K-14) beginning with fiscal year 1988-89. The term is also used to refer to any expenditures which fulfill the guarantee. (*Article XVI, § 8*)

Provision

Language in a bill or act that imposes requirements or constraints upon actions or expenditures of the state. Provisions are often used to constrain the expenditure of appropriations but may also be used to provide additional or exceptional authority. (Exceptional authority usually begins with the phrase "Notwithstanding...".)

Public Service Enterprise Funds

For legal basis accounting purposes, the fund classification that identifies funds used to account for the transactions of self-supporting enterprises that render goods or services for a direct charge to the user (primarily the general public). Self-supporting enterprises, that render goods or services for a direct charge to other state departments or governmental entities, account for their transactions in a Working Capital and Revolving Fund. (*UCM, Fund Codes—Structure*)

Reappropriation

The extension of an appropriation's availability for encumbrance and/or expenditure beyond its set termination date and/or for a new purpose. Reappropriations are typically authorized by statute for one year at a time but may be for some greater or lesser period.

Recall

The power of the electors to remove an elected officer. (*Article II, § 13*)

Redemption

The act of redeeming a bond or other security by the issuing agency.

Reference Code

A three-digit code identifying whether the item is from the Budget Act or some other source (e.g., legislation), and its character (e.g., state operations). This is the middle segment of the budget item/appropriation number.

Referendum

The power of the electors to approve or reject statutes or parts of statutes, with specified exceptions and meeting specified deadlines and number of voters' signatures. (*Article II, § 9*)

Refund to Reverted Appropriations

A receipt account to record the return of monies (e.g., abatements and reimbursements) to appropriations that have reverted.

Regulations

A rule, order, or standard of general application issued by a state agency to implement, interpret, or make specific the law enforced or administered by it, or to govern its procedures. With state government, the process of adopting or changing most regulations is subject to the Administrative Procedures Act and oversight of the Office of Administrative Law (OAL). The Department of Finance must also review and approve any non-zero estimate of state or local fiscal impact included in a regulation package before it can be approved by OAL. (*GC 13075, and Chapter 3.5 [commencing with section 11340], Part 1, Division 3, Title 2; SAM 6601-6616*)

Reimbursement Warrant (or Revenue Anticipation Warrant)

A warrant that has been sold by the State Controller's Office, as a result of a cash shortage in the General Fund, the proceeds of which will be used to reimburse the General Cash Revolving Fund. The Reimbursement Warrant may or may not be registered by the State Treasurer's Office. The registering does not affect the terms of repayment or other aspects of the Reimbursement Warrant.

Reimbursements

An amount received as a payment for the cost of services performed, or of other expenditures made for, or on behalf of, another entity (e.g., one department reimbursing another for administrative work performed on its behalf). Reimbursements represent the recovery of an expenditure. Reimbursements are available for expenditure up to the budgeted amount (scheduled in an appropriation), and a budget revision must be prepared and approved by the Department of Finance before any reimbursements in excess of the budgeted amount can be expended. (*SAM 6463*)

Reserve

An amount of a fund balance set aside to provide for expenditures from the unencumbered balance for continuing appropriations, economic uncertainties, future apportionments, pending salary or price increase appropriations, and appropriations for capital outlay projects.

Revenue

Any addition to cash or other current assets that does not increase any liability or reserve and does not represent the reduction or recovery of an expenditure (e.g., reimbursements/abatements). Revenues are a type of receipt generally derived from taxes, licenses, fees, or investment earnings. Revenues are deposited into a fund for future appropriation, and are not available for expenditure until appropriated. (*UCM*)

Revenue Anticipation Notes (RANs)

A cash management tool generally used to eliminate cash flow imbalances in the General Fund within a given fiscal year. RANs are not a budget deficit-financing tool.

Revenue Anticipation Warrant (RAW)

See Reimbursement Warrant.

Reversion

The return of the unused portion of an appropriation to the fund from which the appropriation was made, normally two years (four years for federal funds) after the last day of an appropriation's availability period. The Budget Act often provides for the reversion of unused portions of appropriations when such reversion is to be made prior to the statutory limit.

Reverted Appropriation

An appropriation that is reverted to its fund source after the date its liquidation period has expired.

Revolving Fund

Generally refers to a cash account known as an office revolving fund (ORF). It is not a fund but an advance from an appropriation. Agencies may use the cash advance to disburse ORF checks for immediate needs, as specified in SAM. The cash account is subsequently replenished by a State

Controlloer's Office warrant. The size of departmental revolving funds is subject to Department of Finance approval within statutory limits. (*SAM 8100, et seq*)

SAL

See "Appropriations Limit, State".

Salaries and Wages Supplement

An annual publication issued shortly after the Governor's Budget, containing a summary of all positions by department, unit, and classification for the past, current, and budget years, as of July 1 of the current year. This publication is also displayed on the Department of Finance website.

Schedule

The detail of an appropriation in the Budget Bill or Act, showing its distribution to each of the categories, programs, or projects thereof. *OR*

A supplemental schedule submitted by departments to detail certain expenditures. *OR*

A summary listing in the Governor's Budget.

Schedule 2

See "Changes in Authorized Positions."

Schedule 7A

A summary version of the State Controller's Office detailed Schedule 8 position listing for each department. The information reflected in this schedule is the basis for the "Salaries and Wages Supplement" displayed on the Department of Finance website. (*SAM 6415-6419*)

Schedule 8

A detailed listing generated from the State Controller's Office payroll records for a department of its past, current, and budget year positions as of June 30 and updated for July 1. This listing must be reconciled with each department's personnel records and becomes the basis for centralized payroll and position control. The reconciled data should coincide with the level of authorized positions for the department per the final Budget. (*SAM 6424-6429, 6448*)

Schedule 10 (Supplementary Schedule of Appropriations)

A Department of Finance control document listing all appropriations and allocations of funds available for expenditure during the past, current, and budget years. These documents are sorted by state operations, local assistance, and capital outlay. The Schedule 10s reconcile expenditures by appropriation (fund source) and the adjustments made to appropriations, including allocation of new funds. These documents also show savings and carryovers by item. The information provided in this document is summarized in the Detail of Appropriations and Adjustments in the Governor's Budget. (*SAM 6484*)

Schedule 10R (Supplementary Schedule of Revenues and Transfers)

A Department of Finance control document reflecting information for revenues, transfers, and inter-fund loans for the past, current, and budget years. Schedule 10Rs are required for the General Fund and all special funds. Schedule 10R information for special funds is displayed in the Fund Condition Statement for that fund in the Governor's Budget.

Schedule 11

Outdated term for "Supplementary Schedule of Operating Expenses and Equipment."

Schedule of Federal Funds and Reimbursements, Supplementary

A supplemental schedule submitted by departments during budget preparation which displays the federal receipts and reimbursements by source. (*SAM 6460*)

Schedule of Operating Expenses and Equipment, Supplementary

A supplemental schedule submitted by departments during budget preparation which details by object the expenses included in the Operating Expenses and Equipment category. (SAM 6454, 6457)

Section 1.50

Section of the Budget Act that 1) specifies a certain format and style for the codes used in the Budget Act, 2) authorizes the Department of Finance to revise codes used in the Budget Act in order to provide compatibility with the Governor's Budget and records of the State Controller's Office, and 3) authorizes the Department of Finance to revise the schedule of an appropriation in the Budget Act for technical changes that are consistent with legislative intent. Examples of such technical changes to the schedule of an appropriation include the elimination of amounts payable, the distribution of administration costs, the distribution of unscheduled amounts to programs or categories, and the augmentation of reimbursement amounts when the Legislature has approved the budget for the department providing the reimbursement.

Section 1.80

Section of the Budget Act that includes periods of availability for Budget Act appropriations.

Section 8.50

The Control Section of the Budget Act that provides the authority to increase federal funds spending authority.

Section 26.00

A Control Section of the Budget Act that provides the authority for the transfer of funds from one category, program or function within a schedule to another category, program or function within the same schedule, subject to specified limitations and reporting requirements to the Legislature. (Prior to 1996-97, this authority was contained in Section 6.50 of the Budget Act.) (SAM 6548)

Section 28.00

A Control Section of the Budget Act that authorizes the Director of Finance to approve the augmentation or reduction of items of expenditure for the receipt of unanticipated federal funds or other non-state funds, and that specifies the related reporting requirements to the Legislature. Appropriation authority for unanticipated federal funds is contained in Section 8.50. (SAM 6551-6557)

Section 28.50

A Control Section of the Budget Act that authorizes the Department of Finance to augment or reduce the reimbursement line of an appropriation schedule for reimbursements received from other state agencies. It also contains specific reporting requirements to the Legislature. (SAM 6551-6557)

Section 30.00

A Control Section of the Budget Act that amends Government Code Section 13340 to sunset continuous appropriations.

Section 31.00

A Control Section of the Budget Act that specifies certain administrative procedures. For example, the section subjects the Budget Act appropriations to various sections of the Government Code, limits the new positions a department may establish to those authorized in the Budget, requires Finance approval and legislative notification of certain position transactions, requires all administratively established positions to terminate on June 30 and allows for such positions to continue if they were established after the Governor's Budget was submitted to the Legislature, and prohibits increases in salary ranges and other employee compensation which require funding not authorized by the budget unless the Legislature is informed.

Senate

The upper house of California's Legislature consisting of 40 members. As a result of Proposition 140 (1990, term limits) and Proposition 28 (2012, limits on Legislators' terms in office), members elected in or after 2012 may serve 12 years in the Legislature in any combination of four-year state Senate or two-year state Assembly terms. Prior to Proposition 28, Senate members could serve a maximum of two four-year terms. Twenty members are elected every two years. (*Article IV, § 2 (a)*)

Service Revolving Fund

A fund used to account for and finance many of the client services rendered by the Department of General Services. Amounts expended by the fund are reimbursed by sales and services priced at rates sufficient to keep the fund solvent. (*SAM 8471.1*)

Settlements

Refers to any proposed or final settlement of a legal claim (usually a suit) against the state. Approval of settlements and payments for settlements are subject to numerous controls. See also "Judgments." (*GC 965*)

Shared Revenue

A state-imposed tax, such as the gasoline tax, which is shared with local governments in proportion, or substantially in proportion, to the amount of tax collected or produced in each local unit. The tax may be collected either by the state and shared with the localities, or collected locally and shared with the state.

Sinking Fund

A fund or account in which money is deposited at regular intervals to provide for the retirement of bonded debt.

Special Fund for Economic Uncertainties

A fund in the General Fund (a similar reserve is included in each special fund) authorized by statute and Budget Act Control Section 12.30 to provide for emergency situations. (*GC 16418, 16418.5*)

Special Funds

For legal basis budgeting purposes, funds created by statute, or administratively per Government Code Section 13306, used to budget and account for taxes, licenses, and fees that are restricted by law for particular activities of the government.

Special Items of Expense

An expenditure category that covers nonrecurring large expenditures or special purpose expenditures that generally require a separate appropriation (or otherwise require separation for clarity). (*SAM 6469; UCM*)

Sponsor

An individual, group, or organization that initiates or brings to a Legislator's attention a proposed law change.

Spot Bill

An introduced bill that makes non-substantive changes in a law, usually with the intent to amend the bill at a later date to include substantive law changes. This procedure provides a means for circumventing the deadline for the introduction of bills.

Staff Benefits

An object of expenditure representing the state costs of contributions for employees' retirement, OASDI, health benefits, and nonindustrial disability leave benefits. (*SAM 6412; UCM*)

State Fiscal Year

The period beginning July 1 and continuing through the following June 30.

State-Mandated Local Program

State reimbursements to local governments for the cost of activities required by legislative and executive acts. This reimbursement requirement was established by Chapter 1406, Statutes of 1972 (SB 90) and further ratified by the adoption of Proposition 4 (a constitutional amendment) at the 1979 general election. (*Article XIII B, § 6; SAM 6601*)

State Operations (SO)

A character of expenditure representing expenditures for the support of state government, exclusive of capital investments and expenditures for local assistance activities.

Statewide Cost Allocation Plan (SWCAP)

The amount of state administrative, General Fund costs (e.g., amounts expended by central service departments such as the State Treasurer's Office, State Personnel Board, State Controller's Office, and the Department of Finance for the general administration of state government) chargeable to and recovered from federal funds, as determined by the Department of Finance. These statewide administrative costs are for administering federal programs, which the federal government allows reimbursement. (*GC 13332.01-13332.02; SAM 8753, 8755-8756 et seq.*)

Statute

A written law enacted by the Legislature and signed by the Governor (or a vetoed bill overridden by a two-thirds vote of both houses), usually referred to by its chapter number and the year in which it is enacted. Statutes that modify a state code are "codified" into the respective Code (e.g., Government Code, Health and Safety Code). See also "Bill" and "Chapter". (*Article IV, § 9*)

Subcommittee

The smaller groupings into which Senate or Assembly committees are often divided. For example, the fiscal committees that hear the Budget Bill are divided into subcommittees generally by departments/subject area (e.g., Education, Resources, General Government).

Subventions

Typically used to describe amounts of money expended as local assistance based on a formula, in contrast to grants that are provided selectively and often on a competitive basis. For the purposes of Article XIII B, state subventions include only money received by a local agency from the state, the use of which is unrestricted by the statutes providing the subvention. (*GC Section 7903*)

Summary Schedules

Various schedules in the Governor's Budget Summary which summarize state revenues, expenditures and other fiscal and personnel data for the past, current, and budget years.

Sunset Clause

Language contained in a law that states the expiration date for that statute.

Surplus

An outdated term for a fund's excess of assets (or resources) over liabilities. See "Fund Balance."

Tax Expenditures

Subsidies provided through the taxation systems by creating deductions, credits and exclusions of certain types of income or expenditures that would otherwise be taxable.

Technical

In the budget systems, refers to an amendment that clarifies, corrects, or otherwise does not materially affect the intent of a bill.

Tort

A civil wrong, other than a breach of contract, for which the court awards damages. Traditional torts include negligence, malpractice, assault and battery. Recently, torts have been broadly expanded such that interference with a contract and civil rights claims can be torts. Torts result in either settlements or judgments. (*GC 948, 965-965.9; SAM 6472, 8712; BA Item 9670*)

Traditional Budget

See "Budget, Program or Traditional."

Transfers

As used in Schedule 10Rs and fund condition statements, transfers reflect the movement of resources from one fund to another based on statutory authorization or specific legislative transfer appropriation authority. See also "Category Transfer."

Trigger

An event that causes an action or actions. Triggers can be active (such as pressing the update key to validate input to a database) or passive (such as a tickler file to remind of an activity). For example, budget "trigger" mechanisms have been enacted in statute under which various budgeted programs are automatically reduced if revenues fall below expenditures by a specific amount.

Unanticipated Cost/Funding Shortage

A lack or shortage of (1) cash in a fund, (2) expenditure authority due to an insufficient appropriation, or (3) expenditure authority due to a cash problem (e.g., reimbursements not received on a timely basis). See Budget Act Items 9840 and 9850.

Unappropriated Surplus

An outdated term for that portion of the fund balance not reserved for specific purposes. See "Fund Balance" and "Reserve."

Unencumbered Balance

The balance of an appropriation not yet committed for specific purposes. See "Encumbrance."

Uniform Codes Manual (UCM)

A document maintained by the Department of Finance which sets standards for codes and various other information used in state fiscal reporting systems. These codes identify, for example, organizations, programs, funds, receipts, line items, and objects of expenditure.

Unscheduled Reimbursements

Reimbursements collected by an agency that were not budgeted and are accounted for by a separate reimbursement category of an appropriation. To expend unscheduled reimbursements, a budget revision must be approved by the Department of Finance, subject to any applicable legislative reporting requirements (e.g., Section 28.50).

Urgency Statute/Legislation

A measure that contains an "urgency clause" requiring it to take effect immediately upon the signing of the measure by the Governor and the filing of the signed bill with the Secretary of State. Urgency statutes are generally those considered necessary for immediate preservation of the public peace, health or safety, and such measures require approval by a two-thirds vote of the Legislature, rather than a majority. (*Article IV, § 8 (d)*). However, the Budget Bill and other bills providing for appropriations related to the Budget Bill may be passed by a majority vote to take effect immediately upon being signed by the Governor or upon a date specified in the legislation. (*Article IV § 12 (e) (1)*).

Veto

The Governor's Constitutional authority to reduce or eliminate one or more items of appropriation while approving other portions of a bill. (*Article IV, §10 (e); SAM 6345*)

Victim Compensation and Government Claims Board, California

An administrative body in state government exercising quasi-judicial powers (power to make rules and regulations) to establish an orderly procedure by which the Legislature will be advised of claims against the state when no provision has been made for payment. This board was known as the Board of Control prior to January 2001. The rules and regulations adopted by the former Board of Control are in the California Code of Regulations, Title 2, Division 2, Chapter 1.

Warrant

An order drawn by the State Controller directing the State Treasurer to pay a specified amount, from a specified fund, to the person or entity named. A warrant generally corresponds to a bank check but is not necessarily payable on demand and may not be negotiable. (*SAM 8400 et seq*)

Without Regard To Fiscal Year (WRTFY)

Where an appropriation has no period of limitation on its availability.

Working Capital and Revolving Fund

For legal basis accounting purposes, fund classification for funds used to account for the transactions of self-supporting enterprises that render goods or services for a direct charge to the user, which is usually another state department/entity. Self-supporting enterprises that render goods or services for a direct charge to the public account for their transactions in a Public Service Enterprise Fund.

Workload

The measurement of increases and decreases of inputs or demands for work, and a common basis for projecting related budget needs for both established and new programs. This approach to BCPs is often viewed as an alternative to outcome or performance based budgeting where resources are allocated based on pledges of measurable performance.

Workload Budget

Workload Budget means the budget year cost of currently authorized services, adjusted for changes in enrollment, caseload, population, statutory cost-of-living adjustments, chaptered legislation, one-time expenditures, full-year costs of partial-year programs, costs incurred pursuant to Constitutional requirements, federal mandates, court-ordered mandates, state employee merit salary adjustments, and state agency operating expense and equipment cost adjustments to reflect inflation. The compacts with Higher Education and the Courts are commitments by this Administration and therefore are included in the workload budget and considered workload adjustments. A workload budget is also referred to as a baseline budget. (*GC 13308.05*)

Workload Budget Adjustment

Any adjustment to the currently authorized budget necessary to maintain the level of service required to fund a Workload Budget, as defined in Government Code Section 13308.05. A workload budget adjustment is also referred to as a baseline adjustment.

Year of Appropriation (YOA)

Refers to the initial year of an appropriation.

Year of Budget (YOB)

The fiscal year revenues and expenditures are recognized. For revenues, this is generally the fiscal year when revenues are earned. For expenditures, this is generally the fiscal year when obligations, including encumbrances, have been created during the availability period of the appropriation. When the availability period of encumbrance of an appropriation is one year (e.g., most Budget Act items), YOB is the same as year of appropriation (YOA) and year of completion (YOC). However, when the availability period is more than one year, YOB may be any fiscal year during the availability period, including YOA or YOC, as appropriate. For example, an appropriation created in 2010-11 and is available for three years, the YOA is 2010 and the YOC is 2012. If an obligation is created in 2011-12, the YOB for this obligation is 2011. In CALSTARS, YOB is referred to as funding fiscal year (FFY).

The rules of recognition are not the same for all funds depending on the appropriate basis of accounting for the fund types or other factors.

Year of Completion (YOC)

The last fiscal year for which the appropriation is available for expenditure or encumbrance.

- * *Abbreviations used in the references cited:*
 - Article Article of California Constitution*
 - BA Budget Act*
 - CS Control Section of Budget Act*
 - GC Government Code*
 - SAM State Administrative Manual*
 - UCM Uniform Codes Manual*

2013-14

Governor's Budget Summary



To the California Legislature
Regular Session 2012-13

Edmund G. Brown Jr. Governor
State of California

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GOVERNOR
Edmund G. Brown Jr.

January 10, 2013

To the Members of the Senate and the Assembly of the California Legislature:

California today is poised to achieve something that has eluded us for more than a decade — a budget that lives within its means, now and for many years to come.

We are in this favorable position both because of the huge budget reductions that you have made in the last two years, and because the people voted for Proposition 30.

Under this budget, K-12 school districts will see an increase in funds. School districts serving those students who have the greatest challenges will receive more generous increases — so that all students in California have the opportunity to succeed. This budget also focuses more responsibility and accountability on those who are closest to our students.

This budget proposes annual funding increases for public higher education. The goal is to provide our students with a solid and affordable education. It challenges the leaders of our higher education system to do better by our students by deploying their teaching resources more effectively.

This budget takes the next step to implement federal health care reform. Given the complexity and financial risk, I urge you to expand our health care system in ways that are both affordable and sustainable.

This budget finally puts California on a path to long-term fiscal stability. What must be avoided at all costs is the boom and bust, borrow and spend, of the last decade. Fiscal discipline is not the enemy of democratic governance, but rather its fundamental predicate. That is the spirit that I trust will characterize our work together in the coming year.

With respect,

s/ Edmund G. Brown Jr.

Edmund G. Brown Jr.

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INTRODUCTION

INTRODUCTION

In 2011, the state faced \$20 billion in expected annual gaps between its revenues and spending. Just two years later, California is on its most stable fiscal footing in well over a decade. With the tough spending cuts enacted over the past two years and new temporary revenues provided by the passage of Proposition 30, the state's budget is projected to remain balanced for the foreseeable future.

The Budget invests in both K-12 and higher education. These investments are critical to provide Californians, regardless of their financial circumstance, access to high-quality academic and career education, improve educational attainment, and support critical thinking and civic engagement—thereby strengthening the foundation for sustainable growth. The Budget also expands health care coverage as the state implements federal health care reform. It also preserves the state's safety net and pays down debt.

Despite the dramatic budgetary changes of the past two years, there remain a number of major risks and pressures that threaten the state's new-found fiscal stability, including the overhang of billions of dollars in debt accumulated in prior years.

ACHIEVING FISCAL BALANCE

When Governor Brown took office, the state faced a \$26.6 billion short-term budget problem and estimated annual gaps between spending and revenues of roughly \$20 billion. The 2011-12 and 2012-13 budgets rejected the past reliance on gimmicks,

INTRODUCTION

borrowing, and deferrals. These two budgets addressed the \$20 billion annual deficit through spending cuts, primarily in corrections, health and human services, and education. In total, these budgets provided three dollars of spending cuts for every dollar in temporary tax revenues approved by the voters.

The two budgets achieved the following goals:

- Realigning public safety programs to bring government closer to the people.
- Implementing a downsizing plan for the California Department of Corrections and Rehabilitation. The plan is intended to satisfy the U.S. Supreme Court's order requiring reduced crowding and end federal court oversight of our prison system. It will reverse the trend of prison spending that has consumed a growing percentage of the General Fund budget. Over time, spending will decline from 11 percent to 7.5 percent of the General Fund.
- Eliminating redevelopment agencies to increase funding for schools, police, fire, and other core local services.
- Refocusing the state's welfare program on getting people back to work. The total number of months an adult can receive a monthly cash benefit has been reduced from 60 months to 48 months. Furthermore, the benefit is only provided to the adult for up to 24 months unless the individual is meeting federal work requirements. The Budget provides specific funding to implement these reforms.
- Making tough cuts across state government to align spending with available tax dollars. Grants to low-income seniors and persons with disabilities (State Supplementary Payment) have been reduced to 1982 levels. CalWORKs grants have been reduced to below 1987 levels. The Williamson Act subventions, child care and dependent tax credit refunds, and the Healthy Families Program were eliminated.
- Reducing the state workforce by more than 30,000 positions. The state workforce is at its lowest level as a share of the state's population in almost a decade—and California already had one of the nation's lowest levels of government employment.
- Overall General Fund spending is down from its peak of \$103 billion in 2007-08 to \$93 billion in 2012-13, a decrease of \$10 billion, or 10 percent. As a share of the economy, General Fund spending in 2011-12 and 2012-13 remains at its lowest level since 1972-73.

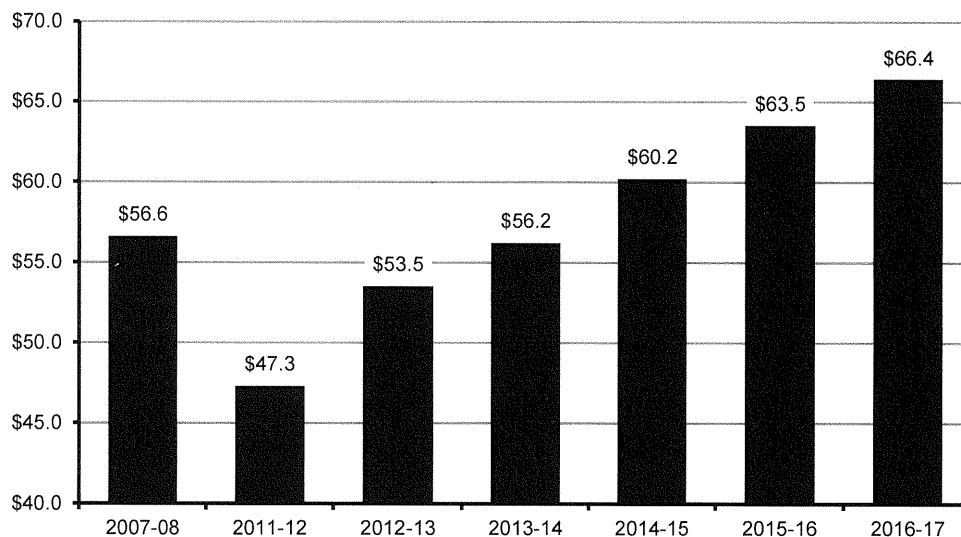
INTRODUCTION

While the state has made very difficult programmatic reductions over the past two years, California has maintained its safety net for the state's neediest and most vulnerable residents. Compared to other states, it continues to provide broader health care coverage to a greater percentage of the population, including in-home care; guarantees access to services for persons with developmental disabilities; makes available higher cash assistance to families and continues that assistance to children after their parents lose eligibility; and provides very generous financial aid to those seeking higher education in California.

REINVESTING IN EDUCATION

Proposition 30, the Governor's Initiative, was premised on the need to reinvest in education. For the first time since the recession began in 2008, with the passage of the Initiative, the Governor's Budget reinvests in, rather than cuts, education funding. As shown in Figure INT-01, the minimum guarantee of funding for K-14 schools was \$56.6 billion in 2007-08 and sank to \$47.3 billion in 2011-12. From this recent low, funding is expected to grow to \$66.4 billion in 2016-17, an increase of \$19 billion (40 percent).

Figure INT-01
Budget Reinvests in Education
 (Dollars in Billions)



INTRODUCTION

K-12 EDUCATION

For K-12 schools, funding levels will increase by almost \$2,700 per student through 2016-17, including an increase of more than \$1,100 per student in 2013-14 over 2011-12 levels. This reinvestment also provides the opportunity to correct historical inequities in school district funding. By allocating new funding to districts on the basis of the number of students they serve, all California school districts can improve. By committing the most new funding to districts serving English language learners and low-income students, the Budget ensures that our educational system supports equal opportunity for all Californians. This new funding will be coupled with new, but simplified, accountability measures. The goal is to ensure sufficient flexibility at the local level so that those closest to the students can make the decisions.

HIGHER EDUCATION

The budget plan also invests in the state's higher education system to maintain the quality and affordability of one of California's greatest strengths. Since 2007-08, systemwide tuition and fees have increased by \$5,556 (84 percent) at the University of California and by \$2,700 (97 percent) at the California State University. The Budget provides stable funding growth over multiple years and should eliminate the need for further tuition increases—if the universities rise to the challenge by deploying their teaching resources more effectively. By focusing on reducing the time it takes a student to successfully complete a degree, the state can ensure a system that is financially sustainable over the long term. For the state's universities and community colleges, the Budget provides 5 percent growth to each system. A similar level of funding is proposed to be provided in future years.

EXPANDING HEALTH CARE

Medi-Cal, the state's Medicaid health care program for low-income families, currently serves one out of every five Californians (more than 8 million individuals). The program currently receives 20 percent of the General Fund budget. As the state implements its commitment to federal health care reform, these numbers will increase. The Budget includes \$350 million General Fund to begin to pay for this federally required expansion of coverage.

In addition to the required expansion of coverage, states have the option under federal health care reform to expand coverage to include medically indigent adults. The federal

INTRODUCTION

government promises to provide 100 percent funding in the short term for much, but not all, of the costs associated with the expansion. States will bear a portion of expansion costs on a permanent basis. The Budget outlines two possible approaches to the optional expansion—a state-based approach or a county-based approach. Each approach has its own set of strengths, challenges, risks, and benefits.

Expansion of health care under either approach will have a significant effect on both state and county finances. Under the current system, counties provide health care to medically indigent adults using a combination of their own and state 1991 realignment funds. The implementation of health care reform provides a unique opportunity to focus on the future of the state-county relationship. The goal is to fairly allocate risk, strengthen local flexibility, and clearly delineate the respective responsibilities of the state and the counties.

A BALANCED BUDGET PLAN FOR THE COMING YEARS

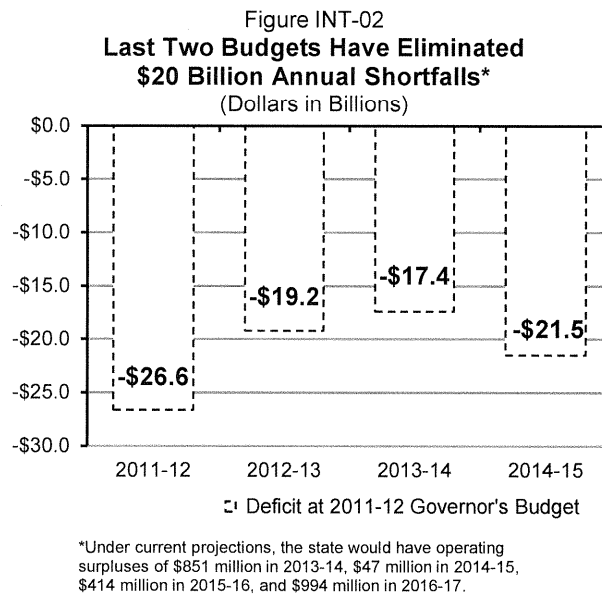
The Budget proposes a multiyear plan that is balanced, maintains a \$1 billion reserve, and pays down budgetary debt from past years. Overall General Fund spending is projected to grow by 5 percent, from \$93 billion in 2012-13 to \$97.7 billion in 2013-14. The vast majority of the spending growth is in education and health care.

Absent changes, the 2013-14 budget is projected to be balanced—but without an adequate reserve. To create a \$1 billion reserve, the Budget proposes:

- Suspending four newly identified mandates. (\$104 million)
- Using 2012-13 funds appropriated above the Proposition 98 minimum guarantee to prepay obligations to schools under the *CTA v. Schwarzenegger* settlement. (\$172 million)
- Continuing the use of miscellaneous state highway account revenues to pay for transportation bond debt service. (\$67 million)
- Extending the hospital quality assurance fee. (\$310 million)
- Extending the gross premiums tax on Medi-Cal managed care plans. (\$364 million)

INTRODUCTION

Under current projections, the Budget is expected to remain in balance in future years. This represents the first time in over a decade that future spending is expected to stay within available resources. Figure INT-02 shows the roughly \$20 billion annual shortfalls projected just two years ago that have been eliminated.



The state's budget remains balanced only by a narrow margin. The 2012 Budget Act assumed and spent the revenue provided by Proposition 30. In addition, this revenue is temporary, with the sales tax expiring at the end of 2016 and the income tax expiring at the end of 2018. The state must begin to plan now to ensure that the budget will remain balanced after the revenue expires.

A number of risks could quickly return the state to fiscal deficits:

- In addressing its own fiscal challenges, the federal government could shift costs to the state.
- While the Budget projects modest economic growth, the pace of the nation's and state's economic recovery remains uncertain.

INTRODUCTION

- The federal government and the courts have hindered the state's past efforts to reduce spending and could again interfere with the successful implementation of budget actions authorized in 2011-12 and 2012-13.
- Rising health care costs will continue to strain the state budget.

The state's budget challenges have been exacerbated by the Wall of Debt—an unprecedented level of debts, deferrals, and budgetary obligations accumulated over the prior decade. In 2013-14 alone, the state will dedicate \$4.2 billion to repay this budgetary borrowing—paying for the expenses of the past, instead of meeting current needs. Moving forward, continuing to pay down the Wall of Debt is key to increasing the state's fiscal capacity. In 2011, the level of outstanding budgetary borrowing totaled \$35 billion.

Figure INT-03

Budget Plan Would Reduce Wall of Debt to Less than \$5 Billion

(Dollars in Billions)

	End of 2010-11 ^{1/}	End of 2012-13 ^{2/}	End of 2016-17 ^{2/}
Deferred payments to schools and community colleges	\$10.4	\$8.2	\$0.0
Economic Recovery Bonds	7.1	5.2	0.0
Loans from Special Funds	5.1	4.1	0.0
Unpaid costs to local governments, schools and community colleges for state mandates	4.3	4.9	2.5
Underfunding of Proposition 98	3.0	2.4	0.0
Borrowing from local government (Proposition 1A)	1.9	0.0	0.0
Deferred Medi-Cal Costs	1.2	1.7	1.1
Deferral of state payroll costs from June to July	0.8	0.7	0.7
Deferred payments to CalPERS	0.5	0.4	0.0
Borrowing from transportation funds (Proposition 42)	0.4	0.2	0.0
Total	\$34.7	\$27.8	\$4.3

^{1/} As of 2011-12 May Revision^{2/} As of 2013-14 Governor's Budget

As shown in Figure INT-03, the debt has already been reduced to less than \$28 billion. Under current projections, it will be reduced to less than \$5 billion by the end of 2016-17.

Figure INT-04

Unfunded Retirement Liabilities

(\$ in Billions)

State Retiree Health	\$62.1
State Employee Pensions	38.5
Teacher Pensions	64.5
University of California Employee Pensions	12.8
Judges' Pensions	3.3
Total	\$181.2

INTRODUCTION

California will still need to address other looming liabilities, such as the deficit in the state's Unemployment Insurance Fund and the more than \$100 billion in unfunded liabilities in retiree health and pension systems. In addition, as Figure INT-04 also shows, the retirement systems for University of California employees and teachers have accumulated \$77 billion in liabilities which will need to be addressed.

The state has \$37.6 billion in authorized infrastructure bonds that have yet to be sold. Nevertheless, this sum is relatively small when compared to the money California must spend to maintain and modernize its infrastructure in the coming years.

The boom and bust in our state's budget over the last decade is something we should not repeat. Instead, the state must live within its means, pay down debt, and build up a "rainy day" fund — all to ensure a stable government that earns the respect of the citizens that pay for it.

SUMMARY CHARTS

SUMMARY CHARTS

This section provides various statewide budget charts and tables.

SUMMARY CHARTS

Figure SUM-01
2013-14 Governor's Budget
General Fund Budget Summary
(Dollars in Millions)

	<u>2012-13</u>	<u>2013-14</u>
Prior Year Balance	-\$1,615	\$785
Revenues and Transfers	<u>\$95,394</u>	<u>\$98,501</u>
Total Resources Available	\$93,779	\$99,286
Non-Proposition 98 Expenditures	\$55,487	\$56,780
Proposition 98 Expenditures	<u>\$37,507</u>	<u>\$40,870</u>
Total Expenditures	\$92,994	\$97,650
Fund Balance	\$785	\$1,636
Reserve for Liquidation of Encumbrances	\$618	\$618
Special Fund for Economic Uncertainties	\$167	\$1,018

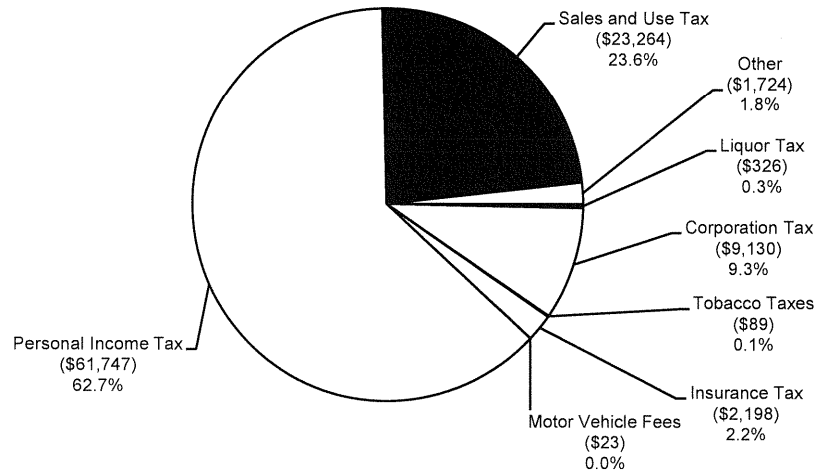
SUMMARY CHARTS

Figure SUM-04
General Fund Revenue Sources
 (Dollars in Millions)

	2012-13	2013-14	Change from 2012-13	
			Dollar Change	Percent Change
Personal Income Tax	\$60,647	\$61,747	\$1,100	1.8%
Sales and Use Tax	20,714	23,264	2,550	12.3%
Corporation Tax	7,580	9,130	1,550	20.4%
Insurance Tax	2,022	2,198	176	8.7%
Liquor Tax	320	326	6	1.9%
Tobacco Taxes	91	89	-2	-2.2%
Motor Vehicle Fees	26	23	-3	-11.5%
Other	3,994	1,724	-2,270	-56.8%
Total	\$95,394	\$98,501	\$3,107	3.3%

Note: Numbers may not add due to rounding.

Figure SUM-05
2013-14
General Fund Revenues and Transfers
 (Dollars in Millions)



SUMMARY CHARTS

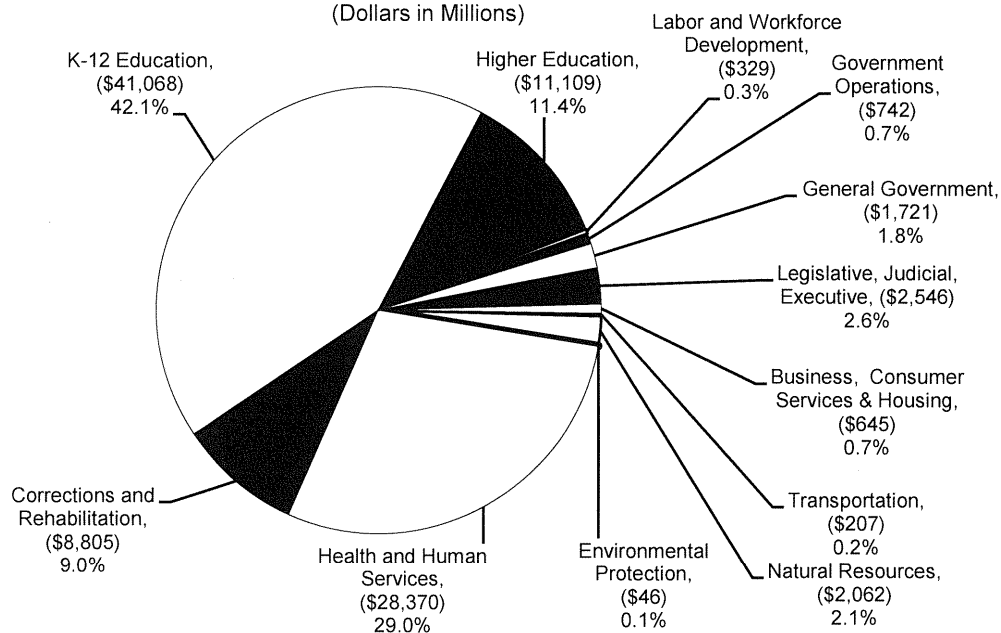
Figure SUM-02
General Fund Expenditures by Agency
(Dollars in Millions)

	2012-13	2013-14	Change from Dollar Change	2012-13 Percent Change
Legislative, Judicial, Executive	\$2,044	\$2,546	\$502	24.6%
Business, Consumer Services & Housing	217	645	428	197.2%
Transportation	183	207	24	13.1%
Natural Resources	2,022	2,062	40	2.0%
Environmental Protection	47	46	-1	-2.1%
Health and Human Services	27,121	28,370	1,249	4.6%
Corrections and Rehabilitation	8,753	8,805	52	0.6%
K-12 Education	38,323	41,068	2,745	7.2%
Higher Education	9,776	11,109	1,333	13.6%
Labor and Workforce Development	345	329	-16	-4.6%
Government Operations	661	742	81	12.3%
General Government:				
Non-Agency Departments	480	528	48	10.0%
Tax Relief/Local Government	2,520	421	-2,099	-83.3%
Statewide Expenditures	502	772	270	53.8%
Total	\$92,994	\$97,650	\$4,656	5.0%

Note: Numbers may not add due to rounding.

These figures reflect the organization of departments and Agencies based on the Governor's Reorganization Plan 2, which becomes operative July 1, 2013.

Figure SUM-03
**2013-14
General Fund Expenditures**
(Dollars in Millions)

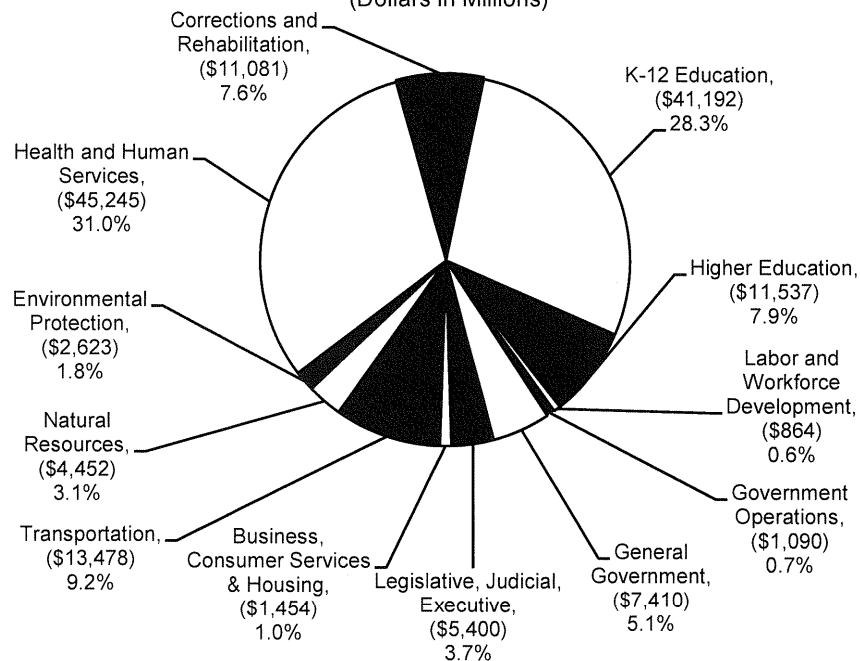


SUMMARY CHARTS

Figure SUM-06
2013-14 Total State Expenditures by Agency
 (Dollars in Millions)

	General Fund	Special Funds	Bond Funds	Totals
Legislative, Judicial, Executive	\$2,546	\$2,579	\$275	\$5,400
Business, Consumer Services & Housing	645	741	68	1,454
Transportation	207	8,186	5,085	13,478
Natural Resources	2,062	1,181	1,209	4,452
Environmental Protection	46	2,450	127	2,623
Health and Human Services	28,370	16,799	76	45,245
Corrections and Rehabilitation	8,805	2,272	4	11,081
K-12 Education	41,068	119	5	41,192
Higher Education	11,109	45	383	11,537
Labor and Workforce Development	329	535	-	864
Government Operations	742	335	13	1,090
General Government				
Non-Agency Departments	528	1,581	3	2,112
Tax Relief/Local Government	421	1,876	-	2,297
Statewide Expenditures	772	2,229	-	3,001
Total	\$97,650	\$40,928	\$7,248	\$145,826

Figure SUM-07
2013-14
Total State Expenditures
 (Including Selected Bond Funds)
 (Dollars in Millions)



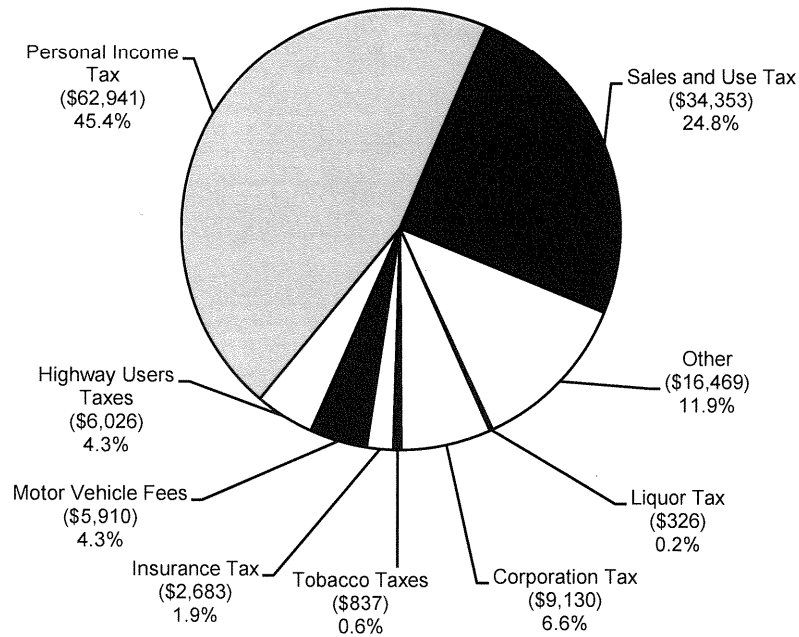
SUMMARY CHARTS

Figure SUM-08
2013-14 Revenue Sources
 (Dollars in Millions)

	General Fund	Special Funds	Total	Change From 2012-13
Personal Income Tax	\$61,747	\$1,194	\$62,941	\$945
Sales and Use Tax	23,264	11,089	34,353	3,237
Corporation Tax	9,130	-	9,130	1,550
Highway Users Taxes	-	6,026	6,026	407
Insurance Tax	2,198	485	2,683	297
Liquor Tax	326	-	326	6
Tobacco Taxes	89	748	837	-25
Motor Vehicle Fees	23	5,887	5,910	118
Other	1,724	14,745	16,469	-2,262
Total	\$98,501	\$40,174	\$138,675	\$4,273

Note: Numbers may not add due to rounding.

Figure SUM-09
2013-14
Total Revenues and Transfers
 (Dollars in Millions)



LEGISLATIVE, JUDICIAL, AND EXECUTIVE

LEGISLATIVE, JUDICIAL, AND EXECUTIVE

Governmental entities classified under the Legislative, Judicial, and Executive section are either established as independent entities under the California Constitution or are departments that operate outside the agency structure. Constitutionally established bodies include the Legislature, the Judicial Branch, Governor's Office, and Constitutional Officers.

The Budget includes total funding of \$7.6 billion (\$2.5 billion General Fund and \$5.1 billion other funds) in 2013-14 for all programs included in this area.

JUDICIAL BRANCH

The Judicial Branch consists of the Supreme Court, courts of appeal, trial courts, and the Judicial Council. The state-level judiciary receives most of its funding from the General Fund. The trial courts are funded with a combination of funding from the General Fund, county maintenance-of-effort requirements, fines, fees, and other charges.

Since 2007-08, ongoing state General Fund support for the Judicial Branch has been reduced. However, the Administration, the Legislature, and the Judicial Council have mitigated these reductions through a mix of permanent and one-time offsets, including transfers from special funds, fee increases, and use of trial court reserves. Further, 2011 Realignment removed a fast growing program from the trial court budget—trial court security. Expenditures for the trial courts have remained relatively flat as illustrated in Figure LJE-01.

LEGISLATIVE, JUDICIAL, AND EXECUTIVE

Figure LJE-01
Judicial Branch Expenditures, State Funds
 Since 2007-08
 (Dollars in Thousands)

Judicial Branch Expenditures by Program	2007-08 Actual	2010-11 Actual	2011-12 Actual	2012-13 Estimated	2013-14 Governor's Budget	2007-08 vs. 2013-14
Supreme Court	\$44,397	\$43,953	\$40,706	\$43,773	43,500	-2.0%
Courts of Appeal	200,706	206,760	199,112	202,492	204,886	2.1%
Judicial Council	130,396	137,456	120,601	148,862	150,795	15.6%
Habeas Corpus Resource Center	12,553	13,570	12,425	13,576	13,576	8.1%
Facility Program	(49,965)	(200,949)	(173,796)	(224,312)	(263,083)	
<i>Staff and OE&E</i>	22,634	25,518	26,534	28,582	30,826	54.6%
<i>Trial Court Facility Expenses</i>	27,331	175,431	147,262	195,730	232,257	
Trial Courts	3,288,873	3,218,101	2,680,140	2,267,631	2,430,566	
Total	\$3,726,890	\$3,820,789	\$3,226,780	\$2,900,646	\$3,106,406	
Adjustments to Trial Courts ¹	\$3,288,873	\$3,218,101	\$2,680,140	\$2,267,631	\$2,430,566	
<i>Trial Court Facility Expenses</i>	\$27,331	\$175,431	\$147,262	\$195,730	\$232,257	
<i>Offsets:</i>						
<i>Reserves and Redirections</i>				402,000	200,000	
<i>Transfers and Redirections</i>		(166,000)	(302,400)	(440,000)	(357,000)	
Sub-total, Trial Courts	\$3,316,204	\$3,393,532	\$2,827,402	\$2,865,361	\$2,862,823	
<i>Trial Court Security Costs ²</i>	-444,901	-480,999	(496,400)	(496,400)	(496,400)	
Adjusted Total, Trial Courts	\$2,871,303	\$2,912,533	\$2,827,402	\$2,865,361	\$2,862,823	-0.3%

¹ Due to availability of data, all offsets may not be displayed.

² For comparison purposes, court security costs for 2007-08 through 2010-11 are removed from trial court expenditure totals due to the realignment of court security costs in 2011-12 and ongoing.

The 2012 Budget Act limited trial courts to a 1 percent reserve by the end of fiscal year 2013-14. The Trial Court Funding Workgroup, called for in the May Revision to examine the state's progress in achieving the goals outlined in the Trial Court Funding Act of 1997, has begun its evaluation.

The Budget continues the practice of mitigating General Fund reductions through offsets and redirections of available resources. However, beginning in 2014-15, reserves and fund balances will mostly be exhausted, which will require trial courts to make permanent changes to achieve roughly \$200 million in savings needed to achieve structural balance.

Significant Adjustments:

- The 2012 Budget Act limited trial court reserves to 1 percent beginning on July 1, 2014. The spending down of court reserves offsets General Fund spending on a dollar-for-dollar basis. The state's fiscal condition necessitates continued

LEGISLATIVE, JUDICIAL, AND EXECUTIVE

prudence; therefore, the Budget uses a \$200 million transfer from the Immediate and Critical Needs Account to support trial court operations as the courts adapt to the new reserve policy. This transfer will delay additional courthouse construction projects up to one year, but will allow some of the most critical projects to continue, as determined by the Judicial Council.

- Long Beach Courthouse—An increase of \$34.8 million Immediate and Critical Needs Account in 2013-14 to fund the new Long Beach Courthouse service fee payment.
- Trial Court Efficiencies—The Budget includes a range of statutory changes that will reduce workload through administrative efficiencies, increase user fees to support ongoing workload at the trial courts, and assist the Judicial Branch in effectively managing monthly trial court cash flow issues.

CALIFORNIA SCHOOL FINANCE AUTHORITY

The California School Finance Authority provides facilities and working capital financing to school districts, community college districts, county offices of education, and charter schools.

Significant Adjustment:

- Charter Schools—An increase of \$92 million Proposition 98 General Fund local assistance, \$12.4 million Charter School Revolving Loan Fund, and \$175,000 non-Proposition 98 General Fund to reflect the realignment of the Charter School Facility Grant Program and the Charter School Revolving Loan Program from the Department of Education to the Authority. Since the Authority successfully administers similar programs, this consolidation will create efficiencies by taking advantage of the Authority's expertise and proven effectiveness in administering these types of programs.

0250 Judicial Branch

Article VI of the Constitution creates the Supreme Court of California and the Courts of Appeal to exercise the judicial power of the state at the appellate level. Article VI also creates the Judicial Council of California to administer the state's judicial system. Chapter 869, Statutes of 1997, created the California Habeas Corpus Resource Center to represent any person financially unable to employ appellate counsel in capital cases.

The Lockyer-Isenberg Trial Court Funding Act of 1997 (Chapter 850, Statutes of 1997) provided a stable and consistent funding source for the trial courts. Beginning with fiscal year 1997-98, consolidation of the costs of operation of the trial courts was implemented at the state level, with the exception of facility, revenue collection, and local judicial benefit costs. This implementation capped the counties' general purpose revenue contributions to trial court costs at a revised 1994-95 level. The county contributions become part of the Trial Court Trust Fund, which supports all trial court operations. Fine and penalty revenue collected by each county is retained or distributed in accordance with statute. Each county makes quarterly payments to the Trial Court Trust Fund equal to the fine and penalty revenue received by the state General Fund in 1994-95, as adjusted by amounts equivalent to specified fine and fee revenues that counties benefited from in 2003-04. The Trial Court Facilities Act of 2002 (Chapter 1082, Statutes of 2002) provided a process for the responsibility for court facilities to be transferred from the counties to the state by July 1, 2007. The Trial Court Facilities Act of 2002 also established several new revenue sources, which went into effect on January 1, 2003. These revenues are deposited into the State Court Facilities Construction Fund for the purpose of funding the construction and maintenance of court facilities throughout the state. Counties contribute revenues for the ongoing operation and maintenance of court facilities based upon historical expenditures for facilities transferred to the state.

The mission of the Judicial Branch is to resolve disputes arising under the law and to interpret and apply the law consistently, impartially, and independently to protect the rights and liberties guaranteed by the Constitutions of California and the United States, in a fair, accessible, effective, and efficient manner.

Since department programs drive the need for infrastructure investment, each department has a related capital outlay program to support this need. For the specifics on the Judicial Branch's Capital Outlay Program see "Infrastructure Overview."

3-YR EXPENDITURES AND POSITIONS

		Positions			Expenditures		
		2011-12	2012-13	2013-14	2011-12*	2012-13*	2013-14*
10	Supreme Court	154.9	175.0	175.0	\$40,706	\$43,773	\$43,500
20	Courts of Appeal	794.4	866.5	866.5	199,112	202,492	204,886
30	Judicial Council	695.7	698.7	698.4	120,601	148,862	150,795
35	Judicial Branch Facility Program	104.0	146.0	146.0	173,796	224,312	263,083
45	State Trial Court Funding	-	-	-	2,680,140	2,267,631	2,430,566
50	Habeas Corpus Resource Center	83.0	94.0	94.0	12,425	13,576	13,576
96	Offset From Local Property Tax Revenue	-	-	-	-126,681	-	-
TOTALS, POSITIONS AND EXPENDITURES (All Programs)		1,832.0	1,980.2	1,979.9	\$3,100,099	\$2,900,646	\$3,106,406
FUNDING					2011-12*	2012-13*	2013-14*
0001	General Fund				\$1,214,932	\$754,927	\$1,155,019
0044	Motor Vehicle Account, State Transportation Fund				160	195	197
0159	State Trial Court Improvement and Modernization Fund				39,222	24,501	41,745
0327	Court Interpreters' Fund				160	164	166
0556	Judicial Administration Efficiency and Modernization Fund				-23,356	-	-
0587	Family Law Trust Fund				1,732	2,650	2,650
0890	Federal Trust Fund				4,464	6,812	6,812
0932	Trial Court Trust Fund				1,625,066	1,570,815	1,511,814
0995	Reimbursements				72,503	98,631	97,810
3037	State Court Facilities Construction Fund				50,861	63,753	68,728
3060	Appellate Court Trust Fund				4,390	6,952	6,597
3066	Court Facilities Trust Fund				95,884	101,756	101,756
3085	Mental Health Services Fund				1,054	1,061	1,049
3138	Immediate and Critical Needs Account, State Court Facilities Construction Fund				15,836	267,393	111,061
8059	State Community Corrections Performance Incentive Fund				196	1,034	1,000
9728	Judicial Branch Workers' Compensation Fund				-3,005	2	2
TOTALS, EXPENDITURES, ALL FUNDS					\$3,100,099	\$2,900,646	\$3,106,406

* Dollars in thousands, except in Salary Range.

0250 Judicial Branch - Continued**LEGAL CITATIONS AND AUTHORITY**

DEPARTMENT AUTHORITY

California Constitution, Article VI.

PROGRAM AUTHORITY

45-State Trial Court Funding:

California Constitution, Article VI, Section 4.

45.45 Court Interpreters:

Trial Court Interpreter Employment and Labor Relations Act, Government Code Sections 71800-71829.

50-Habeas Corpus Resource Center:

Government Code Sections 68660-68666.

MAJOR PROGRAM CHANGES

- Trial Court Operations Funding-The 2012 Budget Act limited trial court reserves to 1 percent beginning on July 1, 2014. The spending down of court reserves offsets General Fund spending on a dollar-for-dollar basis. The Budget uses a \$200 million transfer from the Immediate and Critical Needs Account to support trial court operations as the courts adapt to the new reserve policy.
- Long Beach Courthouse-The Budget includes \$34.8 million Immediate and Critical Needs Account for the new Long Beach Courthouse service fee payment, which is expected to be occupied in September 2013.
- Trial Court Efficiencies-The Budget includes a range of statutory changes that will assist the Judicial Branch in effectively managing monthly trial court cash flow issues, reduce workload through administrative efficiencies, and increase user fees to support ongoing workload at the trial courts.
- Organizational Restructuring-The Budget includes the restructuring of the Judicial Council and the Judicial Council Facility Program as a result of recommendations included in the Strategic Evaluation Committee "Report on the Administrative Office of the Courts."

DETAILED BUDGET ADJUSTMENTS

	2012-13*			2013-14*		
	General Fund	Other Funds	Positions	General Fund	Other Funds	Positions
Workload Budget Adjustments						
Workload Budget Change Proposals						
• Long Beach Courthouse Service Fee Payment	\$-	\$-	-	\$-	\$34,832	-
• Trial Court Employees Benefit Cost Adjustment	21,532	-	-	-	-	-
• Third District Court of Appeal Rental Rate Increase	-	-	-	4,637	-	-
• Appellate Court Trust Fund Expenditure Authority	-	2,163	-	-	1,968	-
• Supreme Court Expenditure Authority	-	514	-	-	212	-
• Community Corrections Performance Incentive Grant	-	-	-	-	1,000	-
Workload						
Totals, Workload Budget Change Proposals	\$21,532	\$2,677	-	\$4,637	\$38,012	-
Other Workload Budget Adjustments						
• Trial Court Operations Funding	\$-	\$-	-	\$418,000	\$-	-
• Retirement Rate Adjustment	3,207	774	-	3,207	774	-
• One Time Cost Reductions	-	419	-	-1,061	-243,615	-
• Miscellaneous Adjustments	-1	-74,841	-61.9	-1	-62,169	-62.2
• Lease Revenue Debt Service Adjustment	45	32	-	93	1,727	-
Totals, Other Workload Budget Adjustments	\$3,251	-\$73,616	-61.9	\$420,238	-\$303,283	-62.2
Totals, Workload Budget Adjustments	\$24,783	-\$70,939	-61.9	\$424,875	-\$265,271	-62.2
Totals, Budget Adjustments	\$24,783	-\$70,939	-61.9	\$424,875	-\$265,271	-62.2

* Dollars in thousands, except in Salary Range.

0250 Judicial Branch - Continued

* Dollars in thousands, except in Salary Range.

0250 Judicial Branch - Continued

Trial Court- Related Appropriations, Allocations, and Expenditure Budgets

Table 1: Trial Court-Related Appropriations, Allocations, and Expenditure Budgets

Appropriation/Allocation/Expenditure Budget Description	FY 2012-13	Estimated FY 2013-14
A. Budget Act or Adjusted Appropriation ¹		
45.10 - Extraordinary Homicide Trials (General Fund)	272,000	272,000
45.10 - Prisoner Hearings (General Fund)	2,728,000	2,728,000
45.10 - Service of Process for Protective Orders (General Fund)	3,201,000	3,201,000
45.25 - Compensation of Superior Court Judges (Trial Court Trust Fund (TCTF))	308,375,000	308,375,000
45.35 - Assigned Judges (TCTF)	26,047,000	26,047,000
45.45 - Court Interpreters (TCTF)	92,794,000	92,794,000
45.55.020 - California Collaborative and Drug Court Projects (General Fund)	1,160,000	1,160,000
45.55.060 - Court-Appointed Special Advocate Program (TCTF)	2,213,000	2,213,000
45.55.065 - Model Self-Help Program (TCTF)	957,000	957,000
45.55.090 - Equal Access Fund (General Fund and TCTF)	16,804,743	16,374,000
45.55.095 - Family Law Information Centers (TCTF)	345,000	345,000
45.55.100 - Civil Case Coordination (TCTF)	832,000	832,000
B. Judicial Council Allocation		
Criminal & Traffic (V2) and Civil, Small Claims, Probate & Mental Health Case Management System (V3) Case Management Systems (30 and 30.15 TCTF)	11,760,000	11,760,000
Statewide Administrative and Technology Infrastructure (excluding V2 and V3) (30 and 30.15 TCTF, General Fund, State Trial Court Improvement and Modernization Fund (STCIMF))	60,935,378	60,925,378
Court-Appointed Counsel in Juvenile Dependency Cases (45.10 TCTF)	103,725,445	103,725,445
Jury Services (45.10 TCTF)	16,000,000	16,000,000
Processing of Elder Abuse Protective Orders (45.10 TCTF)	332,340	332,340
Self-Help Centers (45.10 TCTF and STCIMF)	11,200,000	11,200,000
C. Trial Court Expenditure Budget ²		
Court Employee Health Benefits	200,575,827	200,575,827
Court Employee Retirement	300,638,693	300,638,693
Court Employee Workers' Compensation	25,261,711	25,261,711
Court Security	46,420,217	46,420,217
Retired Court Employee Health Benefits	27,467,450	27,467,450

¹ 45.25 - Compensation of Superior Court Judges includes a planned ongoing \$1.546 million adjustment as part of the subordinate judicial officer conversion process and 45.55.090 - Equal Access Fund includes Provision 8 adjustment of \$430,743 based on prior year civil fee revenues.

² Based on Schedule 7A and Schedule 1 budget information submitted by the courts for FY 2012-13.

0250 Judicial Branch - Continued

Expenditures of Superior Courts

Table 2: Expenditures of Superior Courts¹

Superior Court	FY 2011-12 Actual	FY 2012-13 Estimated ^{2,3}	Superior Court	FY 2011-12 Actual	FY 2012-13 Estimated ^{2,3}
Alameda	103,054,846	98,495,840	Orange	207,526,187	202,987,928
Alpine	598,181	pending	Placer	17,467,603	16,752,116
Amador	2,983,758	3,013,442	Plumas	1,845,351	pending
Butte	12,922,111	12,633,720	Riverside	137,417,730	135,139,432
Calaveras	3,081,686	3,414,461	Sacramento	94,293,531	91,903,931
Colusa	2,179,686	2,466,472	San Benito	3,514,071	3,678,071
Contra Costa	57,382,417	62,951,521	San Bernardino	107,803,559	105,194,436
Del Norte	3,464,624	3,919,150	San Diego	192,967,530	pending
El Dorado	10,666,516	9,482,285	San Francisco	74,216,118	75,129,240
Fresno	62,452,532	55,374,387	San Joaquin	35,461,399	pending
Glenn	3,009,399	2,858,354	San Luis Obispo	17,167,170	16,590,092
Humboldt	7,764,987	8,195,163	San Mateo	42,929,913	41,059,909
Imperial	12,995,444	12,606,456	Santa Barbara	31,648,518	31,361,620
Inyo	3,034,668	3,132,382	Santa Clara	109,390,876	114,392,455
Kern	63,478,700	59,339,285	Santa Cruz	16,166,100	13,652,383
Kings	9,186,004	pending	Shasta	16,177,777	15,256,939
Lake	4,405,711	4,100,374	Sierra	636,642	612,106
Lassen	3,740,681	3,569,047	Siskiyou	5,550,251	5,419,362
Los Angeles	687,243,000	706,746,761	Solano	25,549,794	22,626,045
Madera	9,824,623	10,003,547	Sonoma	28,852,791	27,219,104
Marin	18,526,584	16,259,377	Stanislaus	24,428,276	pending
Mariposa	1,543,651	1,444,165	Sutter	6,464,386	6,130,752
Mendocino	6,336,979	5,919,679	Tehama	4,018,048	4,030,819
Merced	13,900,262	14,002,900	Trinity	1,703,525	pending
Modoc	1,306,493	1,225,983	Tulare	25,568,221	21,859,248
Mono	2,509,423	2,112,199	Tuolumne	4,593,615	4,182,118
Monterey	22,939,117	22,273,994	Ventura	45,681,942	44,742,189
Napa	9,925,494	10,048,276	Yolo	13,322,785	11,609,852
Nevada	8,227,406	6,762,788	Yuba	5,857,861	5,689,563
			Total	2,446,906,553	2,159,571,718

¹ Superior court operational expenditure amounts and expenditures for supporting trial court operations from state funds reported in the Governor's budget typically are not equal to one another due to the following factors: a) portions of state funding, such as judges' compensation, are not distributed directly to the courts; b) court operations are also supported by grant funding, local and other non-state financing sources, as well as use of courts' fund balances; and c) courts may not expend all monies distributed from state funds.

² Reflects the budgets of 51 of 58 superior courts based on courts' FY 2012-13 Schedule 1 submissions as of December 10, 2012.

³ Expenditures include, partially or wholly, all items from Table 1 with the exception of: criminal and traffic case management system (V2); civil, small claims, probate and mental health case management system (V3); statewide administrative and technology infrastructure (non-V2 and V3); assigned judges; California collaborative and drug court projects; court-appointed special advocate program; and Equal Access Fund.

0250 Judicial Branch - Continued**PROGRAM DESCRIPTIONS****10 - SUPREME COURT**

The Supreme Court is the highest court in the California judicial system. Its decisions are binding on all other California state courts. The Chief Justice of California and the six Associate Justices entertain petitions seeking review of decisions from the Courts of Appeal, original petitions for extraordinary relief (such as writs of mandate or habeas corpus), and recommendations for discipline of judicial officers and attorneys. The Court grants review and issues opinions in order to settle legal questions of statewide importance. In addition, under the California Constitution, all death penalty judgments are appealed directly to the Supreme Court.

20 - COURTS OF APPEAL

Established by a constitutional amendment in 1904, the Courts of Appeal are California's intermediate courts of review. The six District Courts of Appeal hear appeals and original proceedings at nine different locations around the state. Cases before the Courts of Appeal involve every area of civil and criminal law.

30 - JUDICIAL COUNCIL

The Judicial Council of California is the constitutional policy-making body for the state judiciary. The Council consists of 21 voting members and 6 advisory members; the Chief Justice of California serves as chair. The Administrative Office of the Courts is the administrative arm of the Council. This office provides policy support to the Council, administrative accountability in the operation of the courts as specified by law, and administrative support for courts in areas such as budget, fiscal services, coordination of the assignment of retired judges, technology, education, legal advice and services, human resources, legislative advocacy, and research.

Consistent with the judiciary's mission, the Judicial Council is guided by the following principles:

- To make decisions in the best interests of the public and the court system as a whole.
- To conduct the Council's business based on an underlying commitment to equal and timely justice and public access to an independent forum for the resolution of disputes.
- To provide leadership in the administration of justice by planning and advocating for policies and resources that are necessary for courts to fulfill their mission.
- To ensure the continued development of an accessible, independent court system through planning, research, and evaluation programs, and through the use of modern management approaches and technological developments.
- To provide leadership in the administration of justice by establishing broad and consistent policies for the operation of the courts and appropriate uniform statewide rules and forms.
- To promote a competent, responsive, and ethical judiciary and staff through a comprehensive program of judicial education and training for court employees.
- To contribute to the public's understanding of the judicial process through a continuing program of public education.
- To provide assistance to the courts in developing action plans that are consistent with the Council's Strategic Plan and that address local needs and priorities.

35 - JUDICIAL BRANCH FACILITY PROGRAM

The Judicial Branch Facility Program administers the acquisition, planning, construction, operations, and maintenance of judicial branch facilities. This program is responsible for the development of long-term facilities master plans, facility and real estate management, and new courthouse planning, design, and construction.

45 - STATE TRIAL COURT FUNDING**45.10 - SUPPORT FOR THE OPERATION OF THE TRIAL COURTS**

This program's objective is to provide the resources necessary for the statewide trial court system to adjudicate civil and criminal cases. This program includes all allowable trial court administrative costs under Chapter 850, Statutes of 1997, except salaries and benefits of Superior Court judges, compensation for assigned judges, and support for language interpreters.

45.25 - COMPENSATION OF SUPERIOR COURT JUDGES

This program provides funding for the salaries and state benefits for Superior Court judges.

45.35 - ASSIGNED JUDGES

This program provides support for the salaries and related costs of retired as well as active judges who are assigned by the Chief Justice to positions in courts which require assistance due to caseload backlogs or other factors impacting the ability of a court to avoid case delay.

45.45 - COURT INTERPRETERS

This program supports the provision of qualified language interpreters in criminal or juvenile proceedings as required by statute.

0250 Judicial Branch - Continued

50 - HABEAS CORPUS RESOURCE CENTER

The Habeas Corpus Resource Center provides legal representation for indigent petitioners in death penalty habeas corpus proceedings before the Supreme Court of California and the federal courts. The Center also recruits and trains attorneys to expand the pool of private counsel qualified to accept appointments in death penalty habeas corpus proceedings, serves as a resource to them, and thereby helps to reduce the number of unrepresented indigents on California's death row.

DETAILED EXPENDITURES BY PROGRAM

	<u>2011-12*</u>	<u>2012-13*</u>	<u>2013-14*</u>
PROGRAM REQUIREMENTS			
10 SUPREME COURT			
State Operations:			
0001 General Fund	\$39,766	\$42,368	\$42,366
0890 Federal Trust Fund	6	-	1
0995 Reimbursements	-	-	1
3060 Appellate Court Trust Fund	991	1,405	1,132
9728 Judicial Branch Workers' Compensation Fund	-57	-	-
Totals, State Operations	\$40,706	\$43,773	\$43,500
PROGRAM REQUIREMENTS			
20 COURTS OF APPEAL			
State Operations:			
0001 General Fund	\$193,736	\$196,796	\$199,418
0890 Federal Trust Fund	-	-	1
0995 Reimbursements	2,119	149	2
3060 Appellate Court Trust Fund	3,399	5,547	5,465
9728 Judicial Branch Workers' Compensation Fund	-142	-	-
Totals, State Operations	\$199,112	\$202,492	\$204,886
PROGRAM REQUIREMENTS			
30 JUDICIAL COUNCIL			
State Operations:			
0001 General Fund	\$79,986	\$81,013	\$82,017
0044 Motor Vehicle Account, State Transportation Fund	160	195	197
0159 State Trial Court Improvement and Modernization Fund	7,207	8,191	9,145
0327 Court Interpreters' Fund	160	164	166
0587 Family Law Trust Fund	1,732	2,650	2,650
0890 Federal Trust Fund	3,477	3,511	3,509
0932 Trial Court Trust Fund	14,605	35,443	35,444
0995 Reimbursements	4,763	7,513	7,659
3037 State Court Facilities Construction Fund	7,756	8,085	7,957
3085 Mental Health Services Fund	1,054	1,061	1,049
8059 State Community Corrections Performance Incentive Fund	196	1,034	1,000
9728 Judicial Branch Workers' Compensation Fund	-495	2	2
Totals, State Operations	\$120,601	\$148,862	\$150,795
PROGRAM REQUIREMENTS			
35 JUDICIAL BRANCH FACILITY PROGRAM			
State Operations:			
0001 General Fund	\$8,929	\$9,013	\$9,013
0995 Reimbursements	10,042	30,482	30,482
3037 State Court Facilities Construction Fund	43,105	55,668	60,771

* Dollars in thousands, except in Salary Range.

0250 Judicial Branch - Continued

	<u>2011-12*</u>	<u>2012-13*</u>	<u>2013-14*</u>
3066 Court Facilities Trust Fund	95,884	101,756	101,756
3138 Immediate and Critical Needs Account, State Court Facilities Construction Fund	15,836	27,393	61,061
Totals, State Operations	\$173,796	\$224,312	\$263,083
PROGRAM REQUIREMENTS			
45 STATE TRIAL COURT FUNDING			
Local Assistance:			
0001 General Fund	\$1,006,781	\$413,187	\$809,655
0159 State Trial Court Improvement and Modernization Fund	32,015	16,310	32,600
0556 Judicial Administration Efficiency and Modernization Fund	-23,356	-	-
0890 Federal Trust Fund	898	2,275	2,275
0932 Trial Court Trust Fund	1,610,461	1,535,372	1,476,370
0995 Reimbursements	55,579	60,487	59,666
3138 Immediate and Critical Needs Account, State Court Facilities Construction Fund	-	240,000	50,000
9728 Judicial Branch Workers' Compensation Fund	-2,238	-	-
Totals, Local Assistance	\$2,680,140	\$2,267,631	\$2,430,566
ELEMENT REQUIREMENTS			
45.10 Support for Operation of Trial Courts	\$2,099,308	\$1,757,819	\$1,921,574
Local Assistance:			
0001 General Fund	574,218	137,944	362,603
0159 State Trial Court Improvement and Modernization Fund	32,015	16,310	32,600
0556 Judicial Administration Efficiency and Modernization Fund	-23,356	-	-
0932 Trial Court Trust Fund	1,518,474	1,363,564	1,476,370
0995 Reimbursements	179	1	1
3138 Immediate and Critical Needs Account, State Court Facilities Construction Fund	-	240,000	50,000
9728 Judicial Branch Workers' Compensation Fund	-2,222	-	-
45.15 Trial Court Security	\$82,546	\$-	\$-
Local Assistance:			
0932 Trial Court Trust Fund	82,546	-	-
45.25 Compensation of Superior Court Judges	\$306,267	\$306,829	\$306,829
Local Assistance:			
0001 General Fund	306,283	135,021	306,829
0932 Trial Court Trust Fund	-	171,808	-
9728 Judicial Branch Workers' Compensation Fund	-16	-	-
45.35 Assigned Judges	\$25,413	\$26,047	\$26,047
Local Assistance:			
0001 General Fund	25,413	26,047	26,047
45.45 Court Interpreters	\$90,117	\$92,794	\$92,795
Local Assistance:			
0001 General Fund	90,117	92,794	92,795
45.55 Grants	\$76,489	\$84,142	\$83,321
Local Assistance:			
0001 General Fund	10,750	21,381	21,381

* Dollars in thousands, except in Salary Range.

0250 Judicial Branch - Continued

	2011-12*	2012-13*	2013-14*
0890 Federal Trust Fund	898	2,275	2,275
0932 Trial Court Trust Fund	9,441	-	-
0995 Reimbursements	55,400	60,486	59,665
PROGRAM REQUIREMENTS			
50 HABEAS CORPUS RESOURCE CENTER			
State Operations:			
0001 General Fund	\$12,415	\$12,550	\$12,550
0890 Federal Trust Fund	83	1,026	1,026
9728 Judicial Branch Workers' Compensation Fund	-73	-	-
Totals, State Operations	\$12,425	\$13,576	\$13,576
PROGRAM REQUIREMENTS			
96 Offset From Local Property Tax Revenue			
Local Assistance:			
0001 General Fund	-\$126,681	\$-	\$-
Totals, Local Assistance	-\$126,681	\$-	\$-
TOTALS, EXPENDITURES			
State Operations	546,640	633,015	675,840
Local Assistance	2,553,459	2,267,631	2,430,566
Totals, Expenditures	\$3,100,099	\$2,900,646	\$3,106,406

EXPENDITURES BY CATEGORY

1 State Operations	Positions			Expenditures		
	2011-12	2012-13	2013-14	2011-12*	2012-13*	2013-14*
10 Supreme Court						
PERSONAL SERVICES						
Authorized Positions (Equals Sch. 7A)	154.9	175.0	175.0	\$17,178	\$18,517	\$18,674
Net Totals, Salaries and Wages	154.9	175.0	175.0	\$17,178	\$18,517	\$18,674
Staff Benefits	-	-	-	5,608	6,316	6,377
Totals, Personal Services	154.9	175.0	175.0	\$22,786	\$24,833	\$25,051
OPERATING EXPENSES AND EQUIPMENT				\$5,412	\$3,117	\$3,876
SPECIAL ITEMS OF EXPENSE						
Court Appointed Counsel				\$12,508	\$15,823	\$14,573
Totals, Special Items of Expense				\$12,508	\$15,823	\$14,573
TOTALS, POSITIONS AND EXPENDITURES, ALL FUNDS (State Operations)				\$40,706	\$43,773	\$43,500
20 Courts of Appeal						
PERSONAL SERVICES						
Authorized Positions (Equals Sch. 7A)	794.4	866.5	866.5	\$86,840	\$93,183	\$94,080
Net Totals, Salaries and Wages	794.4	866.5	866.5	\$86,840	\$93,183	\$94,080
Staff Benefits	-	-	-	25,480	29,238	29,604
Totals, Personal Services	794.4	866.5	866.5	\$112,320	\$122,421	\$123,684
OPERATING EXPENSES AND EQUIPMENT				\$23,650	\$16,514	\$17,645
SPECIAL ITEMS OF EXPENSE						
Court Appointed Counsel				\$63,142	\$63,557	\$63,557
Totals, Special Items of Expense				\$63,142	\$63,557	\$63,557
TOTALS, POSITIONS AND EXPENDITURES, ALL FUNDS (State Operations)				\$199,112	\$202,492	\$204,886
30 Judicial Council						

* Dollars in thousands, except in Salary Range.

0250 Judicial Branch - Continued

1 State Operations	Positions			Expenditures		
	2011-12	2012-13	2013-14	2011-12*	2012-13*	2013-14*
PERSONAL SERVICES						
Authorized Positions (Equals Sch. 7A)	695.7	698.3	697.4	\$64,915	\$63,191	\$64,199
Total Adjustments	-	0.4	1.0	-	60	199
Net Totals, Salaries and Wages	695.7	698.7	698.4	\$64,915	\$63,251	\$64,398
Staff Benefits	-	-	-	24,092	23,496	23,935
Totals, Personal Services	695.7	698.7	698.4	\$89,007	\$86,747	\$88,333
OPERATING EXPENSES AND EQUIPMENT				\$31,594	\$62,115	\$62,462
TOTALS, POSITIONS AND EXPENDITURES, ALL FUNDS (State Operations)				\$120,601	\$148,862	\$150,795
35 Judicial Branch Facility Program						
PERSONAL SERVICES						
Authorized Positions (Equals Sch. 7A)	104.0	146.0	146.0	\$9,471	\$13,068	\$13,431
Net Totals, Salaries and Wages	104.0	146.0	146.0	\$9,471	\$13,068	\$13,431
Staff Benefits	-	-	-	3,578	5,073	5,217
Totals, Personal Services	104.0	146.0	146.0	\$13,049	\$18,141	\$18,648
OPERATING EXPENSES AND EQUIPMENT				\$160,747	\$206,171	\$244,435
TOTALS, POSITIONS AND EXPENDITURES, ALL FUNDS (State Operations)				\$173,796	\$224,312	\$263,083
50 Habeas Corpus Resource Center						
PERSONAL SERVICES						
Authorized Positions (Equals Sch. 7A)	83.0	94.0	94.0	\$6,241	\$7,265	\$7,434
Net Totals, Salaries and Wages	83.0	94.0	94.0	\$6,241	\$7,265	\$7,434
Staff Benefits	-	-	-	2,351	2,640	2,707
Totals, Personal Services	83.0	94.0	94.0	\$8,592	\$9,905	\$10,141
OPERATING EXPENSES AND EQUIPMENT				\$3,833	\$3,671	\$3,435
TOTALS, POSITIONS AND EXPENDITURES, ALL FUNDS (State Operations)				\$12,425	\$13,576	\$13,576
TOTALS, POSITIONS AND EXPENDITURES, ALL FUNDS (State Operations)				\$546,640	\$633,015	\$675,840

DETAIL OF APPROPRIATIONS AND ADJUSTMENTS

1 STATE OPERATIONS	2011-12*	2012-13*	2013-14*
0001 General Fund			
APPROPRIATIONS			
001 Budget Act appropriation	\$341,292	\$325,378	\$332,160
Allocation for contingencies or emergencies	2,548	-	-
Adjustment per Section 3.60	-2,505	3,207	-
Adjustment per Section 15.25	-	-1	-
Adjustments per Section 3.91(b) (Technology Rate Reductions)	-3	-	-
Revised expenditure authority per Provision 19 of Item 0250-101-0932	-8,616	-	-
Transfer from Item 0250-001-0001, per Provision 1 of Item 9655-001-0001	500	-	-
Revised expenditure authority per Provision 3	-1,171	-	-
003 Budget Act appropriation	5,062	5,057	5,150
Adjustment per Section 4.30	-2,020	45	-
011 Budget Act appropriation (transfer to the Judicial Branch Workers' Compensation Fund)	1	1	1
Revised expenditure authority per Provision 3	1,171	-	-
012 Budget Act appropriation (transfer to Court Facilities Trust Fund)	8,053	8,053	8,053

* Dollars in thousands, except in Salary Range.

0250 Judicial Branch - Continued

1 STATE OPERATIONS	2011-12*	2012-13*	2013-14*
Totals Available	\$344,312	\$341,740	\$345,364
Unexpended balance, estimated savings	-9,480	-	-
TOTALS, EXPENDITURES	\$334,832	\$341,740	\$345,364
0044 Motor Vehicle Account, State Transportation Fund			
APPROPRIATIONS			
001 Budget Act appropriation	\$194	\$193	\$197
Adjustment per Section 3.60	-3	2	-
Totals Available	\$191	\$195	\$197
Unexpended balance, estimated savings	-31	-	-
TOTALS, EXPENDITURES	\$160	\$195	\$197
0159 State Trial Court Improvement and Modernization Fund			
APPROPRIATIONS			
001 Budget Act appropriation	\$9,601	\$9,007	\$9,145
Adjustment per Section 3.60	-	138	-
Totals Available	\$9,601	\$9,145	\$9,145
Unexpended balance, estimated savings	-2,394	-954	-
TOTALS, EXPENDITURES	\$7,207	\$8,191	\$9,145
0327 Court Interpreters' Fund			
APPROPRIATIONS			
001 Budget Act appropriation	\$163	\$164	\$166
Totals Available	\$163	\$164	\$166
Unexpended balance, estimated savings	-3	-	-
TOTALS, EXPENDITURES	\$160	\$164	\$166
0587 Family Law Trust Fund			
APPROPRIATIONS			
Family Code Section 1852	\$1,732	\$2,650	\$2,650
TOTALS, EXPENDITURES	\$1,732	\$2,650	\$2,650
0890 Federal Trust Fund			
APPROPRIATIONS			
001 Budget Act appropriation	\$4,501	\$4,503	\$4,537
Adjustment per Section 3.60	-35	34	-
Budget Adjustment	-900	-	-
TOTALS, EXPENDITURES	\$3,566	\$4,537	\$4,537
0932 Trial Court Trust Fund			
APPROPRIATIONS			
001 Budget Act appropriation	\$7,076	\$-	\$-
Revised expenditure authority per Provision 14 of Item 0250-101-0932	500	-	-
Revised expenditure authority per Provision 7 of Item 0250-101-0932	6,675	-	-
Revised expenditure authority per Provisions 8 & 9 of Item 0250-101-0932	292	-	-
Revised expenditure authority per Provision 12 of Item 0250-101-0932	178	-	-
001 Budget Act appropriation as amended by Chapter 29, Statutes of 2012	-	35,290	-
Adjustment per Section 3.60	-	153	-
001 Budget Act appropriation	-	-	35,444
Totals Available	\$14,721	\$35,443	\$35,444
Unexpended balance, estimated savings	-116	-	-
TOTALS, EXPENDITURES	\$14,605	\$35,443	\$35,444
0995 Reimbursements			
APPROPRIATIONS			
Reimbursements	\$16,924	\$38,144	\$38,144

* Dollars in thousands, except in Salary Range.

0250 Judicial Branch - Continued

1 STATE OPERATIONS	2011-12*	2012-13*	2013-14*
3037 State Court Facilities Construction Fund			
APPROPRIATIONS			
001 Budget Act appropriation	\$60,068	\$60,335	\$63,983
Adjustment per Section 3.60	-290	368	-
003 Budget Act appropriation	29	3,018	4,745
Adjustment per Section 4.30	-7	32	-
012 Budget Act appropriation (loan to the General Fund)	(350,000)	-	-
Totals Available	\$59,800	\$63,753	\$68,728
Unexpended balance, estimated savings	-8,939	-	-
TOTALS, EXPENDITURES	\$50,861	\$63,753	\$68,728
3060 Appellate Court Trust Fund			
APPROPRIATIONS			
001 Budget Act appropriation	\$4,321	\$4,265	\$6,597
Adjustment per Section 3.60	-8	10	-
Revised expenditure authority per Provision 1	953	2,677	-
Totals Available	\$5,266	\$6,952	\$6,597
Unexpended balance, estimated savings	-876	-	-
TOTALS, EXPENDITURES	\$4,390	\$6,952	\$6,597
3066 Court Facilities Trust Fund			
APPROPRIATIONS			
001 Budget Act appropriation	\$109,809	\$109,809	\$109,809
Totals Available	\$109,809	\$109,809	\$109,809
Unexpended balance, estimated savings	-5,872	-	-
TOTALS, EXPENDITURES	\$103,937	\$109,809	\$109,809
Less funding provided by General Fund	-8,053	-8,053	-8,053
NET TOTALS, EXPENDITURES	\$95,884	\$101,756	\$101,756
3085 Mental Health Services Fund			
APPROPRIATIONS			
001 Budget Act appropriation	\$1,063	\$1,048	\$1,049
Adjustment per Section 3.60	-9	13	-
TOTALS, EXPENDITURES	\$1,054	\$1,061	\$1,049
3138 Immediate and Critical Needs Account, State Court Facilities Construction Fund			
APPROPRIATIONS			
001 Budget Act appropriation	\$15,836	\$27,393	\$26,229
002 Budget Act appropriation	-	-	34,832
011 Budget Act appropriation (loan to the General Fund)	(90,000)	-	-
012 Budget Act appropriation (transfer to the General Fund)	(310,275)	-	-
TOTALS, EXPENDITURES	\$15,836	\$27,393	\$61,061
8059 State Community Corrections Performance Incentive Fund			
APPROPRIATIONS			
Penal Code Section 1233.6	\$196	\$1,034	\$1,000
TOTALS, EXPENDITURES	\$196	\$1,034	\$1,000
9728 Judicial Branch Workers' Compensation Fund			
APPROPRIATIONS			
Government Code Section 68114.10	\$404	\$3	\$3
TOTALS, EXPENDITURES	\$404	\$3	\$3
Less funding provided by General Fund	-1,171	-1	-1
NET TOTALS, EXPENDITURES	\$-767	\$2	\$2
TOTALS, EXPENDITURES, ALL FUNDS (State Operations)	\$546,640	\$633,015	\$675,840

* Dollars in thousands, except in Salary Range.

0250 Judicial Branch - Continued

2 LOCAL ASSISTANCE	2011-12*	2012-13*	2013-14*
0001 General Fund			
APPROPRIATIONS			
101 Budget Act appropriation	\$16,542	\$17,753	\$17,753
102 Budget Act appropriation	52,533	71,502	71,502
Revised expenditure authority per Provision 1	12,001	21,532	-
111 Budget Act appropriation (transfer to Trial Court Trust Fund)	1,294,125	263,691	681,691
Reduction per Section 3.97 as added by Chapter 41, Statutes of 2011	-413,883	-	-
Revised expenditure authority per Provision 3	8,616	-	-
112 Budget Act appropriation (transfer to Judicial Administration Efficiency and Modernization Fund)	38,709	-	-
112 Budget Act appropriation (transfer to State Trial Court Improvement and Modernization Fund)	-	38,709	38,709
Totals Available	\$1,008,643	\$413,187	\$809,655
Unexpended balance, estimated savings	-1,862	-	-
TOTALS, EXPENDITURES	\$1,006,781	\$413,187	\$809,655
Less funding provided by the Local Revenue Fund 2011 per Government Code Section 30025(e)	-82,546	-	-
Offset from Local Property Tax Revenue per Control Section 15.45	-1,604	-	-
Offset from Local Property Tax Revenue per Control Section 15.45	-42,531	-	-
NET TOTALS, EXPENDITURES	\$880,100	\$413,187	\$809,655
0159 State Trial Court Improvement and Modernization Fund			
APPROPRIATIONS			
102 Budget Act appropriation	\$-	\$71,309	\$71,309
111 Budget Act appropriation (transfer to Trial Court Trust Fund)	(1)	(27,223)	(20,594)
Government Code Section 77209 (g)	32,015	1	-
Totals Available	\$32,015	\$71,310	\$71,309
Unexpended balance, estimated savings	-	-16,291	-
TOTALS, EXPENDITURES	\$32,015	\$55,019	\$71,309
Less funding provided by the General Fund	-	-38,709	-38,709
NET TOTALS, EXPENDITURES	\$32,015	\$16,310	\$32,600
0556 Judicial Administration Efficiency and Modernization Fund			
APPROPRIATIONS			
102 Budget Act appropriation	\$18,709	\$-	\$-
111 Budget Act appropriation (transfer to Trial Court Trust Fund)	(20,000)	-	-
Totals Available	\$18,709	\$-	\$-
Unexpended balance, estimated savings	-3,356	-	-
TOTALS, EXPENDITURES	\$15,353	\$-	\$-
Less funding provided by the General Fund	-38,709	-	-
NET TOTALS, EXPENDITURES	\$-23,356	\$-	\$-
0890 Federal Trust Fund			
APPROPRIATIONS			
101 Budget Act appropriation	\$2,275	\$2,275	\$2,275
Budget Adjustment	-1,377	-	-
TOTALS, EXPENDITURES	\$898	\$2,275	\$2,275
0932 Trial Court Trust Fund			
APPROPRIATIONS			
101 Budget Act appropriation	\$2,892,629	\$-	\$-
Adjustments per Section 3.91(b) (Technology Rate Reductions)	-1	-	-

* Dollars in thousands, except in Salary Range.

0250 Judicial Branch - Continued

2 LOCAL ASSISTANCE	2011-12*	2012-13*	2013-14*
Reduction per Section 3.97 as added by Chapter 41, Statutes of 2011	-413,883	-	-
Revised expenditure authority per Provision 9	730	-	-
Revised expenditure authority per Provision 19 of Item 0250-101-0932	71,616	-	-
Revised expenditure authority per Provision 3	-17,942	-	-
Revised expenditure authority per Government Code Section 77209 (transfer to Trial Court Improvement Fund)	-19,697	-	-
Revised expenditure authority per Provision 14 of Item 0250-101-0932	-500	-	-
Revised expenditure authority per Provision 7 of Item 0250-101-0932	-6,675	-	-
Revised expenditure authority per Provisions 8 & 9 of Item 0250-101-0932	-292	-	-
Revised expenditure authority per Provision 12 of Item 0250-101-0932	-178	-	-
101 Budget Act appropriation as amended by Chapter 29, Statutes of 2012	-	1,826,195	-
Adjustment per Section 15.25	-	-1	-
Chapter 26, Statutes of 2012	-	2,000	-
Amended by Chapter 630, Statutes of 2012	-	-29,134	-
101 Budget Act appropriation	-	-	2,158,060
115 Budget Act appropriation (transfer to Judicial Branch Workers Compensation Fund)	1	1	1
Revised expenditure authority per Provision 3	17,942	-	-
Chapter 36, Statutes of 2011	1	-	-
Chapter 193, Statutes of 2011	1	-	-
Prior year balances available:			
Chapter 36, Statutes of 2011	-	1	-
Chapter 193, Statutes of 2011	-	1	-
Totals Available	\$2,523,752	\$1,799,063	\$2,158,061
Unexpended balance, estimated savings	-24,431	-	-
Balance available in subsequent years	-2	-	-
TOTALS, EXPENDITURES	\$2,499,319	\$1,799,063	\$2,158,061
Less funding provided by the General Fund	-888,858	-263,691	-681,691
NET TOTALS, EXPENDITURES	\$1,610,461	\$1,535,372	\$1,476,370
0995 Reimbursements			
APPROPRIATIONS			
Reimbursements	\$55,579	\$60,487	\$59,666
3037 State Court Facilities Construction Fund			
APPROPRIATIONS			
111 Budget Act appropriation (transfer to Trial Court Trust Fund)	(\$10,000)	(\$59,486)	(\$5,486)
Revised expenditure authority per Provision 3	(60,000)	(-)	-
TOTALS, EXPENDITURES	\$-	\$-	\$-
3138 Immediate and Critical Needs Account, State Court Facilities Construction Fund			
APPROPRIATIONS			
101 Budget Act appropriation	\$-	\$240,000	\$50,000
111 Budget Act appropriation (transfer to Trial Court Trust Fund)	(10,000)	-	-
Revised expenditure authority per Provision 3	(133,000)	(-)	-
111 Budget Act appropriation (transfer to the General Fund)	-	-	(200,000)
TOTALS, EXPENDITURES	\$-	\$240,000	\$50,000
9728 Judicial Branch Workers' Compensation Fund			
APPROPRIATIONS			
Government Code Section 68114.10	\$15,704	\$1	\$1
TOTALS, EXPENDITURES	\$15,704	\$1	\$1
Less funding provided by the Trial Court Trust Fund	-17,942	-1	-1
NET TOTALS, EXPENDITURES	\$-2,238	\$-	\$-

* Dollars in thousands, except in Salary Range.

0250 Judicial Branch - Continued

2 LOCAL ASSISTANCE	2011-12*	2012-13*	2013-14*
TOTALS, EXPENDITURES, ALL FUNDS (Local Assistance)	<u>\$2,553,459</u>	<u>\$2,267,631</u>	<u>\$2,430,566</u>
TOTALS, EXPENDITURES, ALL FUNDS (State Operations and Local Assistance)	<u>\$3,100,099</u>	<u>\$2,900,646</u>	<u>\$3,106,406</u>

FUND CONDITION STATEMENTS

	2011-12*	2012-13*	2013-14*
0159 State Trial Court Improvement and Modernization Fund ^s			
BEGINNING BALANCE	\$38,534	\$40,247	\$29,622
Prior year adjustments	<u>410</u>	<u>-</u>	<u>-</u>
Adjusted Beginning Balance	\$38,944	\$40,247	\$29,622
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
141200 Sales of Documents	526	493	493
142000 General Fees--Secretary of State	51	-	-
150300 Income From Surplus Money Investments	102	162	162
161400 Miscellaneous Revenue	3	-	-
164600 Fines and Forfeitures	52,192	46,139	46,139
Transfers and Other Adjustments:			
FO0556 From Judicial Administration Efficiency and Modernization Fund per Chapter 41, Statutes of 2012 section 60	-	7,881	-
FO0932 From Trial Court Trust Fund per Government Code Section 77209 (b)	19,697	-	-
TO0932 To Trial Court Trust Fund Per Item 0250-111-0159, Budget Acts of 2012 & 2013	-	-27,223	-20,594
TO0932 To Trial Court Trust Fund per Government Code Section 77209 (k)	-31,563	-	-
TO0932 To Trial Court Trust Fund per Government Code Section 77209 (j)	<u>-</u>	<u>-13,397</u>	<u>-13,397</u>
Total Revenues, Transfers, and Other Adjustments	<u>\$41,008</u>	<u>\$14,055</u>	<u>\$12,803</u>
Total Resources	\$79,952	\$54,302	\$42,425
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
0250 Judicial Branch			
State Operations	7,207	8,191	9,145
Local Assistance	32,015	55,019	71,309
0840 State Controller (State Operations)	12	16	-
8880 Financial Information System for California (State Operations)	25	-	-
9900 Statewide General Administrative Expenditures (Pro Rata) (State Operations)	446	163	581
Expenditure Adjustments:			
0250 Judicial Branch			
Less funding provided by the General Fund (Local Assistance)	<u>-</u>	<u>-38,709</u>	<u>-38,709</u>
Total Expenditures and Expenditure Adjustments	<u>\$39,705</u>	<u>\$24,680</u>	<u>\$42,326</u>
FUND BALANCE	\$40,247	\$29,622	\$99
Reserve for economic uncertainties	40,247	29,622	99
0327 Court Interpreters' Fund ^s			
BEGINNING BALANCE	\$216	\$265	\$295
Prior year adjustments	<u>-3</u>	<u>-</u>	<u>-</u>
Adjusted Beginning Balance	\$213	\$265	\$295
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
125700 Other Regulatory Licenses and Permits	<u>212</u>	<u>194</u>	<u>194</u>
Total Revenues, Transfers, and Other Adjustments	<u>\$212</u>	<u>\$194</u>	<u>\$194</u>
Total Resources	\$425	\$459	\$489
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			

* Dollars in thousands, except in Salary Range.

0250 Judicial Branch - Continued

	2011-12*	2012-13*	2013-14*
Expenditures:			
0250 Judicial Branch (State Operations)	160	164	166
8880 Financial Information System for California (State Operations)	-	-	1
Total Expenditures and Expenditure Adjustments	<u>\$160</u>	<u>\$164</u>	<u>\$167</u>
FUND BALANCE	\$265	\$295	\$322
Reserve for economic uncertainties	265	295	322
0556 Judicial Administration Efficiency and Modernization Fund ^s			
BEGINNING BALANCE	\$2,764	\$7,881	-
Prior year adjustments	<u>1,618</u>	<u>-</u>	<u>-</u>
Adjusted Beginning Balance	\$4,382	\$7,881	-
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
150300 Income From Surplus Money Investments	142	-	-
161000 Escheat of Unclaimed Checks & Warrants	1	-	-
Transfers and Other Adjustments:			
TO0159 To State Trial Court Improvement and Modernization Fund per Chapter 41, Statutes of 2012 section 60	-	-7,881	-
TO0932 To Trial Court Trust Fund per Item 0250-111-0556, Budget Act of 2011	<u>-20,000</u>	<u>-</u>	<u>-</u>
Total Revenues, Transfers, and Other Adjustments	<u>-\$19,857</u>	<u>-\$7,881</u>	<u>-</u>
Total Resources	-\$15,475	-	-
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
0250 Judicial Branch (Local Assistance)	15,353	-	-
Expenditure Adjustments:			
0250 Judicial Branch			
Less funding provided by the General Fund (Local Assistance)	<u>-38,709</u>	<u>-</u>	<u>-</u>
Total Expenditures and Expenditure Adjustments	<u>-\$23,356</u>	<u>-</u>	<u>-</u>
FUND BALANCE	\$7,881	-	-
Reserve for economic uncertainties	7,881	-	-
0587 Family Law Trust Fund ^s			
BEGINNING BALANCE	\$1,760	\$1,836	\$969
Prior year adjustments	<u>-6</u>	<u>-</u>	<u>-</u>
Adjusted Beginning Balance	\$1,754	\$1,836	\$969
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
150300 Income From Surplus Money Investments	7	5	5
161400 Miscellaneous Revenue	<u>1,917</u>	<u>1,914</u>	<u>1,914</u>
Total Revenues, Transfers, and Other Adjustments	<u>\$1,924</u>	<u>\$1,919</u>	<u>\$1,919</u>
Total Resources	\$3,678	\$3,755	\$2,888
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
0250 Judicial Branch (State Operations)	1,732	2,650	2,650
0840 State Controller (State Operations)	3	5	-
8880 Financial Information System for California (State Operations)	7	-	-
9900 Statewide General Administrative Expenditures (Pro Rata) (State Operations)	<u>100</u>	<u>131</u>	<u>162</u>
Total Expenditures and Expenditure Adjustments	<u>\$1,842</u>	<u>\$2,786</u>	<u>\$2,812</u>
FUND BALANCE	\$1,836	\$969	\$76
Reserve for economic uncertainties	1,836	969	76

* Dollars in thousands, except in Salary Range.

0250 Judicial Branch - Continued

	2011-12*	2012-13*	2013-14*
0932 Trial Court Trust Fund ^s			
BEGINNING BALANCE	\$72,919	\$105,535	\$58,718
Prior year adjustments	42,091	-	-
Adjusted Beginning Balance	\$115,010	\$105,535	\$58,718
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
131700 Misc Revenue From Local Agencies	498,600	498,600	498,600
150300 Income From Surplus Money Investments	160	177	177
161000 Escheat of Unclaimed Checks & Warrants	11	-	-
161400 Miscellaneous Revenue	500	44	44
164300 Penalty Assessments	24,761	25,136	25,136
164400 Civil & Criminal Violation Assessment	143,928	142,119	142,119
164600 Fines and Forfeitures	161,817	162,025	162,025
164700 Court Filing Fees and Surcharges	541,469	594,188	594,188
Transfers and Other Adjustments:			
FO0159 From State Trial Court Improvement and Modernization Fund per Government Code Section 77209 (k)	31,563	-	-
FO0159 From State Trial Court Improvement and Modernization Fund per Government Code Section 77209 (j)	-	13,397	13,397
FO0159 From State Trial Court Improvement and Modernization Fund Per Item 0250-111-0159, Budget Acts of 2012 & 2013	-	27,223	20,594
FO0556 From Judicial Administration Efficiency and Modernization Fund per Item 0250-111-0556, Budget Act of 2011	20,000	-	-
FO3037 From State Court Facilities Construction Fund per Item 0250-111-3037, Budget Act of 2011	70,000	59,486	5,486
FO3138 From Immediate and Critical Needs Account, State Court Facilities Construction Fund per Item 0250-111-3138, Budget Act of 2011	143,000	-	-
TO0159 To State Trial Court Improvement and Modernization Fund per Government Code Section 77209 (b)	-19,697	-	-
Total Revenues, Transfers, and Other Adjustments	\$1,616,112	\$1,522,395	\$1,461,766
Total Resources	\$1,731,122	\$1,627,930	\$1,520,484
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
0250 Judicial Branch			
State Operations	14,605	35,443	35,444
Local Assistance	2,499,319	1,799,063	2,158,061
0840 State Controller (State Operations)	174	185	174
8880 Financial Information System for California (State Operations)	19	-	-
9900 Statewide General Administrative Expenditures (Pro Rata) (State Operations)	328	212	415
Expenditure Adjustments:			
0250 Judicial Branch			
Less funding provided by the General Fund (Local Assistance)	-888,858	-263,691	-681,691
8860 Department of Finance			
Less funding provided by General Fund (State Operations)	-	-2,000	-
Total Expenditures and Expenditure Adjustments	\$1,625,587	\$1,569,212	\$1,512,403
FUND BALANCE	\$105,535	\$58,718	\$8,081
Reserve for economic uncertainties	105,535	58,718	8,081
3037 State Court Facilities Construction Fund ^s			
BEGINNING BALANCE	\$377,054	\$70,229	\$78,112
Prior year adjustments	43,225	-	-

* Dollars in thousands, except in Salary Range.

0250 Judicial Branch - Continued

	2011-12*	2012-13*	2013-14*
Adjusted Beginning Balance	\$420,279	\$70,229	\$78,112
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
131700 Misc Revenue From Local Agencies	7,124	4,918	18
150300 Income From Surplus Money Investments	778	1,579	1,579
161400 Miscellaneous Revenue	4,029	465	465
164300 Penalty Assessments	13,009	12,702	13,068
164700 Court Filing Fees and Surcharges	27,801	28,389	28,065
164800 Penalty Assessments on Criminal Fines	81,551	83,168	81,847
Transfers and Other Adjustments:			
TO0001 To General Fund Loan per Item 0250-012-3037, Budget Act of 2011	-350,000	-	-
TO0932 To Trial Court Trust Fund per Item 0250-111-3037, Budget Act of 2011	-70,000	-59,486	-5,486
Total Revenues, Transfers, and Other Adjustments	<u>-\$285,708</u>	<u>\$71,735</u>	<u>\$119,556</u>
Total Resources	\$134,571	\$141,964	\$197,668
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
0250 Judicial Branch			
State Operations	50,861	63,753	68,728
Capital Outlay	13,186	-	-
0840 State Controller (State Operations)	86	99	-
8880 Financial Information System for California (State Operations)	209	-	-
Total Expenditures and Expenditure Adjustments	<u>\$64,342</u>	<u>\$63,852</u>	<u>\$68,728</u>
FUND BALANCE	\$70,229	\$78,112	\$128,940
Reserve for economic uncertainties	70,229	78,112	128,940
3060 Appellate Court Trust Fund ^s			
BEGINNING BALANCE	\$3,925	\$4,739	\$4,134
Prior year adjustments	52	-	-
Adjusted Beginning Balance	\$3,977	\$4,739	\$4,134
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
150300 Income From Surplus Money Investments	19	19	19
164700 Court Filing Fees and Surcharges	5,148	6,336	6,336
Total Revenues, Transfers, and Other Adjustments	<u>\$5,167</u>	<u>\$6,355</u>	<u>\$6,355</u>
Total Resources	\$9,144	\$11,094	\$10,489
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
0250 Judicial Branch (State Operations)	4,390	6,952	6,597
0840 State Controller (State Operations)	5	8	-
8880 Financial Information System for California (State Operations)	10	-	-
Total Expenditures and Expenditure Adjustments	<u>\$4,405</u>	<u>\$6,960</u>	<u>\$6,597</u>
FUND BALANCE	\$4,739	\$4,134	\$3,892
Reserve for economic uncertainties	4,739	4,134	3,892
3066 Court Facilities Trust Fund ^s			
BEGINNING BALANCE	\$2,569	\$2,907	\$898
Prior year adjustments	-3,646	-	-
Adjusted Beginning Balance	-\$1,077	\$2,907	\$898
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
131700 Misc Revenue From Local Agencies	92,422	95,299	97,652

* Dollars in thousands, except in Salary Range.

0250 Judicial Branch - Continued

	2011-12*	2012-13*	2013-14*
150300 Income From Surplus Money Investments	79	76	76
152200 Rentals of State Property	5,105	4,366	4,366
161400 Miscellaneous Revenue	<u>2,262</u>	<u>6</u>	<u>6</u>
Total Revenues, Transfers, and Other Adjustments	<u>\$99,868</u>	<u>\$99,747</u>	<u>\$102,100</u>
Total Resources	\$98,791	\$102,654	\$102,998
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
0250 Judicial Branch (State Operations)	103,937	109,809	109,809
Expenditure Adjustments:			
0250 Judicial Branch			
Less funding provided by General Fund (State Operations)	<u>-8,053</u>	<u>-8,053</u>	<u>-8,053</u>
Total Expenditures and Expenditure Adjustments	<u>\$95,884</u>	<u>\$101,756</u>	<u>\$101,756</u>
FUND BALANCE	\$2,907	\$898	\$1,242
Reserve for economic uncertainties	2,907	898	1,242
3138 Immediate and Critical Needs Account, State Court Facilities Construction Fund ^s			
BEGINNING BALANCE	\$369,617	\$61,061	\$73,379
Prior year adjustments	<u>35,907</u>	<u>-</u>	<u>-</u>
Adjusted Beginning Balance	\$405,524	\$61,061	\$73,379
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
150300 Income From Surplus Money Investments	741	925	741
161400 Miscellaneous Revenue	27,120	24,543	23,441
164100 Traffic Violations	30,712	31,229	30,412
164300 Penalty Assessments	27,031	26,124	27,231
164700 Court Filing Fees and Surcharges	32,013	33,384	32,170
164800 Penalty Assessments on Criminal Fines	186,999	184,916	186,286
Transfers and Other Adjustments:			
TO0001 To General Fund per Item 0250-111-3138, Budget Act of 2013	-	-	-200,000
TO0001 To General Fund Loan per Item 0250-011-3138, Budget Act of 2011	-90,000	-	-
TO0001 To General Fund Immediate and Critical Needs Account, SCFCF per Item 0250-012-3138 BA of 2011	-310,275	-	-
TO0932 To Trial Court Trust Fund per Item 0250-111-3138, Budget Act of 2011	<u>-143,000</u>	<u>-</u>	<u>-</u>
Total Revenues, Transfers, and Other Adjustments	<u>-\$238,659</u>	<u>\$301,121</u>	<u>\$100,281</u>
Total Resources	\$166,865	\$362,182	\$173,660
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
0250 Judicial Branch			
State Operations	15,836	27,393	61,061
Local Assistance	-	240,000	50,000
Capital Outlay	89,968	21,410	48,339
8880 Financial Information System for California (State Operations)	<u>-</u>	<u>-</u>	<u>126</u>
Total Expenditures and Expenditure Adjustments	<u>\$105,804</u>	<u>\$288,803</u>	<u>\$159,526</u>
FUND BALANCE	\$61,061	\$73,379	\$14,134
Reserve for economic uncertainties	61,061	73,379	14,134

CHANGES IN AUTHORIZED POSITIONS

	Positions			Expenditures		
	2011-12	2012-13	2013-14	2011-12*	2012-13*	2013-14*
Totals, Authorized Positions	1,832.0	1,979.8	1,978.9	\$184,645	\$195,224	\$197,818
Workload and Administrative Adjustments:				Salary Range		

* Dollars in thousands, except in Salary Range.

0250 Judicial Branch - Continued

	Positions			Expenditures		
	2011-12	2012-13	2013-14	2011-12*	2012-13*	2013-14*
Judicial Council						
Executive Division						
Director's Office						
Chief Deputy Administrative Director	-	-1.0	-1.0	15,216-18,496	-212	-212
Emergency Response & Planning (Facilities):						
Senior Emergency Response & Planning Manager	-	-1.0	-1.0	10,367-13,528	-146	-152
Senior Security Coordinator	-	-4.0	-4.0	5,944-7,616	-328	-335
Court Services Analyst	-	-2.0	-2.0	5,406-6,925	-150	-152
Emergency Response & Planning (GF):						
Manager	-	-1.0	-1.0	8,164-12,744	-122	-126
Security Coordinator	-	-1.0	-1.0	5,406-6,925	-72	-75
Administrative Secretary	-	-1.0	-1.0	3,827-4,902	-55	-56
Emergency Response Services:						
Senior Manager	-	-1.0	-1.0	10,367-13,528	-136	-141
Public Information Officer	-	-1.0	-1.0	8,164-11,395	-120	-124
Supervising Communications Specialist	-	-1.0	-1.0	6,844-10,146	-100	-104
Lead Program and Management Analyst	-	-1.0	-1.0	6,234-7,988	-89	-91
Senior Communications Specialist	-	-2.0	-2.0	5,938-7,608	-170	-170
Communications Specialist II	-	-2.0	-2.0	5,406-6,925	-153	-156
Administrative Coordinator I	-	-1.0	-1.0	4,069-5,217	-60	-60
Criminal Justice Court Services Office:						
Court Services Analyst	-	-1.0	-1.0	5,406-6,925	-79	-79
Executive Secretary	-	-1.0	-1.0	4,810-6,166	-71	-71
California Risk Assessment Pilot Project:						
Manager	-	-1.0	-1.0	8,164-12,744	-144	-146
Office of the General Council						
Office of the General Council Operating Unit:						
Senior Attorney	-	-1.0	-1.0	8,508-11,970	-121	-125
Secretariat:						
Senior Attorney	-	-1.0	-1.0	8,508-11,970	-137	-137
Court Services Analyst	-	-2.0	-2.0	5,406-6,925	-153	-156
Administrative Coordinator II	-	-2.0	-2.0	4,477-5,738	-117	-122
Court Programs and Service Administration						
Editing and Graphics Group:						
Supervising Editor	-	-1.0	-1.0	6,150-7,885	-82	-85
Senior Editor	-	-1.8	-1.8	4,925-6,311	-124	-128
Editor II	-	-2.0	-2.0	4,477-5,738	-120	-124
Senior Production Artist	-	-1.0	-1.0	4,477-5,738	-66	-66
Production Artist II	-	-1.0	-1.0	4,069-5,217	-55	-57
Trial Court Leadership/CPS:						
Supervising Court Services Analyst	-	-1.0	-1.0	6,844-10,146	-115	-116
Senior Court Services Analyst	-	-2.0	-2.0	5,938-7,608	-171	-173
Court Services Analyst	-	-2.0	-2.0	5,406-6,925	-147	-152
Regional Offices						
Northern/Central Regional Office						
Northern/Central Regional Office:						
Regional Administrative Director	-	-1.0	-1.0	11,557-15,122	-167	-173
Manager	-	-1.0	-1.0	8,164-12,744	-99	-103

* Dollars in thousands, except in Salary Range.

0250 Judicial Branch - Continued

	Positions			Expenditures		
	2011-12	2012-13	2013-14	2011-12*	2012-13*	2013-14*
Senior Court Services Analyst	-	-1.0	-1.0	5,938-7,608	-72	-74
Executive Secretary	-	-1.0	-1.0	4,810-6,166	-67	-67
Administrative Coordinator I	-	-1.0	-1.0	4,069-5,217	-52	-53
Administrative Coordinator I	-	-1.0	-1.0	4,069-5,217	-53	-55
Trial Court Process-Re-engineering (Support):						
Manager	-	-1.0	-1.0	8,164-12,744	-125	-129
Senior Court Services Analyst	-	-1.0	-1.0	5,938-7,608	-77	-80
Judicial Branch Facility Program						
Executive Management:						
Division Director	-	-1.0	-1.0	11,007-14,950	-164	-170
Assistant Division Director	-	-1.0	-1.0	10,367-13,778	-146	-151
Senior Court Services Analyst	-	-1.0	-1.0	5,924-7,969	-85	-87
Executive Secretary	-	-1.0	-1.0	4,810-6,166	-62	-64
Business and Finance:						
Manager	-	-1.0	-1.0	8,164-12,744	-128	-132
Utility Engineer/Analyst	-	-2.0	-2.0	7,281-9,327	-193	-196
Supervising Budget Analyst	-	-1.0	-1.0	6,844-10,146	-84	-87
Senior Budget Analyst	-	-2.0	-2.0	5,938-7,608	-155	-159
Budget Analyst	-	-4.0	-4.0	5,406-6,925	-298	-303
Staff Analyst II	-	-2.0	-2.0	4,477-5,738	-108	-112
Administrative Coordinator I	-	-1.0	-1.0	4,069-5,217	-52	-53
Planning and Policy:						
Senior Manager	-	-1.0	-1.0	10,367-13,528	-141	-146
Supervising Facilities Planner	-	-1.0	-1.0	7,421-9,510	-103	-103
Senior Facilities Planner	-	-2.0	-2.0	6,532-8,368	-181	-184
Staff Analyst II	-	-1.0	-1.0	4,477-5,738	-63	-64
Administrative Coordinator I	-	-2.0	-2.0	4,069-5,217	-103	-107
Design and Construction:						
Senior Manager	-	-1.0	-1.0	10,367-13,528	-140	-145
Principal Architect	-	-1.0	-1.0	8,686-11,128	-127	-127
Senior Design & Construction Project Manager	-	-3.0	-3.0	8,686-11,128	-353	-361
Manager	-	-4.0	-4.0	8,164-12,744	-504	-517
Design & Construction-Project Manager III	-	-11.0	-11.0	7,281-9,327	-1,043	-1,079
Senior Construction Inspector	-	-5.0	-5.0	6,949-8,902	-459	-472
Senior Administrative Coordinator	-	-1.0	-1.0	4,925-6,311	-70	-72
Administrative Coordinator II	-	-1.0	-1.0	4,477-5,538	-55	-57
Staff Analyst II	-	-1.0	-1.0	4,477-5,538	-62	-62
Administrative Coordinator I	-	-1.0	-1.0	4,069-5,217	-52	-53
Appellate and Administrative Office of the Courts Facilities:						
Assistant Division Director	-	-1.0	-1.0	10,367-13,778	-147	-152
Senior Design & Construction Project Manager	-	-1.0	-1.0	8,686-11,128	-120	-121
Senior Facilities Planner	-	-2.0	-2.0	6,532-8,368	-189	-191
Health and Safety Analyst	-	-1.0	-1.0	6,317-8,094	-93	-93
Risk Management:						
Senior Facilities Risk Manager	-	-1.0	-1.0	10,367-13,528	-147	-152
Health and Safety Analyst	-	-3.0	-3.0	6,317-8,094	-264	-268
Court Services Analyst	-	-1.0	-1.0	5,406-6,925	-70	-73

* Dollars in thousands, except in Salary Range.

0250 Judicial Branch - Continued

	Positions			Expenditures		
	2011-12	2012-13	2013-14	2011-12*	2012-13*	2013-14*
Secretary II	-	-1.0	-1.0	3,477-4,457	-44	-46
Executive Division						
Director's Office:						
Chief of Staff	-	0.8	1.0	16,334-18,000	155	206
Chief Operating Officer	-	0.8	1.0	14,384-16,514	142	189
Chief Administrative Officer	-	0.8	1.0	14,384-16,514	142	189
Office of Security						
Emergency Response & Planning (Facilities):						
Senior Emergency Response & Planning Manager	-	1.0	1.0	10,367-13,528	146	152
Senior Security Coordinator	-	4.0	4.0	5,944-7,616	328	335
Court Services Analyst	-	2.0	2.0	5,406-6,925	150	152
Emergency Response & Planning (GF):						
Manager	-	1.0	1.0	8,164-12,744	122	126
Security Coordinator	-	1.0	1.0	5,406-6,925	72	75
Administrative Secretary	-	1.0	1.0	3,827-4,902	55	56
Office of Communications						
Emergency Response Services:						
Senior Manager	-	1.0	1.0	10,367-13,528	136	141
Public Information Officer	-	1.0	1.0	8,164-11,395	120	124
Supervising Communications Specialist	-	1.0	1.0	6,844-10,146	100	104
Lead Program and Management Analyst	-	1.0	1.0	6,234-7,988	89	91
Senior Communications Specialist	-	2.0	2.0	5,938-7,608	170	170
Communications Specialist II	-	2.0	2.0	5,406-6,925	153	156
Administrative Coordinator I	-	1.0	1.0	4,477-5,738	60	60
Criminal Justice Court Services Office						
Criminal Justice Court Services Administration:						
Senior Attorney	-	1.0	1.0	8,508-11,970	121	125
Court Services Analyst	-	1.0	1.0	5,406-6,925	79	79
Executive Secretary	-	1.0	1.0	4,810-6,166	71	71
California Risk Assessment Pilot Project:						
Manager	-	1.0	1.0	8,164-12,744	144	146
Special Projects Office:						
Manager	-	1.0	1.0	8,164-12,744	125	129
Senior Court Services Analyst	-	1.0	1.0	5,938-7,608	77	80
Judicial Council Support Services						
Editing and Graphics Group:						
Supervising Editor	-	1.0	1.0	6,150-7,885	82	85
Senior Editor	-	1.8	1.8	4,925-6,311	124	128
Editor II	-	2.0	2.0	4,477-5,738	120	124
Senior Production Artist	-	1.0	1.0	4,477-5,738	66	66
Production Artist II	-	1.0	1.0	4,069-5,217	55	57
Secretariat:						
Senior Attorney	-	1.0	1.0	8,508-11,970	137	137
Court Services Analyst	-	2.0	2.0	5,406-6,925	153	156
Administrative Coordinator II	-	2.0	2.0	4,477-5,738	117	122
Administrative Coordinator I	-	1.0	1.0	4,069-5,217	53	55
Trial Court Liaison Office						
Manager	-	1.0	1.0	8,164-12,744	99	103

* Dollars in thousands, except in Salary Range.

0250 Judicial Branch - Continued

	Positions			Expenditures		
	2011-12	2012-13	2013-14	2011-12*	2012-13*	2013-14*
Senior Court Services Analyst	-	1.0	1.0	5,938-7,608	72	74
Executive Secretary	-	1.0	1.0	4,810-6,166	67	67
Administrative Coordinator I	-	1.0	1.0	4,069-5,217	52	53
Trial Court Leadership/CPS:						
Supervising Court Services Analyst	-	1.0	1.0	6,844-10,146	115	116
Senior Court Services Analyst	-	2.0	2.0	5,938-7,608	171	173
Court Services Analyst	-	2.0	2.0	5,406-6,925	147	152
Judicial Branch Capital Program Office						
Executive Management:						
Division Director	-	1.0	1.0	11,007-14,950	164	170
Assistant Division Director	-	1.0	1.0	10,367-13,778	146	151
Senior Court Services Analyst	-	1.0	1.0	5,924-7,969	85	87
Executive Secretary	-	1.0	1.0	4,810-6,166	62	64
Business and Finance:						
Manager	-	1.0	1.0	8,164-12,744	128	132
Utility Engineer/Analyst	-	2.0	2.0	7,281-9,327	193	196
Supervising Budget Analyst	-	1.0	1.0	6,844-10,146	84	87
Senior Budget Analyst	-	2.0	2.0	5,938-7,608	155	159
Budget Analyst	-	4.0	4.0	5,406-6,925	298	303
Staff Analyst II	-	2.0	2.0	4,477-5,738	108	112
Administrative Coordinator I	-	1.0	1.0	4,069-5,217	52	53
Planning and Policy:						
Senior Manager	-	1.0	1.0	10,367-13,528	141	146
Supervising Facilities Planner	-	1.0	1.0	7,421-9,510	103	103
Senior Facilities Planner	-	2.0	2.0	6,532-8,368	181	184
Staff Analyst II	-	1.0	1.0	4,477-5,738	63	64
Administrative Coordinator I	-	2.0	2.0	4,069-5,217	103	107
Design and Construction:						
Senior Manager	-	1.0	1.0	10,367-13,528	140	145
Principal Architect	-	1.0	1.0	8,686-11,128	127	127
Senior Design & Construction Project Manager	-	3.0	3.0	8,686-11,128	353	361
Manager	-	4.0	4.0	8,164-12,744	504	517
Design & Construction-Project Manager III	-	11.0	11.0	7,281-9,327	1,043	1,079
Senior Construction Inspector	-	5.0	5.0	6,949-8,902	459	472
Senior Administrative Coordinator	-	1.0	1.0	4,925-6,311	70	72
Administrative Coordinator II	-	1.0	1.0	4,477-5,538	55	57
Staff Analyst II	-	1.0	1.0	4,477-5,538	62	62
Administrative Coordinator I	-	1.0	1.0	4,069-5,217	52	53
Appellate and Administrative Office of the Courts						
Facilities:						
Assistant Division Director	-	1.0	1.0	10,367-13,778	147	152
Senior Design & Construction Project Manager	-	1.0	1.0	8,686-11,128	120	121
Senior Facilities Planner	-	2.0	2.0	6,532-8,368	189	191
Health and Safety Analyst	-	1.0	1.0	6,317-8,094	93	93
Risk Management:						
Senior Facilities Risk Manager	-	1.0	1.0	10,367-13,528	147	152
Health and Safety Analyst	-	3.0	3.0	6,317-8,094	264	268
Court Services Analyst	-	1.0	1.0	5,406-6,925	70	73

* Dollars in thousands, except in Salary Range.

0250 Judicial Branch - Continued

	Positions			Expenditures		
	2011-12	2012-13	2013-14	2011-12*	2012-13*	2013-14*
Secretary II	-	1.0	1.0	3,477-4,457	44	46
Totals, Workload & Admin Adjustments	-	0.4	1.0	\$-	\$60	\$199
Total Adjustments	-	0.4	1.0	\$-	\$60	\$199
TOTALS, SALARIES AND WAGES	1,832.0	1,980.2	1,979.9	\$184,645	\$195,284	\$198,017

INFRASTRUCTURE OVERVIEW

The Judicial Council facilities consist of the Supreme Court, Appellate Courts, Trial Courts, and the Administrative Office of the Courts. The Supreme Court is located within the San Francisco Civic Center Plaza (98,155 square feet (sf)), the Library and Courts Building in Sacramento (2,480 sf), currently vacant due to renovation, and the Ronald Reagan State Office Building in Los Angeles (7,598 sf). The Courts of Appeal are organized into six districts, operate in 10 different locations, and consist of 505,337 sf. The Trial Courts are located in 58 counties statewide consisting of more than 500 buildings, 2,100 courtrooms, and over 13 million sf of usable area. The space includes public courtrooms, judges' chambers, staff workspace, storage space, training rooms, and conference rooms. The Administrative Office of the Courts facilities are primarily located in San Francisco (Headquarters), Burbank, and Sacramento and occupy 343,423 sf.

As part of the budget solutions, the 2012 Budget Act redirected funds for trial court operations from the Immediate and Critical Needs Account, which funds all Senate Bill 1407 (Chapter 311, Statutes of 2008) trial court capital projects. In response to these budget solutions, the Judicial Council adopted a revised spending plan for all SB 1407 projects, based on recommendations made by the Trial Court Facilities Working Group, a group appointed by the Chief Justice of the Supreme Court. Because this revised spending plan was not finalized in time for inclusion in the Governor's Budget, project funding changes approved by the Judicial Council will be presented to the Governor and the Legislature in the spring of 2013.

SUMMARY OF PROJECTS

State Building Program Expenditures		2011-12*	2012-13*	2013-14*
91	CAPITAL OUTLAY			
	Major Projects			
91.04	BUTTE COUNTY	\$4,358	\$54,016	\$-
91.04.001	Butte County-New North County Courthouse	4,358 ^{Ws}	54,016 ^{Cn}	-
91.05	CALAVERAS COUNTY	\$30,815	\$-	\$-
91.05.001	Calaveras County-New San Andreas Courthouse	30,815 ^{Cn}	-	-
91.09	EL DORADO COUNTY	\$-	\$1,084	\$-
91.09.001	El Dorado County-New Placerville Courthouse	-	1,084 ^{As}	-
91.11	GLENN COUNTY	\$2,206	\$-	\$-
91.11.001	Glenn County-Renovation and Addition to Willows Courthouse	2,206 ^{APs}	-	-
91.13	IMPERIAL COUNTY	\$3,607	\$-	\$-
91.13.001	Imperial County-New El Centro Family Courthouse	3,607 ^{APs}	-	-
91.14	INYO COUNTY	\$-	\$-	\$696
91.14.001	Inyo County-New Inyo Courthouse	-	-	696 ^{As}
91.16	KINGS COUNTY	\$8,342	\$109,055	\$-
91.16.001	Kings County-New Hanford Courthouse	8,342 ^{Ws}	109,055 ^{Cn}	-
91.19	LOS ANGELES COUNTY	\$-	\$-	\$47,229
91.19.006	Los Angeles County-New Los Angeles Mental Health Courthouse	-	-	33,457 ^{As}
91.19.007	Los Angeles County-New Eastlake Juvenile Courthouse	-	-	13,772 ^{As}
91.20	MADERA COUNTY	\$-	\$90,811	\$-
91.20.001	Madera County-New Madera Courthouse	-	90,811 ^{Cn}	-
91.23	MENDOCINO COUNTY	\$-	\$3,466	\$-
91.23.001	Mendocino County-New Ukiah Courthouse	-	3,466 ^{As}	-
91.24	MERCED COUNTY	\$2,137	\$-	\$-
91.24.001	Merced County-New Los Banos Courthouse	2,137 ^{APs}	-	-
91.33	RIVERSIDE COUNTY	\$52,476	\$-	\$414
91.33.001	Riverside County-New Riverside Mid-County Courthouse	52,476 ^{Cn}	-	-
91.33.003	Riverside County-New Hemet Courthouse	-	-	414 ^{As}

* Dollars in thousands, except in Salary Range.

0250 Judicial Branch - Continued

State Building Program Expenditures		2011-12*	2012-13*	2013-14*
91.34	SACRAMENTO COUNTY	\$-	\$10,000	\$-
91.34.001	Sacramento County-New Sacramento Criminal Courthouse	-	10,000 ^{As}	-
91.35	SAN BENITO COUNTY	\$32,286	\$-	\$-
91.35.001	San Benito County-New Hollister Courthouse	32,286 ^{Cn}	-	-
91.36	SAN BERNARDINO COUNTY	\$304,682	\$-	\$-
91.36.001	San Bernardino County-New San Bernardino Courthouse	304,682 ^{Cn}	-	-
91.37	SAN DIEGO COUNTY	\$32,367	\$-	\$-
91.37.001	San Diego County-New San Diego Courthouse	32,367 ^{Ws}	-	-
91.39	SAN JOAQUIN COUNTY	\$13,511	\$-	\$-
91.39.001	San Joaquin County-New Stockton Courthouse	13,186 ^{Ws}	-	-
91.39.002	San Joaquin County-Renovate and Expand Juvenile Justice Center	325 ^{PWs}	-	-
91.42	SANTA BARBARA COUNTY	\$129	\$-	\$-
91.42.001	Santa Barbara County-New Santa Barbara Criminal Courthouse	129 ^{As}	-	-
91.43	SANTA CLARA COUNTY	\$10,005	\$208,144	\$-
91.43.001	Santa Clara County-New Family Justice Center	10,005 ^{Ws}	208,144 ^{Cn}	-
91.45	SHASTA COUNTY	\$2,985	\$-	\$-
91.45.001	Shasta County-New Redding Courthouse	2,985 ^{As}	-	-
91.48	SOLANO COUNTY	\$1,393	\$23,045	\$-
91.48.001	Solano County-Renovation to Fairfield Old Solano Courthouse	1,393 ^{Ws}	23,045 ^{Cn}	-
91.49	SONOMA COUNTY	\$3,853	\$-	\$-
91.49.001	Sonoma County-New Santa Rosa Criminal Courthouse	3,853 ^{As}	-	-
91.50	STANISLAUS COUNTY	\$-	\$6,860	\$-
91.50.001	Stanislaus County-New Modesto Courthouse	-	6,860 ^{As}	-
91.51	SUTTER COUNTY	\$4,693	\$62,687	\$-
91.51.001	Sutter County-New Yuba City Courthouse	4,693 ^{Ws}	62,687 ^{Cn}	-
91.52	TEHAMA COUNTY	\$3,106	\$-	\$-
91.52.001	Tehama County-New Red Bluff Courthouse	3,106 ^{Ps}	-	-
91.54	TULARE COUNTY	\$77,403	\$-	\$-
91.54.001	Tulare County-New Porterville Courthouse	77,403 ^{Cn}	-	-
91.55	TUOLUMNE COUNTY	\$823	\$-	\$-
91.55.001	Tuolumne County-New Sonora Courthouse	823 ^{As}	-	-
91.57	YOLO COUNTY	\$9,639	\$139,031	\$-
91.57.001	Yolo County-New Woodland Courthouse	9,639 ^{Ws}	139,031 ^{Cn}	-
Totals, Major Projects		\$600,816	\$708,199	\$48,339
TOTALS, EXPENDITURES, ALL PROJECTS		\$600,816	\$708,199	\$48,339
FUNDING		2011-12*	2012-13*	2013-14*
0660	Public Buildings Construction Fund	\$497,662	\$113,856	\$-
0668	Public Buildings Construction Fund Subaccount	-	572,933	-
3037	State Court Facilities Construction Fund	13,186	-	-
3138	Immediate and Critical Needs Account, State Court Facilities Construction Fund	89,968	21,410	48,339
TOTALS, EXPENDITURES, ALL FUNDS		\$600,816	\$708,199	\$48,339

DETAIL OF APPROPRIATIONS AND ADJUSTMENTS

3 CAPITAL OUTLAY	2011-12*	2012-13*	2013-14*
0660 Public Buildings Construction Fund			
APPROPRIATIONS			

* Dollars in thousands, except in Salary Range.

0250 Judicial Branch - Continued

3 CAPITAL OUTLAY	2011-12*	2012-13*	2013-14*
Prior year balances available:			
Item 0250-301-0660, Budget Act of 2010, as reappropriated by Item 0250-490 and Item 0250-491, Budget Act of 2011	\$868,020	\$371,117	\$-
Reversion per Government Code Sections 16351, 16351.5 and 16408	-	-16,558	-
Augmentation per Government Code Sections 16352, 16409 and 16354	759	2,563	-
Totals Available	\$868,779	\$357,122	\$-
Unexpended balance, estimated savings	-	-243,266	-
Balance available in subsequent years	-371,117	-	-
TOTALS, EXPENDITURES	\$497,662	\$113,856	\$-
0668 Public Buildings Construction Fund Subaccount			
APPROPRIATIONS			
301 Budget Act appropriation	\$-	\$364,789	\$-
301 Budget Act appropriation as added by Chapter 29, Statutes of 2012	-	208,144	-
TOTALS, EXPENDITURES	\$-	\$572,933	\$-
3037 State Court Facilities Construction Fund			
APPROPRIATIONS			
Prior year balances available:			
Item 0250-301-3037, Budget Act of 2008, as reappropriated by Item 0250-490, Budget Act of 2009	\$580	\$-	\$-
Item 0250-301-3037, Budget Act of 2009, as reappropriated by Item 0250-490, Budget Acts of 2010 and 2011	13,186	-	-
Totals Available	\$13,766	\$-	\$-
Unexpended balance, estimated savings	-580	-	-
TOTALS, EXPENDITURES	\$13,186	\$-	\$-
3138 Immediate and Critical Needs Account, State Court Facilities Construction Fund			
APPROPRIATIONS			
301 Budget Act appropriation	\$148,324	\$116,306	\$-
Augmentation per Government Code Sections 16352, 16409 and 16354	27	-	-
Government Code Section 70371.5 (c)	11,132	-	-
Prior year balances available:			
Item 0250-301-3138, Budget Act of 2009, as partially reverted by Item 0250-495, BA of 2010, and as reappropriated by Item 0250-490, BA of 2012	63,783	22,728	21,139
Item 0250-301-3138, Budget Act of 2010, as reappropriated by Items 0250-490, Budget Act of 2011	1,393	-	-
Item 0250-301-3138, Budget Act of 2012	-	-	66,014
Totals Available	\$224,659	\$139,034	\$87,153
Unexpended balance, estimated savings	-111,963	-30,471	-
Balance available in subsequent years	-22,728	-87,153	-38,814
TOTALS, EXPENDITURES	\$89,968	\$21,410	\$48,339
TOTALS, EXPENDITURES, ALL FUNDS (Capital Outlay)	\$600,816	\$708,199	\$48,339

* Dollars in thousands, except in Salary Range.

ORGANIZATIONAL UNIT Classification	NUMBER OF POSITIONS			EXPENDITURES		
	Filled 2011-12	Authorized 2012-13	Proposed 2013-14	Actual 2011-12 (Salary Range)	Estimated 2012-13	Proposed 2013-14
Supreme Court						
Supreme Court-San Francisco:						
Chief Justice	1.0	1.0	1.0	\$19,834	\$238,010	\$238,010
Supreme Court Justice	6.0	6.0	6.0	18,186	1,309,422	1,309,422
Clerk/Administrator Supreme Court	1.0	1.0	1.0	12,324-15,122	173,080	173,080
Chief Supervising Attorney, CA Supreme Court	1.0	1.0	1.0	11,111-14,475	165,675	165,675
Principal Attorney to Chief Justice	1.0	1.0	1.0	11,111-14,475	165,675	165,675
Supervising Supreme Court Attorney	6.0	7.0	7.0	10,367-13,528	1,068,719	1,073,923
Managing Appellate Court Attorney	3.0	3.0	3.0	10,367-13,528	464,508	464,508
Reporter of Decisions	1.0	1.0	1.0	10,341-12,883	147,454	147,454
Supreme Court Chambers Attorney, F	23.0	22.9	22.9	9,849-12,269	3,196,694	3,201,610
Lead Supreme Court Attorney	2.0	2.0	2.0	9,849-12,269	280,852	280,852
Assistant Clerk/Admin. Supreme Court	1.0	1.0	1.0	9,428-11,459	111,686	115,601
Senior Supreme Court Attorney	32.9	34.0	34.0	8,508-11,970	4,519,431	4,551,168
Supreme Court Chambers Attorney, E	2.8	3.5	3.5	8,508-11,970	423,052	437,141
Assistant Clerk/Administrator-B	-	1.0	1.0	7,989-10,246	106,868	110,610
Supreme Court Chambers Attorney, D	0.9	-	-	7,516-10,575	0	0
Supreme Court Attorney, D	4.7	8.0	8.0	7,516-10,575	885,255	906,186
Supreme Court Attorney, C	1.5	2.0	2.0	6,531-8,748	170,760	176,737
Automatic Appeals Unit Supervisor	1.0	1.0	1.0	6,167-7,902	90,443	90,443
Calendar Coordinator	1.0	1.0	1.0	6,167-7,902	90,443	90,443
Supreme Court Attorney, B	0.5	3.0	3.0	5,940-7,955	216,270	223,836
Supreme Court Chambers Attorney, B	1.0	3.0	3.0	5,940-7,955	239,499	247,889
Supervising Administrative Specialist	1.0	1.0	1.0	5,938-7,608	79,618	82,407
Administrative Specialist II	-	1.0	1.0	5,406-6,925	72,239	74,768
Senior Executive Judicial Assistant to Chief	2.0	2.0	2.0	5,358-6,868	157,216	157,216
Supervising Deputy Clerk	1.0	1.0	1.0	5,358-6,868	78,090	78,402
Court Systems Administrator	2.0	2.0	2.0	4,923-6,624	147,237	149,735
Executive Secretary to Clerk/Administrator of SC	1.0	1.0	1.0	4,861-6,229	71,295	71,295
Judicial Assistant to Supreme Court Justice	6.0	6.0	6.0	4,861-6,229	427,770	427,770
Senior Deputy Clerk	6.9	7.0	7.0	4,861-6,229	489,234	492,804
Legal Editorial Assistant	1.0	1.0	1.0	4,640-5,946	68,056	68,056
Senior Supreme Court Paralegal	0.9	1.0	1.0	4,630-5,932	67,895	67,895
Deputy Clerk	3.7	5.0	5.0	4,417-5,661	295,239	304,423
Lead Judicial Secretary	1.0	2.0	2.0	4,015-5,147	107,348	111,102
Assistant Deputy Clerk III	3.0	3.0	3.0	4,015-5,147	164,228	164,914
Assistant Deputy Clerk II	2.0	2.0	2.0	3,650-4,679	104,973	106,772
Senior Office Technician	1.0	1.0	1.0	3,180-4,073	46,618	46,618
Office Technician II	1.0	1.0	1.0	2,891-3,704	42,017	42,395
Office Assistant I	0.1	1.0	1.0	2,340-2,999	31,281	32,380
Supreme Court-ACTF:						
Senior Supreme Court Attorney	2.0	2.0	2.0	8,508-11,970	277,430	277,430
Deputy Clerk	0.5	1.0	1.0	4,417-5,661	64,794	64,794
Supreme Court-Los Angeles:						
Supervising Deputy Clerk	-	1.0	1.0	5,346-6,850	69,446	71,873
Deputy Clerk	-	2.0	2.0	4,417-5,661	114,776	118,782
Committee on Judicial Ethics Opinions:						
Senior Legal Advisor	1.0	1.0	1.0	9,849-12,269	124,406	128,759

ORGANIZATIONAL UNIT Classification	NUMBER OF POSITIONS			EXPENDITURES		
	Filled 2011-12	Authorized 2012-13	Proposed 2013-14	Actual 2011-12 (Salary Range)	Estimated 2012-13	Proposed 2013-14
Temporary Help	16.1	17.1	17.1	(909,532)	715,971	715,971
Totals, Supreme Court	145.5	165.5	165.5	\$16,553,703	\$17,880,973	\$18,026,824
California Judicial Center Library						
Judicial Center Law Librarian	1.0	1.0	1.0	7,422-9,509	108,836	108,836
Law Librarian	1.6	1.6	1.6	5,938-7,608	130,354	134,915
Assistant Law Librarian II	2.3	1.4	1.4	5,406-6,925	101,993	105,564
Assistant Law Librarian I	-	1.0	1.0	4,913-6,296	68,050	70,379
Senior Law Library Technician	3.0	3.0	3.0	3,617-4,634	158,487	159,117
Law Library Technician II	-	-	-	3,288-4,213	-	-
Temporary Help	1.5	1.5	1.5	(112,637)	68,288	68,288
Totals, California Judicial Center Library	9.4	9.5	9.5	624,723	636,008	647,099
PLP/Furlough Reduction					(\$1,004,694)	(\$1,014,622)
Totals, Supreme Court	154.9	175.0	175.0	\$17,178,426	\$18,516,981	\$18,673,923
Courts of Appeal						
First Appellate District-San Francisco:						
Appellate Court Justice	19.7	20.0	20.0	17,050-17,732	4,100,164	4,100,164
COA Managing Attorney to the APJ	1.0	1.0	1.0	10,367-13,528	147,442	152,604
Clerk/Administrator	1.0	1.0	1.0	10,367-13,528	154,836	154,836
Lead Appellate Court Attorney	23.1	22.6	22.6	9,849-12,269	3,148,092	3,166,503
Senior Appellate Court Attorney	29.2	33.4	33.4	8,508-11,970	4,235,407	4,314,768
Assistant Clerk/Administrator-B	1.0	1.0	1.0	7,989-10,246	116,569	117,272
Appellate Court Attorney, D	-	1.0	1.0	7,516-10,575	105,872	109,580
Supervising Administrative Specialist	1.0	1.0	1.0	5,938-7,608	87,078	87,078
Supervising Court Systems Administrator	0.5	1.0	1.0	5,660-7,617	77,739	80,463
Administrative Specialist II	2.0	2.0	2.0	5,406-6,925	158,522	158,522
Supervising Deputy Clerk	1.0	1.0	1.0	5,346-6,850	78,402	78,402
Court Systems Administrator	2.0	2.0	2.0	4,923-6,624	151,334	151,632
Executive Judicial Assistant to Appellate Justice	0.8	1.0	1.0	4,861-6,229	71,295	71,295
Senior Deputy Clerk	4.0	4.0	4.0	4,861-6,229	285,180	285,180
Settlement Conference Coordinator	1.0	1.0	1.0	4,861-6,229	71,295	71,295
Judicial Assistant to Appellate Justice	17.4	19.0	19.0	4,637-5,942	1,261,327	1,272,168
Deputy Clerk	6.0	6.0	6.0	4,417-5,661	372,811	379,061
Judicial Assistant	2.0	4.0	4.0	4,207-5,391	235,870	239,808
Assistant Deputy Clerk III	3.0	4.0	4.0	4,015-5,147	204,945	212,110
Senior Administrative Support Technician	1.0	1.0	1.0	3,879-4,967	56,850	56,850
Assistant Deputy Clerk II	0.8	3.0	3.0	3,650-4,679	138,200	143,034
Judicial Secretary I	-	1.0	1.0	3,477-4,457	46,486	48,112
Assistant Deputy Clerk I	1.2	-	-	3,321-4,254	-	-
Receptionist II	1.0	1.0	1.0	3,024-3,874	40,225	41,629
Temporary Help	1.0	-	-	(15,460)	-	-
Totals, Courts of Appeal-1st District	120.7	132.0	132.0	\$14,306,262	\$15,345,941	\$15,492,366
Second Appellate District:						
Second District-Los Angeles:						
Appellate Court Justice	28.0	28.0	28.0	17,050-17,732	5,736,956	5,736,956
COA Managing Attorney to the APJ	1.0	1.0	1.0	10,367-13,528	149,029	150,464
Clerk/Administrator	0.9	1.0	1.0	10,367-13,528	150,464	150,464
Lead Appellate Court Attorney	34.4	34.5	34.5	9,849-12,269	4,653,359	4,675,246
Senior Appellate Court Attorney	56.6	65.0	65.0	8,508-11,970	8,118,769	8,241,924

ORGANIZATIONAL UNIT Classification	NUMBER OF POSITIONS			EXPENDITURES		
	Filled 2011-12	Authorized 2012-13	Proposed 2013-14	Actual 2011-12 (Salary Range)	Estimated 2012-13	Proposed 2013-14
Assistant Clerk/Administrator-B	2.0	2.0	2.0	7,989-10,246	214,624	218,148
Appellate Court Attorney, D	6.5	6.5	6.5	7,516-10,575	620,490	642,220
Appellate Court Attorney, C	0.8	-	-	6,531-8,748	-	-
Supervising Administrative Specialist	0.9	2.0	2.0	5,938-7,608	153,887	159,273
Law Librarian	1.0	1.0	1.0	5,938-7,608	84,629	84,629
Supervising Court Systems Administrator	1.0	1.0	1.0	5,660-7,617	84,481	84,743
Assistant Law Librarian II	1.0	1.0	1.0	5,406-6,925	77,040	77,040
Supervising Deputy Clerk	2.0	3.0	3.0	5,346-6,850	221,856	224,283
Court Systems Administrator	2.0	2.0	2.0	4,923-6,624	140,162	142,492
Appellate Court Attorney, A	0.7	1.0	1.0	4,907-5,174	57,560	57,560
Executive Secretary to Clerk/Administrator	1.0	1.0	1.0	4,861-6,229	69,280	69,280
Senior Deputy Clerk	15.3	17.0	17.0	4,861-6,229	1,167,953	1,173,199
Judicial Assistant to Appellate Justice	27.5	28.0	28.0	4,637-5,942	1,818,515	1,830,154
Associate Court Systems Administrator	2.0	2.0	2.0	4,477-6,024	127,941	130,076
Supervising Judicial Assistant	-	1.0	1.0	4,417-5,661	57,388	59,391
Deputy Clerk	7.7	8.0	8.0	4,417-5,661	483,970	491,576
Judicial Assistant	7.9	9.0	9.0	4,207-5,391	517,015	525,265
Assistant Deputy Clerk III	3.7	3.0	3.0	4,015-5,147	156,210	159,674
Judicial Secretary II	4.3	11.0	11.0	3,826-4,901	560,761	576,489
Graduate Legal Assistant	0.3	-	-	3,806-4,427	-	-
Assistant Deputy Clerk II	2.7	3.0	3.0	3,650-4,679	139,679	144,572
Administrative Support Technician	2.0	2.0	2.0	3,525-4,517	100,470	100,470
Judicial Secretary I	1.0	1.0	1.0	3,477-4,457	49,329	49,582
Assistant Deputy Clerk I	0.2	-	-	3,321-4,254	-	-
Law Library Technician II	1.0	1.0	1.0	3,288-4,213	46,870	46,870
Supervising Custodian	1.0	1.0	1.0	3,207-4,109	46,661	46,661
Receptionist II	4.0	5.0	5.0	3,024-3,874	204,357	210,066
Appellate Court Records Assistant	-	1.0	1.0	2,946-3,777	38,280	39,619
Lead Custodian	1.0	1.0	1.0	2,789-3,575	40,709	40,709
Custodian	10.5	11.0	11.0	2,534-3,250	400,786	402,526
Office Assistant I	-	1.0	1.0	2,340-2,999	30,400	31,464
Temporary Help	5.0	-	-	(234,982)	-	-
Overtime	-	-	-	(25,317)	-	-
Second District-Ventura:						
Appellate Court Justice	3.6	4.0	4.0	17,050-17,732	818,396	818,396
Senior Appellate Court Attorney	13.2	14.0	14.0	8,508-11,970	1,771,766	1,791,831
Assistant Clerk/Administrator-B	-	1.0	1.0	7,989-10,246	103,823	107,451
Appellate Court Attorney, D	0.5	-	-	7,516-10,575	-	-
Court Systems Administrator	1.0	1.0	1.0	4,923-6,624	73,710	73,710
Senior Deputy Clerk	4.0	5.0	5.0	4,861-6,229	337,654	341,912
Judicial Assistant to Appellate Justice	3.0	4.0	4.0	4,637-5,942	258,613	260,719
Deputy Clerk	-	1.0	1.0	4,417-5,661	57,388	59,391
Judicial Assistant	0.9	2.0	2.0	4,207-5,391	114,622	116,534
Senior Law Library Technician	1.0	1.0	1.0	3,617-4,634	51,551	51,551
Temporary Help	2.0	-	-	(84,163)	-	-
Totals, Courts of Appeal-2nd District	266.1	289.0	289.0	\$28,202,512	\$30,107,403	\$30,394,580
Third Appellate District-Sacramento:						
Appellate Court Justice	10.0	11.0	11.0	17,050-17,732	2,258,773	2,258,773

ORGANIZATIONAL UNIT Classification	NUMBER OF POSITIONS			EXPENDITURES		
	Filled 2011-12	Authorized 2012-13	Proposed 2013-14	Actual 2011-12 (Salary Range)	Estimated 2012-13	Proposed 2013-14
COA Managing Attorney to the APJ	1.0	1.0	1.0	10,367-13,528	146,859	146,859
Clerk/Administrator	1.0	1.0	1.0	10,367-13,528	142,824	146,069
Supervising Appellate Court Attorney	1.0	1.0	1.0	10,341-12,883	139,865	139,865
Lead Appellate Court Attorney	11.9	13.0	13.0	9,849-12,269	1,706,375	1,714,810
Senior Appellate Court Attorney	18.6	20.0	20.0	8,508-11,970	2,445,029	2,489,797
Appellate Court Attorney, D	1.9	3.0	3.0	7,516-10,575	283,329	293,243
Assistant Clerk/Administrator-A	1.0	1.0	1.0	7,287-9,343	99,566	101,362
Appellate Court Attorney, C	0.4	-	-	6,531-8,748	-	-
Supervising Administrative Specialist	1.0	1.0	1.0	5,938-7,608	79,192	81,760
Law Librarian	1.0	1.0	1.0	5,938-7,608	79,343	81,941
Supervising Deputy Clerk	1.0	2.0	2.0	5,346-6,850	142,177	144,547
Court Systems Administrator	2.0	2.0	2.0	4,923-6,624	143,848	143,848
Administrative Specialist I	0.8	1.0	1.0	4,913-6,296	57,709	59,729
Executive Judicial Assistant to Appellate Justice	1.0	1.0	1.0	4,861-6,229	67,621	67,621
Judicial Assistant to Appellate Justice	9.0	10.0	10.0	4,637-5,942	639,316	641,527
Deputy Clerk	7.1	9.0	9.0	4,417-5,661	530,885	540,827
Judicial Assistant	2.0	3.0	3.0	4,207-5,391	170,414	172,280
Lead Judicial Secretary	1.0	1.0	1.0	4,015-5,147	49,982	51,734
Assistant Deputy Clerk III	3.3	3.0	3.0	4,015-5,147	160,530	163,550
Senior Administrative Support Technician	0.3	1.0	1.0	3,879-4,967	49,170	50,887
Judicial Secretary II	-	1.0	1.0	3,826-4,901	48,506	50,200
Graduate Legal Assistant	-	0.5	0.5	3,806-4,427	22,903	23,704
Assistant Deputy Clerk II	0.8	1.0	1.0	3,650-4,679	48,655	50,120
Assistant Deputy Clerk I	0.7	-	-	3,321-4,254	-	-
Law Library Technician II	1.0	1.0	1.0	3,288-4,213	45,737	45,737
Supervising Custodian	-	1.0	1.0	3,207-4,109	40,666	42,085
Receptionist II	1.0	1.0	1.0	3,024-3,874	37,623	38,935
Appellate Court Records Assistant	-	1.0	1.0	2,946-3,777	37,358	38,663
Office Assistant II	2.0	3.0	3.0	2,574-3,297	101,615	104,642
Custodian	1.2	2.0	2.0	2,534-3,250	64,302	66,544
Temporary Help	1.0	-	-	(73,051)	-	-
Third District-ACTF:						
Settlement Conference Coordinator	0.6	1.0	1.0	4,861-6,229	55,799	57,751
Judicial Secretary II	0.9	1.0	1.0	3,826-4,901	48,506	50,200
Temporary Help	-	-	-	(3,925)	-	-
Totals, Courts of Appeal-3rd District	85.5	99.5	99.5	\$8,976,839	\$9,944,477	\$10,059,610
Fourth Appellate District:						
Fourth District-San Diego:						
Appellate Court Justice	10.0	10.0	10.0	17,050-17,732	2,054,174	2,054,174
COA Managing Attorney to the APJ	1.0	1.0	1.0	10,367-13,528	149,911	150,464
Clerk/Administrator	1.0	1.0	1.0	10,367-13,528	150,464	150,464
Supervising Appellate Court Attorney	2.0	2.0	2.0	10,341-12,883	286,620	286,620
Lead Appellate Court Attorney	14.2	17.0	17.0	9,849-12,269	2,286,718	2,299,870
Senior Appellate Court Attorney	12.4	12.0	12.0	8,508-11,970	1,517,028	1,549,549
Assistant Clerk/Administrator-B	1.0	1.0	1.0	7,989-10,246	113,580	113,930
Appellate Court Attorney, D	1.0	2.0	2.0	7,516-10,575	220,534	224,139
Law Librarian	1.0	1.0	1.0	5,938-7,608	74,614	77,230
Administrative Specialist II	2.0	2.0	2.0	5,406-6,925	153,012	154,080

ORGANIZATIONAL UNIT Classification	NUMBER OF POSITIONS			EXPENDITURES		
	Filled 2011-12	Authorized 2012-13	Proposed 2013-14	Actual 2011-12 (Salary Range)	Estimated 2012-13	Proposed 2013-14
Supervising Deputy Clerk	1.0	1.0	1.0	5,346-6,850	76,205	76,205
Court Systems Administrator	2.0	2.0	2.0	4,923-6,624	147,420	147,420
Executive Judicial Assistant to Appellate Justice	1.2	1.0	1.0	4,861-6,229	64,908	67,174
Senior Deputy Clerk	3.6	6.0	6.0	4,861-6,229	401,022	407,264
Judicial Assistant to Appellate Justice	9.0	9.0	9.0	4,637-5,942	585,755	588,233
Supervising Judicial Assistant	0.9	1.0	1.0	4,417-5,661	57,388	59,391
Deputy Clerk	1.7	1.0	1.0	4,417-5,661	62,974	62,974
Judicial Assistant	2.4	3.0	3.0	4,207-5,391	171,250	176,557
Assistant Deputy Clerk III	1.0	1.0	1.0	4,015-5,147	50,403	52,165
Assistant Deputy Clerk II	-	1.0	1.0	3,650-4,679	46,526	48,152
Assistant Deputy Clerk I	2.0	1.0	1.0	3,321-4,254	42,585	44,077
Appellate Court Records Assistant	1.0	1.0	1.0	2,946-3,777	37,861	39,181
Receptionist I	1.0	1.0	1.0	2,747-3,522	37,370	38,595
Temporary Help	1.5	-	-	(10,828)	-	-
Overtime	-	-	-	(251)	-	-
Fourth District-Riverside:						
Appellate Court Justice	7.0	7.0	7.0	17,050-17,732	1,432,193	1,432,193
Managing Appellate Court Attorney	1.0	1.0	1.0	10,367-13,528	146,859	146,859
Supervising Appellate Court Attorney	1.0	1.0	1.0	10,341-12,883	139,865	139,865
Lead Appellate Court Attorney	5.0	5.0	5.0	9,849-12,269	666,075	666,075
Senior Appellate Court Attorney	15.2	15.5	15.5	8,508-11,970	1,977,848	1,992,864
Assistant Clerk/Administrator-B	1.0	1.0	1.0	7,989-10,246	111,148	111,148
Appellate Court Attorney, D	2.5	2.5	2.5	7,516-10,575	237,042	244,760
Appellate Court Attorney, B	0.4	1.0	1.0	5,940-7,955	77,178	79,879
Law Librarian	1.0	1.0	1.0	5,938-7,608	82,591	82,591
Supervising Deputy Clerk	2.0	2.0	2.0	5,346-6,850	148,770	148,770
Court Systems Administrator	1.0	1.0	1.0	4,923-6,624	71,924	71,924
Executive Judicial Assistant to Appellate Justice	1.0	1.0	1.0	4,861-6,229	67,621	67,621
Senior Deputy Clerk	1.0	2.0	2.0	4,861-6,229	129,256	131,407
Settlement Conference Coordinator	1.0	1.0	1.0	4,861-6,229	67,363	67,621
Judicial Assistant to Appellate Justice	5.9	6.0	6.0	4,637-5,942	387,114	387,114
Associate Court Systems Administrator	1.0	1.0	1.0	4,477-6,024	62,653	64,849
Supervising Judicial Assistant	1.0	1.0	1.0	4,417-5,661	61,463	61,463
Deputy Clerk	4.5	5.0	5.0	4,417-5,661	293,683	298,076
Judicial Assistant	2.0	2.0	2.0	4,207-5,391	113,522	116,262
Assistant Deputy Clerk III	1.0	1.0	1.0	3,650-4,679	48,223	49,910
Assistant Deputy Clerk I	1.0	1.0	1.0	2,946-3,777	46,194	46,194
Appellate Court Records Assistant	2.0	2.0	2.0	2,534-3,250	79,575	80,922
Custodian	1.0	1.0	1.0	2,534-3,250	35,287	35,287
Temporary Help	-	-	-	-	-	-
Fourth District-Santa Ana:						
Appellate Court Justice	7.0	8.0	8.0	17,050-17,732	1,636,792	1,636,792
Managing Appellate Court Attorney	1.0	1.0	1.0	10,367-13,528	150,464	150,464
Supervising Appellate Court Attorney	1.0	1.0	1.0	10,341-12,883	143,310	143,310
Lead Appellate Court Attorney	8.8	9.0	9.0	9,849-12,269	1,207,841	1,216,679
Senior Appellate Court Attorney	18.2	19.0	19.0	8,508-11,970	2,475,251	2,500,359
Assistant Clerk/Administrator-B	1.0	1.0	1.0	7,989-10,246	113,930	113,930
Law Librarian	1.0	1.0	1.0	5,938-7,608	83,187	84,629

ORGANIZATIONAL UNIT Classification	NUMBER OF POSITIONS			EXPENDITURES		
	Filled 2011-12	Authorized 2012-13	Proposed 2013-14	Actual 2011-12 (Salary Range)	Estimated 2012-13	Proposed 2013-14
Supervising Deputy Clerk	1.0	1.0	1.0	5,346-6,850	76,205	76,205
Court Systems Administrator	1.0	1.0	1.0	4,923-6,624	73,710	73,710
Administrative Specialist I	1.0	1.0	1.0	4,913-6,296	61,715	63,878
Executive Judicial Assistant to Appellate Justice	0.4	1.0	1.0	4,861-6,229	62,336	64,519
Senior Deputy Clerk	2.0	2.0	2.0	4,861-6,229	138,560	138,560
Settlement Conference Coordinator	-	1.0	1.0	4,861-6,229	63,145	65,354
Judicial Assistant to Appellate Justice	7.6	7.0	7.0	4,637-5,942	460,825	462,571
Associate Court Systems Administrator	1.0	1.0	1.0	4,477-6,024	60,350	62,462
Deputy Clerk	3.0	3.0	3.0	4,417-5,661	181,682	184,996
Judicial Assistant	2.0	3.0	3.0	4,207-5,391	174,592	176,504
Assistant Deputy Clerk III	2.0	2.0	2.0	4,015-5,147	109,191	112,430
Assistant Deputy Clerk II	1.0	1.0	1.0	3,650-4,679	48,552	50,246
Judicial Secretary I	1.0	1.0	1.0	3,477-4,457	48,176	49,393
Law Library Technician II	-	1.0	1.0	3,288-4,213	42,715	44,214
Receptionist II	1.0	1.0	1.0	3,024-3,874	43,041	43,104
Appellate Court Records Assistant	1.0	1.0	1.0	2,946-3,777	37,690	39,007
Custodian	1.0	1.0	1.0	2,534-3,250	32,894	34,046
Totals, Courts of Appeal-4th District	197.4	209.0	209.0	\$21,504,652	\$22,797,923	\$22,978,924
Fifth Appellate District-Fresno:						
Appellate Court Justice	9.9	10.0	10.0	17,050-17,732	2,054,174	2,054,174
COA Managing Attorney to the APJ	1.0	1.0	1.0	10,367-13,528	142,734	145,991
Clerk/Administrator	1.0	1.0	1.0	10,367-13,528	134,543	139,251
Supervising Appellate Court Attorney	1.0	1.0	1.0	10,341-12,883	139,865	139,865
Lead Appellate Court Attorney	10.9	12.0	12.0	9,849-12,269	1,567,257	1,584,225
Senior Appellate Court Attorney	15.8	17.0	17.0	8,508-11,970	2,143,797	2,163,925
Appellate Court Attorney-D	1.0	1.0	1.0	7,516-10,575	99,936	103,432
Assistant Clerk/Administrator-A	1.0	1.0	1.0	7,287-9,343	101,362	101,362
Appellate Court Attorney-B	0.8	1.0	1.0	5,940-7,955	77,178	79,879
Law Librarian	1.0	1.0	1.0	5,938-7,608	79,352	81,653
Supervising Court Systems Administrator	0.9	1.0	1.0	5,660-7,617	73,568	76,148
Administrative Specialist II	-	1.0	1.0	5,406-6,925	68,536	70,940
Supervising Deputy Clerk	1.0	1.0	1.0	5,346-6,850	74,385	74,385
Executive Judicial Assistant to Appellate Justice	1.0	1.0	1.0	4,861-6,229	67,621	67,621
Senior Deputy Clerk	4.0	5.0	5.0	4,861-6,229	330,984	334,194
Judicial Assistant to Appellate Justice	8.9	9.0	9.0	4,637-5,942	556,428	564,556
Associate Court Systems Administrator	1.8	2.0	2.0	4,477-6,024	108,973	112,791
Deputy Clerk	2.0	2.0	2.0	4,417-5,661	107,582	111,346
Court Building Supervisor	1.0	1.0	1.0	4,410-5,656	54,384	56,284
Judicial Assistant	0.7	4.0	4.0	4,207-5,391	204,947	210,069
Lead Judicial Secretary	0.8	-	-	4,015-5,147	-	-
Assistant Deputy Clerk III	1.0	1.0	1.0	4,015-5,147	52,421	54,258
Judicial Secretary II	2.5	1.0	1.0	3,826-4,901	48,506	50,200
Assistant Deputy Clerk II	1.8	2.0	2.0	3,650-4,679	94,678	96,213
Administrative Support Technician	1.0	1.0	1.0	3,525-4,517	48,844	49,033
Assistant Deputy Clerk I	1.0	1.0	1.0	3,321-4,254	43,837	45,370
Custodian	1.6	2.0	2.0	2,534-3,250	66,858	69,193
Overtime				(14,535)		
Temporary Help	1.5	-	-	(125,940)	-	-

ORGANIZATIONAL UNIT Classification	NUMBER OF POSITIONS			EXPENDITURES		
	Filled 2011-12	Authorized 2012-13	Proposed 2013-14	Actual 2011-12 (Salary Range)	Estimated 2012-13	Proposed 2013-14
Totals, Courts of Appeal-5th District	75.9	81.0	81.0	\$8,220,039	\$8,542,750	\$8,636,358
Sixth Appellate District-San Jose:						
Appellate Court Justice	5.3	7.0	7.0	17,050-17,732	1,440,377	1,440,377
COA Managing Attorney to the APJ	1.0	1.0	1.0	10,367-13,528	146,969	152,112
Clerk/Administrator	0.5	1.0	1.0	10,367-13,528	140,014	144,913
Lead Appellate Court Attorney	6.5	7.0	7.0	9,849-12,269	964,234	973,402
Senior Appellate Court Attorney	14.3	16.0	16.0	8,508-11,970	2,094,780	2,119,116
Appellate Court Attorney, D	1.0	1.0	1.0	7,516-10,575	98,012	101,442
Assistant Clerk/Administrator-A	1.0	1.0	1.0	7,287-9,343	106,936	106,936
Law Librarian	0.9	1.0	1.0	5,938-7,608	79,375	82,157
Supervising Court Systems Administrator	1.0	1.0	1.0	5,660-7,617	87,181	87,181
Administrative Specialist II	-	2.0	2.0	5,406-6,925	144,490	149,548
Supervising Deputy Clerk	-	1.0	1.0	5,346-6,850	71,455	73,961
Court Systems Administrator	1.0	1.0	1.0	4,923-6,624	75,816	75,816
Executive Judicial Assistant to Appellate Justice	1.0	1.0	1.0	4,861-6,229	71,295	71,295
Senior Deputy Clerk	2.0	2.0	2.0	4,861-6,229	142,429	142,590
Judicial Assistant to Appellate Justice	3.4	4.0	4.0	4,637-5,942	260,521	266,431
Deputy Clerk	3.0	3.0	3.0	4,417-5,661	193,237	194,382
Law Clerk	1.1	3.0	3.0	4,319-5,537	165,934	171,738
Judicial Assistant	1.3	1.0	1.0	4,207-5,391	56,606	58,586
Judicial Secretary II	-	1.0	1.0	3,826-4,901	51,127	52,913
Assistant Deputy Clerk II	1.0	1.0	1.0	3,650-4,679	53,554	53,554
Temporary Help	3.5	-	-	(92,525)	-	-
Overtime	-	-	-	-	-	-
Totals, Courts of Appeal-6th District	48.8	56.0	56.0	\$5,629,524	\$6,444,342	\$6,518,450
PLP/Furlough Reduction					(4,317,472)	(\$4,365,110)
Totals, Courts of Appeal	794.4	866.5	866.5	\$86,839,828	\$93,182,836	\$94,080,288
Judicial Council						
Executive Division:						
Director's Office:						
Administrative Director of the Courts	0.9	1.0	1.0	17,213-18,933	216,700	216,700
Chief Deputy Administrative Director	1.0	1.0	1.0	15,216-18,496	211,698	211,698
Executive Office Liaison III	1.0	1.0	1.0	8,164-12,744	117,868	121,997
Executive Secretary to the Administrative Director	-	1.0	1.0	5,208-6,718	69,921	72,371
Executive Secretary to Chief Deputy Director	1.0	1.0	1.0	5,208-6,718	72,817	75,370
Secretary II	1.0	-	-	3,477-4,457	-	-
Special Consultant	0.5	1.0	1.0	2,340-17,034	97,482	100,893
Emergency Response & Planning (Facilities):						
Senior Emergency Response & Planning Manager	1.0	1.0	1.0	10,367-13,528	146,398	151,522
Senior Security Coordinator	3.7	4.0	4.0	5,944-7,616	328,210	335,352
Court Services Analyst	1.6	2.0	2.0	5,406-6,925	149,630	152,091
Security Analyst	1.0	-	-	5,406-6,925	-	-
Staff Analyst II	0.4	-	-	4,477-5,738	-	-
Emergency Response & Planning (GF):						
Manager	-	1.0	1.0	8,164-12,744	122,182	126,462
Security Coordinator	0.3	1.0	1.0	5,406-6,925	72,245	74,774
Administrative Secretary	1.0	1.0	1.0	3,827-4,902	55,168	55,989
Emergency Response Services:						

ORGANIZATIONAL UNIT Classification	NUMBER OF POSITIONS			EXPENDITURES		
	Filled 2011-12	Authorized 2012-13	Proposed 2013-14	Actual 2011-12 (Salary Range)	Estimated 2012-13	Proposed 2013-14
Senior Manager	1.0	1.0	1.0	10,367-13,528	136,052	140,811
Public Information Officer	1.0	1.0	1.0	8,164-11,395	119,721	123,910
Supervising Communications Specialist	1.0	1.0	1.0	6,844-10,146	100,086	103,590
Lead Program and Management Analyst	1.0	1.0	1.0	6,234-7,988	88,867	91,427
Senior Communications Specialist	3.0	2.0	2.0	5,938-7,608	169,669	169,669
Communications Specialist II	2.0	2.0	2.0	5,406-6,925	153,081	156,065
Staff Analyst II	1.0	-	-	4,477-5,738	-	-
Administrative Coordinator I	1.0	1.0	1.0	4,069-5,217	59,712	59,712
Office Assistant II	0.6	-	-	2,574-3,297	-	-
Criminal Justice Court Services Office						
Court Services Analyst	-	1.0	1.0	5,406-6,925	79,261	79,261
Executive Secretary	-	1.0	1.0	4,810-6,166	70,574	70,574
California Risk Assessment Pilot Project						
Manager	0.2	1.0	1.0	8,164-12,744	143,740	145,863
Temporary Help	4.0	4.0	4.0	(147,868)	49,389	49,389
Overtime	-	-	-	0	4,863	4,863
Totals, Executive Division	30.2	32.0	32.0	\$3,123,649	\$2,835,334	\$2,890,353
Office of the General Counsel:						
General Counsel:						
General Counsel/Division Director	1.0	1.0	1.0	11,557-15,122	173,080	173,080
Managing Attorney	3.0	3.0	3.0	10,367-13,528	459,087	464,355
Assistant General Counsel	1.0	1.0	1.0	10,257-14,250	163,100	163,100
Supervising Attorney	3.0	4.0	4.0	8,933-12,568	559,075	568,575
Senior Attorney	7.4	9.0	9.0	8,508-11,970	1,178,775	1,191,390
Attorney	16.8	19.0	19.0	7,516-10,575	2,216,163	2,237,891
Court Services Analyst	1.9	2.0	2.0	5,406-6,925	158,522	158,522
Executive Secretary	1.0	1.0	1.0	4,810-6,166	64,008	66,249
Administrative Coordinator II	2.3	3.0	3.0	4,477-5,738	193,648	193,648
Support Services Supervisor	1.0	1.0	1.0	4,477-5,738	56,564	58,544
Administrative Coordinator I	1.1	1.0	1.0	4,069-5,217	59,403	59,712
Secretary II	2.4	2.0	2.0	3,477-4,457	99,788	102,026
Motor Vehicle Fund:						
Attorney	1.0	1.0	1.0	7,516-10,575	106,620	110,351
Administrative Coordinator II	0.7	-	-	4,477-5,738	-	-
Real Estate Unit:						
Supervising Attorney	1.0	1.0	1.0	8,933-12,568	134,923	139,646
Attorney	3.2	3.0	3.0	7,516-10,575	347,131	351,654
Administrative Coordinator II	1.0	1.0	1.0	4,477-5,738	65,675	65,675
Administrative Secretary	1.0	1.0	1.0	3,827-4,902	54,855	55,911
Regional Office Assistance Group:						
Senior Attorney	1.0	1.0	1.0	8,508-11,970	137,004	137,004
Attorney	6.9	7.0	7.0	7,516-10,575	815,471	819,379
Administrative Coordinator I	1.0	1.0	1.0	4,069-5,217	59,712	59,712
Administrative Secretary	1.0	1.0	1.0	3,827-4,902	52,953	53,233
Secretary II	1.0	1.0	1.0	3,477-4,457	48,421	50,021
Civil Justice Center:						
Supervising Attorney	1.0	-	-	8,933-12,568		
Secretariat						

ORGANIZATIONAL UNIT Classification	NUMBER OF POSITIONS			EXPENDITURES		
	Filled 2011-12	Authorized 2012-13	Proposed 2013-14	Actual 2011-12 (Salary Range)	Estimated 2012-13	Proposed 2013-14
Senior Attorney	1.0	1.0	1.0	8,508-11,970	136,752	137,004
Court Services Analyst	2.0	2.0	2.0	5,406-6,925	153,470	156,065
Administrative Coordinator II	1.9	2.0	2.0	4,477-5,738	117,407	121,523
Temporary Help	1.0	1.0	1.0	(73,693)	154,353	154,353
Totals, Office of the General Counsel	67.6	71.0	71.0	\$7,337,889	\$7,765,960	\$7,848,623
Office of Governmental Affairs:						
Governmental Affairs-Administration:						
Division Director	1.0	1.0	1.0	11,007-14,950	169,214	171,112
Assistant Division Director	1.0	1.0	1.0	10,367-13,778	145,958	149,139
Senior Attorney	1.9	2.0	2.0	8,508-11,970	243,637	247,615
Attorney	0.9	1.0	1.0	7,516-10,575	106,407	110,135
Senior Government Affairs Analyst	1.7	3.0	3.0	5,938-7,608	236,487	241,683
Supervising Administrative Coordinator	1.0	1.0	1.0	5,665-7,259	78,803	78,803
Executive Secretary	1.0	1.0	1.0	4,810-6,166	63,905	65,896
Administrative Coordinator I	1.9	2.0	2.0	4,069-5,217	112,694	113,266
Secretary I	1.0	1.0	1.0	3,164-4,053	42,154	43,631
Temporary Help	-	-	-	117	-	-
Totals, Office of Governmental Affairs	11.4	13.0	13.0	\$1,081,987	\$1,199,259	\$1,221,280
Center for Families, Children and Courts (CFCC):						
CFCC-Administration:						
Division Director	1.0	1.0	1.0	11,007-14,950	171,112	171,112
Assistant Division Director	1.0	1.0	1.0	10,367-13,778	151,196	155,746
Supervising Attorney	1.0	1.0	1.0	8,933-12,568	143,848	143,848
Senior Attorney	0.6	-	-	8,508-11,970	-	-
Supervising Court Services Analyst	0.9	-	-	6,844-10,146	-	-
Supervising Research Analyst	2.0	2.0	2.0	6,844-10,146	208,229	214,032
Lead Management and Program Analyst	0.9	1.0	1.0	6,234-7,988	91,427	91,427
Management and Program Analyst	1.0	1.0	1.0	5,938-7,608	79,707	82,497
Senior Court Services Analyst	2.3	2.0	2.0	5,938-7,608	174,156	174,156
Senior Research Analyst	1.0	-	-	5,938-7,608	-	-
Court Services Analyst	2.2	3.0	3.0	5,406-6,925	206,109	213,316
Research Analyst	2.0	2.0	2.0	5,406-6,925	149,522	151,984
Executive Secretary	1.0	1.0	1.0	4,810-6,166	62,377	64,558
Administrative Coordinator I	0.9	1.0	1.0	4,069-5,217	55,385	57,320
Secretary II	1.0	1.0	1.0	3,477-4,457	44,947	46,515
DCSS Child Support Grant/Family Law:						
Supervising Attorney	1.0	1.0	1.0	8,933-12,568	143,848	143,848
Senior Attorney	1.8	2.0	2.0	8,508-11,970	263,615	266,969
Accountant	0.8	1.0	1.0	5,406-6,925	72,245	74,774
Senior Administrative Coordinator	1.0	1.0	1.0	4,925-6,311	65,281	67,565
Staff Analyst II	0.9	1.0	1.0	4,477-5,738	65,675	65,675
Accounting Technician	1.0	1.0	1.0	4,069-5,217	59,712	59,712
Secretary II	1.0	1.0	1.0	3,477-4,457	49,682	50,914
Equal Access Program:						
Managing Attorney	1.0	1.0	1.0	10,367-13,528	154,836	154,836
Senior Attorney	1.0	1.0	1.0	8,508-11,970	136,870	137,004
Administrative Coordinator I	1.0	1.0	1.0	4,069-5,217	57,330	58,041
Judicial Review and Technical Assistance:						

ORGANIZATIONAL UNIT Classification	NUMBER OF POSITIONS			EXPENDITURES		
	Filled 2011-12	Authorized 2012-13	Proposed 2013-14	Actual 2011-12 (Salary Range)	Estimated 2012-13	Proposed 2013-14
Senior Attorney	1.0	-	-	8,508-11,970	-	-
Attorney	2.5	2.0	2.0	7,516-10,575	220,953	228,684
Court Improvement Project:						
Supervising Attorney	1.8	2.0	2.0	8,933-12,568	278,251	282,953
Senior Attorney	0.7	1.0	1.0	8,508-11,970	127,061	131,510
Manager	1.2	1.0	1.0	8,164-12,744	115,051	119,080
Attorney	1.0	1.0	1.0	7,516-10,575	109,923	113,768
Senior Court Services Analyst	1.0	1.0	1.0	5,938-7,608	87,078	87,078
Senior Administrative Coordinator	-	1.0	1.0	4,925-6,311	72,233	72,233
Administrative Coordinator I	0.3	-	-	4,069-5,217	-	-
Staff Analyst I	0.9	1.0	1.0	4,069-5,217	57,812	59,360
Court Improvement Program Grants:						
Senior Attorney	1.0	-	-	8,508-11,970	-	-
Attorney	2.7	3.0	3.0	7,516-10,575	329,710	341,112
Supervising Research Analyst	1.0	1.0	1.0	6,844-10,146	116,127	116,127
Senior Court Services Analyst	1.6	1.0	1.0	5,938-7,608	82,955	85,602
Senior Research Analyst	1.0	-	-	5,938-7,608	-	-
Administrative Coordinator I	1.4	1.0	1.0	4,069-5,217	58,676	59,639
Access/Visitation Grant Program:						
Senior Court Services Analyst	1.0	1.0	1.0	5,938-7,608	87,078	87,078
Staff Analyst II	0.1	-	-	4,477-5,738	-	-
Indian Child Welfare:						
Attorney	1.0	1.0	1.0	7,516-10,575	110,436	114,304
Court Services Analyst	0.6	1.0	1.0	5,406-6,925	79,261	79,261
Family Law Trust Fund:						
Supervising Attorney	1.0	1.0	1.0	8,933-12,568	129,358	133,885
Senior Attorney	2.0	2.0	2.0	8,508-11,970	267,154	271,795
Attorney	1.0	1.0	1.0	7,516-10,575	119,978	121,037
Associate Attorney II	1.0	1.0	1.0	6,531-8,748	94,369	94,987
Senior Research Analyst	0.3	-	-	5,938-7,608	-	-
Senior Administrative Coordinator	3.0	3.0	3.0	4,925-6,311	209,454	211,863
Administrative Coordinator II	1.0	1.0	1.0	4,477-5,738	65,675	65,675
Administrative Coordinator I	1.5	-	-	4,069-5,217	-	-
Staff Analyst I	0.1	-	-	4,069-5,217	-	-
Violence Against Women-Education:						
Supervising Attorney	1.0	1.0	1.0	8,933-12,568	143,848	143,848
Senior Court Services Analyst	1.0	1.0	1.0	5,938-7,608	87,078	87,078
Administrative Coordinator I	0.7	1.0	1.0	5,938-7,608	56,019	57,976
Comprehensive Court Implementation Act:						
Supervising Attorney	0.5	1.0	1.0	8,164-12,744	123,286	127,601
Manager	1.0	1.0	1.0	8,164-12,744	112,115	116,041
Supervising Research Analyst	0.8	1.0	1.0	6,844-10,146	100,507	104,023
Court Services Analyst	1.0	1.0	1.0	5,406-6,925	76,933	78,807
Research Analyst	1.0	1.0	1.0	5,406-6,925	70,465	72,934
Administrative Coordinator I	0.5	1.0	1.0	4,069-5,217	56,991	58,773
Blue Ribbon Commission:						
Senior Administrative Coordinator	1.0	-	-	4,925-6,311	-	-
Mental Health Services:						

ORGANIZATIONAL UNIT Classification	NUMBER OF POSITIONS			EXPENDITURES		
	Filled 2011-12	Authorized 2012-13	Proposed 2013-14	Actual 2011-12 (Salary Range)	Estimated 2012-13	Proposed 2013-14
Senior Court Services Analyst	2.0	2.0	2.0	5,938-7,608	174,156	174,156
Senior Research Analyst	1.0	2.0	2.0	5,938-7,608	166,348	169,235
Education Specialist II	1.4	1.0	1.0	5,406-6,925	75,050	77,603
Staff Analyst II	1.0	2.0	2.0	4,477-5,738	125,524	127,619
Temporary Help	1.0	1.0	1.0	(396,737)	94,116	94,116
Overtime	-	-	-	(5,457)	-	-
Totals, Center for Families, Children and Courts	76.9	73.0	73.0	\$7,844,502	\$6,888,138	\$7,012,690
Judicial Education and Research:						
Education Division (CJER):						
Division Director	1.0	1.0	1.0	11,007-14,950	171,112	171,112
Managing Attorney	2.0	2.0	2.0	10,367-13,528	300,803	305,822
Senior Manager	2.0	2.0	2.0	10,367-13,528	309,449	309,672
Senior Attorney	4.8	5.0	5.0	8,508-11,970	664,892	672,035
Manager	3.0	3.0	3.0	8,164-12,744	368,688	377,558
Attorney	5.5	5.5	5.5	7,516-10,575	628,648	642,245
Supervising AV/Video Systems Technical Analyst	1.0	1.0	1.0	7,493-9,601	104,975	108,226
Supervising Media Production Specialist	1.0	1.0	1.0	6,844-10,146	106,807	110,545
Senior Education Specialist	5.9	4.0	4.0	5,938-7,608	344,009	346,791
Senior Media Production Specialist	2.0	2.0	2.0	5,938-7,608	174,156	174,156
Supervising Administrative Coordinator	1.0	1.0	1.0	5,665-7,259	83,084	83,084
Education Specialist II	5.4	4.0	4.0	5,406-6,925	314,523	317,044
Media Production Specialist	2.0	2.0	2.0	5,406-6,925	158,396	158,522
Senior Administrative Coordinator	2.7	3.0	3.0	4,925-6,311	216,699	216,699
Senior Editor	2.0	2.0	2.0	4,925-6,311	143,571	144,395
Executive Secretary	1.0	1.0	1.0	4,810-6,166	66,230	68,548
Supervising AV/Video Technician	1.0	1.0	1.0	4,574-5,861	67,083	67,083
Administrative Coordinator II	5.1	6.0	6.0	4,477-5,738	383,916	388,497
Staff Analyst II	1.0	1.0	1.0	4,069-5,217	65,050	65,675
Administrative Coordinator I	1.0	1.0	1.0	3,977-5,097	57,569	59,547
Senior AV/Video Technician	3.0	3.0	3.0	3,827-4,902	170,605	172,490
Administrative Secretary	1.3	1.0	1.0	3,477-4,457	50,987	52,776
Secretary II	2.6	2.0	2.0	3,477-4,457	102,026	102,026
Administrative Services:						
Manager	0.6	1.0	1.0	8,164-12,744	100,511	104,029
Meeting and Conference Services Supervisor	0.4	-	-	5,938-7,608	-	-
Supervising Administrative Coordinator	1.2	2.0	2.0	5,665-7,259	156,647	162,059
Senior Administrative Coordinator	0.9	1.0	1.0	4,925-6,311	65,829	68,130
Production & Mail Services Supervisor	1.0	1.0	1.0	4,810-6,166	67,014	69,229
Administrative Coordinator II	6.9	7.0	7.0	4,477-5,738	443,246	450,335
Administrative Secretary	1.0	1.0	1.0	3,827-4,902	56,106	56,106
Receptionist II	2.7	3.0	3.0	3,024-3,874	133,020	133,020
Administrative Services Assistant II	3.9	4.0	4.0	2,891-3,704	166,014	168,011
Administrative Services Assistant I	1.0	-	-	2,628-3,369	-	-
Court Facilities-Education:						
Senior AV/Video Systems Technical Analyst	-	1.0	1.0	6,516-8,350	87,101	90,146
AV/Video Systems Technical Analyst	1.0	1.0	1.0	5,924-7,590	82,008	84,881
Temporary Help	10.6	10.6	10.6	(451,806)	674,391	674,391
Overtime	-	-	-	(735)	735	735

ORGANIZATIONAL UNIT Classification	NUMBER OF POSITIONS			EXPENDITURES		
	Filled 2011-12	Authorized 2012-13	Proposed 2013-14	Actual 2011-12 (Salary Range)	Estimated 2012-13	Proposed 2013-14
Totals, Judicial Education and Research	88.5	87.1	87.1	\$7,112,029	\$7,085,900	\$7,175,620
Executive Office Programs						
Office of Communication:						
Business Applications Analyst	0.3	-	-	5,924-7,969	-	-
Secretariat:						
Senior Administrative Coordinator	0.1	-	-	4,925-6,311	-	-
Editing and Graphics Group						
Senior Editor	0.1	-	-	4,925-6,311	-	-
Editor II	0.1	-	-	4,477-5,738	-	-
Temporary Help	-	-	-	(10,676)	-	-
Totals, Executive Office Programs	0.6	-	-	\$119,790	\$0	\$0
Court Programs and Service Administration						
Court Programs and Service Administration						
Division Director	1.0	1.0	1.0	11,007-14,950	161,610	167,096
Senior Manager	0.3	-	-	10,367-13,528	-	-
Lead Management and Program Analyst	1.0	1.0	1.0	6,234-7,988	91,427	91,427
Senior Administrative Coordinator	1.0	1.0	1.0	4,925-6,311	70,145	71,919
Administrative Secretary	-	0.5	0.5	3,827-4,902	25,575	26,468
Appellate Court Services Program:						
Manager	0.8	1.0	1.0	8,164-12,744	124,600	128,958
Supervising Court Services Analyst	0.3	-	-	6,844-10,146	-	-
Senior Court Services Analyst	1.3	2.0	2.0	5,938-7,608	174,156	174,156
Court Services Analyst	1.0	1.0	1.0	5,406-6,925	79,261	79,261
Administrative Coordinator II	1.0	1.0	1.0	4,477-5,738	65,675	65,675
Administrative Coordinator I	1.0	1.0	1.0	4,069-5,217	59,708	59,712
Assigned Judges Program:						
Supervising Court Services Analyst	1.0	1.0	1.0	6,844-10,146	114,872	116,127
Senior Court Services Analyst	0.5	1.0	1.0	5,938-7,608	79,375	82,157
Supervising Administrative Coordinator	0.5	-	-	5,665-7,259	-	-
Senior Administrative Coordinator	1.9	1.0	1.0	4,925-6,311	72,233	72,233
Administrative Coordinator II	1.0	-	-	4,477-5,738	-	-
Administrative Coordinator I	1.0	1.0	1.0	4,069-5,217	58,399	59,632
Planning:						
Assistant Division Director	1.0	1.0	1.0	10,367-13,778	148,385	153,577
Lead Management and Program Analyst	1.0	-	-	6,234-7,988	-	-
Senior Court Services Analyst	0.6	-	-	5,938-7,608	-	-
Court Services Analyst	1.3	2.0	2.0	5,406-6,925	150,913	154,035
Executive Secretary to the Administrative Director	0.2	-	-	5,208-6,718	-	-
Senior Administrative Coordinator	1.0	-	-	4,925-6,311	-	-
Office of Court Research:						
Manager	1.0	1.0	1.0	8,164-12,744	127,144	131,595
Supervising Research Analyst	1.5	2.0	2.0	6,844-10,146	207,198	214,355
Senior Research Analyst	3.6	4.0	4.0	5,938-7,608	339,236	343,391
Judicial Administrative Librarian	1.0	-	-	5,938-7,608	-	-
Research Analyst	2.0	2.0	2.0	5,406-6,925	151,506	154,035
Assistant Judicial Administrative Librarian II	1.0	1.0	1.0	5,406-6,925	78,860	79,261
Administrative Coordinator II	1.0	1.0	1.0	4,477-5,738	65,769	65,680
Staff Analyst II	1.3	1.0	1.0	4,477-5,738	58,038	60,069

ORGANIZATIONAL UNIT Classification	NUMBER OF POSITIONS			EXPENDITURES		
	Filed 2011-12	Authorized 2012-13	Proposed 2013-14	Actual 2011-12 (Salary Range)	Estimated 2012-13	Proposed 2013-14
Administrative Coordinator I	0.6	-	-	4,069-5,217	-	-
Staff Analyst I	0.7	1.0	1.0	4,069-5,217	58,495	59,529
Promosing and Effective Programs:						
Manager	1.0	1.0	1.0	8,164-11,395	121,541	125,799
Senior Court Services Analyst	5.6	5.8	5.8	5,938-7,608	499,142	504,557
Court Services Analyst	1.0	-	-	5,406-6,925	-	-
Administrative Coordinator II	0.9	-	-	4,477-5,738	-	-
Secretary II	1.0	1.0	1.0	3,477-4,457	50,661	51,013
Court Interpreters Program:						
Supervising Court Services Analyst	0.5	1.0	1.0	6,844-10,146	89,115	92,234
Senior Court Services Analyst	1.4	2.0	2.0	5,938-7,608	158,750	164,314
Court Services Analyst	1.7	0.6	0.6	5,406-6,925	41,798	43,259
Linguistics Analyst	-	1.0	1.0	5,406-6,925	79,261	79,261
Senior Administrative Coordinator	1.0	1.0	1.0	4,925-6,311	72,233	72,233
Regional Court Interpreter Coordinator	0.7	3.0	3.0	4,925-6,311	210,977	210,977
Secretary II	1.0	1.0	1.0	3,477-4,457	47,463	49,122
Editing and Graphics Group						
Supervising Editor	-	1.0	1.0	6,150-7,885	82,260	85,144
Senior Editor	0.8	1.8	1.8	4,925-6,311	123,622	127,948
Editor II	0.3	2.0	2.0	4,477-5,738	119,698	123,888
Senior Production Artist	1.0	1.0	1.0	4,477-5,738	65,675	65,675
Production Artist II	1.0	1.0	1.0	4,069-5,217	55,227	57,156
Trial Court Leadership/CPS						
Supervising Court Services Analyst	1.0	1.0	1.0	6,844-10,146	115,355	116,090
Senior Court Services Analyst	2.0	2.0	2.0	5,938-7,608	170,814	173,188
Court Services Analyst	1.0	2.0	2.0	5,406-6,925	147,172	152,326
Temporary Help	0.6	0.6	0.6	(235,526)	62,395	62,395
Overtime	-	-	-	-	5,524	5,524
Totals, Court Program and Service Administration	56.9	59.3	59.3	\$5,005,783	\$4,881,263	\$4,972,451
Regional Offices						
Southern Regional Office:						
Regional Administrative Director	0.5	-	-	11,557-15,122	-	-
Assistant Division Director	1.0	-	-	10,367-13,778	-	-
Supervising Court Services Analyst	1.0	-	-	6,844-10,146	-	-
Regional Court Interpreter Coordinator	0.9	-	-	4,925-6,311	-	-
Executive Secretary	1.0	-	-	4,810-6,166	-	-
Administrative Coordinator I	0.2	-	-	4,069-5,217	-	-
Enhanced Collections:						
Senior Manager	0.6	-	-	10,367-13,528	-	-
Senior Court Services Analyst	0.6	-	-	5,938-7,608	-	-
Court Services Analyst	1.2	-	-	5,406-6,925	-	-
Administrative Coordinator II	0.6	-	-	4,477-5,738	-	-
Temporary Help	-	-	-	(10,000)	-	-
Totals, Southern Regional Office	7.6	-	-	\$526,157	\$0	\$0
Northern/Central Regional Office:						
Regional Administrative Director	0.6	1.0	1.0	11,557-15,122	167,186	173,035
Manager	1.0	1.0	1.0	8,164-12,744	99,256	102,730
Senior Court Services Analyst	1.0	1.0	1.0	5,938-7,608	71,764	74,276

ORGANIZATIONAL UNIT Classification	NUMBER OF POSITIONS			EXPENDITURES		
	Filled 2011-12	Authorized 2012-13	Proposed 2013-14	Actual 2011-12 (Salary Range)	Estimated 2012-13	Proposed 2013-14
Regional Court Interpreter Coordinator	0.7	-	-	4,925-6,311	-	-
Executive Secretary	1.0	1.0	1.0	4,810-6,166	66,850	66,934
Administrative Coordinator I	0.9	2.0	2.0	4,069-5,217	104,498	108,161
Trial Court Process-Re-engineering (Support):						
Manager	1.0	1.0	1.0	8,164-12,744	124,624	128,982
Senior Court Services Analyst	1.0	1.0	1.0	5,938-7,608	77,175	79,872
Temporary Help	-	-	-	0	1,424	1,424
Totals, Northern/Central Regional Office	7.2	8.0	8.0	\$635,680	\$712,777	\$735,414
Bay Area Regional Office:						
Regional Administrative Director	1.0	1.0	-	11,557-15,122	103,484	-
Assistant Division Director	1.0	-	-	10,367-13,778	-	-
Court Services Analyst	1.0	-	-	5,406-6,925	-	-
Regional Court Interpreter Coordinator	0.7	-	-	4,925-6,311	-	-
Executive Secretary	1.0	-	-	4,810-6,166	-	-
California Risk Assessment Pilot Project:						
Manager	0.6	-	-	8,164-12,744	-	-
Temporary Help	-	-	-	(20,000)	-	-
Totals, Bay Area Regional Office	5.3	1.0	-	\$675,668	\$103,484	\$0
Totals, Regional Offices	20.1	9.0	8.0	\$1,837,505	\$816,261	\$735,414
Trial Court Administrative Services						
TCAS Phoenix FI-GL:						
Division Director	0.6	1.0	1.0	11,007-14,950	125,982	130,388
Senior Manager	2.9	2.0	2.0	10,367-13,528	293,718	293,718
Manager	2.0	1.0	1.0	8,164-12,744	101,854	105,420
Supervising Court Services Analyst	1.0	1.0	1.0	6,844-10,146	85,390	88,383
Senior Court Services Analyst	3.0	3.0	3.0	5,938-7,608	235,511	240,709
Senior Accountant	4.0	4.0	4.0	5,938-7,608	322,914	326,671
Business Applications Analyst	5.2	5.0	5.0	5,924-7,969	411,257	422,370
Court Services Analyst	1.9	1.0	1.0	5,406-6,925	68,605	71,009
Accountant	1.0	1.0	1.0	5,406-6,925	72,664	74,629
Administrative Coordinator II	1.0	1.0	1.0	4,477-5,738	62,298	62,298
Administrative Coordinator I	1.0	1.0	1.0	4,069-5,217	51,631	53,439
Receptionist II	1.0	1.0	1.0	3,024-3,874	40,524	41,662
TCAS Phoenix FI-TCTF:						
Manager	1.0	1.0	1.0	8,164-12,744	108,172	111,958
Supervising Accountant	4.0	4.0	4.0	6,844-10,146	374,008	387,104
Senior Business Applications Analyst	1.0	1.0	1.0	6,516-8,767	100,344	100,344
Senior Accountant	5.0	7.0	7.0	5,938-7,608	552,909	565,123
Business Applications Analyst	1.0	1.0	1.0	5,924-7,969	83,890	85,970
Court Services Analyst	1.0	1.0	1.0	5,406-6,925	68,712	71,119
Accountant	9.9	13.0	13.0	5,406-6,925	933,095	953,453
Staff Accountant	12.9	13.0	13.0	4,925-6,311	836,611	861,732
Accounting Technician	14.5	14.0	14.0	4,069-5,217	757,555	778,521
Staff Analyst I	0.9	1.0	1.0	4,069-5,217	56,195	56,633
TCAS Phoenix HR-TCTF:						
Manager	1.0	-	-	8,164-12,744	-	-
Supervising Pay and Benefits Specialist	1.0	1.0	1.0	6,844-10,146	100,621	104,142
Business Applications Analyst	1.0	1.0	1.0	5,924-7,969	78,942	81,704

ORGANIZATIONAL UNIT Classification	NUMBER OF POSITIONS			EXPENDITURES		
	Filled 2011-12	Authorized 2012-13	Proposed 2013-14	Actual 2011-12 (Salary Range)	Estimated 2012-13	Proposed 2013-14
Pay and Benefits Specialist II	5.5	5.0	5.0	4,925-6,311	322,828	333,293
Pay and Benefits Specialist I	2.7	3.0	3.0	4,477-5,738	179,732	182,841
Trial Court Central Procurement-Support:						
Supervising Contract Specialist	1.0	1.0	1.0	6,844-10,146	105,139	108,436
Contract Specialist	2.0	3.0	3.0	5,406-6,925	218,932	221,336
Accounting Technician	0.1	1.0	1.0	4,069-5,217	55,150	56,522
Procurement Specialist	0.8	-	-	4,069-5,217	-	-
Temporary Help	0.5	1.0	1.0	(80,406)	225,007	225,007
Totals, Trial Court Administrative Services	91.4	94.0	94.0	\$6,922,641	\$7,030,190	\$7,195,934
Finance Division						
Finance Administration:						
Division Director	1.0	1.0	1.0	11,007-14,950	155,477	160,914
Assistant Division Director	0.9	-	-	10,367-13,778	-	-
Supervising Budget Analyst	1.0	1.0	1.0	6,844-10,146	116,127	116,127
Executive Secretary	1.0	1.0	1.0	4,810-6,166	70,574	70,574
Administrative Coordinator I	1.0	1.0	1.0	4,069-5,217	59,712	59,712
Office of Accounting & Business Svcs:						
Accounting Services:						
Assistant Division Director	1.0	1.0	1.0	10,367-13,778	157,698	157,698
Manager	0.6	1.0	1.0	8,164-12,744	122,182	126,462
Supervising Accountant	3.0	3.0	3.0	6,844-10,146	343,619	347,877
Senior Accountant	1.0	2.0	2.0	5,938-7,608	166,453	169,235
Accounting Operations Supervisor	1.0	1.0	1.0	5,665-7,259	83,084	83,084
Accountant	2.0	3.0	3.0	5,406-6,925	230,767	233,296
Staff Accountant	6.0	6.0	6.0	4,925-6,311	429,896	432,304
Accounting Technician	7.0	8.0	8.0	4,069-5,217	463,641	471,574
Secretary II	1.0	1.0	1.0	3,477-4,457	51,013	51,013
Business Services:						
Senior Manager	0.9	1.0	1.0	10,367-13,528	143,030	148,035
Supervising Contract Specialist	1.0	1.0	1.0	6,844-10,146	106,464	110,191
Supervising Procurement Specialist	1.0	1.0	1.0	6,150-7,885	90,249	90,249
Senior Contract Specialist	0.3	2.0	2.0	5,938-7,608	158,750	164,314
Contract Specialist	2.0	2.0	2.0	5,406-6,925	158,411	158,522
Telecommunications Specialist	1.0	1.0	1.0	4,925-6,311	72,233	72,233
Administrative Coordinator I	1.0	1.0	1.0	4,069-5,217	59,712	59,712
Procurement Specialist	3.0	3.0	3.0	4,069-5,217	176,580	178,314
Accounting Services-Facilities:						
Supervising Accountant	1.0	1.0	1.0	6,844-10,146	93,572	96,849
Senior Accountant	1.0	1.0	1.0	5,938-7,608	87,078	87,078
Accountant	3.0	3.0	3.0	5,406-6,925	226,768	231,858
Staff Accountant	0.9	1.0	1.0	4,925-6,311	66,659	68,990
Accounting Technician	1.0	1.0	1.0	4,069-5,217	55,860	57,812
Business Services-Facilities:						
Senior Contract Specialist	1.3	2.0	2.0	5,938-7,608	166,453	169,235
Contract Specialist	1.0	1.0	1.0	5,406-6,925	79,261	79,261
Internal Audit Services:						
Internal Audits:						
Senior Manager	1.0	1.0	1.0	10,367-13,528	151,476	154,656

ORGANIZATIONAL UNIT Classification	NUMBER OF POSITIONS			EXPENDITURES		
	Filled 2011-12	Authorized 2012-13	Proposed 2013-14	Actual 2011-12 (Salary Range)	Estimated 2012-13	Proposed 2013-14
Supervising Internal Auditor	1.0	1.0	1.0	6,844-10,146	102,926	106,532
Senior Internal Auditor	1.5	2.0	2.0	5,938-7,989	163,555	169,270
Internal Auditor II	3.0	3.0	3.0	5,406-7,271	238,360	243,176
Internal Auditor I	0.4	1.0	1.0	4,913-6,610	67,460	69,818
Internal Audits-Facilities:						
Internal Auditor II	1.0	1.0	1.0	5,406-7,271	83,221	83,221
Internal Audits-Trial Courts:						
Supervising Internal Auditor	1.0	1.0	1.0	6,844-10,146	101,545	105,105
Internal Auditor II	1.0	1.0	1.0	5,406-7,271	78,990	81,752
Internal Auditor I	2.9	3.0	3.0	4,913-6,610	208,757	216,059
Office of Budget Management:						
Budgets:						
Manager	2.0	2.0	2.0	8,164-12,744	219,622	227,306
Supervising Budget Analyst	4.9	4.0	4.0	6,844-10,146	396,092	405,887
Senior Budget Analyst	7.7	7.0	7.0	5,938-7,608	590,526	594,852
Business Applications Analyst	1.0	1.0	1.0	5,924-7,969	84,402	87,360
Budget Analyst	2.0	1.0	1.0	5,406-6,925	79,261	79,261
Secretary II	1.0	-	-	3,477-4,457	-	-
Budgets-Facilities:						
Senior Budget Analyst	1.4	2.0	2.0	5,938-7,608	157,869	160,501
Treasury Services:						
Trial Court Support-Cash Management:						
Senior Accountant	1.0	1.0	1.0	5,938-7,608	82,591	82,591
Staff Accountant	1.0	1.0	1.0	4,925-6,311	65,057	67,209
Treasury Services Unit:						
Manager	1.0	1.0	1.0	8,164-12,744	143,720	145,863
Accountant	1.0	1.0	1.0	5,406-6,925	73,634	75,198
Trial Court Procurement						
Contract Specialist	0.5	1.0	1.0	5,406-6,925	73,509	76,085
Senior Procurement Specialist	1.0	1.0	1.0	4,477-5,738	62,298	62,298
TCIF-Enhanced Collections						
Assistant Division Director	-	1.0	1.0	10,367-13,778	153,222	157,697
Senior Manager	0.1	1.0	1.0	10,367-13,528	136,042	140,804
Senior Court Services Analyst	0.4	1.0	1.0	5,938-7,608	80,146	82,866
Court Services Analyst	0.8	2.0	2.0	5,406-6,925	151,458	153,860
Administrative Coordinator II	0.4	1.0	1.0	4,477-5,738	62,195	63,821
Temporary Help	1.0	1.0	1.0	(63,444)	206,275	206,275
Totals, Finance Division	87.9	96.0	96.0	\$7,617,411	\$8,205,532	\$8,351,846
Human Resources (HR) Division						
HR Directors Office:						
Division Director	0.8	-	-	11,007-14,950	-	-
Assistant Division Director	1.0	1.0	1.0	10,367-13,778	157,698	157,698
Lead Management and Program Analyst	0.5	1.0	1.0	6,234-7,988	91,427	91,427
Executive Secretary	0.9	-	-	4,810-6,166	-	-
Labor & Employee Relations Unit:						
Senior Manager	1.0	1.0	1.0	10,367-13,528	148,801	153,214
Senior Labor and Employee Relations Officer	1.0	1.0	1.0	8,508-11,970	137,004	137,004
Manager	-	1.0	1.0	8,164-12,744	122,182	126,462

ORGANIZATIONAL UNIT Classification	NUMBER OF POSITIONS			EXPENDITURES		
	Filled 2011-12	Authorized 2012-13	Proposed 2013-14	Actual 2011-12 (Salary Range)	Estimated 2012-13	Proposed 2013-14
Labor and Employee Relations Officer	1.0	1.0	1.0	7,516-10,575	109,283	113,105
Labor and Employee Relations Officer II	1.1	2.0	2.0	7,516-10,575	193,134	199,886
Senior Human Resource Analyst	1.0	2.0	2.0	5,938-7,608	159,975	165,572
Staff Analyst I	-	1.0	1.0	4,069-5,217	54,412	56,312
Secretary II	0.3	-	-	3,477-4,457	-	-
Compensation & Benefits Unit:						
Senior Manager	1.0	1.0	1.0	10,367-13,528	146,421	151,545
Supervising Human Resource Analyst	0.6	1.0	1.0	6,844-10,146	86,587	89,618
Senior Human Resource Analyst	0.4	3.0	3.0	5,938-7,608	250,243	253,864
Human Resources Analyst	1.3	1.0	1.0	5,406-6,925	79,261	79,261
Staff Analyst II	0.4	2.0	2.0	4,477-5,738	117,398	121,507
Administrative Coordinator I	0.9	-	-	4,069-5,217	-	-
Recruitment-Administration:						
Supervising Business Applications Analyst	1.0	1.0	1.0	7,493-10,146	104,371	108,020
Human Resources Analyst	0.3	-	-	5,406-6,925	-	-
HR Mgmt Info Services:						
Senior Business Applications Analyst	1.0	1.0	1.0	6,516-8,767	97,528	100,138
Business Applications Analyst	1.0	1.0	1.0	5,924-7,969	91,210	91,210
Administrative Coordinator I	0.1	1.0	1.0	4,069-5,217	59,712	59,712
Staff Analyst I	0.4	-	-	4,069-5,217	-	-
Office Assistant II	0.1	1.0	1.0	2,574-3,279	34,343	35,544
Pay and Benefits-Administration:						
Supervising Pay and Benefits Specialist	1.0	1.0	1.0	6,844-10,146	112,052	115,978
Senior Pay and Benefits Specialist	1.0	1.0	1.0	5,406-6,925	79,261	79,261
Pay and Benefits Specialist II	3.1	3.0	3.0	4,925-6,311	208,065	212,190
Recruit, Class, Strategy and Policy Development:						
Administrative Coordinator II	1.0	1.0	1.0	4,477-5,738	65,334	65,675
Staff Analyst II	1.0	1.0	1.0	4,477-5,738	62,171	64,290
Labor Employee Relations-Facilities:						
Senior Human Resources Analyst	1.0	1.0	1.0	5,938-7,608	87,078	87,078
Human Resources Analyst	1.0	1.0	1.0	5,406-6,925	75,842	78,410
Pay and Benefits, Facilities:						
Pay and Benefits Specialist II	1.0	1.0	1.0	4,925-6,311	71,303	72,233
HR Infrastructure & Workforce Planning:						
Supervising Human Resource Analyst	0.6	-	-	6,844-10,146	-	-
Human Resources Analyst	0.4	-	-	5,406-6,925	-	-
Office Assistant II	0.6	-	-	2,574-3,297	-	-
Regional HR Support:						
Senior Human Resource Analyst	2.8	-	-	5,938-7,608	-	-
Workers' Compensation Admin & IDM:						
Senior Human Resource Analyst	0.4	1.0	1.0	5,938-7,608	76,340	79,011
Human Resources Analyst	-	1.0	1.0	5,406-6,925	72,245	74,774
Pay and Benefits Specialist II	0.9	-	-	4,925-6,311	-	-
Judicial Services Unit-Admin:						
Supervising Human Resource Analyst	0.4	1.0	1.0	5,938-7,608	95,388	98,722
Pay and Benefits Specialist II	1.0	1.0	1.0	4,925-6,311	72,233	72,233
Secretary II	0.3	-	-	3,477-4,457	-	-
Office Assistant II	0.3	-	-			

ORGANIZATIONAL UNIT Classification	NUMBER OF POSITIONS			EXPENDITURES		
	Filled 2011-12	Authorized 2012-13	Proposed 2013-14	Actual 2011-12 (Salary Range)	Estimated 2012-13	Proposed 2013-14
Temporary Help	1.0	1.0	1.0	(107,506)	321,346	321,346
Overtime	-	-	-	(5,893)	45	45
Totals, Human Resources Division	35.9	39.0	39.0	\$3,478,368	\$3,639,693	\$3,712,345
Information Services (IS) Division						
IS Administration:						
Division Director	1.0	1.0	1.0	11,007-14,950	169,338	171,112
Assistant Division Director	-	1.0	1.0	10,367-13,778	141,445	146,401
IS Tech Policy & Planning:						
Information Systems Manager	1.0	1.0	1.0	8,164-12,744	116,408	120,483
Senior Business Systems Analyst	-	1.0	1.0	6,516-8,767	100,344	100,344
Court Mgmt Sys & Statistical Information:						
Information Systems Manager	1.0	1.0	1.0	8,164-12,744	128,617	133,121
IS Development & Support:						
Senior Manager	1.0	1.0	1.0	10,367-13,528	151,051	154,638
Tech & User Support:						
Senior Manager	1.0	1.0	1.0	10,367-13,528	152,795	154,737
Information Systems Manager	1.0	1.0	1.0	8,164-12,744	132,725	137,374
Enterprise Resource Planning Systems Group:						
Senior Manager	1.0	1.0	1.0	10,367-13,528	152,795	154,737
Enterprise Resource Planning Systems Group (Facilities):						
Senior Business Systems Analyst	2.0	2.0	2.0	6,516-8,767	195,217	200,382
Business Systems Analyst	1.9	2.0	2.0	5,924-7,969	176,226	181,916
IS Technical and User Support, (Facilities):						
Senior Technical Analyst	1.0	2.0	2.0	6,516-8,767	189,837	192,973
Executive Analyst Support						
Special Consultant	0.9	0.9	1.0	2,340-17,034	117,947	122,079
Management and Program Analyst	1.0	1.0	1.0	5,938-7,608	87,078	87,078
Executive Administrative Support						
Supervising Administrative Coordinator	1.0	1.0	1.0	5,665-7,259	80,546	82,549
Administrative Secretary	1.9	2.0	2.0	3,827-4,902	116,626	115,009
ISB Analytical Support:						
Senior Manager	-	1.0	1.0	10,367-13,528	137,930	142,757
Senior Business Systems Analyst	1.0	-	-	6,516-8,767	-	-
Justice Partner Outreach:						
Senior Business Systems Analyst	1.0	1.0	1.0	6,516-8,767	100,344	100,344
Business Systems Analyst	-	1.0	1.0	5,924-7,969	81,344	84,194
E-Filing:						
Senior Business Systems Analyst	1.0	1.0	1.0	6,516-8,767	95,511	98,858
E-Business:						
Supervising IS Analyst-A	-	1.0	1.0	7,493-10,146	106,158	109,878
Administrative Coordinator II	1.0	1.0	1.0	4,477-5,738	65,675	65,675
CARS ERP-Phoenix Project Support:						
Supervising IS Analyst-A	1.0	1.0	1.0	7,493-10,146	110,511	114,380
Senior Application Development Analyst	1.0	2.0	2.0	6,729-10,653	223,498	227,058
Senior Business Systems Analyst	0.7	1.0	1.0	6,516-8,767	89,493	92,629
CARS TUS-Phoenix Project Support:						
Senior Systems Administrator	2.0	2.0	2.0	4,923-6,624	147,740	147,740
CHRIS-Phoenix Project Support:						

ORGANIZATIONAL UNIT Classification	NUMBER OF POSITIONS			EXPENDITURES		
	Filled 2011-12	Authorized 2012-13	Proposed 2013-14	Actual 2011-12 (Salary Range)	Estimated 2012-13	Proposed 2013-14
Senior Application Development Analyst	1.7	3.0	3.0	6,729-10,653	315,467	326,520
Senior Business Systems Analyst	1.0	1.0	1.0	6,516-8,767	100,344	100,344
Technology Center Support:						
Senior Manager	1.0	1.0	1.0	10,367-13,528	153,482	154,836
Administrative Service-Contracts and Procurement:						
Senior Administrative Coordinator	1.0	1.0	1.0	4,925-6,311	69,910	71,801
Administrative Coordinator II	2.0	2.0	2.0	4,477-5,738	126,141	129,419
Administrative Service-Budgets:						
Senior Budget Analyst	0.8	1.0	1.0	5,938-7,608	82,294	85,155
DI/CCMS Deployment:						
Senior Manager	-	1.0	1.0	10,367-13,528	132,758	137,404
California Law Enforcement Telecom Network (Support):						
Business Systems Analyst	1.0	1.0	1.0	5,924-7,969	76,241	78,912
ACCMS, Web and Database Administration:						
Information Systems Manager	1.0	1.0	1.0	8,164-12,744	133,396	138,060
ACCMS:						
Supervising IS Analyst-A	0.9	1.0	1.0	8,164-12,744	117,409	116,127
Senior Application Development Analyst	0.3	1.0	1.0	6,729-10,653	101,568	105,128
Application Development Analyst	2.0	2.0	2.0	6,096-9,650	220,900	220,900
Business Systems Analyst	0.9	1.0	1.0	5,924-7,969	90,752	88,646
Web Development:						
Senior Manager	-	1.0	1.0	10,367-13,528	150,464	154,836
Supervising Business Applications Analyst	1.0	1.0	1.0	7,493-10,146	105,278	108,958
Senior Application Development Analyst	1.0	1.0	1.0	6,729-10,653	114,841	118,859
Senior Business Systems Analyst	1.0	1.0	1.0	6,516-8,767	100,344	100,344
Application Development Analyst	2.0	2.0	2.0	6,096-9,650	216,054	220,548
Business Systems Analyst	-	1.0	1.0	5,924-7,969	81,344	84,194
Business Applications Analyst	1.0	1.0	1.0	5,924-7,969	81,544	84,398
Traffic eCitation eFiling Grant:						
Senior Business Systems Analyst	0.3	-	-	6,516-8,767	-	-
CCMS-Development & Prog Mgmt Support:						
Information Systems Manager	1.0	1.0	1.0	8,164-12,744	117,424	121,533
Senior Application Development Analyst	1.0	1.0	1.0	6,729-10,653	99,027	102,495
CCMS-Support:						
Senior Application Development Analyst	1.0	1.0	1.0	6,729-10,653	121,930	121,930
Senior Business Systems Analyst	1.0	1.0	1.0	5,924-7,969	99,696	100,344
Database Support:						
Senior Application Development Analyst	2.0	2.0	2.0	6,729-10,653	243,860	243,860
Application Development Analyst	1.0	1.0	1.0	6,096-9,650	107,871	110,000
Interim CCMS:						
Supervising IS Analyst -A	1.0	1.0	1.0	7,493-10,146	104,673	108,333
Senior Business Systems Analyst	1.0	1.0	1.0	6,516-8,767	94,542	97,847
Business Systems Analyst	1.0	1.0	1.0	5,924-7,969	91,210	91,210
Technical Support:						
Supervising IS Analyst -B	1.0	1.0	1.0	7,868-10,586	121,163	121,163
Senior Technical Analyst	5.0	4.0	4.0	6,516-8,767	394,774	398,053
Technical Analyst	1.9	-	-	5,924-7,969	-	-
Desktop Support:						

ORGANIZATIONAL UNIT Classification	NUMBER OF POSITIONS			EXPENDITURES		
	Filled 2011-12	Authorized 2012-13	Proposed 2013-14	Actual 2011-12 (Salary Range)	Estimated 2012-13	Proposed 2013-14
Supervising IS Analyst -B	1.0	1.0	1.0	7,868-10,586	121,163	121,163
Systems Administrator II	4.0	5.0	5.0	4,477-6,024	323,953	331,345
User Support:						
Supervising IS Analyst -B	0.9	-	-	7,868-10,586	-	-
Business Systems Analyst	2.9	3.0	3.0	5,924-7,969	262,229	265,022
Network Infrastructure & Security Architecture:						
Supervising IS Analyst-A	1.0	1.0	1.0	8,164-12,744	116,127	116,127
Senior Technical Analyst	-	2.0	2.0	6,516-8,767	189,837	192,973
Technical Analyst	-	1.0	1.0	5,924-7,969	91,210	91,210
Administrative Systems Development:						
Supervising IS Analyst-A	1.0	1.0	1.0	8,164-12,744	116,127	116,127
Senior Application Development Analyst	4.5	5.0	5.0	6,729-10,653	590,891	594,502
Senior Business Systems Analyst	1.0	2.0	2.0	6,516-8,767	189,837	192,973
Application Development Analyst	1.0	1.0	1.0	6,096-9,650	110,450	110,450
Phoenix:						
Informations System Manager	-	1.0	1.0	8,164-12,744	122,182	126,462
Phoenix Support:						
Senior Application Development Analyst	2.0	2.0	2.0	6,729-10,653	241,128	243,402
CCTC Support:						
Supervising IS Analyst-A	0.9	1.0	1.0	8,164-12,744	116,127	116,127
Desktop Support-Facilities:						
Systems Administrator II	2.0	1.0	1.0	4,477-6,024	65,675	67,974
CCTC Steady State:						
Supervising IS Analyst-A	1.0	1.0	1.0	8,164-12,744	109,346	113,171
Senior Business Systems Analyst	3.0	3.0	3.0	6,516-8,767	283,483	292,104
CCTC Operations:						
Senior Business Systems Analyst	1.2	1.0	1.0	6,516-8,767	98,127	99,977
Staff Analyst II	1.0	1.0	1.0	4,477-5,738	65,675	65,675
Network & Security Architecture CCTC:						
Senior Technical Analyst	2.0	2.0	2.0	6,516-8,767	184,818	187,780
Administrative Services CCTC:						
Administrative Coordinator II	1.0	1.0	1.0	4,477-5,738	60,536	62,659
ICMS/CCMS Release Management:						
Information Systems Manager	1.0	1.0	1.0	8,164-12,744	137,118	141,914
ICMS/CCMS Release Management Support:						
Senior Business Systems Analyst	1.0	1.0	1.0	6,516-8,767	92,922	96,171
Senior Business Applications Analyst	-	2.0	2.0	6,516-8,767	186,187	189,378
Business Applications Analyst	-	1.0	1.0	5,924-7,969	70,474	72,939
CCMS Development:						
Information Systems Manager	1.0	-	-	8,164-12,744	-	-
CCMS Development Support:						
Senior Business Systems Analyst	1.0	-	-	6,516-8,767	-	-
DI/CCMS Deployment Temp:						
Senior Manager	0.6	1.0	1.0	10,367-13,528	140,014	144,913
Information Systems Manager	0.4	-	-	8,164-12,744	-	-
CCMS Deployment Staff-Support:						
Senior Application Development Analyst	1.0	1.0	1.0	6,729-10,653	104,238	107,883
Senior Business Systems Analyst	0.4	-	-	6,516-8,767	-	-

ORGANIZATIONAL UNIT Classification	NUMBER OF POSITIONS			EXPENDITURES		
	Filled 2011-12	Authorized 2012-13	Proposed 2013-14	Actual 2011-12 (Salary Range)	Estimated 2012-13	Proposed 2013-14
Network & Security Architecture CCMS:						
Senior Technical Analyst	0.9	1.0	1.0	6,516-8,767	89,493	92,629
Database Support CCMS:						
Senior Application Development Analyst	1.0	1.0	1.0	6,729-10,653	116,534	120,375
ISB-CCMS:						
Senior Application Development Analyst	1.0	1.0	1.0	6,729-10,653	101,568	105,128
Tibco Development CCMS:						
Senior Application Development Analyst	2.0	1.0	1.0	6,729-10,653	101,568	105,128
Justice Partner Outreach e-Business:						
Informations System Manager	1.0	1.0	1.0	8,164-12,744	136,712	140,420
State Partner Interfaces:						
Senior Business Systems Analyst	0.3	1.0	1.0	6,516-8,767	112,510	100,344
ISB-Support:						
Senior Application Development Analyst	1.0	1.0	1.0	6,729-10,653	89,493	92,629
Senior Technical Analyst	0.4	-	-	6,516-8,767	-	-
Enterprise Testing:						
Information Systems Manager	1.0	1.0	1.0	8,164-12,744	136,681	141,456
Technology Committee Support:						
Manager	-	1.0	1.0	8,164-12,744	135,756	140,512
Senior Business Applications Analyst	-	1.0	1.0	6,516-8,767	89,386	92,517
Temporary Help	-	-	-	(207,862)	9,823	9,823
Overtime	-	-	-	(402)	230	230
Totals, Information Systems	109.6	124.9	125.0	\$11,507,852	\$12,843,528	\$13,082,215
CCMS Program Management Office						
Executive Management Support - CCMS						
Division Director	1.0	-	-	11,007-14,950	-	-
Program Management Office						
Manager	1.0	-	-	8,164-12,744	-	-
Senior Business Applications Analyst	1.0	-	-	6,516-8,767	-	-
Executive Secretary	0.7	-	-	4,810-6,166	-	-
Administrative Coordinator II	0.3	-	-	4,477-5,738	-	-
Product Development - CCMS						
Senior Manager	1.0	-	-	10,367-13,528	-	-
Manager	1.0	-	-	6,516-8,767	-	-
Senior Business Applications Analyst	2.8	-	-	4,810-6,166	-	-
Trial Court Services						
Manager	1.0	-	-	10,367-13,528	-	-
Senior Business Applications Analyst	-	-	-	6,516-8,767	-	-
Product Assurance						
Manager	1.0	-	-	10,367-13,528	-	-
Senior Business Applications Analyst	1.1	-	-	6,516-8,767	-	-
Court Services Analyst	5.8	-	-	5,406-6,925	-	-
V3 Maintenance and Support						
Senior Business Applications Analyst	1.0	-	-	6,516-8,767	-	-
Temporary Help	-	-	-	(9,405)	-	-
Totals, CCMS Program Management Office	18.7	-	-	\$1,925,501	\$0	\$0
PLP/Furlough Reduction					(\$3,803,782)	(\$3,874,758)
Totals, Judicial Council	695.7	698.3	697.4	64,914,907	63,191,058	64,198,771

ORGANIZATIONAL UNIT Classification	NUMBER OF POSITIONS			EXPENDITURES		
	Filled 2011-12	Authorized 2012-13	Proposed 2013-14	Actual 2011-12 (Salary Range)	Estimated 2012-13	Proposed 2013-14
Judicial Branch Facility Program						
Executive Management:						
Division Director	1.0	1.0	1.0	11,007-14,950	164,473	170,230
Assistant Division Director	2.0	2.0	2.0	10,367-13,778	294,802	304,735
Senior Court Services Analyst	0.5	1.0	1.0	5,924-7,969	84,675	86,603
Court Services Analyst	0.5	-	-	5,406-6,925	-	-
Executive Secretary	0.9	1.0	1.0	4,810-6,166	61,743	63,905
Business and Finance:						
Manager	1.0	1.0	1.0	8,164-12,744	127,832	132,304
Utility Engineer/Analyst	2.0	2.0	2.0	7,281-9,327	193,151	196,371
Supervising Budget Analyst	1.0	1.0	1.0	6,844-10,146	84,409	87,368
Senior Budget Analyst	2.4	2.0	2.0	5,938-7,608	154,636	159,050
Budget Analyst	3.4	4.0	4.0	5,406-6,925	297,727	302,670
Staff Analyst II	1.9	2.0	2.0	4,477-5,738	108,241	112,029
Administrative Coordinator I	1.0	1.0	1.0	4,069-5,217	51,558	53,360
Planning and Policy:						
Senior Manager	1.0	1.0	1.0	10,367-13,528	140,778	145,708
Supervising Facilities Planner	0.9	1.0	1.0	7,421-9,510	103,251	103,251
Senior Facilities Planner	2.0	2.0	2.0	6,532-8,368	180,935	183,954
Staff Analyst II	1.0	1.0	1.0	4,477-5,738	63,494	63,821
Administrative Coordinator I	1.0	2.0	2.0	4,069-5,217	103,009	106,615
Design and Construction:						
Senior Manager	1.0	1.0	1.0	10,367-13,528	140,127	145,028
Principal Architect	1.0	1.0	1.0	8,686-11,128	127,367	127,367
Senior Design & Construction Project Manager	3.0	3.0	3.0	8,686-11,128	353,045	360,998
Manager	3.3	4.0	4.0	8,164-12,744	503,864	516,657
Design & Construction-Project Manager III	7.2	11.0	11.0	7,281-9,327	1,042,793	1,078,570
Senior Construction Inspector	2.0	5.0	5.0	6,949-8,902	459,089	471,758
Senior Administrative Coordinator	1.5	1.0	1.0	4,925-6,311	69,930	72,170
Administrative Coordinator II	0.5	1.0	1.0	4,477-5,538	54,618	56,530
Staff Analyst II	0.5	1.0	1.0	4,477-5,538	62,298	62,298
Administrative Coordinator I	0.5	1.0	1.0	4,069-5,217	51,608	53,417
Real Estate:						
Manager	1.0	1.0	1.0	8,164-12,744	129,810	134,357
Senior Real Estate Analyst	3.9	6.0	6.0	6,532-8,368	498,215	511,872
Senior Administrative Coordinator	1.0	1.0	1.0	4,925-6,311	69,727	72,165
Administrative Coordinator I	-	1.0	1.0	4,069-5,217	51,602	53,411
Facilities Management:						
Senior Manager	0.6	1.0	1.0	10,367-13,528	131,588	136,191
Manager	1.0	1.0	1.0	8,164-12,744	97,497	100,906
Regional Manager of Facility Operations	3.2	5.0	5.0	8,164-10,460	558,138	573,058
Supervising Facilities Management Administrator	9.8	9.0	9.0	7,421-9,510	853,349	879,720
Mechanical, Electrical, Plumbing (MEP) Engineer	1.0	2.0	2.0	7,281-9,327	204,052	207,463
Facilities Management Administrator	8.3	25.0	25.0	5,938-7,608	2,125,293	2,197,529
Senior Court Services Analyst	1.0	1.0	1.0	5,665-7,259	81,224	82,591
O&M Customer Support Supervisor	1.0	1.0	1.0	5,406-6,925	71,878	74,396
Court Services Analyst	2.0	2.0	2.0	4,925-6,311	133,725	138,412
Facilities Management Specialist	1.4	2.0	2.0	4,477-5,738	124,720	129,093

ORGANIZATIONAL UNIT Classification	NUMBER OF POSITIONS			EXPENDITURES		
	Filled 2011-12	Authorized 2012-13	Proposed 2013-14	Actual 2011-12 (Salary Range)	Estimated 2012-13	Proposed 2013-14
Administrative Coordinator II	1.0	1.0	1.0	4,477-5,738	57,255	59,263
Staff Analyst II	1.0	1.0	1.0	4,477-5,738	59,388	61,466
O&M Customer Support Representative II	2.0	2.0	2.0	4,069-5,217	115,177	119,037
Administrative Coordinator I	-	3.0	3.0	4,069-5,217	158,893	164,457
Staff Analyst I	-	1.0	1.0	4,069-5,217	51,602	53,411
O&M Customer Support Representative I	3.0	4.0	4.0	4,069-5,217	201,865	208,941
Environmental Analysis and Compliance:						
Manager	1.0	1.0	1.0	8,164-12,744	115,349	119,389
Environmental Analyst	2.0	2.0	2.0	7,281-9,327	205,037	205,037
Appellate and AOC Facilities:						
Assistant Division Director	1.0	1.0	1.0	10,367-13,778	146,992	152,139
Senior Design & Construction Project Manager	1.0	1.0	1.0	8,686-11,128	120,286	120,814
Senior Facilities Planner	1.5	2.0	2.0	6,532-8,368	188,807	190,982
Health and Safety Analyst	1.0	1.0	1.0	6,317-8,094	92,641	92,641
Facilities Planner	0.5	-	-	5,938-7,608	-	-
Portfolio Administration:						
Manager	-	1.0	1.0	8,164-12,744	122,182	126,462
Senior Business Applications Analyst	0.4	1.0	1.0	6,516-8,767	81,242	84,084
Business Applications Analyst	0.6	1.0	1.0	5,924-7,969	81,338	84,188
Portfolio Administration Analyst	2.2	3.0	3.0	5,665-7,259	232,365	237,920
Administrative Coordinator II	0.4	1.0	1.0	4,477-5,738	59,849	61,944
Risk Management:						
Senior Facilities Risk Manager	1.0	1.0	1.0	10,367-13,528	146,992	152,139
Health and Safety Analyst	2.2	3.0	3.0	6,317-8,094	264,479	267,902
Court Services Analyst	0.5	1.0	1.0	5,406-6,925	70,167	72,622
Staff Analyst II	0.5	-	-	4,477-5,738	-	-
Secretary II	1.0	1.0	1.0	3,477-4,457	44,059	45,600
Temporary Help	1.0	1.0	1.0	(127,709)	228,627	228,627
Overtime	-	-	-	(12,513)	13,490	13,490
PLP/Furlough Reduction					(796,183)	(\$816,661)
Totals, Judicial Branch Facility Program	104.0	146.0	146.0	\$9,470,800	\$13,068,353	\$13,430,486
Habeas Corpus Resource Center (HCRC)						
Executive Director	1.0	1.0	1.0	11,152-14,950	171,112	171,112
Deputy Director	1.0	1.0	1.0	10,296-13,083	149,743	149,743
Senior Habeas Corpus Counsel	7.3	9.0	9.0	9,891-13,197	1,253,868	1,283,423
Assistant Director	1.0	1.0	1.0	9,809-11,921	136,443	136,443
Habeas Corpus Counsel III	7.3	6.0	6.0	8,969-11,970	684,577	703,741
HCRC Information Systems Manager	1.0	1.0	1.0	8,606-12,744	114,027	118,021
Habeas Corpus Counsel II	2.3	3.0	3.0	7,925-10,575	315,807	326,396
Habeas Corpus Counsel I	5.3	6.0	6.0	6,883-8,748	496,839	514,212
Research & Information Management Specialist	1.0	1.0	1.0	6,870-8,350	84,720	87,690
Staff Attorney III	1.7	3.0	3.0	6,262-7,955	219,225	226,897
Supervising Administrative Coordinator	1.0	1.0	1.0	5,973-7,259	78,906	81,510
Supervising Paralegal	0.3	1.0	1.0	5,613-6,823	71,907	74,425
Staff Attorney II	1.0	2.0	2.0	5,193-5,985	126,334	130,760
Senior HCRC Administrative Coordinator	1.0	1.0	1.0	5,192-6,311	72,233	72,233
HCRC Systems Administrator	1.0	1.0	1.0	5,190-6,624	75,816	75,816
Staff Attorney I	2.1	2.0	2.0	5,174-5,174	118,440	118,440

ORGANIZATIONAL UNIT Classification	NUMBER OF POSITIONS			EXPENDITURES		
	Filled 2011-12	Authorized 2012-13	Proposed 2013-14	Actual 2011-12 (Salary Range)	Estimated 2012-13	Proposed 2013-14
Senior Paralegal-HCRC	5.8	6.0	6.0	4,882-5,932	391,301	395,490
Habeas Corpus Investigator II	3.8	4.0	4.0	4,882-5,932	252,728	259,538
Docket Specialist-HCRC	1.0	1.0	1.0	4,436-5,393	56,618	58,598
Paralegal II-HCRC	4.2	6.0	6.0	4,436-5,393	321,288	332,528
Habeas Corpus Investigator I	7.7	10.0	10.0	4,436-5,393	540,886	559,816
HCRC Administrative Coordinator I	0.8	1.0	1.0	4,290-5,217	54,407	56,307
Legal Secretary-HCRC	1.0	1.0	1.0	4,035-4,902	56,106	56,106
Paralegal I-HCRC	4.6	5.0	5.0	4,035-4,902	245,274	252,330
Administrative Services Assistant III-HCRC	1.0	1.0	1.0	3,352-4,073	46,618	46,618
Receptionist-HCRC	1.0	1.0	1.0	3,188-3,874	39,670	41,063
Litigation Support Assistant I	5.7	6.0	6.0	3,109-3,840	222,086	229,878
Case Assistant	3.3	4.0	4.0	3,047-3,704	143,610	148,633
Special Consultant-HCRC	1.8	2.0	2.0	2,340-12,890	133,677	135,844
Temporary Help	6.0	6.0	6.0	(132,191)	170,434	170,434
Overtime	-	-	-	(153,972)	420,000	420,000
PLP/Furlough Reduction					(414,302)	(424,814)
Totals, Habeas Corpus Resource Center	83.0	94.0	94.0	\$6,241,346	\$7,264,700	\$7,434,045
PLP/Furlough Reduction (For display purposes only)	-	-	-	-	(10,336,433)	(10,495,965)
TOTALS, AUTHORIZED POSITIONS	1,832.0	1,979.8	1,978.9	\$184,645,307	\$195,223,928	\$197,817,513
<i>Regular/Ongoing Positions</i>	<i>1,772.2</i>	<i>1,934.0</i>	<i>1,933.1</i>	<i>180,688,477</i>	<i>191,797,202</i>	<i>194,390,787</i>
<i>Temporary Help</i>	<i>59.8</i>	<i>45.8</i>	<i>45.8</i>	<i>3,737,755</i>	<i>2,981,839</i>	<i>2,981,839</i>
<i>Overtime</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>219,075</i>	<i>444,887</i>	<i>444,887</i>

ASSEMBLY BILL**No. 73****Introduced by Assembly Member Blumenfield**

January 10, 2013

An act making appropriations for the support of the government of the State of California and for several public purposes in accordance with the provisions of Section 12 of Article IV of the Constitution of the State of California, relating to the state budget, to take effect immediately, budget bill.

LEGISLATIVE COUNSEL'S DIGEST

AB 73, as introduced, Blumenfield. 2013–14 Budget.

This bill would make appropriations for support of state government for the 2013–14 fiscal year.

This bill would declare that it is to take effect immediately as a budget bill.

Vote: majority. Appropriation: yes. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1.00. This act shall be known and may be cited as the
2 “Budget Act of 2013.”
3 SEC. 1.50. (a) In accordance with Section 13338 of the Government
4 Code, as added by Chapter 1284 of the Statutes of 1978, and as amended
5 by Chapter 1286 of the Statutes of 1984, it is the intent of the Legislature
6 that this act utilize a coding scheme compatible with the Governor’s
7 Budget and the records of the Controller, and provide for the appropriation
8 of federal funds received by the state and deposited in the State Treasury.
9 (b) Essentially, the format and style are as follows:
10 (1) Appropriation item numbers have a code which is common to all
11 the state’s fiscal systems. The meaning of this common coded item number
12 is as follows:
13 2720—Organization Code (this code represents the California Highway
14 Patrol)
15 001—Reference Code (first appropriation for a particular fund for
16 support of each department)
17 0044—Fund Code (Motor Vehicle Account, State Transportation Fund)

1 (2) Appropriation items are organized in organization code order.

2 (3) All the appropriation items, reappropriation items, and reversion
3 items, if any, for each department or entity are adjacent to one another.

4 (4) Federal funds received by the state and deposited in the State
5 Treasury are appropriated in separate items.

6 (c) The Department of Finance may authorize revisions to the codes
7 used in this act in order to provide compatibility between the codes used
8 in this act and those used in the Governor's Budget and in the records of
9 the Controller.

10 (d) Notwithstanding any other provision of this act, the Department of
11 Finance may revise the schedule of any appropriation made in this act
12 where the revision is of a technical nature and is consistent with legislative
13 intent. These revisions may include, but shall not be limited to, the substi-
14 tution of category for program or program for category limitations, the
15 proper categorization of allocated administration costs and cost recoveries,
16 the distribution of any unallocated amounts within an appropriation and
17 the adjustment of schedules to facilitate departmental accounting opera-
18 tions, including the elimination of categories providing for amounts
19 payable from other items or other appropriations and the distribution of
20 unscheduled amounts to programs or categories. These revisions shall
21 include a certification that the revisions comply with the intent and limi-
22 tation of expenditures as appropriated by the Legislature.

23 (e) Notwithstanding any other provision of this act, when the Depart-
24 ment of Finance, pursuant to subdivision (d), approves the schedule or
25 revision of any appropriation relating to the elimination of amounts
26 payable, the language authorizing the transfer shall also be eliminated.

27 SEC. 1.80. (a) The following sums of money and those appropriated
28 by any other sections of this act, or so much thereof as may be necessary
29 unless otherwise provided herein, are hereby appropriated for the use and
30 support of the State of California for the 2013–14 fiscal year beginning
31 July 1, 2013, and ending June 30, 2014. All of these appropriations, unless
32 otherwise provided herein, shall be paid out of the General Fund in the
33 State Treasury.

34 (b) All capital outlay appropriations and reappropriations, unless other-
35 wise provided herein, are available as follows:

36 (1) Studies, preliminary plans, working drawings, and minor capital
37 outlay appropriations are available for encumbrance until June 30, 2014.

38 (2) Construction appropriations are available for encumbrance until
39 June 30, 2016, if allocated through fund transfer or approval to proceed
40 to bid by the Department of Finance by June 30, 2014. Any funds not al-
41 located by June 30, 2014, shall revert on July 1, 2014, to the fund from
42 which the appropriation was made.

43 (3) All other capital outlay appropriations are available for encumbrance
44 until June 30, 2016.

45 (c) Whenever by constitutional or statutory provision the revenues or
46 receipts of any institution, department, board, bureau, commission, officer,
47 employee, or other agency, or any moneys in any special fund created by

1 law therefor, are to be used for salaries, support, or any proper purpose,
 2 expenditures shall be made therefrom for any such purpose only to the
 3 extent of the amount therein appropriated, unless otherwise stated herein.

4 (d) Appropriations for purposes not otherwise provided for herein that
 5 have been heretofore made by any existing constitutional or statutory
 6 provision shall continue to be governed thereby.

7 SEC. 2.00. Items of appropriation.

8
 9 LEGISLATIVE/JUDICIAL/EXECUTIVE

10
 11 Legislative

12 13 Item	14 15	16 17 18 19 20 Amount
14 0110-001-0001—For support of Senate.....		109,350,000
15 Schedule:		
16 (1) 101001-Salaries of Senators.....	4,536,000	
17 (2) 317295-Mileage.....	11,000	
18 (3) 317292-Expenses.....	1,273,000	
19 (4) 500004-Operating Expenses.....	103,530,000	
20 Provisions:		
21 1. The funds appropriated in Schedule (4) are for		
22 operating expenses of the Senate, including		
23 personal services for officers, clerks, and all		
24 other employees, and legislative committees		
25 thereof composed in whole or in part of Mem-		
26 bers of the Senate, and for support of joint ex-		
27 penses of the Legislature, to be transferred by		
28 the Controller to the Senate Operating Fund.		
29 2. The funds appropriated in Schedules (1), (2),		
30 and (3) may be adjusted for transfers to or from		
31 the Senate Operating Fund.		
32 0120-011-0001—For support of Assembly.....		146,716,000
33 Schedule:		
34 (1) 101001-Salaries of Assembly		
35 Members.....	8,541,000	
36 (2) 317295-Mileage.....	8,000	
37 (3) 317292-Expenses.....	2,443,000	
38 (4) 500004-Operating Expenses.....	135,724,000	
39 Provisions:		
40 1. The funds appropriated in Schedule (4) are for		
41 operating expenses of the Assembly, including		
42 personal services for officers, clerks, and all		
43 other employees, and legislative committees		
44 thereof composed in whole or in part of Mem-		
45 bers of the Assembly, and for support of joint		
46 expenses of the Legislature, to be transferred by		
47 the Controller to the Assembly Operating Fund.		

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Item	Amount
1 2. The funds appropriated in Schedules (1), (2),	
2 and (3) may be adjusted for transfers to or from	
3 the Assembly Operating Fund.	
4 0130-021-0001—For support of Office of the Legislative	
5 Analyst.....	0
6 Schedule:	
7 (1) Expenses of the Office of the Leg-	
8 islative Analyst.....	7,726,000
9 (2) Transferred from Item 0110-001-	
10 0001.....	-3,863,000
11 (3) Transferred from Item 0120-011-	
12 0001.....	-3,863,000
13 Provisions:	
14 1. The funds appropriated in Schedule (1) are for	
15 the expenses of the Office of the Legislative	
16 Analyst and of the Joint Legislative Budget	
17 Committee for any charges, expenses, or claims	
18 either may incur, available without regard to	
19 fiscal years, to be paid on certification of the	
20 Chairperson of the Joint Legislative Budget	
21 Committee or his or her designee.	
22 2. Funds identified in Schedules (2) and (3) may	
23 be transferred from the Senate Operating Fund,	
24 by the Senate Committee on Rules, and the As-	
25 sembly Operating Fund, by the Assembly	
26 Committee on Rules.	
27 0160-001-0001—For support of Legislative Counsel	
28 Bureau.....	75,303,000
29 Schedule:	
30 (1) Support.....	91,416,000
31 (2) Reimbursements.....	-131,000
32 (3) Amount payable from the Central	
33 Service Cost Recovery Fund (Item	
34 0160-001-9740).....	-15,982,000
35 0160-001-9740—For support of Legislative Counsel	
36 Bureau, for payment to Item 0160-001-0001, payable	
37 from the Central Service Cost Recovery Fund.....	15,982,000
38	
39	
40	Judicial
41 0250-001-0001—For support of Judicial Branch.....	332,160,000
42 Schedule:	
43 (1) 10-Supreme Court.....	43,500,000
44 (2) 20-Courts of Appeal.....	199,735,000
45 (3) 30-Judicial Council.....	93,547,000
46 (4) 35-Judicial Branch Facility Pro-	
47 gram.....	960,000

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Item	Amount
1 (5) 50-California Habeas Corpus Re-	
2 source Center.....	13,576,000
3 (6) Reimbursements.....	-7,661,000
4 (7) Amount payable from the Motor	
5 Vehicle Account, State Transporta-	
6 tion Fund (Item 0250-001-0044)....	-197,000
7 (8) Amount payable from the Court In-	
8 terpreters' Fund (Item 0250-001-	
9 0327).....	-166,000
10 (9) Amount payable from the Federal	
11 Trust Fund (Item 0250-001-0890)....	-4,537,000
12 (10) Amount payable from the Appel-	
13 late Court Trust Fund (Item 0250-	
14 001-3060).....	-6,597,000
15 Provisions:	
16 1. Of the funds appropriated in this item, \$200,000	
17 is available for hiring the Attorney General or	
18 other outside counsel, for prelitigation and litiga-	
19 tion fees and costs, including any judgment,	
20 stipulated judgment, offer of judgment, or settle-	
21 ment. This amount is for use in connection with	
22 (a) matters arising from the actions of appellate	
23 courts, appellate court bench officers, or appel-	
24 late court employees, (b) matters arising from	
25 the actions of the Judicial Council, council	
26 members, or council employees or agents, (c)	
27 matters arising from the actions of the Adminis-	
28 trative Office of the Courts or its employees, or	
29 (d) employment litigation arising from the ac-	
30 tions of trial courts, trial court bench officers,	
31 or trial court employees. Either the state or the	
32 Judicial Council must be named as a defendant	
33 or alleged to be the responsible party. Any funds	
34 not used for this purpose shall revert to the	
35 General Fund.	
36 2. Notwithstanding any other provision of law,	
37 upon approval and order of the Director of Fi-	
38 nance, the amount appropriated in this item shall	
39 be reduced by the amount transferred in Item	
40 0250-011-0001 to provide adequate resources	
41 to the Judicial Branch Workers' Compensation	
42 Fund to pay workers' compensation claims for	
43 judicial branch employees and justices, and ad-	
44 ministrative costs pursuant to Section 68114.10	
45 of the Government Code.	
46 3. Of the funds appropriated in Schedule (2),	
47 \$63,557,000 is available for the Court Appointed	

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Item	Amount
1 Counsel Program and shall be used solely for	
2 that program. Any funds for the program not	
3 expended by June 30, 2014, shall revert to the	
4 General Fund.	
5 0250-001-0044—For support of Judicial Branch, for	
6 payment to Item 0250-001-0001, payable from the	
7 Motor Vehicle Account, State Transportation Fund....	197,000
8 0250-001-0159—For support of Judicial Branch, payable	
9 from the State Trial Court Improvement and Mod-	
10 ernization Fund.....	9,145,000
11 Provisions:	
12 1. Notwithstanding any other provision of law,	
13 upon approval by the Administrative Director	
14 of the Courts, the Controller shall increase this	
15 item up to \$18,673,000 for recovery of costs for	
16 administrative services provided to the trial	
17 courts by the Administrative Office of the	
18 Courts.	
19 0250-001-0327—For support of Judicial Branch, for	
20 payment to Item 0250-001-0001, payable from the	
21 Court Interpreters' Fund.....	166,000
22 0250-001-0890—For support of Judicial Branch, for	
23 payment to Item 0250-001-0001, payable from the	
24 Federal Trust Fund.....	4,537,000
25 0250-001-0932—For support of Judicial Branch, payable	
26 from the Trial Court Trust Fund.....	35,444,000
27 Schedule:	
28 (1) 30-Judicial Council.....	6,310,000
29 (2) 30.15-Trial Court Operations.....	29,134,000
30 Provisions:	
31 1. Upon approval of the Administrative Director	
32 of the Courts, the Controller shall increase this	
33 item by an amount sufficient to allow for the	
34 expenditure of any transfer to this item made	
35 pursuant to Provisions 6, 7, and 11 of Item 0250-	
36 101-0932.	
37 2. Upon approval of the Administrative Director	
38 of the Courts, the Controller shall transfer up to	
39 \$500,000 of the funding appropriated in Sched-	
40 ular (2) to Schedule (1) for administrative ser-	
41 vices provided by the Administrative Office of	
42 the Courts to implement and administer the	
43 Civil Representation Pilot Program.	
44 3. Upon approval of the Administrative Director	
45 of the Courts, the amount available for expendi-	
46 ture in this item may be augmented by the	
47 amount of resources collected to support the	

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Item	Amount
1 implementation and administration of the Civil	
2 Representation Pilot Program.	
3 0250-001-3037—For support of Judicial Branch, payable	
4 from the State Court Facilities Construction Fund....	63,983,000
5 Schedule:	
6 (1) 30-Judicial Council.....	7,957,000
7 (2) 35-Judicial Branch Facility Pro-	
8 gram.....	66,026,000
9 (3) Reimbursements.....	-10,000,000
10 Provisions:	
11 1. The Director of Finance may augment this item	
12 by an amount not to exceed available funding	
13 in the State Court Facilities Construction Fund,	
14 after review of a request submitted by the Ad-	
15 ministrative Office of the Courts that demon-	
16 strates a need for additional resources associated	
17 with the rehabilitation of court facilities. This	
18 request shall be submitted no later than 60 days	
19 prior to the effective date of the augmentation.	
20 Any augmentation shall be authorized not	
21 sooner than 30 days after notification in writing	
22 to the chairpersons of the committees in each	
23 house of the Legislature that consider appropri-	
24 ations, the chairpersons of the committees and	
25 appropriate subcommittees that consider the	
26 State Budget, and the Chairperson of the Joint	
27 Legislative Budget Committee, or not sooner	
28 than whatever lesser time the chairperson of the	
29 joint committee, or his or her designee, may de-	
30 termine.	
31 2. Notwithstanding any other provision of law,	
32 upon approval and order of the Director of Fi-	
33 nance, the amount appropriated in this item shall	
34 be reduced by the amount transferred in Item	
35 0250-011-0001 to provide adequate resources	
36 to the Judicial Branch Workers' Compensation	
37 Fund to pay workers' compensation claims for	
38 judicial branch employees and administrative	
39 costs in accordance with Section 68114.10 of	
40 the Government Code.	
41 3. Notwithstanding Section 70374 of the Govern-	
42 ment Code, \$1,155,000 of the funds appropriated	
43 in this item shall be available for the Office of	
44 Real Estate and Facilities Management, within	
45 the Administrative Office of the Courts, to	
46 manage and oversee existing facilities for the	
47 trial courts, courts of appeal, Administrative	

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Item	Amount
1 Office of the Courts, and the California Habeas	
2 Corpus Resource Center.	
3 0250-001-3060—For support of Judicial Branch, for	
4 payment to Item 0250-001-0001, payable from the	
5 Appellate Court Trust Fund.....	6,597,000
6 Provisions:	
7 1. Upon approval of the Director of Finance, the	
8 amount available for expenditure in this item	
9 may be augmented by the amount of any addi-	
10 tional resources available in the Appellate Court	
11 Trust Fund, which is in addition to the amount	
12 appropriated in this item. Any augmentation	
13 shall be authorized no sooner than 30 days after	
14 notification in writing to the chairpersons of the	
15 committees in each house of the Legislature that	
16 consider appropriations, the chairpersons of the	
17 committees and appropriate subcommittees that	
18 consider the State Budget, and the Chairperson	
19 of the Joint Legislative Budget Committee, or	
20 not sooner than whatever lesser time the Chair-	
21 person of the Joint Legislative Budget Commit-	
22 tee, or his or her designee, may determine.	
23 0250-001-3066—For support of Judicial Branch, payable	
24 from the Court Facilities Trust Fund.....	109,809,000
25 Schedule:	
26 (1) 35-Judicial Branch Facility Pro-	
27 gram.....	130,291,000
28 (2) Reimbursements.....	-20,482,000
29 Provisions:	
30 1. Notwithstanding any other provision of law, the	
31 Director of Finance may authorize expenditures	
32 in excess of this item for the operation, repair,	
33 and maintenance of court facilities pursuant to	
34 Section 70352 of the Government Code.	
35 0250-001-3085—For support of Judicial Branch, payable	
36 from the Mental Health Services Fund.....	1,049,000
37 0250-001-3138—For support of Judicial Branch, payable	
38 from the Immediate and Critical Needs Account,	
39 State Court Facilities Construction Fund.....	26,229,000
40 Schedule:	
41 (1) 35-Judicial Branch Facility Pro-	
42 gram.....	26,229,000
43 0250-002-3138—For Support of Judicial Branch, payable	
44 from the Immediate and Critical Needs Account,	
45 State Court Facilities Construction Fund.....	34,832,000

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Item	Amount
1 Schedule:	
2 (1) 35-Judicial Branch Facility Pro-	
3 gram.....	34,832,000
4 0250-003-0001—For support of Judicial Branch for rental	
5 payments on lease-revenue bonds.....	5,150,000
6 Schedule:	
7 (1) Base Rental and Fees.....	5,124,000
8 (2) Insurance.....	27,000
9 (3) Reimbursements.....	-1,000
10 Provisions:	
11 1. The Controller shall transfer funds appropriated	
12 in this item for base rental, fees, and insurance	
13 as and when provided for in the schedule submit-	
14 ted by the State Public Works Board or the De-	
15 partment of Finance. Notwithstanding the pay-	
16 ment dates in any related Facility Lease or Inden-	
17 ture, the schedule may provide for an earlier	
18 transfer of funds to ensure debt requirements are	
19 met and base rental payments are paid in full	
20 when due.	
21 2. This item may contain adjustments pursuant to	
22 Section 4.30 that are not currently reflected. Any	
23 adjustments to this item shall be reported to the	
24 Joint Legislative Budget Committee pursuant to	
25 Section 4.30.	
26 0250-003-3037—For support of Judicial Branch for rental	
27 payments on lease-revenue bonds.....	4,745,000
28 Schedule:	
29 (1) Base Rental and Fees.....	4,732,000
30 (2) Insurance.....	13,000
31 Provisions:	
32 1. The Controller shall transfer funds appropriated	
33 in this item for base rental and fees as provided	
34 for in the schedule submitted by the State Public	
35 Works Board or the Department of Finance.	
36 Notwithstanding the payment dates in any relat-	
37 ed Facility Lease or Indenture, the schedule may	
38 provide for an earlier transfer of funds to ensure	
39 debt requirements are met and base rental pay-	
40 ments are paid in full when due.	
41 2. This item may contain adjustments pursuant to	
42 Section 4.30 that are not currently reflected. Any	
43 adjustments to this item shall be reported to the	
44 Joint Legislative Budget Committee pursuant to	
45 Section 4.30.	

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Item	Amount
1 0250-011-0001—For transfer, upon order of the Director	
2 of Finance, to the Judicial Branch Workers' Compensa-	
3 tion Fund.....	1,000
4 Provisions:	
5 1. Notwithstanding any other provision of law,	
6 upon approval and order of the Department of	
7 Finance, the Administrative Director of the	
8 Courts shall adjust the amount of this transfer	
9 to provide adequate resources to the Judicial	
10 Branch Workers' Compensation Fund to pay	
11 workers' compensation claims for judicial	
12 branch employees and justices, and administra-	
13 tive costs pursuant to Section 68114.10 of the	
14 Government Code.	
15 0250-012-0001—For transfer by the Controller to the	
16 Court Facilities Trust Fund.....	8,053,000
17 0250-101-0001—For local assistance, Judicial Branch....	17,753,000
18 Schedule:	
19 (1) 45.10-Support for Operation of the	
20 Trial Courts.....	6,201,000
21 (2) 45.55.010-Child Support Commis-	
22 sioner Program.....	54,332,000
23 (3) 45.55.020-California Collaborative	
24 and Drug Court Projects.....	5,748,000
25 (4) 45.55.030-Federal Child Access and	
26 Visitation Grant Program.....	800,000
27 (5) 45.55.050-Federal Court Improve-	
28 ment Grant Program.....	700,000
29 (6) 45.55.070-Grants-Other.....	745,000
30 (7) 45.55.080-Federal Grants-Other....	775,000
31 (8) 45.55.090-Equal Access Fund Pro-	
32 gram.....	10,392,000
33 (9) Reimbursements.....	-59,665,000
34 (10) Amount payable from the Federal	
35 Trust Fund (Item 0250-101-	
36 0890).....	-2,275,000
37 Provisions:	
38 1. In order to improve equal access and the fair	
39 administration of justice, the funds appropriated	
40 in Schedule (8) are to be distributed by the Judi-	
41 cial Council through the Legal Services Trust	
42 Fund Commission to qualified legal services	
43 projects and support centers as defined in Sec-	
44 tions 6213 to 6215, inclusive, of the Business	
45 and Professions Code, to be used for legal ser-	
46 vices in civil matters for indigent persons. The	
47 Judicial Council shall approve awards made by	

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Item		Amount
1	the commission if the council determines that	
2	the awards comply with statutory and other rel-	
3	evant guidelines. Ten percent of the funds in	
4	Schedule (8) shall be for joint projects of courts	
5	and legal services programs to make legal assis-	
6	tance available to pro per litigants and 90 percent	
7	of the funds in Schedule (8) shall be distributed	
8	consistent with Sections 6216 to 6223, inclusive,	
9	of the Business and Professions Code. The Judi-	
10	cial Council may establish additional reporting	
11	or quality control requirements consistent with	
12	Sections 6213 to 6223, inclusive, of the Business	
13	and Professions Code.	
14	2. The amount appropriated in Schedule (1) is	
15	available for reimbursement of court costs relat-	
16	ed to the following activities: (a) payment of	
17	service of process fees billed to the trial courts	
18	pursuant to Chapter 1009 of the Statutes of 2002,	
19	(b) payment of the court costs payable under	
20	Sections 4750 to 4755, inclusive, and Section	
21	6005 of the Penal Code, and (c) payment of court	
22	costs of extraordinary homicide trials.	
23	0250-101-0890—For local assistance, Judicial Branch,	
24	for payment to Item 0250-101-0001, payable from	
25	the Federal Trust Fund.....	2,275,000
26	0250-101-0932—For local assistance, Judicial Branch,	
27	payable from the Trial Court Trust Fund.....	2,158,060,000
28	Schedule:	
29	(1) 45.10-Support for Operation of	
30	the Trial Courts.....	1,722,562,000
31	(2) 45.25-Compensation of Superior	
32	Court Judges.....	306,829,000
33	(3) 45.35-Assigned Judges.....	26,047,000
34	(4) 45.45-Court Interpreters.....	92,794,000
35	(5) 45.55.060-Court Appointed Special	
36	Advocate Program.....	2,213,000
37	(6) 45.55.065-Model Self-Help Pro-	
38	gram.....	957,000
39	(7) 45.55.090-Equal Access Fund.....	5,482,000
40	(8) 45.55.095-Family Law Information	
41	Centers.....	345,000
42	(9) 45.55.100-Civil Case Coordina-	
43	tion.....	832,000
44	(11) Reimbursements.....	-1,000

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Item	Amount
1	Provisions:
2	1. The funds appropriated in Schedule (2) shall be
3	made available for costs of the workers' compen-
4	sation program for trial court judges.
5	2. The amount appropriated in Schedule (3) shall
6	be made available for all judicial assignments.
7	Schedule (3) expenditures for necessary support
8	staff may not exceed the staffing level that is
9	necessary to support the equivalent of three judi-
10	cial officers sitting on assignments. Prior to uti-
11	lizing funds appropriated in Schedule (3), trial
12	courts shall maximize the use of judicial officers
13	who may be available due to reductions in court
14	services or court closures.
15	3. The funds appropriated in Schedule (4) shall be
16	for payments to contractual court interpreters,
17	and certified or registered court interpreters
18	employed by the courts for services provided
19	during court proceedings and other services re-
20	lated to pending court proceedings, including
21	services provided outside a courtroom, and the
22	following court interpreter coordinators: 1.0 each
23	in counties of the 1st through the 15th classes,
24	0.5 each in counties of the 16th through the 31st
25	classes, and 0.25 each in counties of the 32nd
26	through the 58th classes. For the purposes of
27	this provision, "court interpreter coordinators"
28	may be full- or part-time court employees, and
29	shall be certified or registered court interpreters
30	in good standing under existing law.
31	The Judicial Council shall set statewide or re-
32	gional rates and policies for payment of court
33	interpreters, not to exceed the rate paid to certi-
34	fied interpreters in the federal court system.
35	The Judicial Council shall adopt appropriate
36	rules and procedures for the administration of
37	these funds. The Judicial Council shall report to
38	the Legislature and the Director of Finance an-
39	nually regarding expenditures from Schedule
40	(4).
41	4. Upon order of the Director of Finance, the
42	amount available for expenditure in this item
43	may be augmented by the amount of any addi-
44	tional resources available in the Trial Court Trust
45	Fund, which is in addition to the amount appro-
46	priated in this item. Any augmentation must be
47	approved in joint determination with the Chair-

Item	
1	person of the Joint Legislative Budget Commit-
2	tee and shall be authorized not sooner than 30
3	days after notification in writing to the chairper-
4	sons of the committees in each house of the
5	Legislature that consider appropriations, the
6	chairpersons of the committees and appropriate
7	subcommittees that consider the State Budget,
8	and the chairperson of the joint committee, or
9	not sooner than whatever lesser time the chair-
10	person of the joint committee, or his or her de-
11	signee, may determine. When a request to aug-
12	ment this item is submitted to the Director of
13	Finance, a copy of that request shall be delivered
14	to the chairpersons of the committees and appro-
15	priate subcommittees that consider the State
16	Budget. Delivery of a copy of that request shall
17	not be deemed to be notification in writing for
18	purposes of this provision.
19	5. Notwithstanding any other provision of law,
20	upon approval and order of the Director of Fi-
21	nance, the amount appropriated in this item shall
22	be reduced by the amount transferred in Item
23	0250-115-0932 to provide adequate resources
24	to the Judicial Branch Workers' Compensation
25	Fund to pay workers' compensation claims for
26	judicial branch employees and judges, and ad-
27	ministrative costs pursuant to Section 68114.10
28	of the Government Code.
29	6. Upon approval by the Administrative Director
30	of the Courts, the Controller shall transfer up to
31	\$11,274,000 to Item 0250-001-0932 for recovery
32	of costs for administrative services provided to
33	the trial courts by the Administrative Office of
34	the Courts.
35	7. In order to improve equal access and the fair
36	administration of justice, the funds appropriated
37	in Schedule (7) are available for distribution by
38	the Judicial Council through the Legal Services
39	Trust Fund Commission in support of the Equal
40	Access Fund Program to qualified legal services
41	projects and support centers as defined in Sec-
42	tions 6213 to 6215, inclusive, of the Business
43	and Professions Code, to be used for legal ser-
44	vices in civil matters for indigent persons. The
45	Judicial Council shall approve awards made by
46	the commission if the council determines that
47	the awards comply with statutory and other rel-

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Item	Amount
1	evant guidelines. Upon approval by the Admin-
2	istrative Director of the Courts, the Controller
3	shall transfer up to 5 percent of the funding ap-
4	propriated in Schedule (7) to Item 0250-001-
5	0932 for administrative expenses. Ten percent
6	of the funds remaining after administrative costs
7	shall be for joint projects of courts and legal
8	services programs to make legal assistance
9	available to pro per litigants and 90 percent of
10	the funds remaining after administrative costs
11	shall be distributed consistent with Sections 6216
12	to 6223, inclusive, of the Business and Profes-
13	sions Code. The Judicial Council may establish
14	additional reporting or quality control require-
15	ments consistent with Sections 6213 to 6223,
16	inclusive, of the Business and Professions Code.
17	8. Funds available for expenditure in Schedule (7)
18	may be augmented by order of the Director of
19	Finance by the amount of any additional re-
20	sources deposited for distribution to the Equal
21	Access Fund Program in accordance with Sec-
22	tions 68085.3 and 68085.4 of the Government
23	Code. Any augmentation under this provision
24	shall be authorized not sooner than 30 days after
25	notification in writing to the chairpersons of the
26	committees in each house of the Legislature that
27	consider appropriations, the chairpersons of the
28	committees and appropriate subcommittees that
29	consider the State Budget, and the Chairperson
30	of the Joint Legislative Budget Committee, or
31	not sooner than whatever lesser time the chair-
32	person of the joint committee, or his or her de-
33	signee, may determine.
34	9. Sixteen (16.0) subordinate judicial officer posi-
35	tions are authorized to be converted to judge-
36	ships in the 2013–14 fiscal year in the manner
37	and pursuant to the authority described in sub-
38	paragraph (B) of paragraph (1) of subdivision
39	(c) of Section 69615 of the Government Code,
40	as described in the notice filed by the Judicial
41	Council under subparagraph (B) of paragraph
42	(3) of subdivision (c) of Section 69615.
43	10. Notwithstanding any other provision of law, and
44	upon approval of the Director of Finance, the
45	amount available for expenditure in Schedule
46	(1) may be increased by the amount of any addi-
47	tional resources collected for the recovery of

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Item	Amount
1 costs for court-appointed dependency counsel	
2 services.	
3 11. Upon approval of the Administrative Director	
4 of the Courts, the Controller shall transfer up to	
5 \$556,000 to Item 0250-001-0932 for administra-	
6 tive services provided to the trial courts in sup-	
7 port of the court-appointed dependency counsel	
8 program.	
9 0250-101-3138—For local assistance, Judicial Branch,	
10 payable from the Immediate and Critical Needs Ac-	
11 count, State Court Facilities Construction Fund.....	50,000,000
12 Schedule:	
13 (1) 45.10-Support for Operation of	
14 Trial Courts.....	50,000,000
15 0250-102-0001—For local assistance, Judicial Branch,	
16 augmentation for Court Employee Retirement,	
17 Compensation and Benefits.....	71,502,000
18 Schedule:	
19 (1) 45.10-Support for Operation of the	
20 Trial Courts.....	71,501,000
21 (2) 45.45-Court Interpreters.....	1,000
22 Provisions:	
23 1. Funding appropriated in this item shall be allo-	
24 cated, upon order of the Director of Finance, to	
25 trial courts to address cost increases related to	
26 court employee retirement, retiree health, and	
27 health benefits.	
28 2. To the extent the funds appropriated in this item	
29 exceed the actual cost increases relative to the	
30 purposes for which the funds are appropriated,	
31 any excess funds shall revert to the General Fund	
32 on June 30, 2014.	
33 0250-102-0159—For local assistance, Judicial Branch,	
34 payable from the State Trial Court Improvement and	
35 Modernization Fund.....	71,309,000
36 Provisions:	
37 1. Upon approval of the Director of Finance, the	
38 amount available for expenditure in this item	
39 may be augmented by the amount of any addi-	
40 tional resources available in the State Trial Court	
41 Improvement and Modernization Fund, which	
42 is in addition to the amount appropriated in this	
43 item. Any augmentation shall be authorized not	
44 sooner than 30 days after notification in writing	
45 to the chairpersons of the committees in each	
46 house of the Legislature that consider the State	
47 Budget, the chairpersons of the committees and	

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Item	Amount
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appropriate subcommittees in each house of the Legislature that consider appropriations, and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time after that notification the chairperson of the joint committee, or his or her designee, may determine.

2. The Director of Finance may authorize a loan from the General Fund to the State Trial Court Improvement and Modernization Fund for cashflow purposes in an amount not to exceed \$35,000,000 subject to the following conditions: (a) the loan is to meet cash needs resulting from a delay in receipt of revenues, (b) the loan is short term, and shall be repaid by October 31 of the fiscal year following that in which the loan was authorized, (c) interest charges may be waived pursuant to subdivision (e) of Section 16314 of the Government Code, and (d) the Director of Finance may not approve the loan unless the approval is made in writing and filed with the Chairperson of the Joint Legislative Budget Committee and the chairpersons of the committees in each house of the Legislature that consider appropriations not later than 30 days prior to the effective date of the approval, or not sooner than whatever lesser time the chairperson of the joint committee, or his or her designee, may determine.

3. Of the funds appropriated in this item up to \$5,000,000 shall be available for support of services for self-represented litigants.

0250-111-0001—For transfer by the Controller to the Trial Court Trust Fund.....	681,691,000
0250-111-0159—For transfer by the Controller from the State Trial Court Improvement and Modernization Fund to the Trial Court Trust Fund.....	(20,594,000)
0250-111-3037—For transfer by the Controller from the State Court Facilities Construction Fund to the Trial Court Trust Fund.....	(5,486,000)
0250-111-3138—For transfer by the Controller from the Immediate and Critical Needs Account, State Court Facilities Construction Fund to the General Fund.....	(200,000,000)
0250-112-0001—For transfer by the Controller to the State Trial Court Improvement and Modernization Fund.....	38,709,000

— 17 —

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Item	Amount
1 0250-115-0932—For transfer, upon order of the Director	
2 of Finance, to the Judicial Branch Workers' Compensa-	
3 tion Fund.....	1,000
4 Provisions:	
5 1. Notwithstanding any other provision of law,	
6 upon approval and order of the Department of	
7 Finance, the Administrative Director of the	
8 Courts shall adjust the amount of this transfer	
9 to provide adequate resources to the Judicial	
10 Branch Workers' Compensation Fund to pay	
11 workers' compensation claims for judicial	
12 branch employees and judges, and administrative	
13 costs pursuant to Section 68114.10 of the Gov-	
14 ernment Code.	
15 0250-495—Reversion, Judicial Council. As of June 30,	
16 2013, the unencumbered balances of the appropria-	
17 tions provided in the following citations shall revert	
18 to the funds from which the appropriations were	
19 made:	
20 3138—Immediate and Critical Needs Account, State	
21 Court Facilities Construction Fund	
22 (1) Item 0250-301-3138, Budget Act of 2009 (Ch.	
23 1, 2009–10 3rd Ex. Sess., as revised by Ch. 1,	
24 2009–10 4th Ex. Sess.), as partially reverted by	
25 Item 0250-495, Budget Act of 2010 (Ch. 721,	
26 Stats. 2010), and as reappropriated by Item	
27 0250-490, Budget Act of 2012 (Chs. 21 and 29,	
28 Stats. 2012)	
29 (8) 91.45.001-Shasta County: New Redding	
30 Courthouse—Acquisition	
31 (2) Item 0250-301-3138, Budget Act of 2012 (Chs.	
32 21 and 29, Stats. 2012)	
33 (3) 91.15.001-Kern County: New Delano	
34 Courthouse—Acquisition	
35 (4) 91.15.002-Kern County: New Mojave	
36 Courthouse—Acquisition	
37 (6) 91.19.003-Los Angeles County: New Santa	
38 Clarita Courthouse—Acquisition	
39 (7) 91.19.004-Los Angeles County: New Glen-	
40 dale Courthouse—Acquisition	
41 (12) 91.31.001-Placer County: New Tahoe Area	
42 Courthouse—Acquisition	
43 (13) 91.32.002-Plumas County: New Quincy	
44 Courthouse—Acquisition	
45 (16) 91.42.001-Santa Barbara County: New	
46 Santa Barbara Criminal Courthouse—Ac-	
47 quisition	

AB 73

— 18 —

Item	Amount
1 (19) 91.47.001-Siskiyou County: New Yreka	
2 Courthouse—Acquisition	
3 0280-001-0001—For support of the Commission on Ju-	
4 dicial Performance, Program 10.....	4,198,000
5 Provisions:	
6 1. Notwithstanding any other provision of law,	
7 upon approval and order of the Department of	
8 Finance, the amount appropriated in this item	
9 shall be reduced by the amount transferred in	
10 Item 0280-011-0001 to provide adequate re-	
11 sources to the Judicial Branch Workers' Com-	
12 pensation Fund to pay workers' compensation	
13 claims for judicial branch employees and admin-	
14 istrative costs pursuant to Section 68114.10 of	
15 the Government Code.	
16 0280-011-0001—For transfer, upon order of the Director	
17 of Finance, to the Judicial Branch Workers' Compen-	
18 sation Fund.....	1,000
19 Provisions:	
20 1. Notwithstanding any other provision of law,	
21 upon approval and order of the Department of	
22 Finance, the Commission on Judicial Perform-	
23 ance shall adjust the amount of this transfer to	
24 provide adequate resources to the Judicial	
25 Branch Workers' Compensation Fund to pay	
26 workers' compensation claims for judicial	
27 branch employees and administrative costs pur-	
28 suant to Section 68114.10 of the Government	
29 Code.	
30 0390-001-0001—For transfer by the Controller to the	
31 Judges' Retirement Fund, for Supreme Court and	
32 Appellate Court Justices.....	1,150,000
33 Provisions:	
34 1. Upon order of the Department of Finance, the	
35 Controller shall transfer such funds as are neces-	
36 sary between this item and Item 0390-101-0001.	
37 0390-101-0001—For transfer by the Controller to the	
38 Judges' Retirement Fund for Superior Court and	
39 Municipal Court Judges.....	182,931,000
40 Provisions:	
41 1. Upon order of the Department of Finance, the	
42 Controller shall transfer such funds as are neces-	
43 sary between Item 0390-001-0001 and this item.	

— 19 —

AB 73

Item	Executive	Amount
1		
2		
3	0500-001-0001—For support of Governor and of Govern-	
4	nor's office.....	10,609,000
5	Schedule:	
6	(1) Support.....	12,773,000
7	(2) Governor's Residence (Support)....	35,000
8	(3) Special Contingent Expenses.....	40,000
9	(4) Amount payable from the Central	
10	Service Cost Recovery Fund (Item	
11	0500-001-9740).....	-2,239,000
12	Provisions:	
13	1. The funds appropriated in Schedules (2) and (3)	
14	are exempt from the provisions of Sections	
15	925.6, 12410, and 13320 of the Government	
16	Code.	
17	0500-001-9740—For support of Governor's office, for	
18	payment to Item 0500-001-0001, payable from the	
19	Central Service Cost Recovery Fund.....	2,239,000
20	0509-001-0001—For support of the Governor's Office	
21	of Business and Economic Development.....	6,302,000
22	Schedule:	
23	(1) 10-GO-Biz.....	2,695,000
24	(2) 20-California Business Investment	
25	Services.....	1,561,000
26	(3) 30-Office of the Small Business	
27	Advocate.....	442,000
28	(4) 40.10-California Film Commis-	
29	sion.....	1,414,000
30	(5) 40.20-Tourism.....	1,051,000
31	(6) 40.30-California Infrastructure and	
32	Economic Development Bank.....	3,920,000
33	(7) 40.40-Small Business Expansion....	597,000
34	(8) 40.50-Welcome Center Program....	104,000
35	(9) Reimbursements.....	-1,550,000
36	(10) Amount payable from the Infras-	
37	tructure and Economic Develop-	
38	ment Bank Fund (Item 0509-001-	
39	0649).....	-3,708,000
40	(11) Amount payable from the Califor-	
41	nia Small Business Expansion Fund	
42	(Item 0509-001-0918).....	-110,000
43	(12) Amount payable from the Welcome	
44	Center Fund (Item 0509-001-	
45	3083).....	-104,000

The 2013-14 Budget:

Governor's Criminal Justice Proposals



MAC TAYLOR • LEGISLATIVE ANALYST • FEBRUARY 15, 2013

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EXECUTIVE SUMMARY

Criminal Justice Spending Basically Flat. The proposed total level of spending on criminal justice programs is \$13.2 billion in 2013-14. This is an increase of about 2 percent over estimated current-year expenditures. The Governor's budget includes General Fund support for criminal justice programs of \$10.1 billion in 2013-14, an increase of about 4 percent over the current year. Under the proposed budget, General Fund support for the California Department of Corrections and Rehabilitation (CDCR) is basically flat in 2013-14, and total support for the judicial branch budget is proposed to increase by 7 percent in 2013-14.

Relatively Few Major Criminal Justice Proposals. Compared to prior years, the Governor's 2013-14 budget includes few major proposals. The budget, however, includes a one-time \$200 million transfer from a court construction fund to the General Fund, as well as a proposal to fund the ongoing service payments for the new Long Beach Courthouse from the same construction fund. In considering these proposals, the Legislature will want to weigh the General Fund benefits of these proposals against the likely delays in court construction projects that could result. The budget for CDCR includes a significant policy proposal to modify an existing grant program designed to bolster county probation programs and incentivize reductions in the number of probation failures that go to prison. In particular, the proposed modifications are meant to account for changes in who is eligible to be sentenced to state prison after recent policy changes. While the administration is right to propose changes to the existing formula, we find that the methodology proposed has serious flaws that could undermine the effectiveness of the program.

Potential Reductions Identified. In reviewing the Governor's budget, we identify several proposals that we believe could be reduced on a workload or policy basis. For example, we find that the caseload request for the Division of Juvenile Justice (DJJ) is likely overestimated by several million dollars because actual population trends are much lower than budgeted. We also recommend reverting an existing appropriation set aside for future CDCR infrastructure projects. This would save the state \$10 million in the budget year and better preserve the Legislature's oversight authority. We also find that the state could save \$7.5 million in 2013-14 by rejecting the administration's proposal to increase an existing grant to cities to support police services. The administration provided no workload justification for the proposal, nor is the augmentation necessary to address the administration's concern that the grants could not be provided to all cities in 2013-14.

Opportunities for Legislative Oversight. The relatively small number of major criminal justice proposals this year provides the Legislature with an opportunity to do more oversight of existing programs. This report highlights several such areas that could use such oversight. For example, trial courts face ongoing budget reductions and beginning in 2014-15 will no longer have significant reserves with which to offset these reductions. The Legislature will want

2013-14 BUDGET

to have judges, court executives, and other court stakeholders report on what plans they are making to implement reductions, how these plans will impact court users, and what options the courts and the Legislature have to reduce court operations costs. We also recommend that the federal court-appointed Receiver managing the prison medical program report at budget hearings on a new staffing methodology that he is implementing. Finally, we recommend that the Legislature require the Board of State and Community Corrections (BSCC) to report on its efforts to develop strategies for providing greater technical assistance to local criminal justice agencies, as well as expand its criminal justice data collection program.

CRIMINAL JUSTICE BUDGET OVERVIEW

The primary goal of California's criminal justice system is to provide public safety by deterring and preventing crime, punishing individuals who commit crime, and reintegrating criminals back into the community. The state's major criminal justice programs include the court system, prisons and parole, and the Department of Justice (DOJ). The Governor's budget proposes General Fund expenditures of about \$10 billion for judicial and criminal justice programs. Below we (1) discuss recent criminal justice trends, (2) describe recent trends in state spending on criminal justice, and (3) provide an overview of the major changes in the Governor's proposed budget for criminal justice programs in 2013-14.

Recent Criminal Justice Trends and Major Policy Changes

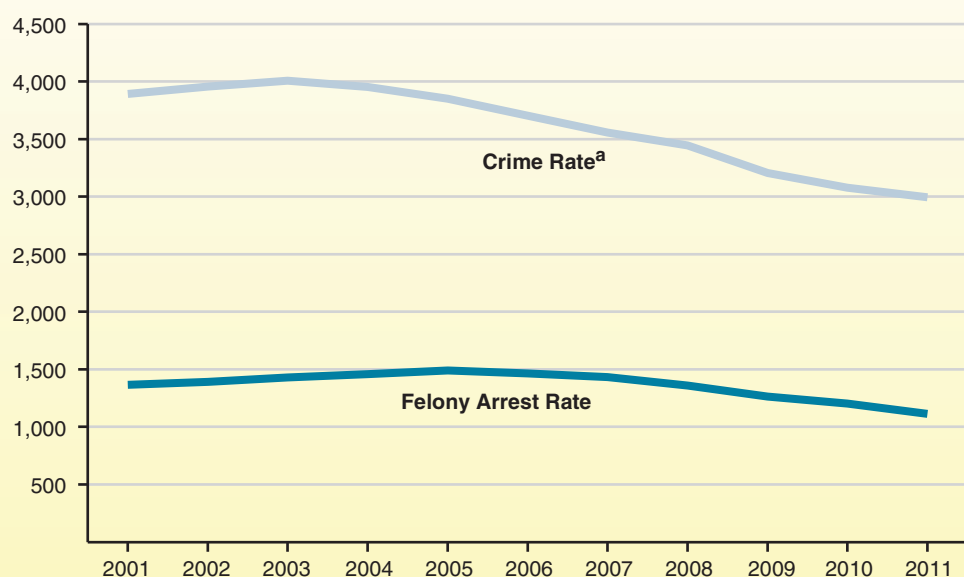
Crime and Arrest Rates Decline in Recent Years. The past three decades have seen a significant decline in the rate at which Californians report crimes to law enforcement, as well as a similar decline in the rate of law enforcement arrests for felony offenses. As shown in Figure 1, the crime rate in California—measured as the number of selected crimes reported per

100,000 population—has declined by 23 percent between 2003 and 2011 (the most recent year that data is available). Similarly, the felony arrest rate has declined by 18 percent between 2005 and 2011. There is no consensus among researchers as to what is driving the declining crime rate in California. We note, however, that California's declining crime rate mirrors national trends. While it is also not clear what is driving the recent drop in the state's arrest rate, that decline could reflect both the decrease in crime, as well as the effects of local budget reductions to law enforcement agencies due to the recession. (For more information on recent criminal justice statistics in the state, see our January 2013 report *California's Criminal Justice System: A Primer*.)

Figure 1

California Crime and Arrest Rates Have Declined in Recent Years

Rates Per 100,000 Population



^a As measured by federal Uniform Crime Reports system. Includes certain violent and property crimes.

Recent Policy Changes Likely to Affect Correctional Populations in Coming Years.

Individuals convicted of crimes can be placed under correctional supervision. Less serious offenders generally are sentenced to county jail and/or probation, while more serious offenders are sentenced to state prison followed by state parole. Figure 2 shows state and local correctional populations over the last decade. As indicated, all of these offender populations decreased by varying amounts in recent years until 2011, at which time the county jail population increased while the other populations continued to decline. (At the time of this publication, data for the 2012 probation population was not available.) There are several likely explanations for these recent declines. First, declining crime and arrest rates have probably had some impact on the number of offenders sentenced to state and local corrections. Second, and probably

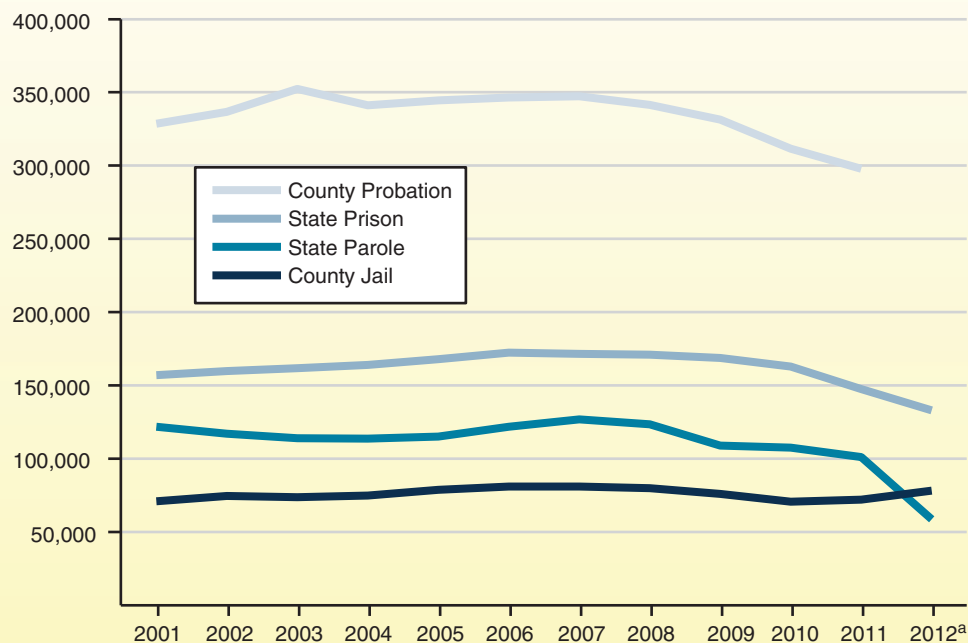
more significantly, state and local governments have taken actions to reduce correctional budgets due to the recession. The state, for example, has made various policy changes in recent years designed to reduce the number of offenders in prison and on parole, including permitting greater use of medical parole, removing certain lower-level parolees from supervised caseloads, and increasing credits inmates can earn towards their release date. The most significant of these changes, however, happened in 2011 with the passage of “realignment” which, among other changes, made felons ineligible for state prison unless they had a current or prior conviction for a serious, violent, or sex-related offense. Realignment has already resulted in decreases of tens of thousands of inmates and parolees who are no longer eligible for state prison and parole. Conversely, under realignment more offenders will be sentenced to local jails and/or probation in coming years, which are

likely to increase by a total of tens of thousands of offenders. Unfortunately, at the time of this publication, there is little data available on how realignment has affected local jail and probation caseloads. (For more information on realignment, see our August 2011 publication *2011 Realignment: Addressing Issues to Promote Its Long-Term Success.*)

Figure 2

Adult Correctional Populations in California

As of December 31 of Each Year



^a Probation population data for 2012 was not available at the time this report was prepared. Jail population is reported for June 2012, the most recent data available.

2013-14 BUDGET

In addition, in November 2012 voters approved Proposition 36, which modified the state's three strikes law. Proposition 36 requires that a life term in prison for a third strike generally be limited to those offenders who have two or more prior serious or violent convictions and whose new conviction is also a serious or violent offense. (Previously, the third strike could be any felony—not just a serious or violent felony.) The measure also allows existing third strikers to petition the courts for a reduced sentence if their third strike offense was a nonserious, non-violent offense. This measure could reduce the prison population by as many as a couple thousand inmates over the next few years, depending, in part, on how many current inmates are resentenced by the courts.

State Expenditure Trends

Realignment Has Reduced State Costs in Recent Years. Over the past decade, state spending on criminal justice programs has changed in sync with the state's fiscal condition. As shown in Figure 3, state spending on criminal justice increased to about \$15 billion (\$13 billion General Fund) in 2007-08, an increase of 50 percent since 2003-04. In comparison, total state spending on criminal justice was about \$13 billion in 2011-12. Much of the decline in 2011-12 was the result of the 2011

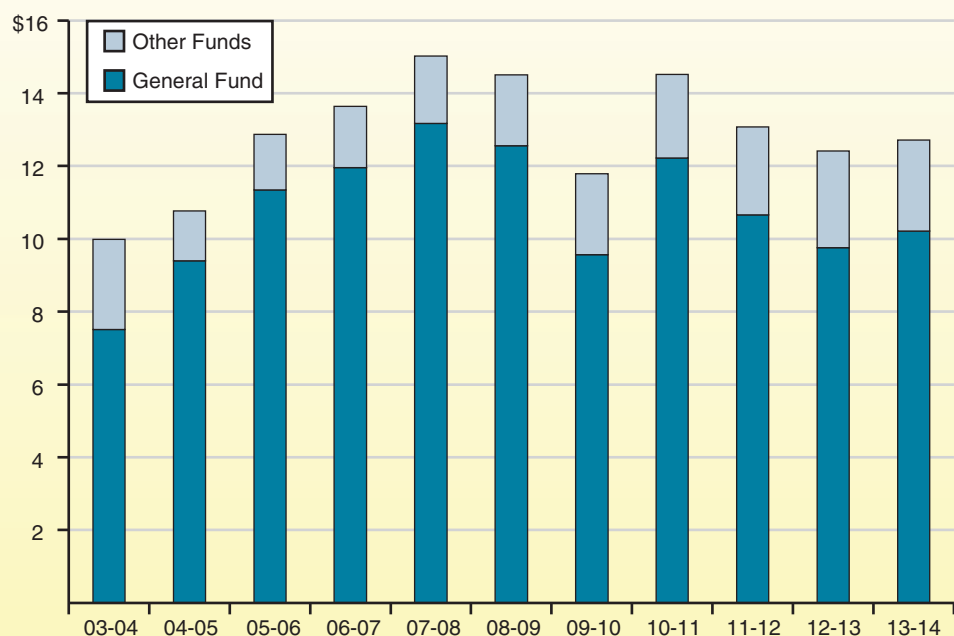
realignment, which shifted responsibility for several major criminal justice programs—including the shift of trial court security costs and various grant programs—to counties. Over the past decade, roughly four out of every five dollars spent on criminal justice has been from the General Fund.

Governor's Budget Proposes Modest Increase for Criminal Justice Programs

Figure 4 (see next page) summarizes expenditures from all fund sources for criminal justice programs in 2011-12 and as revised and proposed by the Governor for 2012-13 and 2013-14. As shown in the figure, total spending on criminal justice programs is proposed to increase from an estimated \$13 billion in the current year to \$13.2 billion in the budget year. This is an increase of 1.9 percent. General Fund spending is proposed to increase by 4.3 percent over current-year expenditure levels. As described in more detail below, this General Fund increase is primarily due

Figure 3
State Criminal Justice Expenditures

(In Billions)



2013-14 BUDGET

to the restoration of one-time reductions in the judicial branch.

Major Budget Proposals. The Governor's budget includes relatively few major changes, particularly compared to prior years that included major policy changes (such as realignment) and significant budget cuts such as to the courts. Proposed funding for CDCR, which comprises two-thirds of total spending in this program area, is basically flat. The department's budget includes additional correctional savings that will result from the continuing impact of realignment, as well as savings from reduced community corrections performance grants (discussed in more detail later in this report). These savings will be offset from additional costs associated with employee compensation (especially the expiration of the

personal leave policy at the end of the current year) and the additional staff necessary to activate two new prison facilities in Stockton. The Governor's proposed budget for the judicial branch includes the restoration of \$418 million from the General Fund (which is being offset by special funds and trial court reserves in the current year). The budget also includes a one-time transfer of \$200 million from court construction funds to the General Fund, as well as the use of court construction funds to pay service payments on a new courthouse in Long Beach.

Budget Assumes 2011 Public Safety Realignment Funding on Track. As described above, the 2011-12 budget package included statutory changes to realign several criminal justice

Figure 4

Judicial and Criminal Justice Budget Summary*(Dollars in Millions)*

	Actual 2011-12	Estimated 2012-13	Proposed 2013-14	Change From 2012-13	
				Actual	Percent
Department of Corrections and Rehabilitation	\$9,421	\$8,932	\$8,965	\$33	0.4%
General Fund	9,206	8,662	8,694	32	0.4
Special and other funds	215	270	271	2	0.6
Judicial Branch	\$3,100	\$2,901	\$3,106	\$206	7.1%
General Fund	1,215	755	1,155	400	53.0
Special and other funds	1,885	2,146	1,951	-194	-9.1
Department of Justice	\$585	\$727	\$754	\$27	3.7%
General Fund	101	167	174	8	4.5
Special and other funds	484	561	580	19	3.4
Board of State and Community Corrections	—	\$134	\$129	-\$5	-3.4%
General Fund	—	42	44	3	6.7
Special and other funds	—	92	85	-7	-7.9
Other Departments^a	\$276	\$283	\$264	-\$19	-6.8%
General Fund	105	84	64	-20	-23.8
Special and other funds	171	199	200	1	0.3
Totals, All Departments	\$13,382	\$12,977	\$13,219	\$242	1.9%
General Fund ^b	\$10,628	\$9,710	\$10,132	\$422	4.3%
Special and other funds	2,754	3,267	3,087	-180	-5.5

^a Includes Office the Inspector General, Commission on Judicial Performance, Victims Compensation and Government Claims Board, Commission on Peace Officer Standards and Training, State Public Defender, and debt service on general obligation bonds.

^b Does not include revenues to General Fund to offset corrections spending, including revenues from the federal State Criminal Alien Assistance Program and from counties for continuing to house and supervise previously convicted felons who otherwise would have been subject to the 2011 realignment of lower-level offenders. Detail may not total due to rounding.

and other programs from state responsibility to local governments, primarily counties. Along with the shift—or realignment—of programs, state law realigned revenues to locals. Specifically, current law shifts a share of the state sales tax, as well as Vehicle License Fee revenue, to local governments. The passage of Proposition 30 by voters in November 2012, among other changes, guaranteed

these revenues to local governments in the future. The Governor’s budget includes an estimate of revenues projected to go to local governments over the next few years. These estimates are generally in line with prior estimates. As shown in Figure 5, total funding for the criminal justice programs realigned is expected to increase from \$1.4 billion in 2011-12 to \$2.2 billion in 2013-14.

JUDICIAL BRANCH

Overview

The judicial branch is responsible for the interpretation of law, the protection of an individual’s rights, the orderly settlement of all legal disputes, and the adjudication of accusations of legal violations. The branch consists of statewide courts (the Supreme Court and Courts of Appeal), trial courts in each of the state’s 58 counties, and statewide entities of the branch (the Judicial Council, Judicial Branch Facility Program, and the Habeas Corpus Resource Center). The branch receives revenues from several funding sources including the state General Fund, civil filing fees, criminal penalties and fines, county maintenance-of-effort payments, and federal grants.

Figure 6 (see next page) shows total funding for the judicial branch from 2000-01 through 2013-14. As shown in the figure, funding for the branch peaked in 2010-11 at roughly \$4 billion but has declined somewhat in more recent years. General Fund support for the branch has been reduced significantly during this time. Under the Governor’s budget, the General Fund share of

the entire branch budget will have declined from a high of 56 percent in 2008-09 to 30 percent in 2013-14. Much of these General Fund reductions have been offset by increased funding from other sources, such as transfers from branch special funds and additional revenues from court-related fee increases.

As shown in Figure 7 (see page 11), the Governor’s budget proposes \$3.1 billion from all state funds to support the judicial branch in 2013-14, an increase of \$206 million, or roughly 7 percent, above the revised amount for 2012-13. (These totals do not include expenditures from local revenues or trial court reserves, which we discuss in more detail below.) Of the total budget proposed for the judicial branch in 2013-14, nearly \$1.2 billion is from the General Fund. This is a net increase of \$400 million, or 53 percent, from the

Figure 5

Estimated Revenues to Counties for 2011 Realignment of Criminal Justice Programs

(In Millions)

	2011-12	2012-13	2013-14
Community corrections	\$354.3	\$920.2	\$1,088.6
Trial court security	446.9	506.7	518.7
Law enforcement grants	489.9	489.9	489.9
Juvenile justice grants	97.2	109.1	121.1
District attorneys and public defenders	12.7	19.8	23.1
Totals	\$1,401.0	\$2,045.7	\$2,241.4

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2012-13 level. The increase in General Fund support is primarily due to the restoration of a one-time \$418 million reduction to the trial courts in the current year.

Implementation of Prior-Year Budget Reductions to Trial Courts

Background

Prior-Year Budget Reductions and Offsets.

The judicial branch has received a series of one-time and ongoing General Fund reductions since 2008-09. By 2012-13, the branch had received ongoing General Fund reductions totaling \$778 million. Of this amount, \$54 million were allocated to the state-level courts and

branch entities, while \$724 million in reductions were allocated to the trial courts. However, the Legislature and Judicial Council—the policymaking and governing body of the judicial branch—used various one-time and ongoing solutions to offset most of the reductions to the trial courts. For example, in 2012-13, about 80 percent of the total reductions to the trial courts was offset, primarily by using revenues from increased fines and fees, transfers from judicial branch special funds, and trial court reserves. (Reserves are the accumulation of unspent funds from prior years that are carried over and kept by each trial court.) Over the last five years, most of the transfers to the trial courts came from three special funds: the State Court Facilities Construction Fund (SCFCF), the Immediate and Critical Needs Account (ICNA),

and the State Trial Court Improvement and Modernization Fund (IMF). (The IMF is used to fund various efforts, such as judicial education programs, self-help centers, and technology projects.)

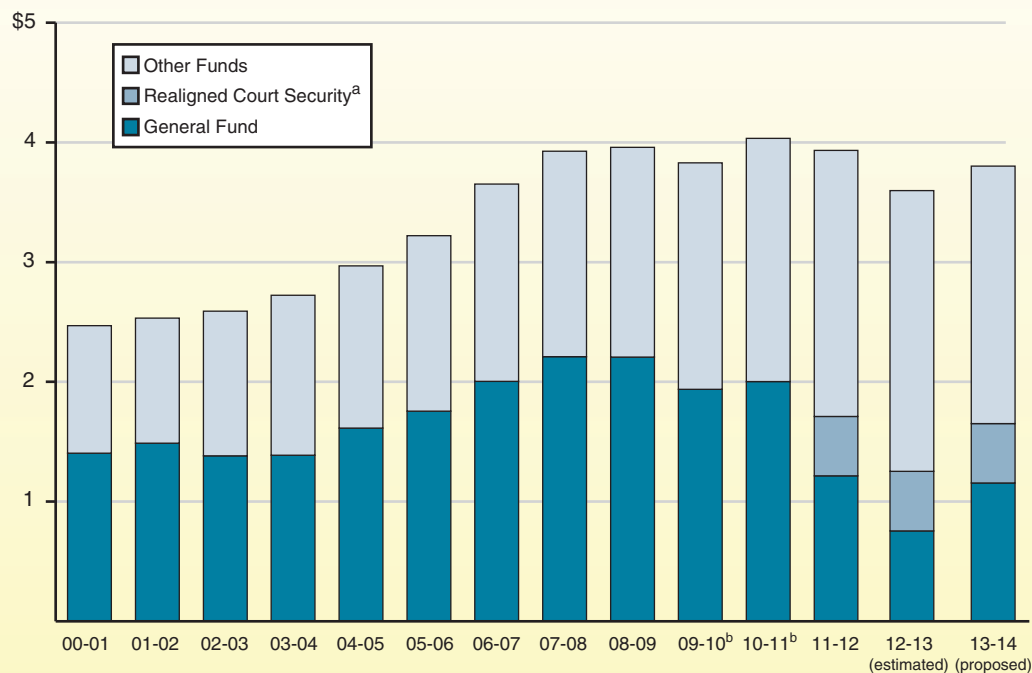
Recent Court Actions to Implement Reductions.

Despite most of the reductions

Figure 6

Total Judicial Branch Funding

(In Billions)



^a 2011 realignment shifted responsibility for funding most court security costs from the state General Fund to counties. Figure displays estimated county spending on court security for comparison purposes.

^b General Fund amounts include use of redevelopment funds for trial courts on a one-time basis—\$1.3 billion in 2009-10 and \$350 million in 2010-11.

2013-14 BUDGET

being offset, the trial courts had to absorb \$214 million in General Fund reductions in 2011-12 and 2012-13. Based on our discussions with officials from and visits to various trial courts throughout the state, we find that trial courts have taken various actions to accommodate these reductions. These actions include leaving staff vacancies unfilled to reduce employee compensation costs, renegotiating contracts, delaying purchases, closing courtrooms or courthouses, reducing clerk office hours, and reducing self-help and family law services. The impacts of these actions vary across courts and depend on the specific operational choices these courts have made. One commonly reported operational consequence of these actions is reduced public access to court services. For example, many courtroom and courthouse closures occurred in outlying branch locations, which now forces some court users to travel further distances to go to a different location. Moreover, the additional distance can make it difficult for some court users to make their court appearances, such as to contest evictions or resolve custody disputes. Additionally, courts report that reductions in service hours of clerks' offices, self-help centers, and family law offices result in long lines and, in some

cases, court users being turned away. Consequently, more self-represented individuals appear in court with incomplete or inaccurate forms requiring greater judicial time.

Other commonly reported operational consequences include longer wait times for court services and hearings, as well as increased backlogs in court workload. For example, a number of courts report that a reduction in staff who provide mediation services in custody cases has resulted in two to four month delays in obtaining a mediation appointment. Because mediation is required before a judge can issue a custody or support order, court users sometimes wait months before the court can resolve the custody issue. Additionally, court staff frequently prioritize processing documents necessary to meet statutory deadlines or that are needed for upcoming cases. Consequently, staff delay the processing of lower priority documents, which can negatively affect court users who need these documents processed in order for their case to proceed or conclude. For example, some courts report additional delays of six months or longer to process default civil judgments, which generate the final court order authorizing plaintiffs to collect compensation.

Figure 7**Judicial Branch Budget Summary—All State Funds***(Dollars in Millions)*

	2011-12 Actual	2012-13 Estimated	2013-14 Proposed	Change From 2012-13	
				Amount	Percent
State Trial Courts	\$2,680	\$2,268	\$2,431	\$163	7.2%
Supreme Court	41	44	44	—	—
Courts of Appeal	199	202	205	2	1.0
Judicial Council	121	149	151	2	1.3
Judicial Branch Facility Program	174	224	263	39	17.4
Habeas Corpus Resource Center	12	14	14	—	—
Subtotals	(\$3,227)	(\$2,901)	(\$3,106)	(\$206)	(7.1%)
Offsets from local property tax revenue ^a	-\$127	—	—	—	—
Totals	\$3,100	\$2,901	\$3,106	\$206	7.1%

^a Local government funding was used on a one-time basis to offset General Fund costs for courts.

Efforts to Reduce Impacts on Court Users.

In order to help minimize the extent to which the above actions affected court users, a number of courts made various changes. These changes include installing dropboxes for individuals to submit court paperwork when clerks' offices are closed, kiosks where individuals can pay for traffic tickets, and online systems for individuals to automatically book hearings in select case types. Some courts have made multiyear investments, such as shifting to electronic filing of documents in certain case types. The Legislature also sought to minimize the impact on trial courts. For example, during its deliberations on the 2012-13 budget, the Legislature requested that the judicial branch submit a report on potential operational efficiencies, including those requiring statutory amendments. The Legislature's intent was to identify efficiencies that, if adopted, would help the trial courts address their ongoing budget reductions. In May 2012, the judicial branch submitted to the Legislature a list of 17 measures that would result in greater operational efficiencies, reduced costs, or additional court revenues. This list was approved by the Judicial Council after consultation with trial court executives and presiding justices.

Governor's Proposal

The Governor's budget for 2013-14 fully restores a \$418 million one-time reduction to the trial courts made in 2012-13. It also assumes that \$200 million in trial court reserves will be available for use by the trial courts to offset previously approved reductions. In addition, the Governor proposes statutory changes to implement 11 of the 17 options identified by the judicial branch in its May 2012 report to the Legislature. Of the 11 proposed changes, 4 changes would reduce trial court workload and operating costs, and 7 would increase user fees to support

ongoing workload. Examples of the proposed changes include amending the requirement to provide preliminary hearing transcripts in all felony cases and increasing fees to cover costs of mailing certain documents. A summary of the full list of 11 proposed administrative efficiencies and user fees are provided in the box on page 14. The Governor estimates that these changes would provide the courts with about \$30 million in ongoing savings or revenues to help address prior-year budget reductions.

Courts Must Absorb Additional \$234 Million in Ongoing Reductions by 2014-15. While the Governor's budget provides no new reductions, trial courts must still address ongoing reductions from prior years, totaling \$724 million in 2013-14. The budget assumes that \$476 million in resources will be available to help offset a large portion of this ongoing reduction (including the estimated savings or revenues from the Governor's proposed administrative efficiencies and user fee increases). This leaves \$248 million in reductions that will have to be absorbed by trial courts, an increase of \$34 million over the amount already assumed to be absorbed by the trial courts in 2012-13. As shown in Figure 8, the total amount of ongoing reductions that would be allocated to the courts increases to \$448 million in 2014-15, a total of a \$234 million increase from the current year. The increase in 2014-15 reflects the fact that there will be less resources available to the courts (such as trial court reserves) to offset ongoing reductions. (We discuss this issue in more detail later in this report.)

LAO Assessment

Proposed Efficiencies and Fee Increases Merit Consideration. The Governor's proposed statutory changes for administrative efficiencies and user fee increases merit consideration because they will generate ongoing cost savings or new revenues that will help courts meet their ongoing reductions.

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As discussed above, all of these proposals have been vetted and are supported by the Judicial Council. To date, we have heard no significant concerns raised by court stakeholders regarding the efficiency proposals. While we recognize that the proposed fee increases may make it more difficult for those with less financial resources to access court services, the increases are designed to offset existing court costs to provide the services. While the Governor assumes that the proposed efficiencies and fee increases will generate revenues or savings of \$30 million, fiscal estimates for most of the proposed items were not available at the time of this publication. It is, therefore, difficult for us to assess whether \$30 million is a reasonable estimate that can be achieved.

Legislature Should Define Its Priorities for How Reductions Are Implemented. While the Governor's proposed efficiencies and user fee increases provide some additional funds to help trial courts meet their ongoing reductions, additional solutions will still be required to address the bulk of their reduction. As indicated

above, trial courts addressed \$214 million of their ongoing reductions in 2011-12 and 2012-13 by making various operational changes. These actions frequently resulted in a backlog of cases, delays in processing court paperwork, and longer wait times for those seeking court services. Absent legislative action, trial courts will likely expand upon these actions to address \$234 million in additional ongoing reductions that require solutions in 2014-15. This would likely further reduce public access to court services. Given the magnitude of additional reductions which must be addressed by the courts in 2014-15, the Legislature will want to (1) establish its own priorities for how the budget reductions will be implemented by the judicial branch and (2) determine whether to minimize further impacts to court users by providing additional offsetting resources on a one-time or ongoing basis. In making these decisions, the Legislature has several options. However, each of these options has distinct trade-offs and is discussed in more detail below. (An evaluation of potential trial court governance changes,

Figure 8**Trial Courts Budget Reductions Through 2014-15***(In Millions)*

	2008-09	2009-10	2010-11	2011-12	2012-13 (Estimated)	2013-14 (Budgeted)	2014-15 (Estimated)
General Fund Reductions							
One-time reduction	-\$92	-\$100	-\$30	—	-\$418	—	—
Ongoing reductions (cumulative)	—	-261	-286	-\$606	-724	-\$724	-\$724
Total Reductions	-\$92	-\$361	-\$316	-\$606	-\$1,142	-\$724	-\$724
Solutions to Address Reduction							
Construction fund transfers	—	\$25	\$98	\$213	\$299	\$55	\$55
Other special fund transfers	—	110	62	89	102	52	52
Trial court reserves	—	—	—	—	385	200	—
Increased fines and fees	—	18	66	71	121	121	121
Statewide programmatic changes	—	18	14	19	21	48	48
Total Solutions	—	\$171	\$240	\$392	\$928	\$476	\$276
Reductions Allocated to the Trial Courts^a	\$92	\$190	\$76	\$214	\$214	\$248	\$448

^a Addressed using various actions taken by individual trial courts, such as the implementation of furlough days and reduced clerk hours, as well as use of reserves (separate from those required by budget language or Judicial Council).

Summary of Proposed Administrative Efficiencies and User Fee Increases

The Governor proposes the following administrative efficiencies and user fee increases to generate savings or increase revenues to help trial courts address ongoing reductions. At the time of this report, neither the administration nor the judicial branch had provided estimates of the savings or additional revenue that could be achieved for most of the proposed changes. The proposed administrative efficiencies and increased user fees are described in more detail below.

Court-Ordered Debt Collection. Courts (or sometimes counties on behalf of courts) may choose to utilize the state's Tax Intercept Program, operated by the Franchise Tax Board (FTB) with participation by the State Controller's Office (SCO), to intercept tax refunds, lottery winnings, and unclaimed property from individuals who are delinquent in paying fines, fees, assessments, surcharges, or restitution ordered by the court. Current law allows FTB and SCO to require the court to obtain and provide the social security number of a debtor prior to running the intercept. Under the proposed change, courts will no longer be required to provide such social security numbers to FTB. Instead, FTB and SCO (who issues payments from the state) would be required to use their existing legal authority to obtain social security numbers from the Department of Motor Vehicles. This change will reduce court costs associated with attempting to obtain social security numbers from debtors.

Destruction of Marijuana Records. Courts are currently required to destroy all records related to an individual's arrest, charge, and conviction for the possession or transportation of marijuana if there is no subsequent arrest within two years. Under the proposed change, courts would no longer be required to destroy marijuana records related to an infraction violation for the possession of up to 28.5 grams of marijuana, other than concentrated cannabis. This proposed change would reduce staff time and costs associated with the destruction process.

Preliminary Hearing Transcripts. Courts are currently required to purchase preliminary hearing transcripts from certified court reporters and provide them to attorneys in all felony cases. In all other cases, the courts purchase transcripts upon the request of parties. Under the proposed change, courts would only be required to provide preliminary hearing transcripts to attorneys in homicide cases. Transcripts would continue to be provided upon request for all other case types. This change reduces costs as the court will no longer be required to purchase copies of all non-homicide felony cases from the court's certified court reporter, but will only need to purchase them when specifically requested.

Court-Appointed Dependency Counsel. Current law states that parents will not be required to reimburse the court for court-appointed counsel services in dependency cases if (1) such payments would negatively impact the parent's ability to support their child after the family has been reunified or (2) repayment would interfere with an ongoing family reunification process. Designated court staff currently has the authority to waive payment in the first scenario, but are required to file a petition for a court hearing to determine whether payment can be waived in the second scenario. Under the proposed change, staff would be permitted to waive payments under this second scenario, thereby eliminating the need for some court hearings.

Exemplification of a Record. Exemplification involves a triple certification attesting to the authenticity of a copy of a record by the clerk and the presiding judicial officer of the court for use as evidence by a court or other entity outside of California. The fee for this certification is proposed to increase from \$20 to \$50. The cost of a single certification is \$25. The increased fee is estimated to generate \$165,000 in additional revenue.

Copies or Comparisons of Files. The fee for copies of court records is proposed to increase from \$0.50 to \$1 per page, which is estimated to generate an additional \$5.9 million in revenue. Additionally, fees to compare copies of records with the original on file would increase from \$1 to \$2 per page.

Record Searches. Current law requires court users to pay a \$15 fee for any records request that requires more than ten minutes of court time to complete. Typically, courts interpret this to mean that the fee can only be applied when the search for any single record takes more than ten minutes to complete, regardless of the total number of requests made by the requester. Under the Governor's proposal, courts would charge a \$10 administrative fee for each name or file search request. A fee exemption is provided for an individual requesting one search for case records in which he or she are a party.

Small Claims Mailings. The fee charged for mailing a plaintiff's claim to each defendant in a small claims action would increase from \$10 to \$15 to cover the cost of postal rate increases that have occurred over the past few years.

Deferred Entry of Judgment. Courts would be permitted to charge an administrative fee—up to \$500 for a felony and \$300 for a misdemeanor—to cover the court's actual costs of processing a defendant's request for a deferred entry of judgment. This occurs when the court delays entering a judgment on a non-violent drug charge pending the defendant's successful completion of a court-ordered treatment (or diversion) program.

Vehicle Code Administrative Assessment. Courts would be required to impose a \$10 administrative assessment for every conviction of a Vehicle Code violation, not just for subsequent violations as required under current law. This new assessment is estimated to generate \$2.2 million in annual revenue.

Trial by Written Declaration. Currently, defendants charged with a Vehicle Code infraction may choose to contest the charges in writing—a trial by written declaration. Originally implemented to allow individuals living far from the court to contest the charge, courts have discovered that more and more individuals living close to the court have been using this service. If the local violator is unsatisfied with the decision rendered in the trial by declaration process, they may then personally contest the charges in court as if the trial by written declaration never took place. In recognition of the unintended increased workload, courts would be authorized to collect a non-refundable \$50 administrative fee from individuals residing in the county in which a traffic citation was issued to process their request for a trial by written declaration. This new fee is estimated to generate \$3.2 million in annual revenue.

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which may also help the trial courts absorb their reduction, is currently underway and is discussed in the nearby box.)

Given the ongoing nature of the prior-year reductions, we recommend that the Legislature focus on options that provide *ongoing* savings or revenues for court operations. Such options include:

- ***Statutory Changes to Reduce Operating Costs.*** The Legislature could make statutory changes that would enable courts to reduce their operating costs. As we discussed above, a few such changes are proposed by the Governor. However, courts indicate a number of other potential changes exist. For example, the Legislature could authorize

implementation or expansion of the use of electronic court reporting, which current law bars in certain case types. We have previously estimated that a complete shift to electronic court reporting could save the state in excess of \$100 million on an annual basis upon full implementation. Alternatively, the Legislature could provide courts flexibility to use electronic court reporting in any case or proceeding where the judge feels it is appropriate. As another example, courts have informed us that under current law, they may only discard death penalty files and exhibits upon the execution of the convicted defendant. Since most individuals on death row die due to

The Trial Court Budget Working Group

Chapter 850, Statutes of 1997 (AB 233, Escutia and Pringle), more commonly known as the Lockyer-Isenberg Trial Court Funding Act of 1997, shifted primary financial responsibility for trial court operations from the counties to the state. This legislation sought to: (1) stabilize and simplify trial court funding and (2) promote greater efficiencies and uniformity in trial court operations. As a part of the 2012-13 budget, a working group—consisting of six appointees by the Chief Justice and four appointees by the Governor—was established to evaluate the state’s progress in achieving these goals. Specifically, this group was tasked with (1) conducting a statewide analysis of funding, workload, staffing, and operational standards; (2) evaluating factors affecting a trial court’s ability to provide equal access to justice; (3) identifying cost-efficient operational changes; and (4) increasing funding transparency and accountability. This group conducted its first meeting in November 2012 and is expected to provide a final report to the Judicial Council and Governor by April 2013.

We would note that we have previously offered three recommendations to further the goals of trial court realignment: (1) shifting responsibility for the trial court employee personnel system from the individual trial courts to the state (specifically under the authority of Judicial Council), (2) establishing a comprehensive trial court performance assessment program, and (3) establishing a more efficient division of responsibilities between the Administrative Office of the Courts—the staffing agency for the Judicial Council—and trial courts. Implementation of these changes have the potential to reduce trial courts costs, better prioritize funding among courts, and increase efficiency. (Please see our September 2011 publication, *Completing the Goals of Trial Court Realignment*, for further description of these recommendations.)

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natural causes, courts bear the costs to store these files and exhibits into perpetuity.

The Legislature could modify current law to allow death penalty files and exhibits to be discarded on the death of the convicted offender, regardless of the cause of death. When evaluating potential statutory changes, the Legislature will want to consider whether there are significant policy ramifications for members of the public and whether they outweigh the potential fiscal benefits from each court efficiency considered.

- Increased Fines or Fees.** The Legislature could also further increase criminal and civil fines and fees. The Legislature has taken this action several times in recent years to fund court facility construction projects and to offset reductions to trial court funding. The frequent increase in fines and fees in recent years has raised concerns that additional increases may suffer from “diminishing returns.” To the extent this were to occur, it could be a signal of reduced access to justice as fewer people are able to or choose to access the civil court process because of the increased costs. As shown in Figure 9, the sum of all revenues generated from recent fee increases are projected to exceed the total

amount originally estimated by the courts. However, revenues for some fee increases are lower than what was projected. This could be an indication that, at least for some fines and fees, additional increases might not result in as much revenue as previously achieved.

- Additional Transfers From Judicial Branch Special Funds.** The Legislature could direct additional transfers from branch special funds—the SCFCF, ICNA, and IMF, in particular—to further assist the trial courts meet their reductions. For example, the SCFCF and ICNA receive a total of about \$425 million in criminal fine and civil filing fee revenues annually for court facility projects. (A portion of these funds are also used for maintenance of court facilities.) However, the consistent transfer of dollars from these three special funds since 2009-10 has greatly reduced their fund balances, leaving limited dollars available for transfer in the short-term. In

Figure 9

Total Revenues From Recent Fee Increases

(Revenues in Millions)

Fee or Penalty	Fee Increase	Initial Revenue Projections	Current Revenue Projections for 2012-13 ^a
Increased in 2010-11			
Summary Judgment Fee	\$300	\$6.2	\$5.6
Telephonic Hearing Fee	\$20	6.0	4.4
First Paper Filing Fee	\$20 or \$40	40.1	33.0
Pro Hac Vice Fee	\$250	0.8	0.6
Parking Citation Penalty	\$3	10.5	21.8
Total New Revenues		\$63.6	\$65.4
Increased in 2012-13			
Jury Deposit Fee	\$150	\$11.7	\$23.7
Motion Fee	\$20	8.3	7.9
First Paper Filing Fee	\$40	21.1	20.8
Will Deposit Fee	\$50	2.2	0.8
Complex Case Fee	\$450	7.1	11.7
Total New Revenues		\$50.4	\$65.0

^a Estimated using partial-year revenues received through November 30, 2012.

addition, while most SCFCF projects are already under construction, the majority of ICNA construction projects are currently in either the site acquisition or design phase. Several of the ICNA projects have been delayed already because of transfers. (A more detailed discussion of ICNA is provided in a later section of this report.) On a one-time or short-term basis, the Legislature could further delay projects not currently under construction and transfer more funds to offset reductions to the trial courts. Alternatively, the Legislature could consider canceling certain courthouse construction projects altogether in order to free up additional revenues for transfer to the trial courts on an ongoing basis. Of course, actions to further delay or cancel construction projects would result in the ongoing use of courthouses with various problems—including insufficient space as well as health, safety, or security concerns.

- **General Fund Restoration.** If the Legislature (1) determines that minimizing the amount of additional impacts of budget cuts on court users is a statewide priority and (2) is unable to attain its desired level of offsetting solutions from all of the other options listed above, the Legislature could consider providing the courts with additional General Fund support. The Legislature could choose an amount of one-time or ongoing General Fund support to provide based on what it felt was necessary to allow the courts to meet a desired level of service. To the extent additional General Fund support is provided, the Legislature will want to ensure that certain legislative priorities are achieved.

LAO Recommendation

We recommend approval of the Governor's proposed trailer bill language to implement administrative efficiencies and increase user fees as they provide trial courts with ongoing fiscal relief. Further, we recommend that the Legislature request that judges, court executives, court employees, and other judicial branch stakeholders identify at budget hearings this spring additional efficiencies that could provide further savings. This could provide the Legislature with additional options that, if adopted, could further offset ongoing General Fund reductions. However, the Legislature may be concerned that the ongoing reductions to the trial courts could have increasingly negative impacts on court users, especially as the amount of ongoing budget reductions that the trial courts must absorb increases in 2014-15. Thus, the Legislature should require the judicial branch to report at budget hearings on how the trial courts plan to implement their remaining ongoing budget reductions and what impacts any operational changes may have upon public access to the courts in the future.

Trial Court Reserves Policy

Background

Chapter 850, Statutes of 1997 (AB 233, Escutia and Pringle), allowed Judicial Council to authorize trial courts to establish reserves to hold any unspent funds from prior years. Chapter 850 did not place restrictions on the amount of reserves each court could maintain or how they could be used. As shown in Figure 10, trial courts had \$531 million in reserves at the end of 2011-12. The judicial branch estimates that reserves will decrease to roughly \$125 million by the end of 2012-13. This decline reflects, in large part, the expectation in the 2012-13 budget that courts would use \$385 million of their reserves to offset General Fund reductions.

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These reserves consist of funding designated by the court as either restricted or unrestricted. Restricted reserves include (1) funds set aside to fulfill contractual obligations or statutory requirements and (2) funds usable only for specific purposes. Examples of restricted reserves include funds set aside to cover short-term facility lease costs, service contracts, license agreements, and children’s waiting rooms costs. Unrestricted reserves, on the other hand, are funds that are available for any purpose. Unrestricted funds are generally used to avoid cash shortfalls caused by normal revenue or expenditure fluctuations, to make one-time investments in technology or equipment, and to cover unanticipated costs.

As part of the 2012-13 budget package, the Legislature approved legislation to change the above reserve policy that allows trial courts to retain unlimited reserves.

Specifically, beginning in 2014-15, each trial court will only be allowed to retain reserves of up to 1 percent of its prior-year operating budget. The judicial branch estimates that, in total, trial courts will be able to retain up to \$22 million in 2014-15. Additionally, legislation was approved to

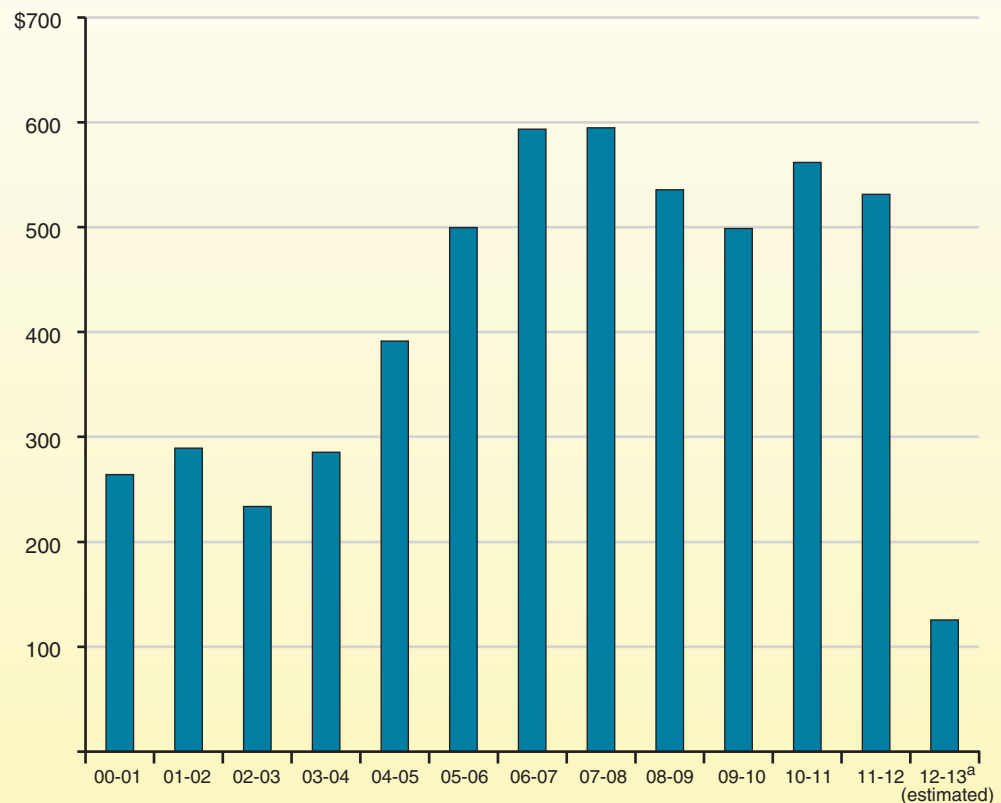
establish a statewide trial court reserve, managed by the Judicial Council, beginning in 2012-13. This statewide reserve consists of 2 percent of the total funds appropriated for trial court operations in a given year—\$27.8 million in 2012-13. Trial courts can petition the Judicial Council for an allocation from the statewide reserve to address unforeseen emergencies, unanticipated expenses for existing programs, or unavoidable funding shortfalls. Any unexpended funds in the statewide reserve would be distributed to the trial courts on a prorated basis at the end of each fiscal year.

Governor’s Proposal

The Governor’s budget maintains the new reserve policy enacted as part of the 2012-13 budget. The administration also states that it plans

Figure 10
Total Trial Court Reserves Since 2000-01

(In Millions)



^a Based on trial court estimates reported January 2013.

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to propose budget trailer legislation designed to assist the judicial branch manage monthly trial court cash flows effectively in the absence of individual court reserves. As discussed above, the Governor's budget also assumes that trial courts will utilize \$200 million in reserves in 2013-14 to help offset ongoing General Fund reductions.

LAO Assessment

Assumption of Available Reserves May Be Overstated. As mentioned earlier, the trial courts currently estimate that approximately \$125 million in reserves will be available at the end of 2012-13 for use in the budget year. This is less than the \$200 million that the Governor assumes will be available to offset ongoing General Fund reductions to the trial courts. In addition, the majority of the \$125 million in projected reserves is expected to be restricted leaving only about \$51 million of unrestricted funds available for discretionary uses. To the extent trial courts have less in available reserves than the \$200 million the Governor's budget plan assumes, courts would likely have to take additional actions to accommodate the reduction. Since these estimates are being made midway through the current fiscal year, the final amount of reserves available for use may be significantly higher or lower than the branch's current estimates depending on what operational actions trial courts take over the latter half of the year.

Reserves Cap Has Presented Unintended Challenges. The Legislature enacted the new reserves policy to ensure greater consistency with state departments and agencies, which generally are not authorized to retain reserves. However, the ability to retain unlimited reserves provided trial courts with a great deal of financial autonomy in the past. Thus, the limitation of reserves to 1 percent of prior-year operating budgets, as well as the withholding of trial court operation funding

to create a 2 percent statewide reserve, presents a number of unintended challenges which require new judicial branch policies and procedures. Some of these may also require statutory changes. These issues include:

- ***Cash Shortfalls.*** Trial courts receive allocations from the state on a monthly basis, which sometimes is not enough cash to cover all operating expenses in a given month. Courts currently use their reserves to cover this gap in funding to pay all of their bills on time and avoid cash shortfalls. In addition, the courts often use their reserves to ensure that certain court programs can continue to operate even when there are delays in federal or other reimbursements for those programs. For example, federal reimbursements for child support commissioners and facilitators are often delayed by up to a year or longer, but courts are able to use their reserves to ensure that this program continues to operate. The potential for cash shortfalls is exacerbated by the requirement that the branch maintain a 2 percent statewide reserve. Each court will receive a monthly state allocation that is 2 percent smaller than what they would otherwise receive, thereby reducing the size of the local reserve they are allowed to keep.
- ***Payroll Requirements.*** Courts may process their own employee payroll or utilize a third-party vendor, such as the county personnel agency or a private company. These third-party vendors often require the court to maintain the equivalent of one or more months of court employee salaries in reserves to ensure that the court has sufficient funds to reimburse the county. This single reserve requirement can exceed

10 percent of a court's annual budget amount, which is well in excess of the 1 percent limit that will go into effect under current law. Without an exemption of these funds from the new reserves limit, courts may have difficulty making employee payroll on a monthly basis or may no longer be able to use the third party vendor.

- **Restricted Funds.** As discussed previously, restricted reserves are funds constrained by statute, contract, or use for a specific purpose. As such, they are often not easily accessible for alternative uses by the courts. The new reserve policy does not exempt restricted funds from this 1 percent cap. Consequently, courts will have fewer unrestricted funds available for discretionary uses and may be forced to break existing contracts to reduce their reserves to meet the 1 percent cap. In some courts, obligations in restricted reserves may actually exceed the court's cap.
- **Projects Traditionally Funded Using Reserves.** Historically, trial courts have used their reserves to fund certain projects and have not had to have these projects approved by the Judicial Council or the Legislature. For example, courts have built up reserves to purchase expensive technology or other services, often designed to help the court operate more efficiently, support additional workload, or provide the public with greater access to court services. Past projects include replacing or updating their case management systems as well as document management, collections, electronic filing, and electronic access technologies. Additionally, some courts report using their reserves to support other unique

programs or practices. For example, the Shasta superior court uses its reserve to pay the salaries of their collections staff, who collect court-ordered debt for itself as well as a number of smaller trial courts, thereby minimizing the costs of collections for itself and all of its partners. The current reserve policy limits the ability for courts to save and plan over time for similar projects and programs in the same ways. Instead, the Legislature and judicial branch will likely need to establish new processes for prioritizing and funding those projects determined to be of greatest value to the state.

LAO Recommendation

Our understanding is that the administration's proposed budget trailer legislation related to reserves will address some of the challenges discussed above. At the time of this analysis, however, the administration's proposed legislation was not available. Therefore, we withhold recommendation pending the provision of this language. After the administration has provided its proposed language to the Legislature, we will review it at that time and advise the Legislature on the degree to which it addresses the issues outlined above.

Transfer of \$200 Million in Court Construction Funds to the General Fund

Background. Chapter 311, Statutes of 2008 (SB 1407, Perata), authorized increases in criminal and civil fines and fees to finance up to \$5 billion in trial court construction projects. (These funds may also be used for other facility-related expenses such as maintenance and modification of existing courthouses.) The revenue from the fines and fees are deposited in ICNA established by

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Chapter 311. In accordance with the legislation, the Judicial Council selected 39 construction projects deemed to be of “immediate” or “critical” need for replacement—often because of structural, safety, or capacity shortcomings of the existing facilities—that would be funded from ICNA. This account receives roughly \$300 million annually in revenue.

Governor’s Proposal. Recent budgets have transferred or loaned hundreds of millions of dollars from ICNA to help address the state’s fiscal problems. The Governor’s budget proposes a new one-time \$200 million transfer from ICNA to the General Fund. The budget also reflects the ongoing transfer of \$50 million from ICNA to support trial court operations as initially authorized as part of the 2012-13 budget. Additionally, the Governor proposes to delay from 2013-14 to 2015-16 the repayment of a \$90 million loan that was made from ICNA to the General Fund in 2011-12. As we discuss below, repeated transfers and loans from ICNA have greatly decreased the availability of funds for construction projects.

Figure 11 summarizes the amount of ICNA revenues, expenditures, transfers, and loans that have occurred each year since the account was

established and are proposed by the Governor for 2013-14. Under the Governor’s proposal, over two-thirds—a total of \$1.1 billion—of all ICNA revenues over the period shown will have been transferred or loaned to offset reductions to trial courts or General Fund shortfalls by the end of 2013-14. (During this same time period, nearly \$550 million will have also been transferred or loaned for similar purposes from another construction account—the SCFCF.) As shown in the figure, the budget assumes that the judicial branch will spend \$110 million from ICNA on projects and other facility-related expenses in 2013-14, leaving a projected fund balance of \$14 million at the end of the budget year.

Projects to be Delayed Unspecified. Prior to the release of the Governor’s budget, the Judicial Council delayed eight ICNA-funded projects and directed all remaining projects to meet project-specific cost-reduction goals to address the drop in available funds in 2012-13. (As we discuss in the next section, the Judicial Council chose to delay four additional projects in 2012-13 in order to fund the service payments associated with the construction of a new courthouse in Long

Figure 11

Nearly Two-Thirds of ICNA Funds Transferred or Loaned by 2013-14*(In Millions)*

	2008-09	2009-10	2010-11	2011-12	2012-13 Estimated	2013-14 Proposed
Adjusted beginning balance	—	\$197	\$258	\$406	\$61	\$73
Revenues	\$94	304	330	305	301	300
Total Resources	\$94	\$501	\$588	\$710	\$362	\$374
Expenditures	—	\$129	\$145	\$106	\$49	\$110
Transfers and Loans						
Trial court operations transfers	—	25	73	143	240	50
General Fund transfers	—	—	—	310	—	200
General Fund loans	—	—	—	90	—	—
Subtotals, Transfers and Loans	(—)	(\$25)	(\$73)	(\$543)	(\$240)	(\$250)
Total Expenditures, Transfers, and Loans	—	\$154	\$219	\$649	\$289	\$360
Fund Balance	\$94	\$347	\$370	\$61	\$73	\$14

ICNA = Immediate and Critical Needs Account.

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Beach from ICNA.)

The council made its decision based on an evaluation of all projects using several operational and economic criteria.

Figure 12 summarizes the current status of all court construction projects that are planned to be funded from ICNA.

As a result of the Governor's proposed transfer of \$200 million from ICNA to the General Fund, fewer projects are likely to be able to proceed in the budget year than the Judicial Council previously planned. In fact, the administration states that the transfer will likely delay most or all construction projects by at least a year, except for those projects scheduled to complete bond sales by the end of the current year (these will proceed as planned). The Judicial Council is responsible for determining specifically which projects to delay, and will base this decision on the recommendations of its Court Facilities Working Group Advisory Committee. At this time, the courts have not identified which projects will be delayed, what

Figure 12

ICNA Projects—Status and Current Estimated Project Cost

As of January 2013 (In Millions)

Project	Current Estimated Project Cost	Priority Need
Beginning Construction in 2013		\$799
Alameda—East County Courthouse	110	Critical
Butte—North Butte County Courthouse	65	Immediate
Kings—Hanford Courthouse	124	Critical
San Joaquin—Juvenile Justice Center	4	Immediate
Santa Clara—Family Justice Center	234	Critical
Solano—Fairfield Old Solano Courthouse	28	Immediate
Sutter—Yuba City Courthouse	72	Immediate
Yolo—Woodland Courthouse	162	Immediate
Preconstruction Activities		\$2,398
El Dorado—Placerville Courthouse	91	Critical
Glenn—Willows Courthouse	46	Critical
Imperial—El Centro Family Courthouse	60	Immediate
Inyo—Inyo County Courthouse	34	Critical
Lake—Lakeport Courthouse	56	Immediate
Los Angeles—Eastlake Juvenile Courthouse	90	Critical
Los Angeles—Mental Health Courthouse	84	Critical
Mendocino—Ukiah Courthouse	122	Critical
Merced—Los Banos Courthouse	32	Immediate
Riverside—Hemet Courthouse	119	Immediate
Riverside—Indio Juvenile and Family Courthouse	66	Immediate
San Diego—Central San Diego Courthouse	620	Critical
Santa Barbara—Criminal Courthouse	132	Immediate
Shasta—Redding Courthouse	171	Immediate
Siskiyou—Yreka Courthouse	78	Critical
Sonoma—Santa Rosa Criminal Courthouse	179	Immediate
Stanislaus—Modesto Courthouse	277	Immediate
Tehama—Red Bluff Courthouse	72	Immediate
Tuolumne—Sonora Courthouse	69	Critical
Indefinitely Delayed		\$1,178
Fresno—County Courthouse	113	Immediate
Kern—Delano Courthouse	42	Immediate
Kern—Mojave Courthouse	44	Immediate
Los Angeles—Glendale Courthouse	127	Immediate
Los Angeles—Lancaster Courthouse ^a	—	Immediate
Los Angeles—Santa Clarita Courthouse	64	Immediate
Los Angeles—Southeast Los Angeles Courthouse	126	Immediate
Monterey—South Monterey County Courthouse	49	Immediate
Nevada—Nevada City Courthouse	103	Critical
Placer—Tahoe Area Courthouse	23	Immediate
Plumas—Quincy Courthouse	35	Critical
Sacramento—Criminal Courthouse	452	Immediate
Total, All ICNA Projects	\$4,375	

^a The original construction project has been cancelled, and the Judicial Council is now considering whether to modify the current facility.

ICNA = Immediate and Critical Needs Account.

criteria will be used to prioritize projects, or when these decisions will be made.

LAO Recommendation. We recommend approval of the Governor's proposal to transfer \$200 million from ICNA to the General Fund because of the fiscal benefit it provides the state. We acknowledge, however, that this transfer will likely mean additional delays in court construction projects intended to be funded through ICNA. Therefore, we also recommend that the judicial branch report at budget hearings this spring on (1) which projects will be delayed, (2) how they plan to prioritize further delays, and (3) whether the need or scope of currently proposed ICNA projects have changed due to changes in trial court operations that were implemented to address budget reductions (such as the consolidation of existing courthouses). Such information will help ensure that the judicial branch's construction plans are consistent with legislative priorities.

Long Beach Courthouse Lease Payment

Background. The 2007-08 Budget Act directed the Administrative Office of the Courts (AOC), the agency that staffs the Judicial Council, to gather information regarding the possible use of a public-private partnership (P3) for the construction of a new facility to replace the existing courthouse in Long Beach. In December 2010, AOC entered into a P3 contract that required a private developer to finance, design, and build a new Long Beach courthouse, as well as to operate and maintain the facility over a 35-year period. At the end of this period, the judicial branch will own the facility. In exchange, the contract requires AOC to make annual service payments (also known as service fees) totaling \$2.3 billion over the period. The actual amount of the annual service payment will

vary each year primarily due to inflation, as well as other factors. These payments commence upon occupancy of the Long Beach courthouse, which is currently estimated to occur in September 2013.

Governor's Proposal. The Governor's budget proposes using \$34.8 million from ICNA to fund the first annual service payment for the Long Beach courthouse in 2013-14. Since occupancy of the new courthouse will not begin until September 2013, this payment reflects only partial-year occupancy of the facility. So, an additional \$19.4 million is requested from ICNA for 2014-15 to make a full-year service payment of \$54.2 million. In subsequent years, the judicial branch will have to submit budget requests to fund any growth in service payments.

Permissible Use of ICNA Funds. While the P3 contract between AOC and the Long Beach courthouse developer requires annual service payments by AOC, neither the contract nor statute specifies a particular funding source for these payments. Statute clearly permits the use of ICNA funds for service payments, and using this special fund rather than the General Fund to pay these costs provides the Legislature with additional General Fund resources to support other state priorities. The Long Beach courthouse project, however, was not originally on the list of projects the judicial branch planned to be funded from ICNA. Instead, the branch had assumed that the project would be funded from the General Fund. Therefore, the plan to use ICNA funds for these service payments, combined with reduced ICNA fund balances as previously discussed, resulted in a Judicial Council decision to indefinitely delay four court construction projects (the Fresno County, Southeast Los Angeles, Nevada City, and Sacramento Criminal courthouses).

LAO Recommendation. We recommend approval of the Governor’s proposal to use ICNA funds for service payments for the Long

Beach courthouse. This proposal benefits the General Fund by tens of millions of dollars per year (potentially for the next 35 years), and it is a permissible use of ICNA funds.

CALIFORNIA DEPARTMENT OF CORRECTIONS AND REHABILITATION

Overview

The CDCR is responsible for the incarceration of adult felons, including the provision of training, education, and health care services. As of January 9, 2013, CDCR housed about 133,000 adult inmates in the state’s prison system. Most of these inmates are housed in the state’s 33 prisons and 42 conservation camps. Approximately 9,600 inmates are housed in either in-state or out-of-state contracted prisons. The CDCR also supervises and treats about 58,000 adult parolees and is responsible for the apprehension of those parolees who commit new offenses or parole violations.

In addition, about 800 juvenile offenders are housed in facilities operated by CDCR’s DJJ, which includes three facilities and one conservation camp. Prior to January 1, 2013, CDCR also supervised juvenile parolees. County probation departments,

however, now have responsibility for supervising all juvenile offenders released from DJJ.

The Governor’s budget proposes total expenditures of \$9 billion (\$8.7 billion General Fund) for CDCR operations in 2013-14. Figure 13 shows the total operating expenditures estimated in the Governor’s budget for the current year and proposed for the budget year. As the figure indicates, spending is virtually flat between the two years.

The department’s budget includes increased spending related to higher employee compensation costs caused by the expiration of the Personal Leave Program, the activation of new prison health care facilities, the expansion of inmate rehabilitation programs, and increased use of in-state contract beds for inmates. This additional spending is partially offset by proposed budget reductions, primarily related to additional savings from the

Figure 13

Total Expenditures for the California Department of Corrections and Rehabilitation

(Dollars in Millions)

	2011-12 Actual	2012-13 Estimated	2013-14 Proposed	Change From 2012-13	
				Amount	Percent
Prisons	\$7,817	\$7,612	\$7,791	\$179	2.4%
Adult parole	767	628	537	-91	-14.5
Administration	449	442	409	-33	-7.5
Juvenile institutions and parole	231	179	186	7	3.8
Board of Parole Hearings	85	71	42	-29	-40.7
Corrections Standards Authority ^a	71	—	—	—	—
Totals	\$9,421	\$8,932	\$8,965	\$33	0.4%

^a The Corrections Standards Authority is now a separate department known as the Board of State and Community Corrections.

2011 realignment of adult offenders to counties. These budget reductions include operational savings associated with reduced state prison and parole populations, as well as decreased use of out-of-state contract beds for inmates. These changes are consistent with the administration's 2012 plan (commonly referred to as the "blueprint") to reorganize various aspects of CDCR's operations, facilities, and budget in response to the effects of the 2011 realignment.

Adult Prison and Parole Populations Decline Projected to Slow in Coming Years

Background. The average daily prison population is projected to be about 129,000 inmates in 2013-14, a decline of roughly 3,600 inmates (3 percent) from the estimated current-year level. This decline is largely due to the 2011 realignment of lower-level felons from state to local responsibility. Although decreasing, the projected inmate population for 2013-14 is still about 3,200 inmates *higher* than was projected by CDCR in spring 2012. According to the department, this is due in part to higher-than-expected admissions to state prison. In addition, CDCR reports that more individuals on Post Release Community Supervision (PRCS) were convicted of new crimes and returned to prison than was originally projected. (As part of the 2011 realignment, individuals who do not have a current conviction for a serious or violent offense are generally supervised by counties on PRCS after serving their prison sentence, rather than by state parole agents.) The CDCR's projections also show that the decline in the prison population is expected to slow down in the coming years and actually increase within a few years.

The average daily parole population is projected to be about 43,000 parolees in the budget year, a decline of about 15,000 parolees (25 percent)

from the estimated current-year level. This decline is also largely a result of the 2011 realignment, which shifted from the state to the counties the responsibility for supervising certain offenders following their release from prison. The average daily population projected for 2013-14 is about 4,500 parolees *lower* than was initially projected by the department in spring 2012. According to CDCR, this is due to more parolees being discharged from supervision than expected in the first six months of 2012. In addition, CDCR projections show that the decline in the parole population is expected to slow down and even increase in coming years.

Governor's Proposal. As part of the Governor's January budget proposal each year, the administration requests modifications to CDCR's budget based on projected changes in the prison and parole populations in the current and budget years. The administration then adjusts these requests each spring as part of the May Revision based on updated projections of these populations. The adjustments are made both on the overall population of offenders and various subpopulations (such as mentally ill inmates and sex offenders on parole). As can be seen in Figure 14, the administration proposes a net reduction of \$14.6 million in the current year and a net increase of \$2.3 million in the budget year.

The current-year net reduction in costs is primarily due to savings from the larger than expected decline in the 2012-13 parolee population, as well as a delay in the activation of a 50-bed mental health crisis unit at California Men's Colony in San Luis Obispo. These savings are partially offset by increased inmate costs due to the higher-than-expected inmate population and inmates returning from out-of-state contract beds. (The savings from reducing the number of out-of-state beds—totaling \$84 million in the current year—are largely accounted for elsewhere in the Governor's budget for CDCR.)

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The budget-year net increase in costs is largely related to the higher-than-expected inmate population and back payments to counties for housing CDCR offenders (primarily parole violators) in jail in prior years. These costs are partially offset by the larger-than-expected decline in the parole population, as well as savings from a decline in certain populations of inmates needing mental health care.

Population Budget Request Generally Reasonable but Requires Current-Year Adjustment. In general, the administration's projections of the prison and parole population appear to be accurate based on recent trends, and the associated budget adjustments are generally reasonable. We find, however, that one component of the administration's funding request—specifically related to the provision of treatment services for sex offenders—is over-budgeted in the current year by about \$15 million and requires greater transparency on an ongoing basis.

Prior to their release, parolees who are registered sex offenders are given risk assessments, and those classified as sufficiently high risk are placed on High Risk Sex Offender (HRSO) caseloads. These parolees are subject to more intensive supervision by parole agents and are required to participate in sex offender treatment programs. Specifically, HRSOs are required to receive relapse prevention therapy and undergo polygraph examinations, consistent with the sex offender containment model. This model is designed to both decrease the likelihood that these

parolees will commit new sex offenses and increase the probability that new offenses are detected. The department relies on contractors to provide the treatment services to HRSOs. The department, however, has historically been unable to enter into a sufficient number of contracts to fully serve its HRSO population.

The Governor's budget proposal includes enough funding to provide treatment to an average of about 3,300 HRSOs in 2012-13 and 4,100 HRSOs in 2013-14. The CDCR, however, estimates that it will only be able to serve an average of about 1,100 HRSOs in the current year because of past problems securing contracts with treatment providers. The department expects to have resolved these problems by the end of the current year. Accordingly, we estimate that the department is over-budgeted for these services by \$15 million in 2012-13. The department informs us that these current-year savings may be needed to offset shortfalls elsewhere in its budget, specifically related to positions that had full-year funding eliminated in the 2012-13 budget but that were not actually eliminated until October 2012. At the time of this analysis, CDCR could not identify a specific

Figure 14**Governor's Population-Related Proposals***(Dollars in Millions)*

	2012-13	2013-14
Population Assumptions		
Prison population <i>2012-13 Budget Act</i>	129,461	125,434
Prison population <i>2013-14 Governor's Budget</i>	132,223	128,605
Prison Population Adjustments	2,762	3,171
Parole population <i>2012-13 Budget Act</i>	66,753	47,417
Parole population <i>2013-14 Governor's Budget</i>	57,640	42,958
Parole Population Adjustments	-9,113	-4,459
Budget Adjustments		
Inmate related adjustments	\$13.9	\$12.0
Jail contract reimbursements	—	8.9
Health care facility activations	-7.4	5.0
Parolee related adjustments	-21.1	-23.5
Proposed Budget Adjustments	-\$14.6	\$2.3

dollar amount associated with this potential current-year shortfall.

Lack of Transparency for Parolee Sex Offender Program. For the budget year, CDCR informs us that it may be unable to fill all of the 4,100 treatment slots assumed in the Governor’s budget with HRSOs. This is because, at any given time, roughly one-third of HRSOs are unable to participate in the program because they are in county jail pending new criminal charges, have been revoked due to violations of their parole, or are at large. To the extent that CDCR has more treatment slots funded than HRSOs to participate in them at any given time, CDCR plans to use these funds to provide non-high risk sex offenders (non-HRSOs) treatment. In so doing, the department argues that it will be closer to compliance with Chapter 218, Statutes of 2009 (AB 1844, Fletcher)—also known as Chelsea’s Law—which requires that all sex offenders on parole be provided with sex offender treatment.

While Chapter 218 does require CDCR to provide treatment to both HRSOs and non-HRSOs, the department’s plans raise several concerns. First, the request for sex offender treatment funding does not provide any estimate of the number of HRSOs versus non-HRSOs that will be served, making it difficult for the Legislature to understand and evaluate the department’s actual operational plans. Second, even though the department is only likely to have treatment slots available for a portion of the state’s non-HRSO parole population, it has not identified how it will prioritize which non-HRSOs will be placed in these programs. Third, it is not clear what type of treatment CDCR is providing to non-HRSOs, how effective the approach being used is, or whether it is the most cost-effective way to manage low-risk sex offenders. We are informed that CDCR is currently running a pilot program in Fresno in which non-HRSOs are being provided with sex offender treatment. The results of the

pilot are not available at this time—something the department should provide to the Legislature before expanding the program.

LAO Recommendations. We withhold recommendation on the administration’s adult population funding request until the May Revision. We will continue to monitor CDCR’s populations, and make recommendations based on the administration’s revised population projections and budget adjustments included in the May Revision. We recommend, however, that the Legislature direct the department to make adjustments as part of the May Revision to reflect the correct number of treatment slots that will be available in the current year, as well as distinguish between the number of HRSO and non-HRSO parolees that will be in treatment programs. We also recommend that the Legislature direct the department to report at budget hearings on the provision of sex offender treatment to non-HRSOs. In particular, the department should report on (1) whether the treatment modality used for non-HRSOs is appropriate and (2) how the department will prioritize which non-HRSOs will be placed into treatment. If the department’s responses are satisfactory to the Legislature, we recommend that it direct the department to separately delineate funding for HRSO and non-HRSO treatment in subsequent budget proposals.

Governor Requests Modification of Population Limit

Realignment Projected to Be Insufficient to Comply With Population Limit. In 2009, a federal three-judge panel declared that overcrowding in the state’s prison system was the primary reason that CDCR was unable to provide inmates with constitutionally adequate health care. The court ruled that in order for CDCR to provide such care, overcrowding would have to be reduced. Specifically, the court ruled that by June 2013 the

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state must reduce the inmate population to no more than 137.5 percent of the “design capacity” in the 33 prisons operated by CDCR. (As we discuss below, the court recently extended the date for meeting this limit to December 2013.) Design capacity generally refers to the number of beds CDCR would operate if it housed only one inmate per cell and did not use temporary beds, such as housing inmates in gyms. Inmates housed in contract facilities or fire camps are not counted toward the overcrowding limit. In May 2011, the U.S. Supreme Court upheld the three-judge panel’s ruling. Under the population cap imposed by the federal court, the state would need to reduce the number of inmates housed in its 33 state prisons by about 34,000 inmates relative to the prison population at the time of the ruling.

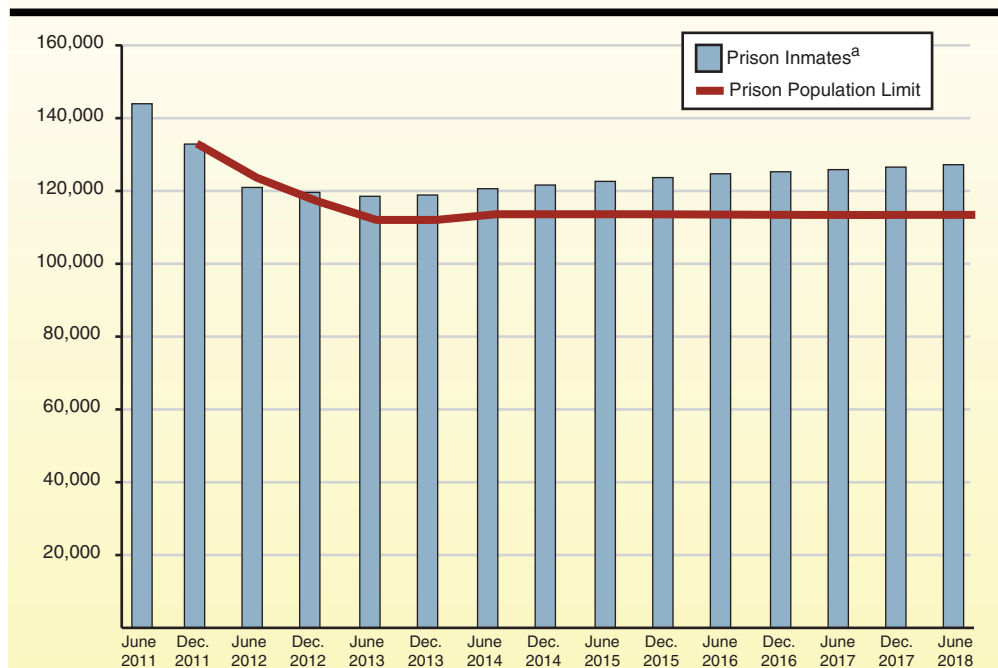
Largely in order to comply with this ruling, the state enacted the 2011 realignment legislation to reduce its prison population. Realignment has significantly reduced the state’s prison population.

We estimate that by the court’s current deadline of December 2013, the population in the state’s prisons will be about 25,000 inmates lower than it was prior to realignment. As can be seen in Figure 15, however, this reduction is not projected to be sufficient to meet the court-ordered population limit. (Changes in the population limit reflect

intermediate population limits approved by the court, as well as planned changes to CDCR’s design capacity, including the activation of new health care facilities in Stockton, the closure of the California Rehabilitation Center in Norco, and the construction of new housing units at two existing prisons.)

Administration Requests Court Modify Prison Population Limit. In October 2012, the federal three-judge panel ordered the state to present a plan for how it would further reduce the state’s prison population to comply with the limit either by the original deadline of June 2013, or by December 2013. On January 7, 2013 the administration released its response to the court. The administration requested that the court modify or vacate its population reduction order altogether. According to the administration, prison health care has improved and now meets constitutional requirements.

Figure 15

Prison Population Projected to Exceed Court-Ordered Limit

^a Based on California Department of Corrections and Rehabilitation fall population forecast.

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To support its claim, the administration cited the improved scores on audits of the state's inmate medical care program conducted by the Office of the Inspector General. These audits rate an individual prison's inmate medical care services on a scale ranging from 0 percent to 100 percent, with a score of 85 percent or more being considered "high adherence" to medical standards. The administration noted that audits of 20 of the state's 33 prisons yielded an average audit score of 86 percent. We note, however, that in addition to an audit score of 85 percent or higher for each prison, the criteria of constitutional care established by the court also requires the prisons to receive a satisfactory subjective review of health care conditions by court experts. At the time of this report, the results of subjective reviews carried out to date have not been submitted to the court. As a result, no prison has satisfied both of the above objectives to date.

The administration also noted in its response to the court that neither the Receiver (who operates much of the state's prison medical care system for the federal courts) nor the Special Master (who oversees the state's prison mental health care system for the federal courts) currently cite overcrowding as an obstacle to achieving constitutional care. We note, however, that both the Receiver and Special Master have since publicly disputed the administration's contention that the quality of medical and mental health care has improved to constitutional levels, and the Receiver has stated that overcrowding is still a significant obstacle to delivering such care.

In response to the federal court's order to provide a plan on how the state would reach the population limit, the administration provided two plans to reach the population limit specified by the court. The first plan would reach the population limit by the original deadline of June

2013, while the second plan would reach it by December 2013.

Subsequently, on January 8, 2013, Governor Brown cancelled an emergency order related to prison overcrowding that was originally issued by Governor Schwarzenegger in 2006. The order authorized the administration to contract for out-of-state beds to help address prison overcrowding. Citing steps the state has taken to reduce prison overcrowding, Governor Brown terminated the emergency proclamation and plans to eliminate the use of such beds by July 2016. This step is consistent with the administration's blueprint to eventually eliminate the use of out-of-state beds. Since inmates in out-of-state contract beds are not counted toward the court-ordered population limit, phasing out the use of these beds will increase the number of inmates housed in in-state prisons. Although less use of out-of-state beds reduces state operational costs, eliminating the use of these beds will make it more difficult for the administration to comply with the current court-ordered population limit. This could be particularly problematic if the court ultimately requires the state to comply with the limit as these beds may take time to reacquire.

On January 29, 2013, the three-judge panel issued an order in response to the administration's request to vacate or modify its order. While the court did not issue judgment on whether to vacate the population limit, it did extend the deadline for meeting the limit from June 2013 to December 2013. It also ordered the administration to continue working towards meeting the limit in December but did not order the administration to take any specific actions to do so.

Court Ruling on Population Limit May Not Be Final Prior to 2013-14. It could take months or longer for the federal court to decide whether to end or modify the prison population limit currently in place, as has been requested by the Governor.

For example, it took more than a year for the U.S. Supreme Court to uphold the first ruling by a federal court to institute the prison limit in California. If, however, the federal courts do ultimately require the state to reduce its prison population to meet the existing or a modified cap, the Legislature will want to craft a population reduction plan to ensure that any plan that is implemented is consistent with legislative priorities. For example, the Legislature could enact further sentencing changes, expand sentence credits, or authorize the use of additional contract beds. Any plan to reduce the inmate population further would have budgetary impacts (costs and savings), with the exact amount depending on the specific changes included in the plan.

Senate Bill 678 Formula Should Be Modified

Background

Individuals convicted of felonies can receive various sentences depending on their current offense, their offense history, and the discretion used by the judge. Typically, judges place individuals convicted of a felony on county probation in lieu of sending them to state prison. While on probation, offenders are required to meet certain terms of their supervision, which can include avoidance of criminal activity, drug testing, community service, and participation in treatment programs. If a felony probationer violates the terms of his supervision, the judge can elect to revoke the probation sentence and send the offender to state prison for the original felony offense. A felony probationer can also be sent to state prison if convicted of a new prison-eligible offense (generally a serious or violent felony) while on probation.

Legislation Provided Fiscal Incentive for Improved Probation Outcomes. Chapter 608, Statutes of 2009 (SB 678, Leno), now generally referred to as “SB 678,” was enacted to improve outcomes for adult felony probationers by giving

counties a fiscal incentive to reduce the number of felony probationers that fail on probation and are sent to state prison. Specifically, SB 678 provides counties a share of the state prison and parole savings that occurs when fewer felony probation failures are sent to state prison. Under SB 678, counties are required to reinvest this funding in evidence-based probation supervision and treatment practices. Funding for SB 678 grants was first provided to counties in the 2011-12 budget based on the number of probationers counties diverted from state prison in 2010. In 2011, the state estimated that SB 678 reduced the prison population by more than 9,500 inmates, resulting in state savings of \$278 million, with \$139 million distributed to county probation departments as award grants in the 2012-13 budget. These amounts are based on total state savings of \$29,000 for each felony probationer diverted from state prison.

Under SB 678, the state annually determines the amount of savings generated from fewer probation failures being sent to prison and sets aside half of the total savings to fund grants to counties responsible for diverting probationers from prison. Each county’s share of the SB 678 funds is based on the number of probationers it diverts from prison. As can be seen in Figure 16 (see next page), the number of felony probationers diverted from prison in a given year is estimated by comparing the rate at which those on felony probation were sent to prison in that year (the failure-to-prison rate) with the rate at which felony probationers were sent to prison in the comparison years of 2006, 2007, and 2008 (the “baseline” failure-to-prison rate). If the number actually sent to prison in a given year is less than the number expected from the baseline failure-to-prison rate, the county is entitled to a portion of savings it created for the state. The specific share of the state savings that each county receives is determined by its performance relative to the statewide average

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failure-to-prison rate. If a county's failure-to-prison rate is above the statewide average by less than 25 percent, it is designated a "tier one" county and receives 45 percent of the savings it created for the state. A county whose failure-to-prison rate is more than 25 percent above the statewide average is designated as a "tier two" county, and receives 40 percent of the state's savings. (Counties with very low failure-to-prison rates are designated as "high performance" counties and are eligible to receive SB 678 grants through a somewhat different formula.)

SB 678 Grants Affected by 2011 Realignment.

The 2011 realignment significantly reduced the number of felony offenders eligible for prison. Specifically, an individual convicted of a felony now can generally only be sent to state prison if he or she has a current or prior serious, violent, or sex offense. Otherwise convicted felons remain under county jurisdiction. These individuals are commonly referred to as lower-level offenders. Prior to realignment, lower-level offenders on

felony probation could be sent to state prison for violating the terms of their supervision. Following realignment, these lower-level offenders can only be sent to state prison if they are convicted of a new prison-eligible crime, such as a serious, violent, or sex offense. As a result, counties are sending significantly fewer felony probationers to state prison. This artificially decreases a county's failure-to-prison rates under SB 678 because, after realignment, counties are sending fewer probationers to state prison.

Governor's Proposal

The Governor's budget provides \$36 million for SB 678 grants in 2013-14, which is a reduction of \$103 million compared to the estimated amount for 2012-13. This change is due to three factors.

- ***Revised Methodology to Account for 2011 Realignment.*** The administration proposes revising the SB 678 formula to account for the 2011 realignment. (Because

award grants are made in the year after felony probationers were diverted from prison, the 2013-14 grant amount is the first year significantly affected by realignment.) To address the problems created by the 2011 realignment artificially lowering county failure-to-prison rates, the administration proposes to recalculate each county's baseline failure-to-prison rate to what it would have been had realignment been in effect in the baseline years. Due to data limitations,

Figure 16

Examples of Current SB 678 Grant Calculation For a Hypothetical County

2012-13

Step One: Baseline Failure-to-Prison Rate

Average felony probation population (2006 through 2008)	10,000
Average probation failures to prison (2006 through 2008)	700
Baseline failure-to-prison rate (2006 through 2008)	7%

Step Two: Felony Probationers Diverted From Prison

Felony probation population (2011)	10,000
Felony probation failures to prison (2011)	600
County failure-to-prison rate (2011)	6%
Probationers diverted from prison (2011)	100

Step Three: Savings Estimate

Annual state savings per probationer diverted	\$29,000
Total savings created by county	\$2,900,000
2011 Statewide failure-to-prison rate	5%
Tier designation	Tier 1
Percent of state savings included in grant	45%
Total SB 678 Grant to County	\$1,305,000

however, the administration cannot simply identify the number of probation failures who would have been eligible for prison under realignment. Consequently, the administration's adjustment to the SB 678 calculation for 2013-14 assumes that the percentage of felony probation failures that would have been eligible for prison in the baseline years is the same as the percentage eligible for prison in 2012.

- Revised Methodology for County Tier Designation.** Second, the administration proposes revising the way counties are assigned to tiers based on their performance. As discussed above, under current law, a county is designated a tier one or tier two county based on how its failure-to-prison rate compares with the statewide average failure-to-prison rate. The administration proposes that instead, each county's failure-to-prison rate be combined with its failure-to-jail rate to create an overall failure rate. It proposes that each county's overall failure rate be compared with the statewide overall failure rate to determine whether a county is eligible for a tier one or tier two award.
- Revised Estimate of State Cost to House Inmates.** Finally, the administration proposes to revise the SB 678 grant amount that would be sent to counties for each probationer diverted from prison. As mentioned above, it was previously assumed that the state saved about \$29,000 per year in prison and parole costs for each felony probationer diverted from prison. The administration proposes to significantly reduce this savings amount based on recent changes in the way CDCR staffs its prisons. The CDCR has changed

from using a ratio-based staffing system—where decreases in the inmate population directly resulted in staffing reductions—to a new standardized staffing model. Under this new model, each prison's staffing levels remain mostly fixed unless there are significant enough changes in the inmate population to justify opening or closing new housing units. Accordingly, under this new model, reductions in the state's prison population—such as those that occur due to SB 678—result in less savings for the state. Specifically, the administration estimates that each probationer diverted from prison will save the state about \$10,000 per year.

LAO Assessment

Governor's Proposal Raises Several Issues. In large part, we concur with the intent behind the administration's revisions. Specifically, we agree that going forward the SB 678 baseline should be adjusted to reflect what the failure rate would have been if realignment had been in place in the baseline years, as this is the best way to assess how effective county felony probation practices are following realignment. In addition, we agree that the grant amount needs to be adjusted to reflect changes in CDCR's budget due to standardized staffing, as this changes the amount the state saves when felony probationers are diverted from prison. We have several concerns, however, with the way the administration proposes to accomplish these goals. Specifically, we are concerned that (1) the methodology used to adjust the baseline failure-to-prison rate relies on a flawed assumption; (2) the methodology used to determine each county's tier grant does not provide appropriate incentives to reduce probation failures to prison because it reflects both failure-to-prison and jail rates, rather than just failure to prison; (3) the revised savings

estimate does not fully capture the amount saved by the state; and (4) counties may not be receiving funding for all the felony probationers they diverted from prison.

Proposed Methodology Based on Flawed Assumption. First, we find that the administration's methodology relies on a flawed assumption to recalculate each county's baseline failure rate, which could result in erroneous grant amounts to counties. As discussed, the proposed methodology would use each county's 2012 probation failure to prison rate as a proxy for the rate at which serious, violent, and sex offenders (those still eligible for prison after realignment) were sent to prison during the baseline years of 2006 through 2008. However, the rate at which these offenders went to prison prior to the implementation of SB 678 in each county could have actually been significantly higher or lower. Consequently, under the administration's proposed formula, a county could receive a grant amount that is either larger or smaller than what it deserved based on actual changes in performance.

This potential to miscalculate each county's performance grant amount could be exacerbated by another feature of the administration's proposed methodology. Specifically, the administration plans to *annually* adjust the baseline failure rate utilizing this flawed assumption. This would mean that if a county's probation failure-to-prison rate gets progressively better, the baseline against which it is compared also gets progressively better, making it more difficult for the county to qualify for as large of a grant based on past performance. Likewise, if a county's probation failure-to-prison rate gets progressively worse, the baseline against which it is compared also gets progressively worse, making it easier for the county to qualify for a larger grant.

Ideally, the baseline failure rate could be adjusted using CDCR records of felony probationers admitted to prison in 2006 through

2008. This data could be combined with CDCR's records of these individuals' offense histories so that the offenders that would have been ineligible for prison under realignment could be removed from the baseline failure rate. We are informed, however, that this data can be unreliable for determining the precise number of felony probationers that failed while being supervised by a given county. We note that this same challenge faced the state when the original SB 678 baseline failure rates were established. At that time, the AOC, in consultation with county probation departments, used a comparison of CDCR and county records to establish a reliable baseline failure rate for each county, rather than resorting to estimates, as is proposed by the administration.

Proposed Methodology Does Not Provide Appropriate Incentives. A second issue we identify with the administration's proposed methodology is that it is problematic to establish each county's tier grants based both on the failure-to-jail *and* failure-to-prison rates, rather than based solely on the failure-to-prison rate. By including each county's failure-to-jail rate, the proposed formula is not maximizing the incentive counties have to reduce the number of felony probationers sent to prison. This is because the comparison rewards counties even if their success was achieved by reducing felony probation failures-to-jail—an outcome that does not directly benefit the state and is inconsistent with SB 678. As such, revising the grant formula in this fashion would require a change in statute, because current law specifies that each county's tier or high performance designation be based specifically on its probation failure-to-prison rate.

Revised Savings Estimate Understates Actual Savings. Third, the administration's estimate of the state savings that occurs when a probation failure is prevented—about \$10,000 per offender per year—does not include any parole savings. Estimating the amount of parole savings is difficult

under realignment because some offenders eligible for prison are released to county supervision (commonly referred to as PRCS) rather than state parole. However, since some offenders will still be eligible for parole following their release, the revised SB 678 calculation should include some estimate of parole-related savings.

The administration's state savings estimate based on its new standardized staffing model may also underestimate the true amount of prison savings created for the state under SB 678. This is because when many offenders are diverted from prison, the state avoids the cost of opening new housing facilities for inmates through activating new housing units, contracting for prison beds, or constructing new prisons. This can cost significantly more than \$10,000 per offender. Estimating how much more is difficult, however, because the state's cost would be contingent on various factors—such as the amount of excess capacity that is available to the state and what alternatives would have been utilized.

Proposal Does Not Provide Full Funding for Past Success. Fourth, an unintended consequence of the Governor's revised methodology is that it leaves a gap in funding to counties related to certain lower-level offenders. Specifically, under the proposal, counties would receive no funding—from SB 678 or from realignment funding—for lower-level probationers who had been successfully diverted from prison by SB 678 in the first half of 2010 (when the legislation was first implemented). The Governor's proposal would, appropriately, ensure counties do not get funding twice for the same lower-level offenders diverted from prison by both SB 678 and realignment. However, realignment funding was calculated based on the number of lower-level offenders in the state's prisons in mid-2010—*after* felony probationers had already begun to be diverted from prison due to SB 678. Therefore, counties would receive no funding

from either SB 678 or realignment for lower-level offenders successfully diverted by SB 678 in the first half of 2010. We estimate the number of offenders affected is probably around 1,000 to 2,000 probationers.

Whether to reimburse counties for this population is a policy choice for the Legislature to make. On the one hand, given that these offenders are generally ineligible for prison, a grant to reimburse counties for them would be unlikely to significantly reduce the number of these offenders coming to state prison. On the other hand, such a grant would help counties maintain programs that diverted similar offenders from prison, which would help sustain or expand state savings. We estimate that reimbursing counties for this population could cost the state about \$10 million to \$20 million annually relative to the Governor's proposed budget for 2013-14.

LAO Recommendation

In view of the above concerns, we recommend that the Legislature modify certain aspects of the Governor's proposal. First, we recommend that the Legislature direct AOC and CDCR to work with county probation departments to accurately calculate for each county a baseline failure-to-prison rate based on those offenders who would have been eligible for prison under realignment. In addition, we recommend that the formula for designating which SB 678 tiers counties fall into continue to be based on failure-to-prison rates rather than overall failure rates, as proposed by the administration. We also recommend that the grant amounts include parole-related savings. The Legislature should also consider whether grants should include a share of the potential prison savings achieved from not needing to open new housing facilities. Finally, as discussed above, it will be important for the Legislature to determine—both from a policy and budgetary

perspective—whether it wants to provide funding to counties for lower-level offenders diverted by SB 678 in the first half of 2010.

In summary, taking steps to address the various problems we identified with the Governor's proposal will help ensure that counties have the appropriate fiscal incentive and funding to maintain and improve probation outcomes and reduce future state costs on an ongoing basis, as intended in SB 678.

New Medical Staffing Methodology

Background. In 2006, after finding that the state had failed to provide adequate medical care to prison inmates, the federal court in the *Plata v. Brown* case appointed a Receiver to take over the direct management and operation of the state's prison medical care delivery system from CDCR. In 2012, the Receiver's office informed us that it was developing a new staffing methodology for inmate medical services. According to the Receiver, the new methodology will allocate staff among prisons based on the amount and types of medical services provided at each location. As such, prisons with more inmates with medical needs and higher medical acuity levels will be allocated more medical staff than other prisons. The Receiver expects the methodology to significantly reduce the overall number of prison medical staff and result in significant savings.

In order to monitor the Receiver's progress in implementing the new staffing methodology, the *2012-13 Budget Act* required the Receiver to report on the methodology not later than 30 days following its approval by the Department of Finance (DOF). Specifically, the Receiver is required to submit to the Legislature a report that includes (1) data on the overall number of staff allocated to each of the state's prisons both prior to and following the implementation of the revised methodology, (2) a

detailed description of the methodology used to develop the revised staffing packages, and (3) the estimated savings or costs resulting from the revised methodology.

Governor's Proposal. The Governor's 2013-14 budget proposes a total of \$1.4 billion in General Fund support for the Receiver's inmate medical care program. This includes a \$22 million reduction to account for reduced workload resulting from the 2011 realignment of lower-level offenders. (This is in addition to a \$100 million reduction for realignment in the 2012-13 budget.) At the time of this report, the Receiver's office was unable to provide a specific plan for achieving these savings, but indicated that part of the savings will be achieved through the implementation of the new staffing plan for inmate medical services.

Receiver Implementing New Methodology, but Report to Legislature Not Forthcoming. The Receiver informs us that he is currently in the process of implementing the new staffing methodology and that over 800 positions will be eliminated in early 2013 as part of this effort. Beyond that, the Receiver has not provided any additional details on the methodology. The Receiver also informs us that he does not intend to report to the Legislature (as required by the *2012-13 Budget Act*) on the staffing methodology at this time because it has not been formally submitted to nor approved by DOF. According to the Receiver, the effect of the staffing changes on inmate medical care will be monitored over the next year and if there are no significant negative impacts, a formal budget request will be submitted to DOF in 2014-15.

The Receiver's approach of seeking legislative approval of the staffing methodology *after* implementing it is contrary to the normal state process and circumvents the Legislature's authority to review and approve the proposed changes. The normal state process requires departments to submit major proposed staffing and budgetary

changes for legislative review and approval *prior* to implementation so that the Legislature can ensure the changes are consistent with its priorities and will result in an appropriate expenditure of state funds. If the Receiver does not report on the new staffing plan until after it is fully implemented, it will be too late for the Legislature to take different actions if it determines that elements of the new staffing methodology are inconsistent with its priorities or will not achieve a level of savings necessary for the Receiver to meet his current- and budget-year reductions.

LAO Recommendation. For the above reasons, we recommend that the Receiver report at budget hearings on the implementation of the new methodology, including the specific items required in the *2012-13 Budget Act*. This will provide the Legislature with the opportunity to review the Receiver's changes and ensure that those changes meet legislative and budgetary priorities.

Extension of Nursing Positions for Medication Distribution

Background. In 2010-11, the Legislature approved 237 permanent nursing positions in prisons to distribute medication to inmates in a more efficient manner, including 70 positions initially approved for other purposes that were later redirected to medication distribution. Subsequently, the 2012-13 budget provided an additional 211 positions on a two-year limited termed basis, for a total of 448 nursing positions related to medication distribution.

At the time the above positions were requested, the Receiver's office indicated that the additional nursing positions were needed to reduce the use of overtime and registry nurses, which generally are more expensive than using department staff. The Receiver reported that it spent about \$51 million in 2009-10 on overtime and registry for nurses responsible for distributing medications to inmates

and that providing additional positions would result in overtime and registry savings that would more than offset the cost of the new positions. According to the Receiver, reducing the reliance on registry staff can also improve the quality of care provided to inmates. This is because registry staff is generally less familiar with CDCR processes and procedures than state employees and is less likely to be invested in meeting performance standards due to their temporary status.

The 211 positions approved in 2011-12 were limited to a two-year term for a couple of reasons. First, the Receiver was still gathering data to determine whether the nurses hired in 2010-11 were reducing the use of overtime and registry nurses. Second, the ongoing need for nursing staff had not been determined because the Receiver was implementing several operational changes with the potential to effect both the overall number of medication distribution nurses needed statewide and how these nurses are allocated among the state's prisons. These changes included the activation of new medical facilities (such as the California Health Care Facility [CHCF] and the Dewitt Annex in Stockton) and the consolidation of "medically complex" inmates—those with chronic medical treatment needs—at certain prisons with more medical clinic space and staff (often referred to as medical care "hubs").

Governor's Proposal. The Governor's budget for 2013-14 proposes to make the 211 temporary nursing positions permanent at an annual cost of \$15 million to the General Fund. According to the Receiver, the additional positions have reduced the use of overtime and registry nurses and should be continued on a permanent basis to avoid future increases in the usage of such staff. In addition, the Receiver indicates that the additional positions have improved the quality of medical care provided to inmates.

Unclear Whether General Fund Savings Achieved. Based on data provided by the Receiver, the annual usage of overtime and registry nurses for medication distribution has declined by \$32 million between 2009-10 (the year before additional nurses were approved) and 2011-12. This level of savings is equal to the \$32 million in annual costs for all of the new nursing positions added. We note, however, that the overtime and registry may decline further in 2012-13 because the Receiver did not hire all of the 211 positions until about halfway through 2011-12 and thus had to continue using overtime and registry to provide coverage for vacant positions. Thus, while the positions have not yet resulted in net savings, such savings could occur if filling the remaining positions results in additional reductions in overtime and registry costs.

Future Need of Positions Remains Unclear. The Receiver's ongoing medication distribution workload, and thus the future need for the 211 nursing positions, remains unclear. However, data provided by the Receiver indicates that the medication distribution workload is declining. Between May 2009 and the first quarter of the 2012-13 fiscal year, the number of medications distributed to inmates by nursing staff declined about 20 percent (from 84,000 to 67,000 per month). The declining workload appears to be driven primarily by two factors. First, the number of prescriptions written per inmate has decreased from 3.9 in June 2009 to 3.7 in December 2012. Second, the prison population decreased by about 31,000 inmates over the same period. This includes a decline of about 2,000 mentally ill inmates who generally receive more medications than other inmates. As a result, changes in the mentally ill inmate population have a relatively greater impact on medication distribution workload. While it is unclear whether the number of prescriptions per inmate will continue to decline, CDCR is

projecting a slight decline in the prison population in 2013-14 (including a decline in the mentally ill inmate population), which would further reduce medication distribution workload. If the department is required to reduce its inmate population further to comply with the three-judge panel order, the reduction in medication distribution workload could be even more significant.

In addition to the declining workload, several of the Receiver's major initiatives that could potentially impact the need for medication distribution nurses remain incomplete. For example, the CHCF and Dewitt facilities are not scheduled to be fully activated until December 2013 and May 2014, respectively. In addition, the Receiver reports that the consolidation of medically complex inmates at medical hubs is only about halfway complete and will not be finished for a couple of years. These changes will involve the transfer of thousands of medically complex inmates, many of whom require multiple medications, throughout the prison system. As the Receiver reallocates nursing staff among prisons to deliver medication to these inmates, there may be opportunities for the Receiver to achieve efficiencies that would decrease the overall staffing need. Thus, until these operational changes are complete it will be difficult to determine what effect they might have on the ongoing need for the 211 nursing positions.

According to the Receiver's office, the reduction in workload to date has not been accompanied by a commensurate reduction in staffing. This is because of the way the office has allocated staff among prisons and among yards within prisons. Specifically, the Receiver utilizes a tiered staffing system for medication management positions that assumes, for example, there only needs to be one nurse to serve between 1 and 75 inmates requiring medications on a particular prison

yard while two staff are needed to serve 76 to 150 inmate patients. Therefore, a decline from 50 to 25 inmates receiving medication on a yard would not change the number of nursing positions required. Moreover, the Receiver claims that in the future the new staffing methodology (as mentioned earlier in this report) will make annual adjustments to nursing staff levels to account for reductions in the inmate population and future operational changes. However, it is impossible to evaluate this claim because the Receiver has not provided any details on the new staffing methodology. As mentioned earlier, the methodology has yet to be approved by the Legislature or DOF.

Quality of Care Likely Improved. The Receiver's claim that the additional nursing positions has increased the quality of care delivered to inmates (such as by reducing instances where inmates are administered incorrect medications or inaccurate medications doses) probably has merit, and high reliance on overtime and registry could lead to more medication administration errors. For example, nurses working overtime could be more prone to lapses in judgment due to fatigue from working long hours. Registry nurses in general are probably less familiar with state processes than state employees, which could make them more likely to make procedural errors. The Receiver's office has provided some limited data showing improvements in quantitative assessments of how well prisons are adhering to medication distribution protocols. Based on periodic inspections by the OIG, the most recent reviews at nine selected prisons showed that scores related to medication distribution improved by an average of 21 percentage points.

LAO Recommendation. We withhold recommendation on the administration's proposal to make the 211 nursing positions for medication distribution permanent until the Receiver has reported on the staffing methodology

he is currently in the process of implementing. Medication management workload has declined by 20 percent since 2009, and further decreases in workload are likely as the prison population continues to decline and the Receiver implements various other changes that should result in greater efficiencies. Despite the past and anticipated declines in workload, the Receiver has been unable to identify any staffing reductions and now proposes to make the current staffing levels permanent. We acknowledge that the quality of inmate care has likely improved in part because of the additional nursing positions added since 2010-11. However, in our view, it is reasonable to expect that further declines in workload could be accompanied with staffing reductions without compromising the quality of care. The Receiver is currently implementing a staffing methodology to reallocate medical staff, including nurses for medication distribution. Until the Receiver reports on the new methodology—including how it will modify medication management staffing and make future adjustments for workload changes—it is unclear how many of the 211 nursing positions are needed on an ongoing basis.

Juvenile Population Adjustments

Background. In preparing the proposed budget for DJJ, the administration typically relies on projections of the ward population prepared by CDCR. These projections inform the level of staffing and other expenditures that will be required in the current and budget years to supervise and provide services to DJJ wards. The department prepares these projections twice a year. The fall projections inform the administration's January budget proposal. The spring projections are used to adjust the proposed budget for the May Revision.

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Figure 17 shows the actual average daily population in DJJ facilities for the past five years, as well as the department's most recent population projections through the end of 2016-17. As shown in the figure, the DJJ ward population has declined in recent years due mostly to various legislative changes (such as limiting the types of offenses eligible for DJJ commitment) and a decline in juvenile crime. The department projects that the average daily population in DJJ will continue to decline in coming years, from 835 wards in 2012-13 to 734 in 2013-14 and 676 wards in 2016-17.

Governor's Proposal. The Governor's budget provides a total of \$186 million, including \$173 million from the General Fund, for DJJ in 2013-14. The budget reflects General Fund reductions of \$3.1 million in 2012-13 and \$2.2 million in 2013-14 due to projected decreases in the ward population. Specifically, the Governor's budget assumes a current-year population of 871

wards and a budget-year population of 913 wards, a reduction in both years compared to the population of 992 wards assumed in the *2012-13 Budget Act*.

Proposed DJJ Population and Funding Likely Too High. We identify two concerns with the Governor's budget proposal for DJJ. First, the proposed budget assumes higher DJJ populations than recent projections indicate will likely occur in both the current and budget years. Specifically, the budget proposal reflects a population of 871 wards in 2012-13, which is 36 wards more than CDCR's most recent projections. For 2013-14, the budget assumes a population of 913, which is 179 wards more than the department projected.

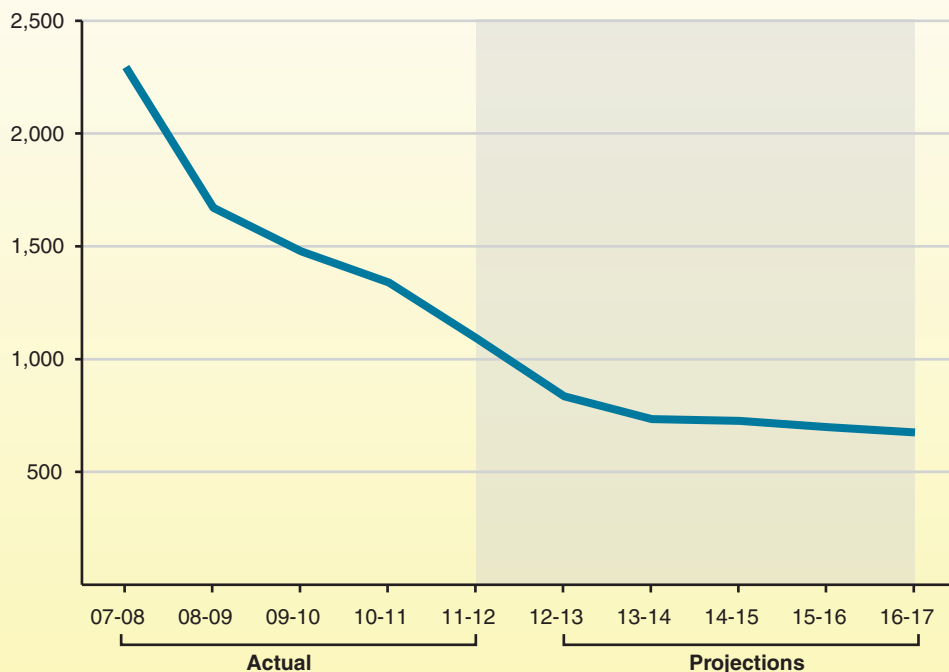
The administration states that the reason for including higher-than-projected population assumptions in the budget is that it expects DJJ admissions from counties to begin increasing in coming months. The administration suggests that many county officials mistakenly believe that

the fee charged to counties for sending most offenders to DJJ is higher than it actually is. Although the 2011-12 budget included an increase in the DJJ commitment fee from an average of about \$6,100 to \$125,000 for most wards, the increased amount was never collected and was eliminated as part of the 2012-13 budget.

Figure 17

Division of Juvenile Justice Population Continues to Decline

Average Daily Ward Population



The 2012-13 budget did, however, increase the fee to \$24,000 for most wards. The administration suggests that DJJ admissions will increase as counties receive clarification about the actual amount of the fee. According to the administration, the higher population assumptions in the budget proposal reflect this effect, which was not incorporated into CDCR's fall projections.

While we find some anecdotal evidence of confusion among county officials, the likely effect of this confusion on the DJJ population is difficult to quantify, and likely does not warrant as large a deviation from the department's fall projections as that assumed in the Governor's budget. To the contrary, CDCR's projections have, as of February 2013, accurately predicted the average current-year population within one percent. As such, we believe the Governor's budget likely overestimates the DJJ population in both the current and budget years, and therefore understates the likely savings from staff reductions by a couple million dollars in both years. The exact amount of savings would depend in large part on when different housing units could be deactivated.

Second, we find that the budget proposal does not fully account for non-staff related expenses associated with the reduced population. Specifically, while the budget reflects savings from a reduction in positions, it does not appear to take into account savings from the lower costs of food, clothing, pharmaceuticals, contract medical services, or certain other expenditures directly resulting from a smaller ward population. Based on DJJ's reported expenditures for 2011-12, these costs amount to about \$6,000 per ward each year. Based on the department's fall projections, this translates into an additional General Fund savings of about \$1 million in 2012-13 and \$2 million in 2013-14.

LAO Recommendation. In view of the above concerns, we recommend that the Legislature withhold action on the Governor's DJJ population

request until the May Revision. At that time, we will evaluate the administration's revised population proposal to ensure that it (1) is consistent with the latest population trends, and (2) fully incorporates reductions in non-staff expenditures directly resulting from the decreasing ward population.

Capital Outlay

DeWitt Annex Project

Background. The DeWitt Annex in Stockton is a former state youth correctional facility being renovated to house adult offenders. The facility is scheduled to be open in March 2014. The facility is sited adjacent to the CHCF, which is also currently under construction. While CHCF is designed to provide long-term care to seriously ill inmates, the DeWitt Annex would be used to house inmates who have less serious conditions but still require regular medical and mental health treatment. According to CDCR, many of the inmates housed at DeWitt will require frequent medical appointments and treatment services that will be provided at CHCF. In addition, many of CHCF's inmate workers will be housed at DeWitt. Though adjacent, the original designs for CHCF and DeWitt included separate electric fences for each facility.

Governor's Proposal. The proposed budget for 2013-14 includes \$16.2 million and 135.4 positions for the activation of the DeWitt Annex, which would increase to \$36.6 million and 333.5 positions upon full implementation by 2014-15. This reflects costs related to administrative, security, health care, and support staff, as well as the equipment and supplies necessary to operate the facility.

Recent Scope Change Would Result in Reduced Operating Costs. On January 17, 2013 (after release of the Governor's budget), CDCR requested that the scope for the DeWitt project be modified. Specifically, the department requested an

additional \$4.3 million to connect the electric fence planned for the DeWitt Annex with the electric fence being constructed at CHCF, resulting in a single electric fence rather than separate fences. According to the department, installing a single fence around both facilities would permit a more efficient movement of inmates and staff between the facilities. This is because inmates and staff moving between facilities would not have to go through as many security check points, and inmates generally would not have to be placed in restraints and escorted by as many officers. Consequently, the department estimates that the single electric fence will eliminate the need for nine positions at DeWitt. Thus, relative to the Governor's budget, eliminating these positions will create \$403,000 in General Fund savings in 2013-14 and \$967,000 in annual savings once the DeWitt Annex is fully operational.

LAO Recommendation. We recommend that the Legislature adjust the budget request for the DeWitt Annex to recognize the savings created by building a single electrified fence. Specifically, we recommend the Legislature reduce CDCR's proposed budget for 2013-14 by 3.8 positions and \$403,000.

Mule Creek State Prison Staircase

Background. The central control building at Mule Creek State Prison in Ione houses a main control room with an adjacent roof access room. The main control room is the central storage and distribution point for lethal weapons, while the roof access room is used by some staff to reach the roof or their posts. When reaching the roof through the access room, staff must use a steeply angled "ship's ladder," which poses safety risks. This is because staff could fall off the ladder, including while carrying weapons or tools. Since 2000, CDCR reports that several employees have been injured while using the ladder.

Governor's Proposal. The Governor's budget proposes using \$600,000 in general obligation bond funds remaining in the 1988 Prison Construction Fund to construct an enclosed 20-step staircase that would provide safer access to the roof from the main control room. The proposed project would be completed under CDCR's Inmate Ward Labor program. Thus, inmate workers will do much of the fabrication and installation work on the project under the supervision of CDCR employees and privately-contracted laborers. The project is estimated to take work days to complete.

Project Cost Likely Overstated. Of the \$600,000 in funding proposed for the project, about \$347,000 is for labor costs and \$253,000 is for materials and other expenses. Many of these costs—especially the labor costs—are directly the result of the project's total estimated timeline. This includes an assumption that the staircase and its protective security fencing will take 110 work days—almost half a year—to install after they are fabricated. To date, the department has not provided our office with information demonstrating why such a significant amount of installation time is necessary.

LAO Recommendation. While we acknowledge that an alternative access to the roof is needed to replace the potentially unsafe ship's ladder, we recommend that the Legislature withhold action on the project at this time and require CDCR to report at budget hearings this spring on why the project cannot be completed in a more timely fashion and at a lower cost.

Eliminate AB 900 General Fund Appropriation

Background. Chapter 7, Statutes of 2007 (AB 900, Solorio), among other changes, authorized \$6.5 billion for prison construction and improvement initiatives intended to relieve overcrowding in state prisons. Of this amount, \$6.2 billion was lease-revenue bond authority

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for the construction of additional prison beds—including new “infill” facilities built at existing prisons—and health care improvement projects. The balance was a \$300 million appropriation from the General Fund to renovate, improve, or expand sewage, water, and other types of infrastructure capacity at existing prison facilities. In subsequent years, the allowable uses of the General Fund appropriation were expanded in statute to include, for example, the design or construction of prison dental and medication distribution improvements.

Subsequent legislation also exempted projects funded by the General Fund appropriation from the state’s traditional capital outlay approval process that requires the Legislature to approve funding for capital projects as part of its annual budget deliberations. Instead, CDCR was only required to provide the Joint Legislative Budget Committee (JLBC) with a notification when the department intended to use the General Fund appropriation for a project. The CDCR had to provide this notification at least 30 days prior to submitting the project’s scope to the State Public Works Board (SPWB) for initial approval. If JLBC did not raise concerns with the project, it was deemed approved by the Legislature. Similarly, CDCR was required to provide preliminary plans to JLBC 45 days in advance of submitting them to SPWB. These two processes were put in place to expedite the approval process for these types of projects, given the state’s overcrowded prisons and the potential for sewage, water, and other infrastructure systems to become more overloaded with the construction of the new infill facilities originally included in the AB 900 construction plan. Budget trailer legislation that was part of the 2012-13 budget package further expedited this approval process. Generally, current law now only requires CDCR to notify the JLBC simultaneously with (rather than in advance of) the department’s submission of one of these projects to SPWB for

approval. In addition, current law does not require CDCR to wait to find out whether JLBC has any concerns with the project before moving forward with a project funded by the AB 900 General Fund appropriation.

As previously indicated, CDCR released a reorganization plan in response to the effects of the 2011 realignment of adult offenders. This report included a proposal—later approved by the Legislature—to eliminate \$4.1 billion of the lease-revenue bond authority remaining for AB 900 projects. The General Fund appropriation amount, however, was not modified.

Governor’s Proposal. Currently, about \$110 million of the original \$300 million General Fund appropriation in AB 900 remains unspent. The Governor’s budget proposes to spend about \$10 million of this amount in 2013-14, but has not identified what specific projects the funds will be spent on.

General Fund Appropriation Unnecessary and Limits Legislative Oversight. We find that there remains little justification for the expedited approval process for CDCR infrastructure and other projects that can be funded from the continuation of the AB 900 General Fund appropriation. The primary reasons for providing the expedited process—significant prison overcrowding, the need to accommodate additional infill construction, and the need to fund dental and medication distribution improvements—no longer exist. In addition, the current review process for these projects effectively eliminates the Legislature’s ability to conduct oversight of them. Finally, restricting the use of the General Fund appropriation to CDCR limits the Legislature’s budgetary flexibility.

Since the passage of AB 900, there has been a dramatic decline in the state’s prison population largely caused by the 2011 realignment, which shifted responsibility for housing various offenders

from the state to the counties. The state's prison population is expected to be about 128,000 by the end of 2013-14—about 44,000 inmates less than the prison population when AB 900 was enacted in 2007. In addition, the funding for the dental, medication distribution, and infrastructure improvements needed to support the construction projects that CDCR is moving forward with has already been approved.

Moreover, exempting projects funded by the AB 900 General Fund appropriation from the state's traditional capital project approval process largely removes the Legislature's ability to conduct oversight of the projects. In a normal capital outlay approval process, the Legislature reviews and approves a project at multiple stages, which allows the Legislature to conduct oversight of a project and even terminate it if there are problems or if the project no longer meets legislative priorities. Under

current law, however, the Legislature does not have such oversight opportunities for projects funded from the AB 900 appropriation. Also, by restricting the use of the appropriation to CDCR, current law further limits the ability of the Legislature to use these funds for other, potentially more critical priorities that may exist on a statewide basis.

LAO Recommendation. In view of the above, we recommend that the Legislature adopt trailer bill legislation to revert the remaining \$110 million from the AB 900 General Fund appropriation to the state General Fund. This will effectively result in having CDCR's infrastructure projects being subject to the state's traditional capital outlay approval process. This will increase legislative oversight of CDCR's infrastructure improvement projects and allow the Legislature to determine the use of the funds currently in the AB 900 General Fund appropriation based on its own priorities.

BOARD OF STATE AND COMMUNITY CORRECTIONS

Overview

Chapter 36, Statutes of 2011 (SB 92, Committee on Budget and Fiscal Review), established the BSCC, effective July 1, 2012. From 2005 through 2012, BSCC was the Correction Standards Authority, a division of CDCR. Prior to that it was the Board of Corrections, an independent state department. The BSCC is responsible for administering various criminal justice grant programs and ensuring compliance with state and federal standards in the operation of local correctional facilities. It is also responsible for providing technical assistance to local authorities and collecting data related to the outcomes of criminal justice policies and practices.

As shown in Figure 18, the Governor's budget includes \$129 million from all funds for BSCC in 2013-14, a decrease of about \$4.5 million (3 percent)

from the revised estimate of 2012-13 expenditures. This net reduction is due mostly to expected reductions in federal grant funding that BSCC administers. The budget includes \$44 million in General Fund support for BSCC in 2013-14, an increase of about \$3 million (7 percent) over the current year, due mostly to a proposed increase in law enforcement grants to cities. The budget proposes 80.8 positions for 2013-14, an increase of 10.5 over the current year.

Technical Assistance and Data Collection

In creating BSCC, the Legislature added two responsibilities to the board's core mission:

- (1) assisting local entities to adopt best practices to improve criminal justice outcomes and
- (2) collecting and analyzing data related to criminal

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justice outcomes in the state. While adding to its mission, the Legislature did not specifically lay out in statute BSCC's responsibilities, largely leaving it to the board to craft its own operational plan for meeting the statutory objectives.

Governor's Proposal

The Governor's budget proposes an additional nine positions for BSCC, including two administrative support positions, two positions to support additional workload from a recently approved jail construction funding program, and five research positions to establish a new research unit. These positions are estimated to cost a total of about \$870,000 and are proposed to be funded by redirecting existing funds within BSCC's budget, thereby resulting in no additional cost in the budget year.

According to the administration, the two proposed administrative positions would provide support to the board that was previously provided by CDCR prior to BSCC becoming a separate state entity. According to the board, the new research unit would be tasked with revising BSCC's correctional surveys, managing the collection of data, as well as developing and carrying out a research agenda. The BSCC also plans to utilize these researchers to help develop a web-based reporting system for counties to submit correctional data, as well as an online dashboard to make the data more readily available

to the public. The Governor's budget does not include provisional language that is in the *2012-13 Budget Act* which requires BSCC to report quarterly to the Legislature on its workload, staffing, and progress toward fulfilling its new data and technical assistance-related responsibilities.

LAO Assessment of BSCC's Technical Assistance and Data Collection Efforts

The additional positions proposed in the Governor's budget, specifically those that would form the new research unit, are designed to help BSCC fulfill its new missions. Below, we assess BSCC's progress to date at fulfilling its technical assistance and data collection missions and suggest how the board might improve. Specifically, we believe more needs to be done in order to (1) provide proactive technical assistance to local officials, (2) improve data collection in the near term, and (3) develop a longer-term data collection strategy that allows policymakers and stakeholders to meaningfully evaluate the outcomes of criminal justice policies and programs.

Proactive Technical Assistance Still Needed.

The Legislature gave BSCC the mission of providing technical assistance to counties with the goal of encouraging evidence-based programs that improve criminal justice outcomes cost-effectively. Based on reports from BSCC and our conversations with county stakeholders, BSCC has not yet

Figure 18

Total Expenditures for Board of State and Community Corrections

(Dollars in Millions)

	2012-13	2013-14	Change From 2012-13	
	Estimated	Proposed	Amount	Percent
Administration, research, and program support	\$2.7	\$4.0	\$1.3	49.2%
Corrections planning and grant programs	105.1	99.7	-5.2	-5.2
Local facility standards, operations and construction	3.7	3.4	-0.4	-9.9
Standards and training for local corrections	22.1	22.1	—	—
Totals	\$133.7	\$129.2	-\$4.5	-3.4%

played an active role in facilitating the adoption of evidence-based programs. Instead, the board plans to respond to requests for assistance from local agencies as requests arise. However, we believe more is required in order to fulfill the Legislature's intent when giving BSCC its technical assistance mission, which was to proactively encourage and facilitate the adoption of evidence-based practices across the state.

Conducting proactive outreach and training for county stakeholders would help encourage the adoption of promising programs. This might include, for example, organizing presentations for local officials about new research and program models. In addition, BSCC could help identify successful program models and regularly update a compilation of the relevant literature in an online clearinghouse that could be accessed by local program administrators and the public. For example, the Office of Justice Programs in the U.S. DOJ maintains a web site that presents research-based evaluations of different criminal justice programs from across the country. The BSCC could provide a similar resource tailored toward the specific needs of California's counties by focusing on research in California or by identifying how to adapt program models from other states to the specific requirements of California's laws and regulations.

In addition to encouraging the adoption of evidence-based programs, ensuring proper implementation is also critical to achieving successful outcomes. County officials looking to implement new programs typically consult their counterparts in other jurisdictions—both in California and other states—to learn how new programs are implemented and evaluated. A key challenge, however, is adapting these programs to fit within different organizations in different communities with varied needs and priorities. We have heard from several experts who emphasize

the importance of proper implementation to the success of a new program, especially when the program represents a significant change in strategy for the organization implementing it. The BSCC could assist local agencies to successfully implement programs in various ways. This could include conducting training sessions for local agencies, such as on how to conduct risk assessments objectively or match program participants with appropriate services. The BSCC could also provide on-site assistance in implementing new programs. For example, BSCC field representatives could work with a county trying to establish a pretrial release program to more effectively manage its jail population while reducing the public safety risk to the community. The BSCC could also assist county agencies who want to evaluate the effectiveness of their existing programs. This could include, for example, training counties on how to conduct fidelity assessments—evaluations that determine how well a program is adhering to its best practices guidelines—in order to ensure program effectiveness. In many cases, it may not be necessary for BSCC to carry out all of these duties directly, but it could instead provide counties with information about which researchers, practitioners, and universities offer those services in California.

Near-Term Data Collection Strategy Limited.

Currently, BSCC distributes monthly and quarterly jail surveys to sheriffs, who report various statistics about their inmate populations—such as the number of inmates who are awaiting sentencing, receive medication, or are housed under contract with the federal government. In early 2012, BSCC released an addendum to its monthly jail survey, which was designed to collect additional information related to the implementation of 2011 realignment. The addendum includes questions on the number of realigned felons sentenced to jail, offenders on PRCS who were sentenced to jail for

committing new crimes, and state parolees who were booked into jail for technical violations. The BSCC recently issued a short-term strategic plan that identifies some data collection goals including refining this survey to provide some additional information. The BSCC also plans to create an online dashboard to make the survey results accessible to the public.

While expanding the survey and making data available online are positive steps, BSCC could make further progress in its data collection efforts. We note, for example, that, while BSCC's existing survey data provide some useful, basic statistics about jail populations, the data are otherwise incomplete. The surveys do not collect much information on local agencies' outcomes, such as completion rates for treatment programs or offender recidivism rates. In addition, the survey addendum related to realignment is limited because it does not collect the full range of caseload information that would help to assess realignment's effects. For example, the survey records the number of PRCS offenders who are sentenced or booked in jail each month due to a violation or new crime, but it does not include the average daily population of PRCS offenders in jail, making it difficult to assess how much additional pressure PRCS offenders are putting on jail overcrowding or resources. We also find that BSCC's current strategic plan is limited because it does not identify what changes to its existing surveys it plans to make, nor does it identify specific research questions it thinks should be prioritized to evaluate the impacts of realignment or other state and local corrections programs. So, it is unclear where BSCC will focus its research efforts in the near term.

The Governor's proposal to establish a research unit at BSCC is a positive step toward meeting its data mission in statute. The requested positions should be valuable in helping BSCC address some of the above concerns, such as the need to create

a research plan and improve its current data collection efforts.

Longer-Term Data Collection Strategy Needed to Overcome Challenges. We are also concerned that BSCC has not yet developed a longer-term plan to fulfill its data collection mission. Developing a longer-term data collection strategy could promote better public safety by ensuring that policymakers have useful information they need to make decisions about programs, policies, and funding priorities. Importantly, however, BSCC's role in data collection should be focused, in particular, on providing *local* accountability. To the extent that useful information is available to local stakeholders—corrections managers, county elected officials, local media, and the public—local governments can be held accountable for their outcomes and expenditures. Because decisions about how to manage most corrections populations are inherently local decisions, the focus of accountability should be local. For this reason, the role of BSCC in the long term should not principally be to collect data for the sake of informing the state of what is happening locally. Instead, the role of BSCC should be to facilitate local accountability, such as by providing transparency and uniformity in how local entities report outcomes. Of course, a focus on local data and accountability can benefit state policymakers as well, by providing them more detailed information about how policies enacted at the state level are being implemented at the local level.

Data-Collecting Challenges. There will likely be a number challenges in BSCC fulfilling a longer-term data collection mission.

- ***Collecting Data on a Consistent Basis.*** First, data are currently collected in different ways, using different definitions, and with varying levels of completeness, across a multitude of county and state agencies. An example of this variation is

that agencies frequently measure offender recidivism in different ways, depending, for example, on what length of time they track offenders, whether they count rearrest or reconviction as recidivism, and whether they continue to track offenders after they are discharged from supervision. Many of these agencies, even within a single county, also use different methods of recording these data—ranging from sophisticated computer case management systems to paper files—making the sharing of information more difficult. For example, a probation department often will not know when former probationers have been rearrested or reconvicted, making it difficult to measure the longer-term recidivism outcomes of people on their caseloads.

- ***Lack of Good Outcome Data.*** Second, much of the data reported by local agencies focuses on caseloads rather than outcomes. For example, state agencies collect data on the number of jail inmates and probationers under local jurisdiction, but local agencies rarely report to the state on outcome data such as the rate at which probationers successfully complete probation or fail drug treatment or other programs. Because sharing information between agencies can be challenging, as described above, it is often difficult for local agencies to integrate outcome data with caseload or program data. Consequently, state and local policymakers often are left with only limited information about the effectiveness of their programs.
- ***Lack of Individual-Level Data.*** Third, most data currently collected by state agencies are aggregate—rather than

individual—level data. For example, BSCC’s jail survey collects the total number of jail inmates in custody on an average day, but does not collect information about specific inmates. While aggregate-level data can provide useful information about trends, they are insufficient to evaluate the effects of specific programs because they do not allow one to distinguish between the impact of the program versus the effects of other factors. For example, if a local program administrator wanted to compare the effectiveness of their county’s substance abuse treatment program with a similar program in a neighboring county, it would not be sufficient to simply compare the aggregate recidivism rates of the two programs. Even if one program had a significantly higher recidivism rate than the other, looking only at the aggregate recidivism rate would not tell you whether other factors—such as the criminal record, substance abuse history, or other characteristics of the program participants—accounted for the difference in recidivism.

Ultimately, providing local and state policymakers with the type of data that would allow meaningful evaluation and comparison of the outcomes of different programs and policies will require significant effort. Ideally, the data collection processes used by state and local agencies would ensure uniformity across the state, easy transfer of data between agencies, accurate recording of offenders’ outcomes, and access to individual-level data. This could include deployment of a statewide case management system, though such an endeavor would take years to complete and likely be very expensive. (For more discussion about BSCC’s potential role in facilitating local accountability through data collection efforts, see our February

2012 publication, *The 2012-13 Budget: The 2011 Realignment of Adult Offenders—An Update*.)

LAO Recommendations

We offer several recommendations to help ensure BSCC's progress in fulfilling its new mission to provide technical assistance and collect the necessary data to evaluate criminal justice policies and practices.

Technical Assistance Plan. We recommend that the Legislature direct BSCC to submit, by January 1, 2014, a technical assistance plan that includes (1) a description of specific educational programs, training sessions, outreach visits, and on-site technical assistance that BSCC will provide to local governments, as well as a timeline for when these services will be available; and (2) a timeline for creating and maintaining an online clearinghouse that would make literature related to implementing evidence-based criminal justice programs available to state and local practitioners.

Report on Near-Term Data Collection Strategy. We recommend that the Legislature approve the Governor's proposal for additional staffing in BSCC. In particular, we find the additional research staff proposed would help ensure that BSCC has qualified staff to pursue its data collection mission. We further recommend that BSCC report at budget hearings on its near-term data collection plan, including how the board plans to utilize its new research unit and what specific changes it plans to make to its data collection instruments.

Longer-Term Data Working Group. We recommend directing BSCC to convene a working group to identify a data and accountability system that is as comprehensive, uniform, and accessible as is reasonable given limited state and local resources. This would include (1) identifying the key outcomes and other measures that all counties should collect, (2) clearly defining these measures

to ensure that all counties collect them uniformly, and (3) developing a process for counties to report the data and for BSCC to make the data available to the public. This should include exploring the feasibility of developing a more comprehensive statewide case management system, including determining the overall costs, potential funding sources, implementation challenges, and the potential fiscal and programmatic benefits to counties. The working group should include representatives from state and local criminal justice agencies, the Legislature, the courts, state agencies with information technology expertise, and the research community. We also recommend the Legislature adopt budget bill language directing the working group to prepare a report detailing its findings by no later than December 1, 2014.

Expansion of Grants to City Police

Background. California's 481 cities are responsible for providing police services within their borders. In total, cities spent about \$9.6 billion in 2010-11 on police-related operational costs. While most cities operate their own police departments, about 150 cities contract with their county sheriffs to provide police protection.

As part of the 2012-13 budget package, the Legislature approved \$20 million annually from the General Fund for three years to provide grants to city police departments. The purpose of these grants is to help mitigate the effects of local budget reductions on police services caused by the recent economic decline. The *2012-13 Budget Act* includes provisional language specifying that grant funding shall be allocated to city police departments as determined by BSCC in consultation with DOF.

Governor's Proposal. The Governor's proposed budget for BSCC includes a \$7.5 million General Fund augmentation to the police grant program, bringing total funding to \$27.5 million

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in 2013-14 and 2014-15. (The budget also reflects a current-year request to transfer \$4 million from Item 9840 to BSCC to augment this program.) The administration also proposes budget bill language to (1) allocate funds to cities (rather than city police departments) to be used for law enforcement purposes and (2) give DOF (rather than BSCC) the responsibility for allocating the funds.

According to DOF, the primary purpose of the requested \$7.5 million augmentation in the budget year is to provide additional financial assistance to cities. In addition, the administration suggests that, because the 2012-13 budget specifically allocates funds to city police departments, cities that contract for police services in lieu of operating their own departments have been inadvertently excluded from receiving any share of the grant funds. The proposed budget bill language to allocate funds to cities (rather than city police departments) would clarify that all cities are eligible to receive a share of the funds. The administration states that the proposed augmentation would allow grants to be provided to more cities, including those without their own police departments, without reducing the level of funding to current grant recipients.

Augmentation Not Justified and Unnecessary to Address Administration's Concerns. We identify two concerns with the administration's proposed augmentation. First, while the administration cites continued constraints on city budgets caused by the economic decline as the primary reason for the proposal, it has not provided a rationale for why an augmentation of the proposed amount is appropriate. Moreover, the Governor's proposal would not necessarily allocate funds to cities based on their level of economic hardship or recent reductions to police services. While the administration's rationale for establishing the grant program was unrelated to 2011 realignment, its current-year allocation was based on counties' projected share of realigned parolees, not on an

evaluation of need or hardship. In addition, these grants could be used by cities to supplant current police funding, which would simply shift a funding burden to the state without necessarily increasing the level of police services.

Second, we find that an augmentation is not necessary to ensure that current grant recipients receive the same share of the \$20 million total grant amount in 2012-13 and 2013-14 even if eligibility were expanded to contracting cities. This is because BSCC appears to have found a way to ensure that most of these cities are eligible to receive a share of the funds in the current year. Specifically, BSCC determined that it could provide the funding to a designated police department in each county, which would then allocate the funds to other cities in that county, including those cities that contract with county sheriffs for police services. Therefore, an augmentation is not necessary to ensure that both types of cities—those with and those without their own police departments—can receive funding in 2012-13 and 2013-14. (We note, however, that there are two cities—Loyalton and Portola—that would be newly eligible to receive grants in 2013-14, but because their counties do not contain any police departments to act as a grant recipient in the current year, they cannot receive any funding in 2012-13. The total expenditures on police services in 2010-11 by these cities was less than \$200,000 combined.)

LAO Recommendations. In light of these concerns, we recommend that the Legislature reject the Governor's proposal to augment the police grants program by \$7.5 million. We do, however, recommend approval of the proposed budget bill language clarifying that all cities, including those that contract for police services, are eligible to receive a share of the grant funds. While we have no specific concerns with the proposal to shift from BSCC to DOF responsibility for allocating the grants, we recommend that the Legislature

adopt budget bill language requiring DOF to report its allocation schedule and methodology to the Legislature.

Update on Jail Construction Funding Program

Background. Since 2007, the Legislature has approved two measures authorizing a total of \$1.7 billion in lease-revenue bonds to fund the construction and modification of county jails. Assembly Bill 900 provided \$1.2 billion to help counties address jail overcrowding. Chapter 42, Statutes of 2012 (SB 1022, Committee on Budget and Fiscal Review), authorized an additional \$500 million to help counties construct and modify jails to accommodate longer-term inmates who would be shifted to county responsibility under the 2011 realignment of lower-level offenders. The BSCC is responsible for managing the jail construction funding program authorized by these measures, which includes developing requests for proposals, rating applications, awarding and administering funds, and overseeing compliance with the conditions of the awards. The SPWB is tasked with issuing the bonds, as well as approving and overseeing the scope and cost of approved projects.

Assembly Bill 900, as amended by subsequent legislation, authorized funding in two phases. Under the first phase, AB 900 required counties applying for a grant to fund at least 25 percent of the construction project's costs. In deciding which counties would be awarded funding under the first phase, the bill required the state to give preference to those counties that agreed to help site a state reentry facility or provide mental health treatment to former parolees. (The Legislature later eliminated funding for the construction of state reentry facilities, and counties who received awards

were not required to fulfill this requirement.) Counties receiving funds under the second phase of AB 900 must provide a 10 percent match, and preference for awards was given to counties who committed the most inmates to state prison in 2010. Counties applying for jail construction funding under Chapter 42 will have to provide a 10 percent match, and awards will be given to counties who are determined by BSCC to be the most prepared to successfully proceed with their projects in a timely manner. Under both AB 900 and Chapter 42, counties with populations of less than 200,000 can request an exemption from the statutorily required match.

All AB 900 Projects Are Approved. Figure 19 (see next page) provides an overview of the status of jail construction projects. As indicated in the figure, BSCC has approved 22 jail construction projects under the first two phases of AB 900 to date. The BSCC estimates that these projects will construct a total of about 10,900 jail beds, as well as make facility improvements at existing jails. Some of these jail construction projects will replace existing facilities.

Of the 22 AB 900 projects approved by BSCC, 1 has been completed, 4 are under construction, 4 have been approved by SPWB but are not yet under construction, and 13 have not yet been approved by SPWB. The first project—in Madera County—was completed in February 2013. The BSCC has not yet released its request for project proposals for Chapter 42 projects. The BSCC estimates that it will approve county proposals in July 2013. Based on the number of beds that will be constructed with the second phase of AB 900 funding, we estimate that the Chapter 42 projects will construct about 3,800 beds, though this will depend on the specific proposals that BSCC approves.

DEPARTMENT OF JUSTICE

Overview

The California DOJ, under the direction of the Attorney General, provides legal services to state entities, brings lawsuits to enforce public rights, and carries out various law enforcement activities. The DOJ also collects criminal justice

statistics from local authorities; manages the statewide criminal history database; and conducts background checks required for employment, licensing, and other purposes.

As shown in Figure 20, the Governor's budget for 2013-14 proposes \$754 million from

all funds to support the three main divisions at DOJ—Legal Services, Law Enforcement, and California Justice Information Services. This amount is \$27 million, or nearly 4 percent, above the revised estimated expenditures for 2012-13. Of the total budget proposed for DOJ in 2013-14, \$174 million is from the General Fund. This is an increase of \$7.5 million, or nearly 5 percent, from the 2012-13 level. The proposed increase in DOJ's total budget primarily is due to the expiration of one-time employee compensation reductions from 2012-13, the transfer of additional gambling oversight responsibilities to DOJ, and increased workload related to firearms eligibility background checks.

Figure 19
Overview of State-Funded Jail Construction Projects

(Dollars in Millions)

County	Award Amount	Beds to Be Constructed	Estimated Completion Date
AB 900^a (Phase I)			
Madera	\$30	144	February 2013
Calaveras	26	160	May 2013
San Bernardino	100	1,368	August 2013
Solano	62	362	April 2014
San Diego	100	1,270	2016
San Luis Obispo	25	198	2016
Amador	23	165	TBD
San Joaquin	80	1,280	TBD
Subtotals	(\$446)	(4,947)	
AB 900 (Phase II)			
Kings	\$33	252	April 2016
Stanislaus	80	456	December 2016
Santa Barbara	80	376	February 2018
Imperial	33	232	TBD
Kern	100	790	TBD
Los Angeles	100	1,024	TBD
Madera	3	1	TBD
Monterey	36	288	TBD
Orange	100	512	TBD
Riverside	100	1,250	TBD
San Benito	15	60	TBD
Siskiyou	24	150	TBD
Sutter	10	42	TBD
Tulare	60	514	TBD
Subtotals	(\$774)	(5,947)	
Chapter 42^b			
TBD	\$500	3,800 ^c	TBD
Totals	\$1,720	14,694	

^a Chapter 7, Statutes of 2007 (AB 900, Solorio).

^b Chapter 42, Statutes of 2012 (SB 1022, Committee on Budget and Fiscal Review).

^c Estimate based on average cost per bed of AB 900 Phase II. Actual number will depend on specific proposals approved by Board of State and Community Corrections.

Figure 20**Total Expenditures for the Department of Justice***(Dollars in Millions)*

	Actual 2011-12	Estimated 2012-13	Proposed 2013-14	Change From 2012-13	
				Amount	Percent
Legal Services	\$372	\$398	\$409	\$11	2.8%
Law Enforcement	188	191	200	9	4.7
California Justice Information Services	142	156	162	6	3.8
Subtotals	(\$702)	(\$745)	(\$771)	(\$26)	(3.5%)
Offsets from legal settlements	-\$116	-\$18	-\$17	\$1	7.0%
Totals	\$586	\$727	\$754	\$27	3.7%

Status Update on Reorganization of Gambling Oversight

Background. Chapter 867, Statutes of 1997 (SB 8, Lockyer), more commonly known as the Gambling Control Act, created the California Gambling Control Commission (CGCC) and the Bureau of Gambling Control (BGC) within DOJ to jointly regulate gambling within the state. These two agencies currently share oversight of approximately 89 cardrooms and 60 tribal casinos in California. (Tribal sovereignty—or the authority of tribes to govern themselves—limits state regulation and oversight of tribal casinos to enforcement of the tribal compacts negotiated between a tribe and the state.) Currently, CGCC (1) develops gambling regulations, (2) administers all gambling funds, (3) ensures compliance with tribal compacts, and (4) processes and issues gambling licenses and registrations. The BGC, on the other hand, (1) enforces gambling regulations, (2) conducts investigations and background checks of all individuals involved in gaming activities, (3) approves cardroom games and game rules, and (4) monitors the use of gaming at charity fundraising events.

The Governor's Reorganization Plan Number 2, enacted in 2012-13, modified how CGCC and BGC share oversight responsibilities of state gambling activities. Specifically, the reorganization plan

transfers most CGCC compliance and licensing activities to BGC by July 1, 2013. The expectation was that the consolidation of compliance, licensing, investigations, and enforcement activities all within DOJ would promote more efficient and effective processes. Figure 21 (see next page) shows the regulatory responsibilities of CGCC and DOJ under the reorganization, as well as identifies which of those functions have transitioned from CGCC to DOJ.

Governor's Proposal. In order to implement the above reorganization, the Governor proposes increasing DOJ's budget by \$4.8 million from the Gambling Control Fund and the Special Distribution Fund, and reducing CGCC's budget by \$5.4 million from these fund sources. Under the proposal, 33 positions would be transferred from CGCC to BGC. An additional six positions would be eliminated at CGCC. Most of the positions proposed for transfer are compliance and licensing auditors or analysts. The Governor's budget also includes \$244,000 in one-time expenditures for DOJ to move personnel and equipment from the commission to the bureau.

Reorganization Progressing as Planned. The CGCC and BGC are currently in the process of organizing working groups to transition compliance and licensing responsibilities, personnel, and equipment. These working groups will oversee various activities to fully implement

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the reorganization including (1) changes to gambling regulations, (2) developing new license and registration forms, (3) educating cardrooms and tribal personnel of new processes, and (4) establishing new processes and expectations between the commission and the bureau. Both agencies expect to fully complete the transition of responsibilities by the end of the current year, as scheduled in the enacted 2012-13 reorganization plan.

LAO Recommendation. We recommend approval of the Governor's budget proposal, which is consistent with, and necessary to implement, the reorganization plan enacted in 2012-13. However, since this reorganization still requires numerous activities to be completed, we also recommend the Legislature direct BGC and CGCC to report at budget hearings on their implementation progress as well as any obstacles to a successful transition that may arise.

Figure 21**Summary of Major Gambling Oversight Responsibilities***Effective July 1, 2013*

Responsibility	Cardrooms	Tribal Gaming
Regulations		
Develop and maintain gambling regulations	CGCC	CGCC ^a
Licensing		
Issue, revoke, or deny licenses or registrations	CGCC	CGCC ^b
Receive and process license and registration applications and fees	DOJ ^c	DOJ ^{b,c}
Conduct background investigations of gambling owners, employees, and vendors	DOJ	DOJ ^b
Review financial transactions impacting gambling establishment ownership	DOJ ^c	N/A
Compliance & Enforcement		
Administer gambling funds	DOJ ^c	CGCC
Verify accuracy of tribal contributions to state funds	N/A	DOJ ^c
Determine tribal eligibility for distributions of gambling revenue	N/A	DOJ ^c
Test electronic gaming devices	N/A	DOJ ^c
Approve games and changes in game rules	DOJ	N/A
Monitor and conduct investigations of gambling operations	DOJ	DOJ

^a The CGCC adopts some uniform statewide tribal gaming regulations. Tribal compacts authorize tribal gaming agencies to adopt and enforce regulations specific to their casinos.

^b Tribal gaming agencies issue licenses and conduct background investigations of tribal gaming employees. The CGCC issues "findings of suitability" based on inquiries or investigations by DOJ.

^c Responsibilities shifting from CGCC to DOJ under the reorganization.

CGCC = California Gambling Control Commission and DOJ = Department of Justice.

SUMMARY OF LAO RECOMMENDATIONS

Issue	Governor's Proposal	LAO Recommendation
Judicial Branch		
Prior-year court reductions	Restore current-year General Fund reduction of \$418 million and adopt trailer bill language to implement 11 efficiency and fee proposals.	Approve proposals. Efficiency and fee proposals should provide trial courts with ongoing fiscal relief. Request that court stakeholders identify additional efficiencies that could provide additional savings.
Trial court reserves	Adopt trailer bill language (not available at the time of this analysis) to address cash flow issues resulting from previously adopted policy to cap trial court reserves.	Withhold until trailer bill language is available.
Court construction transfer	Transfer \$200 million from ICNA to General Fund on one-time basis.	Approve proposal. Provides \$200 million benefit to General Fund. Direct branch to report at budget hearings on how it will prioritize court construction projects in 2013-14.
Long Beach service payment	Use ICNA to fund Long Beach service payments of \$34.8 million in 2013-14, growing in out-years.	Approve proposal. Provides tens of millions of dollars in General Fund benefit for next 35 years and is appropriate use of ICNA.
California Department of Corrections and Rehabilitation		
Adult prison and parole populations	Reduce by \$1.7 million (primarily General Fund) for various adjustments associated with prison and parole caseload changes.	Withhold until May Revision. Technical adjustments may be necessary at that time. Direct department to report at budget hearings on current plans to provide mandated sex offender treatment services to parolees.
Formula for probation incentive grants	Change funding formula for performance grant program to account for realignment and reduce grants by \$103 million.	Modify proposal in several ways to more accurately calculate grant amounts and ensure counties have appropriate fiscal incentives and funding to maintain and improve probation outcomes.
Medical staffing methodology	No proposal. Current-year budget included language requiring Receiver to report on efforts to change its staffing methodology.	Receiver should report at budget hearings on implementation of new staffing methodology.
Medication distribution	Make permanent \$15 million for 211 limited-term nursing positions for distribution of medication to inmates.	Withhold until the Receiver has reported on his staffing methodology and how expected declines in workload will affect number of positions needed in future years.
Juvenile population	Reduce by \$2.2 million (primarily General Fund) for various adjustments associated with juvenile caseloads.	Withhold until May Revision. Technical adjustments may be necessary based on actual population trends which, to date, are lower than budget assumes. Should more accurately reflect reductions in non-staff expenditures directly resulting from decreasing ward population.
DeWitt Annex activation	Increase by \$16.2 million and 135 positions (growing to \$36.6 million and 334 positions) for the activation of DeWitt Annex, adjacent to California Health Care Facility.	Reduce by \$403,000 and 3.8 positions to account for operational impact of recent change to create single electric fence, rather than two separate fences, around these facilities.
Mule Creek State Prison staircase	Replace unsafe staircase at cost of \$600,000 (general obligation bonds).	Withhold action on project and require CDCR to report at budget hearings on schedule and cost estimates.
AB 900 General Fund appropriation	Use \$10 million from AB 900 General Fund appropriation for unspecified prison infrastructure projects.	Revert total remaining appropriation (about \$110 million) to General Fund. Original justification for appropriation—severe overcrowding—no longer exists, and current process limits legislative oversight.

(Continued)

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Issue	Governor's Proposal	LAO Recommendation
Board of State and Community Corrections		
Technical assistance and data collection	Add nine positions, including five positions to establish a research unit. Positions will be funded by redirecting existing funds within board's budget.	Approve positions. Require board to report on its plans to fulfill its legislative missions related to technical assistance and data collection. Direct board to create working group to identify long-term data collection and accountability strategy for the state.
Police grants	Augment current grants by \$7.5 million (General Fund) to provide additional assistance to cities. Adopt budget language to modify distribution process.	Reject proposal due to lack of justification. Approve proposed changes to budget bill language to clarify that all cities are eligible to be recipients of grant.
Department of Justice (DOJ)		
Gambling reorganization	Increase by \$4.8 million and reduce CGCC by \$5.4 million (from two special funds) to implement reorganization of gambling oversight.	Approve proposal. Consistent with shift in responsibilities authorized in Governor's Reorganization Plan adopted last year. Direct DOJ and CGCC to report at budget hearings on implementation progress and obstacles.
<p>ICNA = Immediate and Critical Needs Account and CGCC = California Gambling Control Commission.</p>		

Contact Information

Anthony Simbol	Deputy Legislative Analyst	319-8350	Anthony.Simbol@lao.ca.gov
Brian Brown	Managing Principal Analyst	319-8325	Brian.Brown@lao.ca.gov
Aaron Edwards	Inmate Health Care	319-8351	Aaron.Edwards@lao.ca.gov
Anita Lee	Courts Gambling	319-8321	Anita.Lee@lao.ca.gov
Drew Soderborg	Prisons and Parole	319-8346	Drew.Soderborg@lao.ca.gov
Tor Tarantola	Board of State and Community Corrections Juvenile Justice	319-8348	Tor.Tarantola@lao.ca.gov

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The 2013-14 Budget:

Overview of the Governor's Budget



MAC TAYLOR • LEGISLATIVE ANALYST • JANUARY 2013

LAO 

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EXECUTIVE SUMMARY

Governor's Proposal

Presents Budget With \$1 Billion Projected Reserve. On January 10, 2013, the Governor released his 2013-14 budget package. Similar to our November 2012 forecast, this latest package reflects a significant improvement in the state's finances, due to the economic recovery, prior budgetary restraint, and voters' approval of temporary tax increases. Specifically, the Governor proposes \$138.6 billion in General Fund and special fund spending in 2013-14, up 4.5 percent from 2012-13. The administration forecasts that the state's General Fund budgetary balance will be \$1 billion at the end of 2013-14 under the Governor's plan.

Includes Education, Health, and Debt Repayment Proposals. The budget contains major proposals in education, including a new formula for financing schools and additional General Fund resources for the public university systems. The package also presents options for expanding Medi-Cal under the federal health care reform law. In addition, the Governor's multiyear budget plan includes proposals to eliminate most of the so-called "wall of debt," a group of selected budgetary obligations now totaling around \$30 billion that were incurred in recent years.

LAO Comments

Transition From Multibillion Dollar Annual Deficits to "Baseline" Budgets. Over the past several years, each January Governor's budget has included billions of dollars in proposed solutions—expenditure reductions, revenue increases, borrowing, and other actions—in order to close budget shortfalls. Now, however, the state has reached a point where its underlying expenditures and revenues are roughly in balance. With the exception of education funding, the remainder of state General Fund spending reflects a baseline budget. This means that state-supported program and service levels established in 2012-13 generally continue "as is" in 2013-14. Under our and the administration's fiscal forecasts, this situation would likely continue into 2014-15.

Governor's Focus on Fiscal Restraint and Paying Off Debts Appropriate. The Governor's emphasis on fiscal discipline and paying off the state's accumulated budgetary debts is commendable, especially in light of the risks and pressures that the state still faces. We note that there are still considerable risks to revenue estimates given uncertainty surrounding federal fiscal policy and the volatility inherent in our revenue system. In addition, under the Governor's multiyear plan, the state would still have no sizable reserve at the end of 2016-17 and would not have begun the process of addressing huge unfunded liabilities associated with the teachers' retirement system and state retiree health benefits. As such, the state faces daunting budget choices even in a much-improved fiscal environment.

Issues Highlighted by Governor Merit Legislative Consideration. While there will still be important decisions to make on the administration's budget plan, the Legislature is being asked by the Governor to consider a variety of significant policy issues. Probably the most important are the K-12 school finance formula and the Medi-Cal expansion under federal health care reform.

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In addition, the Governor has proposed a new model for funding and providing adult education services, changes in the way the state funds community college enrollment, and caps on the number of state-subsidized college units. His budget presentation also discusses potential changes to state infrastructure financing. We believe these issues are worthy of serious legislative consideration and have, in the past, offered alternatives for addressing many of them.

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OVERVIEW

The Governor's Budget Proposal

On January 10, 2013, the Governor released his 2013-14 budget package. That spending plan proposes \$138.6 billion in General Fund and special fund expenditures, as shown in Figure 1. Contrary to recent years in which the state faced multibillion-dollar deficits, this latest package reflects a significant improvement in the state's finances. This report offers an overview of the Governor's budget proposal, including our reactions to the plan.

How the Administration Arrived at Its Budget Forecast

Projected 2012-13 Surplus Would Erase Deficit From Prior Year. For 2012-13, the administration estimates that General Fund revenues will be \$95.4 billion and expenditures will be \$93 billion, as shown in Figure 2. This \$2.4 billion operating surplus will erase the \$2.2 billion deficit that remained after 2011-12 and leave the General Fund with a small reserve as it enters 2013-14. (Throughout this report, amounts for the General Fund include revenues from the Education Protection Account, created by Proposition 30 [2012]).

Proposed Budget Would End 2013-14 With \$1 Billion Reserve. The Governor's budget package projects General Fund revenues of \$98.5 billion in 2013-14. The budget assumes \$97.7 billion in General Fund expenditures, producing an \$851 million operating surplus in 2013-14. The budget package estimates that the General Fund will end 2013-14 with a \$1 billion reserve. (The Governor plans again to suspend the transfer to a separate reserve, the Budget Stabilization Account [BSA] created by Proposition 58 in 2004.)

Differences From LAO's November 2012 Forecast. Our November 2012 publication,

Figure 1
Budget Expenditures

(Dollars in Millions)

Fund Type	2011-12 Revised	2012-13 Revised	2013-14 Proposed	Change From 2012-13	
				Amount	Percent
General Fund ^a	\$86,404	\$92,994	\$97,650	\$4,656	5.0%
Special funds	33,853	39,648	40,928	1,279	3.2
Budget Totals	\$120,257	\$132,642	\$138,578	\$5,936	4.5%
Selected bond funds	\$6,104	\$12,295	\$7,248	-\$5,046	-41.0%
Federal funds	73,063	85,830	78,841	-6,989	-8.1

^a Includes Education Protection Account created by Proposition 30 (2012).

Figure 2
**Governor's Budget
General Fund Condition**

Includes Education Protection Account (In Millions)

	2011-12 Revised	2012-13 Revised	2013-14 Proposed
Prior-year fund balance	-\$2,282	-\$1,615	\$785
Revenues and transfers	87,071	95,394	98,501
Total resources available	\$84,789	\$93,779	\$99,286
Expenditures	\$86,404	\$92,994	\$97,650
Ending fund balance	-\$1,615	\$785	\$1,636
Encumbrances	\$618	\$618	\$618
Reserve	-\$2,233	\$167	\$1,018

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The 2013-14 Budget: California's Fiscal Outlook, estimated that the Legislature and Governor would need to address a \$1.9 billion budget problem by June 2013. The Governor's budget, on the other hand, produces a \$1 billion reserve at the end of 2013-14. The \$2.9 billion difference between our office's estimate and that of the administration is mostly explained by the following factors:

- ***Higher Tax Revenues (\$1.1 Billion).*** Across the three fiscal years (2011-12, 2012-13, and 2013-14), the administration's forecast includes about \$1.1 billion in higher revenues. Specifically, this total includes higher revenues from the personal income tax (PIT) (\$1.4 billion) and the sales and use tax (SUT) (\$0.2 billion), and lower revenues from the corporation tax (CT) (-\$0.6 billion).
- ***Higher Estimates of Savings (\$1 Billion).*** The administration's January forecast includes about \$700 million in higher savings associated with the dissolution of redevelopment agencies (RDAs) and \$300 million in higher savings from using cap-and-trade revenues to offset programs traditionally supported by the General Fund.
- ***Revenues From Health Taxes and Fees (\$0.7 Billion).*** The administration has proposed extending the hospital quality assurance fee (\$310 million) and reauthorizing the gross premiums tax on Medi-Cal managed care plans (\$364 million).
- ***Lower Repayments of Special Fund Loans (\$0.5 Billion).*** Our November forecast assumed the repayment of about \$1.3 billion in special fund loans from the General Fund. The administration's

forecast includes about \$500 million in lower net repayments of such loans. In some cases, the administration proposes to delay repayment dates and in other cases, it plans to repay loans earlier.

Key Components of the Budget Plan

The Governor's 2013-14 budget contains major new proposals for schools and community colleges and continues the implementation of the federal Patient Protection and Affordable Care Act (ACA). In addition, the budget proposes General Fund spending increases for the public university systems and revises previously projected savings associated with the dissolution of RDAs and cap-and-trade auction revenues. Figure 3 outlines the major new proposals contained in the Governor's budget.

Includes Major Proposition 98 Proposals.

The Governor's budget contains major new Proposition 98 proposals for schools and community colleges. Most notably, the budget replaces much of the current system of K-12 finance with a new funding formula. The new formula allows more local control because it has virtually no state requirements for programmatic spending. The spending plan also includes substantial funding to pay down existing K-14 payment deferrals, reducing the need for school districts and community colleges to borrow to meet their cash needs.

Uses Proposition 39 Funding for Projects at Schools and Community Colleges. By changing the method used by multistate businesses in determining their state taxable income, Proposition 39 (2012) increases corporate tax revenues. The Governor's budget includes all such revenue in the calculation of the Proposition 98 minimum guarantee. In addition, Proposition 39 requires that half of the new revenues fund energy efficiency programs through 2017-18. The budget proposes to use that funding for projects at schools and community colleges.

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Increases Funding for UC and CSU. The budget package proposes a 5 percent base increase (\$125 million each) in 2013-14 for University of California (UC) and California State University (CSU). This funding is in addition to the \$125 million that last year's budget provided to each of the systems for 2013-14 in exchange for not increasing tuition levels in 2012-13. The Governor also has a multiyear plan that would provide 5 percent base increases in 2014-15 and 4 percent in the subsequent two years. As a result of these increases, the Governor expects tuition levels to remain flat through 2016-17. In addition, the budget proposes to shift debt-service costs for general obligation bonds into UC's and CSU's budgets.

Implementing the ACA. The ACA provides states with the option to expand Medi-Cal coverage to certain adults with incomes up to 138 percent of the federal poverty level who are not currently eligible. The budget package suggests

two alternatives for this optional expansion—one in which the state would administer an expanded version of its current Medi-Cal Program and another in which counties administer the expansion while meeting state eligibility requirements. The ACA also includes several provisions that will likely result in additional enrollment among the currently eligible Medi-Cal population. The budget provides a \$350 million General Fund “placeholder” for these additional costs for the currently eligible population.

The Administration's Multiyear Forecast

Forecasts Balanced Budgets. The administration's multiyear budget projection reflects both its updated revenue and expenditure projections, as well as projections of various proposals made by the Governor in his 2013-14 budget plan. The administration projects that future General Fund revenues will exceed

Figure 3

Major Proposals in the Governor's Budget

General Fund (In Millions)

Proposed Savings	
Repay fewer special fund loans ^a	\$1,042
Reauthorize the gross premiums tax on Medi-Cal managed care plans	364
Extend the hospital quality assurance fee	310
Transfer funds from court construction account to the General Fund	200
Use prior appropriations over revised Proposition 98 guarantee level for QEIA	172
Suspend newly identified state mandates	104
Use highway account revenues to pay transportation debt service	67
Proposed Augmentations	
Provide augmentation for UC and CSU	250
Expand CalWORKs employment services	143
Other Policy Proposals	
Begin to implement K-12 funding formula ^b	—
Restructure adult education program ^b	—
Use Proposition 39 funds for energy efficiency projects at K-14 schools	—
Base community college funding on census of students at end of term ^b	—
Cap number of state subsidized college units per student	—
Expand Medi-Cal via a state- or county-based model	—

^a Relative to administration's multiyear forecast as of June 2012. The LAO's November 2012 forecast projected special fund loan repayments to be about \$500 million lower than the June 2012 multiyear forecast.

^b Funded within Proposition 98 and has no net effect on General Fund expenditures.
QEIA = Quality Education Investment Act.

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expenditures annually—thereby producing annual operating surpluses of at least \$47 million (in 2014-15) and as much as \$994 million (in 2016-17). By the end of 2016-17, the administration projects the accumulation of a \$2.5 billion General Fund reserve. Transfers to the other state reserve, the BSA, are assumed to be suspended by the Governor throughout the forecast period.

Projects Smaller Future Surpluses Than LAO's Forecast. Our November forecast also reflected a significant improvement in state finances, albeit with much larger surpluses beyond 2013-14. Specifically, our forecast produced an over \$1 billion operating surplus in 2014-15, growing thereafter to a \$7.5 billion surplus in 2016-17. The differing formats of the forecasts make comparisons difficult. Some of the difference can be explained by the administration having its own estimates of future revenues and expenditures, including estimates of caseload growth for many state programs. For example, in 2016-17 the administration projects \$700 million less in local property taxes (which offset state funding to schools) and higher health and human services costs of perhaps a few hundred million dollars.

A significant portion of the disparity, however, appears to relate to fiscal and policy proposals in the Governor's plan, which were not included in our forecast of current state laws and policies. In particular, the Governor's university funding proposals result in higher expenditures in 2016-17 in the administration's multiyear forecast. Among the differences are the Governor's proposals to eliminate most of the wall of debt, a group of selected budgetary obligations now totaling around \$30 billion that were incurred in recent years. Our forecast projected less spending to repay these obligations through 2016-17, given the lack of formal legislative action to date to adopt several elements of the Governor's wall of debt plan. Higher proposed spending to repay wall

of debt obligations causes part of the difference in projected operating surpluses. In 2016-17, for example, the Governor proposes several billion dollars more spending to pay outstanding obligations to schools and local government, end a longstanding lag in state contributions to employee pensions, and retire special fund loans.

LAO Comments

Transition From Multibillion Dollar Annual Deficits to Baseline Budgets. Over the past several years, each January the Governor's budget has included billions of dollars in proposed solutions—expenditure reductions, revenue increases, borrowing, and other actions—in order to close massive budget shortfalls. Now, however, the state has reached a point where its underlying expenditures and revenues are roughly in balance. For instance, the administration is proposing a limited set of actions (such as delaying repayment of some special fund loans and authorizing two health-related taxes) in order to keep the budget in balance, build a modest reserve, and fund a limited number of augmentations (the most prominent being for the state universities). With the exception of education funding, the remainder of state General Fund spending reflects a baseline budget. This means that state-supported program and service levels established in 2012-13 would generally continue as is in 2013-14 under the Governor's plan. Under our and the administration's fiscal forecasts, this situation would likely continue into 2014-15.

Governor's Focus on Fiscal Restraint and Paying Off Debts Is Appropriate. In his budget presentation, the Governor stressed fiscal discipline, including the importance of paying off the state's accumulated budgetary debts. We think this emphasis is commendable, especially in light of the risks and pressures that the state still faces. As we noted in the *Fiscal Outlook*, there are still considerable risks to revenue estimates given:

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(1) uncertainty at the federal level over “fiscal cliff” issues related to the debt limit and sequestration, and (2) normal volatility in our state revenue structure. In addition, despite the Governor’s commitment to paying down much of the wall of debt, the state would still have no sizable reserve at the end of 2016-17 under his multiyear plan and would not have begun addressing huge unfunded liabilities associated with the teachers’ retirement system and state retiree health benefits. As such, the state potentially faces some daunting choices even in this much-improved fiscal environment.

Governor Poses Important Policy Choices for the Legislature. While there will still be important fiscal decisions to make on the administration’s budget plan, the Legislature is being asked by the Governor to consider a variety of significant policy issues. Probably the two most important ones

are: (1) a new K-12 funding formula, and (2) two options for implementing Medi-Cal expansion under federal health care reform. In addition, the Governor has proposed a new model for funding and providing adult education services, changes in the way the state funds community college enrollment, and caps on the number of state-subsidized college units. He also has suggested various changes to the state’s role in funding infrastructure. We believe these issues are worthy of serious legislative consideration. On many of these issues, we have identified similar problems as the Governor, while offering alternative ways to address those problems. Given that the Legislature will not be required to deal with addressing huge budgetary shortfalls, we believe addressing the challenges posed by the Governor would be well worth the time and effort.

ECONOMICS AND REVENUES

Administration’s Economic Forecast

Forecast Assumes Continuing Economic Recovery. Similar to recent economic forecasts from the administration and our office, the *2013-14 Governor’s Budget* economic forecast assumes continuation of the current moderate economic recovery in the U.S. and California. Figure 4 (see next page) summarizes the administration’s economic forecast for calendar years 2012 through 2015, and Figure 5 (see page 11) compares the administration’s forecast to recent forecasts from our office, the University of California, Los Angeles (UCLA) Anderson School of Management, and IHS Global Insight—a major economic forecasting firm (which does not provide California-specific forecasts). All of the recent California forecasts assume continuing, moderate job growth and improvements in the state’s housing sector over the next few years.

Administration Forecast Completed Prior to New Year’s Day Federal Tax Legislation. The administration completed its current economic forecast in early December, consistent with its traditional schedule. Of the forecasts shown in Figure 5, only the U.S. forecast by IHS Global Insight was completed after final congressional passage on January 1, 2013 of the American Taxpayer Relief Act (ATRA). The act averted certain aspects of the fiscal cliff, a variety of previously scheduled federal tax increases and spending reductions. Although Congress and the President agreed to halt scheduled income tax rate increases on all but the highest rate brackets and delay scheduled spending cuts in domestic and defense programs, ATRA allowed increased income taxes to go into effect for many upper-income Americans, as well as higher payroll taxes for most workers.

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Near-Term Economic Prospects Slightly Weaker Under Some Recent Forecasts. Previous forecasts by both the administration and our office assumed that Congress and the President would take actions to avert the fiscal cliff, but ATRA results in a set of federal actions that differ from those assumed in prior forecasts. For example, contrary to the assumptions embedded in recent state economic forecasts, ATRA allowed an immediate end to the temporary payroll tax cut (likely resulting in near-term decreases in economic activity) but extended for 2013 provisions that allow businesses to offset the immediate costs of certain new equipment and software (“bonus depreciation,” which likely results in near-term increases in economic activity).

The loss of take-home pay resulting from higher payroll taxes is included in the calculation

of personal income. The IHS Global Insight forecasts 2.8 percent growth in U.S. personal income in 2013—1 percentage point below the administration’s forecast—due largely to this forecast’s incorporation of the end of the payroll tax cut. Overall U.S. economic growth (as expressed by the increase in real gross domestic product) is just slightly lower in IHS Global Insight’s forecast. While that forecast acknowledges an economic drag resulting from higher payroll taxes and increased income taxes on upper-income Americans, this drag is largely offset in the near term by more rapid growth in some sectors of the economy, the bonus depreciation tax policy, and a decline in recently elevated personal savings rates, which should allow consumers to maintain much of their recent spending patterns despite reduced take-home pay.

Figure 4
Administration’s January 2013 Economic Forecast

United States	2012	2013	2014
Percent change in:			
Real gross domestic product	2.1%	1.8%	2.8%
Personal income	3.5	3.8	4.8
Wage and salary employment	1.4	1.5	1.6
Consumer price index	2.1	1.9	2.0
Unemployment rate	8.1	7.8	7.4
Housing starts (millions)	0.8	1.0	1.3
Percent change from prior year	25.3	27.9	31.4
Federal funds rate	0.1	0.1	0.1
California	2012	2013	2014
Percent change in:			
Personal income	5.1% ^a	4.3% ^a	5.5%
Wage and salary employment	2.0	2.1	2.4
Unemployment rate	10.6	9.6	8.7
Housing permits (thousands)	57	81	123
Percent change from prior year	21.7	42.7	51.6
Single-unit permits (thousands)	27	37	63
Multiunit permits (thousands)	30	44	60

^a The administration’s economic forecast appropriately reflects various one-time effects of Facebook’s 2012 initial public offering (IPO) of stock. This assumes that the official federal survey accurately captures these effects. Other economic forecasts, including our office’s prior forecasts, omit these one-time effects. If the IPO had been excluded from this administration forecast, growth in California personal income would have been 4.7 percent in 2012 and 4.5 percent in 2013. Most of the IPO effects on personal income were heavily concentrated in the fourth quarter of 2012, which affects Proposition 98 and state appropriations limit calculations for 2013-14 and 2014-15.

LAO Comments***Federal Policy Is the Key Forecast Risk Now.***

The administration’s forecast is similar to our office’s November 2012 forecast. The federal actions included in ATRA likely mean slightly weaker prospects for the overall U.S. and state economies in 2013, due mainly to the end of the payroll tax cut, as compared with both the administration’s recent forecast and our own forecast of two months ago. The major remaining uncertainties in the near term are the series of upcoming federal decisions concerning

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(1) the statutory cap on U.S. public debt known as the debt ceiling; (2) the delayed 8 percent to 10 percent cuts to many federal spending programs known as sequestration, which are now scheduled to begin on March 1, 2013; and (3) the expiration at the end of March of the current “continuing resolution” that funds federal government operations. The debt ceiling raises the biggest concerns for the economy in the near term. While U.S. government debt reached its cap of \$16.4 trillion on December 31, 2012, the federal government now is implementing a series of financial maneuvers that allow it to pay its legal obligations despite an inability to issue additional debt. Without a debt ceiling increase or similar action, these maneuvers will be exhausted, and the federal government will have to delay payments on some of its obligations beginning at some point around late February or early March 2013.

Prolonged Federal Impasse Could Damage the Economic Recovery. A prolonged impasse by federal leaders concerning the debt ceiling and sequestration decisions could dampen consumer, business, and investor confidence in the coming weeks, thereby damaging the modest economic recovery. The 2011 debt ceiling debate coincided with a notable slowing of economic growth, as measured by several key economic statistics: employment, gross domestic product, motor vehicle sales, and business investment, among others. If a similar impasse were to occur in the coming weeks, economic growth in 2013 could be noticeably weaker than the administration’s projections. A stock market slump, if it were to occur, would pose a particular threat to the state budget, given the state’s progressive PIT rates and reliance on capital gains of high-income taxpayers.

The recent state economic forecasts all assume that the federal government will adopt some

Figure 5
Comparing Administration’s Economic Forecast With Recent Forecasts^a

	2013				2014			
	LAO November 2012	UCLA December 2012	DOF January 2013	IHS Global Insight January 2013	LAO November 2012	UCLA December 2012	DOF January 2013	IHS Global Insight January 2013
United States								
Percent change in:								
Real gross domestic product	1.8%	1.7%	1.8%	1.7%	3.0%	2.8%	2.8%	2.7%
Personal income	3.9	3.7	3.8	2.8 ^a	4.9	4.9	4.8	5.0
Wage and salary employment	1.3	1.4	1.5	1.4	1.8	1.7	1.6	1.7
California								
Percent change in:								
Personal income	4.7%	3.3%	4.3%	NA	5.5%	5.2%	5.5%	NA
Wage and salary employment	2.3	1.4	2.1	NA	2.5	2.2	2.4	NA
Unemployment rate	9.6	9.7	9.6	NA	8.7	8.4	8.7	NA
Housing permits (thousands)	83	75	81	NA	113	130	123	NA

^a The forecasts make various assumptions about federal tax and spending policies in 2013 and beyond. The IHS Global Insight forecast—developed after passage of January 2013 federal tax legislation—incorporates the expiration of the payroll tax reductions at the end of 2012, which affects 2013 personal income growth in particular.

NA = Not applicable.

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spending decreases, as well as additional tax increases, gradually over the long term. Nevertheless, the implementation of sudden spending cuts at the levels envisioned in the current sequestration law could reduce economic activity somewhat below forecasted levels in the near term. In particular, segments and regions of the economy with high concentrations of federally funded activity, such as the San Diego region (with significant military and federally funded research activities), could be negatively affected.

California-Specific Economic Risks. In addition to federal policy risks, all of the recent economic forecasts shown in Figure 5 assume continuing improvement in California's housing markets and construction industry. While recent housing trends have been notably positive, with rising home prices and increased sales, these trends could be easily upset in the near term by a sharp decline in consumer and investor confidence resulting from a prolonged debt ceiling debate. In addition, there remains some uncertainty concerning how individuals and businesses will react to several recent state-level policy changes, including the temporary PIT and SUT increases approved in Proposition 30 and the state's greenhouse gas reduction policies (including cap-and-trade auctions).

Risks From Middle East Conflicts. Among the other risks to the economic forecast are continuing conflicts in the Middle East, such as the civil war in Syria and recently heightened tensions involving Israel and Iran. While weak energy demand growth has caused major declines in oil prices recently, which have benefited consumers and businesses, sudden price spikes can result from instability in the Middle East. Such price spikes, if they were to occur, could weaken the modest economic recovery.

Administration's Revenue Forecast

Figure 6 summarizes the administration's revenue forecast through 2016-17 and lists major differences between this new forecast and both the 2012-13 *Budget Act* forecast from June 2012 and our office's November 2012 forecast. Figure 7 (see page 14) provides more detail concerning these comparisons related to 2012-13 and 2013-14 revenues.

Personal Income Tax

The Governor's budget forecasts that PIT revenues booked to the General Fund and Education Protection Account for 2012-13 will total \$60.6 billion, an increase of \$6.8 billion (13 percent) over the updated 2011-12 PIT forecast. Around one-fourth of this year-over-year growth results from the full phase-in of rate increases for upper-income taxpayers under Proposition 30. For 2013-14, the budget forecasts that PIT revenues will climb to \$61.7 billion, an increase of 1.8 percent. Assumed accelerations of income from 2013 to 2012—as some taxpayers sought to avoid higher federal taxes related to the fiscal cliff—affect year-over-year growth during this period. In general, these accelerations increase PIT revenues in the forecast for tax year 2012 and, in turn, decrease the projected growth rate for tax year 2013.

Administration Has Increased Its PIT Estimates. The administration has increased its prior projections for state PIT revenues. Compared to the June 2012 forecast, the new projections increase PIT revenues by \$379 million for 2012-13. (This increase occurs despite an approximately \$600 million decrease in the administration's May 2012 projection of PIT revenues resulting from the Facebook initial public offering.) In addition, the new forecast shows higher 2013-14 PIT revenues of \$1.5 billion compared to the administration's June 2012 multiyear budget forecast.

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The new projections include revised PIT estimates for previous fiscal years. For example, similar to what we discussed in November 2012, the budget adjusts the entering 2011-12 fund balance upward due primarily to higher PIT revenues for 2010-11 and prior years. (The budget also includes new nonrevenue adjustments to the entering fund balance.) In addition, PIT revenues booked to 2011-12 are now projected to be \$878 million higher than in the June 2012 forecast. Some of these differences relate to the state's increasingly complex accrual policies, which shift revenues collected from one fiscal year to another in the state's budget calculations. (Historically, for example, this Governor's budget forecast would be the last official update of 2011-12 revenues. Under the new accrual

policies, which we discussed in our November *Fiscal Outlook* publication, final information on 2011-12 revenues seemingly will not be available until at least the middle of 2014—around 700 days after the end of the fiscal year—with comparable lags for each succeeding year's revenues.)

Higher Capital Gains Forecast, Among Other Changes. Based in part on the Department of Finance (DOF) analysis of new tax agency data released in late November 2012, the administration has revised its forecast of California residents' net capital gains in tax year 2011 upward from \$52 billion in the 2012-13 budget forecast to \$68 billion now. This, in turn, seems to contribute to higher capital gains projections for future years. At the same time, the administration has

Figure 6
Administration's Multiyear Revenue Forecast

General Fund and Education Protection Account Combined (In Millions)

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Personal income tax	\$53,836	\$60,647	\$61,747	\$67,550	\$71,981	\$75,344
Sales and use tax	18,652	20,714	23,264	24,920	26,733	27,261
Corporation tax	7,949	7,580	9,130	9,655	10,169	10,592
Subtotal, "Big Three" taxes	(\$80,437)	(\$88,941)	(\$94,141)	(\$102,125)	(\$108,883)	(\$113,197)
Insurance tax	\$2,165	\$2,022	\$2,198	\$2,413	\$2,480	\$2,550
Other revenues	2,959	2,631	2,185	1,878	1,876	1,919
Net transfers and loans	1,509	1,800	-23	-563	-1,956	-325
Total Revenues and Transfers	\$87,071	\$95,394	\$98,501	\$105,853	\$111,283	\$117,341
Differences—Governor's Forecast Minus 2012-13 Budget Act Forecast						
Estate tax	—	-\$45	-\$290	-\$725	-\$1,180	NA
Taxes and other revenues	\$516	-\$660	1,394	-\$170	1,266	NA
Net transfers and loans ^a	-\$275	212	1,280	43	-\$572	NA
Totals	\$241	-\$493	\$2,384	-\$852	-\$486	—
Differences—Governor's Forecast Minus LAO November 2012 Forecast						
Taxes and other revenues	\$863	-\$385	\$632	\$1,462	\$1,281	\$568
Transfer of Proposition 39 revenue to new fund ^b	—	—	475	500	513	525
Other transfers and loans (net) ^a	-\$275	169	651	-\$441	-\$1,528	-\$212
Totals	\$589	-\$216	\$1,758	\$1,521	\$265	\$881

^a A positive number generally indicates that the Governor's budget forecast assumes fewer General Fund loan repayments to special funds. A negative number generally indicates that the Governor's budget forecast assumes more General Fund loan repayments to special funds. Differences in transfers other than loans also are reflected in this line.

^b Amounts listed are the transfers of Proposition 39 (2012) revenue to the Clean Energy Job Creation Fund that were assumed in the LAO November 2012 forecast. This transfer of revenues is omitted from the Governor's budget proposal.
NA = Not applicable.

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lowered its overall forecast of Californians' wage income in 2011 and 2012, particularly estimates of wage growth for upper-income taxpayers. While we do not expect to release a complete updated revenue forecast until May 2013, our preliminary observations are that DOF's overall adjustments for 2011 and 2012 seem reasonable based on currently available data. At this time, we find their 2012-13 and 2013-14 PIT forecasts—those most relevant for the upcoming budget process—to be reasonable.

2013 Will Be an Unusual Year of PIT

Collections. While the administration's near-term PIT projections seem reasonable at this time, we observe that the next few months will produce PIT collection data that will be particularly challenging to interpret. This unusual period already has begun, with overall December 2012 PIT collections running \$2.2 billion (41 percent) above those of December 2011, or \$1.3 billion (22 percent) above DOF's forecast for the month in the *2012-13 Budget Act*. A significant portion of these increases may relate to decisions by

individuals and businesses to accelerate receipts of capital gains, dividends, and wages from 2013 to 2012, in order to avoid higher federal tax rates related to the fiscal cliff. December and early January withholding data show that wage and bonus income subject to such withholding has increased substantially compared to last year. Similar to both our and the administration's revenue forecasts in recent months, the updated administration forecast assumes that California tax filers accelerated 20 percent of the capital gains they otherwise would realize in 2013 to 2012, along with 10 percent of dividends and 1 percent of wages. To the extent that PIT payments continue to exceed DOF projections through the rest of January, it may mean that these accelerations are occurring at a greater level than assumed. This, in turn, may mean increased 2012 tax revenue (benefiting the 2011-12 and 2012-13 fiscal years) and decreased 2013 tax revenue (affecting 2012-13 and 2013-14), compared to current projections.

Figure 7
Comparisons With Prior Revenue Forecasts

General Fund and Education Protection Account Combined (In Millions)

	2012-13			2013-14		
	Budget Act June 2012	LAO November 2012	Governor ^a January 2013	DOF Multiyear Forecast June 2012	LAO November 2012	Governor ^a January 2013
Personal income tax ^b	\$60,268	\$59,860	\$60,647	\$60,234	\$61,712	\$61,747
Sales and use tax ^b	20,605	20,839	20,714	23,006	22,721	23,264
Corporation tax ^c	8,488	8,535	7,580	8,931	9,119	9,130
Subtotal, "Big Three" taxes	\$89,361	\$89,234	\$88,941	\$92,171	\$93,551	\$94,141
Insurance tax	\$2,089	\$2,050	\$2,022	\$2,110	\$2,212	\$2,198
Estate tax	45	—	—	290	—	—
Other revenues	2,804	2,695	2,631	2,849	2,129	2,185
Net transfers and loans	1,588	1,631	1,800	-1,303	-1,149	-23 ^d
Total Revenues and Transfers	\$95,887	\$95,610	\$95,394	\$96,117	\$96,743	\$98,501
Difference—Governor's Forecast Minus Budget Act Forecast			-\$493			\$2,384
Difference—Governor's Forecast Minus LAO Forecast			-\$216			\$1,758

^a Reflects Governor's budget proposals, which contribute to differences from prior forecasts concerning net transfers and loans in particular.

^b Includes additional revenues from Proposition 30 (2012).

^c November 2012 and January 2013 forecasts include additional revenues from Proposition 39 (2012).

^d Governor's January 2013 forecast reflects administration's plans to repay fewer special fund loans in 2013-14 and not to transfer a portion of Proposition 39 revenues from the General Fund to a new fund created by the measure.

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It will be difficult to assess these January variances in the near term due to a variety of other issues. Proposition 30, as approved in November 2012, retroactively raised PIT rates for upper-income filers to the beginning of 2012. Most such taxpayers likely will have to make additional payments between December 2012 and April 2013, but we are unlikely to have a good idea of when these payments have come to the state's coffers until at least April. Another complicating factor is the anticipated multiweek delay in the tax filing season due to the recent decisions by Congress and the President to adjust significant elements of the federal tax code. In addition, the state faces routine difficulties in interpreting incoming PIT collections, volatile as they are due to ups and downs in the stock market. Potential stock market volatility coinciding with the upcoming federal debt ceiling deliberations also could affect PIT collections in the coming few months. For all of these reasons, we advise interpreting tax agency collection data between now and April with extreme caution. (Only "agency cash" reports released monthly by DOF are relevant for budgetary forecasting and tracking. "Controller's cash" reports are not useful for those purposes.)

Given the standard lags in receiving final tax data and the state's accrual policies, it likely will be a year or two before reliable conclusions concerning 2012 and 2013 tax collections are known. By May, however, both we and the administration will have more data—based on updated economic statistics and spring tax collections—to make more informed assessments of 2012-13 and 2013-14 PIT revenues.

Sales and Use Tax

In its new forecast, DOF projects General Fund SUT revenues to increase to \$23.3 billion in 2013-14. (This is 12.3 percent above the updated estimate for 2012-13, with about one-third of this growth resulting from the full-year effect of the temporary one-quarter cent SUT increase under Proposition 30. That

temporary tax increase begins this month, halfway through the 2012-13 fiscal year.)

Small Changes in Administration Estimates.

The administration's updated forecast of 2011-12 SUT revenues is \$269 million lower than reflected in the 2012-13 budget package, while its new projection for 2012-13 SUT revenues is \$109 million higher. Compared to the June 2012 multiyear DOF forecast, 2013-14 SUT revenues are now projected to be \$258 million higher.

Mild Risk to the Forecast Due to Expiration of Payroll Tax Cut. At this time, we observe some mild risks for the administration's SUT forecast. Its forecast does not reflect the potential drag on taxable retail sales resulting from the end of the temporary 2 percentage point reduction in federal payroll taxes. Because of this expiration, after-tax incomes for most Californians should be lower than the levels the administration assumed when projecting SUT revenue for 2012-13 and 2013-14. It is possible that this factor alone could result in a few hundred million dollars less in SUT revenue—compared to the administration forecast—in 2012-13 and 2013-14 combined. As with the PIT, consumer and business concerns related to the upcoming federal deliberations also could cause SUT revenue to lag projections.

Corporation Tax

Large Reductions in Non-Proposition 39 CT Revenue Forecast. As discussed in our November *Fiscal Outlook* publication, CT collections have been very weak recently, and there are major difficulties with forecasting this tax at the present time. Similar to our office's November forecast, the administration now is lowering its 2012-13 *Budget Act* forecasts for CT revenues to reflect the recent dramatic weakness in CT collections. The administration now is projecting \$7.6 billion, as compared to \$8.5 billion in the budget act. This \$7.6 billion includes about \$440 million of increased CT revenues due to passage of Proposition 39 in November 2012. Accordingly,

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if Proposition 39 had not passed, CT revenues for 2012-13 would be declining to \$7.1 billion, a 16 percent drop compared to the budget act projections from June 2012. While we cannot fully explain the reasons for this precipitous drop, it is likely due in part to major tax policy changes made in recent years. The administration's 2013-14 forecast includes \$900 million of Proposition 39 revenues, the growth of which accounts for part of the \$1.6 billion increase in CT for that fiscal year.

Additional Risks to the Forecast. Through December 2012, 2012-13 CT collections for the fiscal year to date were running 35 percent below collections from the prior year and 32 percent below DOF's year-to-date projections (from the June 2012 forecast). The state clearly has had difficulty in forecasting the effects of recent CT policy and other changes. Recent collection trends suggest that CT projections may need to be dropped further in the coming months.

Estate Tax

Estate Tax Estimates Lowered to Zero Due to Congressional Action. Figures 6 and 7 display the administration's prior estimates for California estate taxes. Consistent with our recent forecasts, the administration now has revised its estimates for these taxes down to zero due to the federal decision to permanently end the federal tax credit to which California's estate tax has been linked for decades. California's estate tax law was approved by voters with passage of Proposition 6 in 1982. Proposition 6 prohibits a change to the relevant portions of the law unless it is approved by the state's voters. For this reason, the administration is correct to assume that current law prohibits collections of California state taxes on estates of those who die in the future.

Special Fund Loan Repayment Transfers

A Part of the So-Called Wall of Debt. The state has lent balances of its special funds to the General Fund in order to help address budget shortfalls over

the last decade. The General Fund now has around \$4 billion of outstanding budgetary loans from the state's special funds. The state has considerable flexibility about when to repay these loans, and to date, the Legislature has granted the administration considerable discretion about when such repayments will occur. The Governor has stated his preference to pay down these budgetary obligations as part of his multiyear plan to reduce the so-called wall of debt. (The Legislature, however, has not taken a formal action to date to indicate its agreement with this and other aspects of the Governor's wall of debt proposals.)

Delays Proposed for Previously Planned 2013-14 Loan Payments. In the administration's 2012-13 multiyear budget forecast of June 2012, it estimated that the state would pay off \$183 million of special fund loans in 2012-13 and \$1.6 billion of such loans in 2013-14. Considering both currently scheduled loan repayment dates, as well as our understanding of when some departments would need to access the borrowed funds for special fund purposes, our November forecast assumed that \$1.3 billion of these loans would be repaid in 2012-13 and 2013-14 combined. The Governor's budget plan proposes instead that \$752 million of loan repayments occur, including \$186 million in 2012-13 and \$566 million in 2013-14. Compared to the assumed list of loan repayments in our November *Fiscal Outlook* publication, the administration proposes to delay repayments on prior loans from various special funds, including:

- State Highway Account (\$150 million).
- The judicial branch's Immediate and Critical Needs Account (\$90 million).
- Hospital Building Fund (\$75 million).

The budget plan also proposes to make repayments to several other funds that were not included in our November list of assumed loan repayments.

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All Loans Proposed to Be Paid Off by End of 2016-17. The administration's multiyear budget plan proposes that all of the remaining loans from special funds be paid off by the end of 2016-17. In the administration's plan, \$795 million of loans would be paid off in 2014-15, \$2.2 billion in 2015-16, and \$557 million in 2016-17. (Our November forecast assumed that around \$1.2 billion of special fund loans would remain outstanding as of the end of 2016-17, given that there has been no formal legislative action to adopt the Governor's wall of debt repayment plan.)

Recommend Legislature Take Charge of a Repayment Plan. The Legislature has considerable flexibility to direct the method and manner of special fund loan repayments. We recommend that it do so beginning this year. We also recommend that legislators hold hearings in 2013 concerning each one of the special funds proposed to be repaid in the Governor's 2013-14 budget plan, as shown in Figure 8. These hearings would provide an important opportunity—with the special funds in line to be repaid hundreds of millions of dollars—to explore the operations of special fund programs.

Figure 8

Special Fund Loan Repayments Proposed by the Governor for 2013-14*(In Thousands)*

Department	Special Fund	Proposed Repayment Amount
Justice	National Mortgage Special Deposit Fund	\$100,000
Resources Recycling and Recovery	California Beverage Container Recycling Fund	94,400
Public Utilities Commission	California High Cost Fund-B Administrative Committee Fund	75,000
Public Utilities Commission	California Advanced Services Fund	75,000
Transportation	State Highway Account, State Transportation Fund	50,000
Resources Recycling and Recovery	Glass Processing Fee Account	39,000
Resources Recycling and Recovery	PET Processing Fee Account, California Beverage Container Recycling Fund	27,000
Public Utilities Commission	Public Utilities Commission Utilities Reimbursement Account	25,000
Energy Commission	Renewable Resource Trust Fund	20,000
General Services	Public School Planning, Design, and Construction Review Revolving Fund	15,000
Food and Agriculture	Department of Agriculture Account, Department of Food and Agriculture Fund	15,000
Consumer Affairs	Real Estate Appraisers Regulation Fund	8,100
Peace Officer Standards and Training	Peace Officers' Training Fund	4,000
Justice	False Claims Act Fund	3,000
Consumer Affairs	State Dentistry Fund	2,700
Consumer Affairs	Professional Engineer & Land Surveyor Fund	2,500
Consumer Affairs	Bureau of Home Furnishings & Thermal Insulation Fund	1,500
Consumer Affairs	Behavioral Science Examiners Fund	1,400
Financial Institutions	Credit Union Fund	1,350
Cal-EPA	Rural CUPA Reimbursement Account	1,300
Justice	Missing Person DNA Data Base Fund	1,000
Transportation	Historic Property Maintenance Fund	1,000
Toxic Substances Control	Site Remediation Account	1,000
Emergency Management Agency	Victim-Witness Assistance Fund	900
ABC Appeals Board	Alcoholic Beverage Control Appeals Fund	500
Alcohol and Drug Programs	Driving-Under-the-Influence Program Licensing Trust Fund	400
Consumer Affairs	Speech-Language Pathology & Audiology & Hearing Aid Dispensers Fund	300
Total		\$566,350

ABC = Alcoholic Beverage Control; CUPA = Certified Unified Program Agency; DNA = deoxyribonucleic acid; PET = polyethylene terephthalate.

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In these hearings, legislators could ask special fund departments and program stakeholders these types of questions:

- What level of reserves will the special fund have after the proposed loan repayment is executed?
- What level of reserves does the fund need to cope with routine seasonal cash flow fluctuations and/or periodic annual declines in revenue? (This answer is likely to vary among special funds.)
- When was the last time that the fund's fees were adjusted? Is a temporary or permanent fee decrease appropriate, given the proposed loan repayment?
- What special fund activities are operating well and which are operating below expectations? Is targeted additional special fund spending needed after the loan repayments? Will such spending be sustainable, given current fee levels?
- Do the special fund's activities duplicate those in other state departments or at the local or federal level? Should any of these activities be ended? Are new activities needed to address important new state priorities?

In addition to asking these questions about special funds proposed for immediate repayment, the Legislature also could consider whether any other special funds—the ones proposed by the Governor to be repaid in later years—should instead be repaid now.

EXPENDITURE ISSUES

Proposition 98

Proposition 98 funds K-12 education, the California Community Colleges (CCC), preschool, and various other state education programs. The Governor's budget increases total Proposition 98 funding by \$2.7 billion—a 5 percent increase from the revised current-year level. As shown in Figure 9, the General Fund share of Proposition 98 increases by 9 percent whereas the share from local property tax revenues is projected to drop by 4 percent. (The drop is due to the tapering off of the transfer of one-time liquid assets from former RDAs.) Also shown in the figure, the year-over-year increase in Proposition 98 funding is notably greater for community colleges (10 percent) than for K-12 education (4 percent). About half of the additional increase for the community colleges is related to the Governor's proposal to restructure adult education.

Adjustments to Proposition 98 Minimum Guarantee

Estimate of 2012-13 Minimum Guarantee Changes Slightly, Grows Notably in 2013-14. For 2012-13, the administration's estimate of the Proposition 98 minimum guarantee is \$53.5 billion—down \$54 million from the budget act estimate. Proposition 98-related spending, however, is estimated to be \$163 million above the minimum guarantee. To bring spending down to the minimum guarantee, the Governor proposes to reclassify \$163 million in 2012-13 appropriations as funds for meeting a statutory obligation associated with the Quality Education Investment Act (QEIA). For 2013-14, the Governor proposes to fund at the administration's estimate of the minimum guarantee—\$56.2 billion. The \$2.7 billion year-to-year increase in the guarantee is

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driven by the state's healthy year-to-year increase in General Fund revenues. Part of this increase is due specifically to growth in Proposition 39 revenues, as discussed below.

Includes All Proposition 39 Revenues in Proposition 98 Calculation. Proposition 39, passed by the voters in November 2012, requires most multistate businesses to determine their California taxable income using a single sales factor method, which has the effect of increasing state corporate tax revenue. The administration projects that Proposition 39 will increase state revenue by \$440 million in 2012-13 and \$900 million in 2013-14. The Governor's budget plan includes all revenue raised by Proposition 39 in Proposition 98 calculations, which has the effect of increasing the minimum guarantee by \$426 million in 2012-13 and an additional \$94 million (for a total increase of \$520 million) in 2013-14.

Rebenching Adjustment for Ongoing Redevelopment Revenues Is Locked In. Over the

past two decades, the state has made numerous shifts in the allocation of property taxes among cities, counties, special districts, schools, and community colleges. These shifts change the amount of property tax revenues allocated to schools and community colleges and—absent any adjustments to the Proposition 98 calculation—can unintentionally increase or decrease the minimum guarantee. To ensure that these property tax shifts have no effect on the total amount of funding schools and community colleges receive, the state “rebenches” the Proposition 98 minimum guarantee. The *2012-13 Budget Act* rebenches the guarantee to account for the shift of redevelopment-related revenues. This adjustment allows the state to achieve dollar-for-dollar Proposition 98 General Fund savings for the transfers of both ongoing residual property tax receipts and one-time redevelopment-related liquid assets. In 2013-14, the Governor updates the rebenching adjustment to reflect the revised estimates of one-time redevelopment-related liquid assets but

Figure 9
Proposition 98 Funding^a

(Dollars in Millions)

	2011-12 Actual	2012-13 Revised	2013-14 Proposed	Change From 2012-13	
				Amount	Percent
Preschool	\$368	\$481	\$481	—	—
K-12 Education					
General Fund	\$29,368	\$33,406	\$36,084	\$2,679	8%
Local property tax revenue	11,963	13,777	13,160	-618	-4
Subtotals	(\$41,331)	(\$47,183)	(\$49,244)	(\$2,061)	(4%)
California Community Colleges					
General Fund	\$3,279	\$3,543	\$4,226	\$683	19%
Local property tax revenue	1,974	2,256	2,171	-85	-4
Subtotals	(\$5,253)	(\$5,799)	(\$6,397)	(\$597)	(10%)
Other Agencies	\$83	\$78	\$79	\$1	1%
Totals	\$47,035	\$53,541	\$56,200	\$2,659	5%
General Fund	\$33,097	\$37,507	\$40,870	\$3,362	9%
Local property tax revenue	13,937	16,034	15,331	-703	-4

^a General Fund amounts include Education Protection Account funds.

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does not update the adjustment to account for revised estimates of ongoing residual property tax revenues.

Major Proposition 98 Proposals

As shown in Figure 10, the Governor's budget dedicates the increase in Proposition 98 funding to several education initiatives. For both schools and community colleges, these proposals include one-time payments to reduce deferrals as well as ongoing programmatic funding increases. In addition, the budget provides a 1.65 percent cost-of-living adjustment for a few K-12 categorical programs. The budget also funds a 0.10 percent increase in K-12 average daily attendance but assumes no increase in funded enrollment levels at the community colleges. The Governor's major proposals are described in more detail below. As discussed later in this report, the *Governor's Budget Summary* also expresses interest in rethinking school facility funding as an alternative to authorizing a new state general obligation bond. (In addition to the proposals described in this report, the Governor makes proposals relating to various aspects of charter school funding and facilities, special education funding and program consolidation, and funding for online high school and community college courses.)

Dedicates \$1.9 Billion to Paying Down Deferrals. During the past several years, the

state relied heavily on deferring Proposition 98 payments as a way to achieve budgetary savings. In 2008-09, for example, the state delayed \$3.2 billion in Proposition 98 payments to achieve one-time General Fund savings. By 2011-12, a total of \$10.4 billion in Proposition 98 payments were paid late. The *2012-13 Budget Act* dedicates \$2.2 billion to retire a portion of the state's outstanding deferrals. The Governor's 2013-14 plan continues to reduce the number of late payments by setting aside \$1.9 billion for this purpose. The 2013-14 proposal would reduce the state's outstanding deferrals from \$8.2 billion to \$6.3 billion. This reduction in deferrals would diminish the need for school districts and community colleges to borrow to support operations while awaiting the state's late payments.

Provides \$1.6 Billion to Begin Implementing New K-12 Funding Formula. The Governor proposes to significantly restructure the way the state allocates K-12 funding. Similar to last year's

Figure 10
Governor's Major Proposition 98 Budget Changes

(In Millions)

Technical Changes

Make technical adjustments	\$148
Fund K-12 categorical growth	49
Fund K-12 revenue limit growth	3
Adjust for prior-year deferral payments	-2,225
Subtotal	<u>(-\$2,025)</u>

Policy Changes

Pay down deferrals	\$1,944
Transition to new K-12 funding formula	1,630
Allocate money for energy efficiency projects	450
Provide funding for CCC adult education	300
Provide general-purpose funds for CCC	197
Add two programs to K-12 mandate block grant ^a	100
Provide cost-of-living adjustment for certain K-12 programs ^b	63
Fund new CCC online project	17
Swap one-time funds	-17
Subtotal	<u>(\$4,684)</u>

Total Changes

\$2,659

^a Adds Graduation Requirements and Behavioral Intervention Plans.

^b Applies to special education, child nutrition, and California American Indian education centers.

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proposal, the Governor's plan would consolidate K-12 revenue limits and almost all of the state's roughly 60 categorical programs into one streamlined funding formula with essentially no associated programmatic spending requirements. The formula would provide a base funding grant per student. The formula also would provide supplemental funding intended for districts to serve English learners and students from low-income families as well as provide lower class sizes in grades kindergarten through third and offer career technical education classes in high school. The budget proposal allocates \$1.6 billion to begin increasing district rates to a target base rate, with the supplemental grants adjusted in tandem with base increases. Based on the administration's estimates, the formula would be fully implemented by 2019-20.

Proposes \$450 Million for School and Community College Energy Efficiency Projects. For a five-year period (2013-14 through 2017-18), Proposition 39 requires that half of the annual revenue raised from the measure—up to \$550 million—be transferred to a new Clean Energy Job Creation Fund to support projects intended to improve energy efficiency and expand the use of alternative energy. The Governor proposes to allocate all Proposition 39 energy-related funding over the next five years exclusively to school districts and community college districts (\$450 million in 2013-14 and \$550 million annually for the next four years). For 2013-14, the Governor's budget proposes to provide school districts \$400.5 million and community college districts \$49.5 million for energy efficiency projects. (Under the administration's approach, this spending would count toward meeting the Proposition 98 minimum guarantee.) The administration proposes to allocate this funding to districts on a per-student basis, with school districts and community college districts receiving \$67 and \$45

per student, respectively. Under the proposal, the California Department of Education (CDE) and the CCC Chancellor's Office could consult with the California Energy Commission (CEC) and the California Public Utilities Commission (CPUC) to develop guidelines for districts in prioritizing the use of the funds. Upon project completion, school districts and community college districts would report their project expenditure information to CDE and the Chancellor's Office, respectively.

Proposes Major Changes for Adult Education. Under the Governor's restructuring plan, state support for adult education would be narrowed to core instructional programs, including adult elementary and secondary education, vocational training, English as a second language, and citizenship. The administration also indicates interest in more clearly delineating among CCC adult education (noncredit instruction) and collegiate coursework (credit instruction) to ensure funding is better aligned to the type of instruction offered. Perhaps the most notable part of the Governor's restructuring plan is his proposal to fund all adult education through the CCC system. Specifically, the Governor proposes to eliminate school districts' adult education categorical program and consolidate all associated funding (about \$600 million Proposition 98 General Fund) into the proposed new K-12 funding formula. The Governor's budget then provides a base Proposition 98 General Fund augmentation of \$300 million to create a new adult education categorical program within CCC's budget. According to the DOF, these funds would be distributed to CCC districts using a formula based on the number of students served in the prior fiscal year. While CCC would be responsible for administering adult education, the Governor's plan would allow community colleges to contract with school districts (through their adult schools) to provide instruction to students.

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Provides Almost \$200 Million in Discretionary CCC Funds. The Governor's budget also provides a base increase of \$197 million in Proposition 98 General Fund support for the CCC system. Unlike other state funds in the CCC budget, the Governor's proposal would allow the Chancellor's Office to make its own decision about how the funds would be distributed and for what purpose. For example, the Chancellor's Office could choose to allocate the monies to districts for enrollment growth or a general faculty salary increase. Alternatively, the Chancellor's Office could designate the funds for various special purposes, such as to improve student achievement through a competitive grant program.

Addresses Two Large School Mandates. The Governor's budget includes a \$100 million augmentation to the school mandates block grant to reflect the addition of two large mandates: Graduation Requirements and Behavioral Intervention Plans (BIP). (The proposal does not identify how much funding is for each mandate but instead combines them into a single augmentation.) Notably, the Governor's proposal only provides funding for the two mandates through the block grant—it does not include any funding for districts that choose to submit claims for reimbursement. For BIP, the Governor also plans to introduce budget trailer bill language to more closely align state requirements with federal requirements, which is intended to eliminate most of the state's costs for reimbursing this mandate through the claims process going forward.

Proposes Retiring Many K-14 Obligations by End of 2016-17. The Governor's budget package includes a multiyear plan to address many of the state's outstanding K-14 wall of debt obligations. In 2013-14, 2014-15, and 2015-16, the Governor proposes to use half of the year-to-year growth in the Proposition 98 minimum guarantee to pay down the state's outstanding school and

community college deferrals. A smaller payment would be required in 2016-17 to fully retire all deferrals. In 2016-17, the plan also would use \$2.1 billion in settle-up payments to reduce the K-14 mandate backlog. (Roughly \$1.9 billion in outstanding mandate claims would remain unpaid.) In addition, the Governor proposes to retire all of the state's obligations associated with the Emergency Repair Program and QEIA by 2016-17.

Positive Aspects of Governor's Proposition 98 Budget Plan

We believe the Governor's Proposition 98 budget plan has three particularly positive features, discussed below.

Balance of One-Time and Ongoing Spending Reasonable. Of the Proposition 98 resources available for 2013-14, the Governor dedicates \$1.9 billion for one-time purposes (paying down school and community college deferrals) and uses the remainder for ongoing programmatic increases. Although no one "right" mix of spending exists, we think the Governor's generally balanced approach is reasonable. Using such an approach would allow the state to eliminate all school and community college deferrals by 2016-17—prior to the expiration of Proposition 30's PIT increases after the 2018 calendar year. Under the Governor's plan, however, an outstanding mandate backlog of \$1.9 billion would remain. We recommend the Legislature also develop a plan to eliminate this backlog.

Proposal to Streamline School Finance System Has Many Positive Features. The Governor's proposal to restructure the way the state allocates K-12 funding also has many strong components. Most importantly, it would replace a complicated, top-down system with one that is more transparent, better linked with student costs, and locally driven. It also would transition gradually to the new system, ensuring that the vast majority of

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districts receive funding increases in 2013-14 and the coming years, while simultaneously making progress towards a more rational distribution of funds. Though the Governor's overall school finance plan has considerable merit, we believe the Legislature could strengthen it by making a few modifications. Specifically, we recommend against the Governor's plan to exclude two large programs that have particularly antiquated funding formulas (Targeted Instructional Improvement Grant and Home-to-School Transportation) from the new formula. Additionally, the Legislature likely will want to work with the administration to explore ways to ensure that districts are using supplemental funds to benefit disadvantaged students as well as ensure districts have strong incentives to do routine maintenance on their facilities (given the state's large investment in these facilities over the last decade).

Proposal to Restructure BIP Mandate Has Several Benefits. Because revisions to federal law now provide certain behavioral-related protections for students with disabilities, we believe most, if not all, current state BIP requirements do not provide significant additional benefit for students. Thus, we believe the Governor's proposal to repeal most of the state's BIP requirements would not have adverse effects. Rather, the proposal likely would provide considerable state and local benefits. Most notably, repealing the state requirements would eliminate the administrative work associated with claiming mandate reimbursements, free up time for more student-oriented activities, and offer schools more discretion over how best to meet the needs of students with behavioral issues. Repealing the state BIP requirements also would allow the state to redirect Proposition 98 funding from reimbursing mandate costs to potentially higher Proposition 98 priorities, such as implementing a better overall K-12 funding system.

Some Concerns With Four of Governor's Proposition 98 Proposals

Though we think the Governor's Proposition 98 plan has notable positive features, we have some concerns with four of his proposals, as discussed below.

Adult Education Restructuring Needed but Governor's Plan Has Some Shortcomings. As we discuss in our recent report, *Restructuring California's Adult Education System* (December 2012), the existing adult education system has a number of major problems. Thus, the Governor should be commended for identifying adult education reform as a high state priority. We also agree with the Governor on the need to focus adult education on core instructional programs such as English as a second language and vocational education. We have some concerns, however, with his plan to consolidate adult education within the CCC system. Community colleges vary significantly in terms of the extent to which they consider adult education to be part of their educational mission. As such, some CCC districts might not be prepared to assume responsibility for adult education programs. Given the considerable variation across the state in terms of the availability of adult education instruction, we also are concerned with the Governor's plan to allocate funds to community colleges based solely on existing service levels. Given these and other concerns, we lay out an alternative approach in our recent report that would leverage the comparative advantages of both community colleges and adult schools and allocate new funds for adult education based on relative local needs.

Proposal to Add Mandates to Block Grant Raises Several Questions. Another concern is related to the administration's proposal to add Graduation Requirements and BIP to the mandates block grant. In particular, the Governor's proposal raises several questions about how to address

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the exceptionally large costs of these mandates. The Governor's approach appears to assume that most districts will continue to participate in the mandates block grant rather than file claims separately. One potential problem with this plan is that it could be undermined if many districts decide to discontinue participation in the block grant and instead submit claims for reimbursement. Because annual claims for the Graduation Requirements and BIP mandates could be higher than \$300 million, this risk seems notable. At the same time, the annual costs for these mandates ultimately could be significantly lower than \$300 million since (1) the state recently enacted legislation to require that some of these costs be offset with other state funds, and (2) the Governor is proposing the statutory changes for BIP discussed earlier that could eliminate most of this mandate's reimbursable costs. In determining how to respond to the Governor's mandates proposal, the Legislature will need to consider these and other factors.

No Assurance Governor's Proposal for CCC Base Funds Would Be Spent on State's Priorities.

We have relatively more serious concerns with the Governor's proposal to provide a nearly \$200 million unallocated base increase to CCC. Over the past few years, the Legislature has enacted several pieces of legislation specifying a number of priorities it desires to fund once new CCC resources become available. These include a common assessment instrument to place incoming CCC students into appropriate coursework, additional academic counselors to help students identify and make progress toward their educational goals, and systemwide electronic student transcripts to improve campus record-keeping and efficiencies. In addition to these recently enacted priorities, the state has a number of outstanding CCC liabilities, including over \$300 million that is owed to community colleges

for past mandate claims. In allowing the CCC system to make its own spending decisions for the proposed base increase, the Legislature would lose assurance that the state's highest CCC priorities would be addressed.

Redevelopment Rebenching Approach Could Increase State Costs in Long Run. We also are concerned that the Governor's proposal not to update the ongoing redevelopment rebenching adjustment could result in substantial additional General Fund costs (or foregone savings) in future years. In years when the Proposition 98 minimum guarantee is determined by "Test 1," rebenching for local property tax shifts allows the state to achieve dollar-for-dollar General Fund savings. (The state automatically achieves these savings in a Test 2 or Test 3 year.) In 2012-13, the last year in which the Governor is proposing to make an adjustment for the transfer of ongoing redevelopment-related revenues to schools, the state is estimated to receive savings. Over the next several years, however, schools are expected to receive substantially more revenues as RDA debts are repaid. Without updating the rebenching adjustment, the state could enter a Test 1 year and be unable to achieve dollar-for-dollar savings for all revenues transferred. We recommend the Legislature modify the Test 1 factor, as needed, to account for the increase in revenues transferred to schools. This approach would maximize General Fund savings and ensure Proposition 98 funding reflects more accurately the sizeable shift of local property tax receipts to schools that is expected to occur over the next several years.

Serious Concerns With Governor's Proposition 39 Proposal

As discussed in more detail below, we have several serious concerns with the Governor's Proposition 39 proposal.

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Treatment of Proposition 39 Revenues Highly Questionable. The Governor applies all revenue raised by Proposition 39—including the revenue required to be spent on energy-related projects—toward the Proposition 98 calculation. This is a serious departure from our longstanding view of how revenues are to be treated for the purposes of Proposition 98. It also is directly contrary to what the voters were told in the official voter guide as to how the revenues would be treated. Based on our view, revenues are to be excluded from the Proposition 98 calculation if the Legislature cannot use them for general purposes—typically due to restrictions created by a voter-approved initiative or constitutional amendment. The voter guide reflected this longstanding interpretation by indicating that funds required to be used for energy-related projects would be excluded from the Proposition 98 calculation. Given these concerns, we recommend the Legislature exclude from the Proposition 98 calculation all Proposition 39 revenues required to be used on energy-related projects. This would reduce the minimum guarantee by roughly \$260 million. We also recommend the Legislature count the \$450 million in allocations for energy efficiency projects as non-Proposition 98 expenditures (though the state still could choose to spend a portion on schools and community colleges). Relative to the Governor’s proposal, these two recommendations combined would result in roughly \$190 million in additional operational Proposition 98 support for schools and community colleges (with total state costs increasing by the same amount).

Exclusive Focus on School and College Facilities Unlikely to Maximize Energy and Job Benefits. Proposition 39 requires that the Clean Energy Job Creation Fund maximize energy and job benefits by, among other things, supporting energy efficiency retrofits and alternative energy projects in public schools, colleges, universities, and

other public facilities. Proposition 39 specifically states that projects must be selected based on the number of in-state jobs they would create and their energy benefits. By dedicating all the energy-related funding over the five-year period only to school and community colleges and excluding other eligible projects that potentially could achieve a greater level of benefits, the Governor’s proposal very likely would not maximize state energy and job benefits. We believe that a more effective approach would be to first evaluate the relative energy savings and job benefits among *all* potential projects.

Plan to Distribute Funding Among Districts Also Not Based on Need. The Governor’s approach to distributing Proposition 39 funding does not link funding with potential benefits. Instead, the Governor proposes to provide every school district and community college district with funding on a per-student basis. This presumes the potential for energy savings is equal among all districts and does not focus on those school and community college energy projects likely to provide the greatest energy and job benefits. Most notably, the Governor’s approach does not take into account that the need for energy efficiency projects varies by district, with the need depending on the size, age, and climate zone of the facilities in each district.

Proposal Lacks Other Key Components Required by Proposition 39. Proposition 39 requires that monies from the Clean Energy Job Creation Fund be appropriated only to agencies with established expertise in managing energy projects and programs. Proposition 39 also requires that funding be coordinated with the CEC and CPUC to avoid duplication and maximize leverage of existing energy efficiency and clean energy efforts. The Governor’s proposal does not appear to adhere to these provisions. Specifically, because the funding is to be appropriated to CDE and the Chancellor’s Office, the Governor’s proposal might not meet the Proposition 39 provision requiring

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funds be provided only to agencies with established energy-project expertise. Additionally, the Governor indicates that CDE and the Chancellor's Office have the option to consult with CEC and CPUC—despite Proposition 39 requiring more formal CEC and CPUC involvement.

Higher Education

California's publicly funded higher education system consists of the UC, CSU, CCC, Hastings College of the Law (Hastings), and the California Student Aid Commission. As shown in Figure 11, the Governor's budget provides \$11.9 billion in General Fund support for higher education in 2013-14. This is \$1.4 billion (13 percent) more than the revised current-year level. The bulk of the new funding is for base increases at the universities, a general purpose increase for the community colleges, adult education restructuring, and increased participation in Cal Grant financial aid programs. (Certain aspects of the CCC budget, including adult education restructuring, are described earlier in the Proposition 98 section of this report.) A portion of the total ongoing General Fund increase is linked with provisions of the 2012-13 budget package that appropriated \$125 million each to UC and CSU in 2013-14 if they did not raise student tuition levels in 2012-13.

Governor Raises Major Concerns About Higher Education in California

The *Governor's Budget Summary* highlights several major concerns with the state's higher education system. One of the administration's concerns is the rising cost of higher education. The Governor notes that UC and CSU increased their spending from 2007-08 to 2012-13 while many other public agencies were making notable spending reductions. A large share of these additional university costs were borne by students and families over this period (though the Governor notes that California public postsecondary institutions still have some of the lowest tuition and fee levels in the country). The Governor also expresses concern with poor student outcomes, noting that graduation rates are relatively low and CCC transfer rates are very low. Another concern the Governor highlights is excess-unit taking, which unnecessarily increases higher education costs. The Governor notes that some students take units far in excess of graduation requirements and, in turn, other students have more restricted access to courses. In responding to these concerns, the Governor concludes that UC, CSU, and CCC "need to move aggressively to implement reforms to provide high-quality instruction at lower cost" by making more efficient use of faculty resources.

Figure 11
Higher Education General Fund Support^a

(Dollars in Millions)

	2011-12 Actual	2012-13 Revised	2013-14 Proposed	Change From 2012-13	
				Amount	Percent
University of California	\$2,504	\$2,567	\$2,846	\$279	11%
California State University	2,228	2,492	2,809	317	13
California Community Colleges	3,612	3,802	4,503	701	18
Hastings College of the Law	8	9	10	—	3
California Student Aid Commission	1,533	1,624	1,722	98	6
Grand Totals	\$9,885	\$10,494	\$11,890	\$1,396	13%

^a For UC, CSU, and Hastings College of the Law, amounts include general obligation bond debt service in each year. For CCC, amounts include general obligation bond debt service and funding for the CCC Chancellor's Office. For the California Student Aid Commission, amounts include federal Temporary Assistance for Needy Families and the Student Loan Operating Fund support that directly offset General Fund costs.

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Major Higher Education Proposals

Proposes Multiyear Plan to Increase State Support of Higher Education. As part of his overall approach to address higher education issues, the Governor proposes a multiyear higher education budget plan. The main funding component of the multiyear plan is 4 percent to 5 percent annual base General Fund increases for each of the higher education segments over the next four years (2013-14 through 2016-17). For 2013-14, the Governor provides base increases of \$125 million each for UC and CSU, nearly \$200 million for CCC, and slightly less than \$400,000 for Hastings. The Governor links these base increases with the segments' success in achieving certain objectives, including improving graduation rates at all segments, increasing the CCC transfer rate, and improving credit and basic skills course completion. To help achieve these objectives, the Governor expects the segments to implement certain strategies, including increasing the availability of courses, using technology to deliver quality education to greater numbers of students in high-demand courses, improving course management and planning, using faculty more effectively, and increasing use of summer sessions.

Proposes No Tuition and Fee Increases Over Extended Period. The Governor expects the universities to maintain current tuition and fee levels for the next four years. Given no increases went into effect in 2012-13, tuition and fee levels would remain flat for a six-year period (2011-12 through 2016-17).

No Enrollment Targets for Universities. Unlike historical budget practice, the Governor includes no enrollment targets for UC and CSU in the multiyear plan. The Governor indicates the universities would have full discretion in determining how many students to serve. The Governor proposes to continue to fund community college districts based on enrollment (though

he proposes to change the way enrollment is calculated, as discussed below).

Proposes CCC Funding Incentive Initiative. The Governor also proposes to change the basis on which community college districts are funded for credit instruction. Currently, the amount of funding a district receives depends largely on the number of students enrolled at "census"—a point defined in CCC regulations as one-fifth into a given academic term (typically the third or fourth week of the semester). Beginning in 2013-14, the Governor proposes to add a second CCC census date at the *end* of each term. Over a five-year period, there would be a gradual shift in the relative weight of these census dates for purposes of calculating district enrollment. By 2017-18, community colleges would be funded exclusively on the number of enrolled students at the end of each term. According to DOF, any reduction in a district's enrollment monies resulting from this policy change would be automatically transferred to that district's categorical programs providing student support services (such as tutoring and counseling). According to the Governor, the purpose of the proposed change is to promote student success by providing community colleges with incentives to ensure appropriate student placement and good course management.

Proposes to Cap Number of Units State Subsidizes. In addition, the Governor proposes placing a limit on the number of units the state would subsidize per student. Under the proposal, students taking units in excess of the cap generally would be required to pay the full cost of instruction. For 2013-14 and 2014-15, the Governor proposes a cap of 150 percent of the standard units needed to complete most degrees at UC and CSU (270 quarter-units at UC and 180 semester-units at CSU). Thereafter, the Governor proposes a cap of 125 percent of the standard required units at UC and CSU—about one extra year of coursework. For the

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community colleges, the Governor proposes a cap of 90 semester-units beginning in 2013-14. This cap also equates to about one extra year of coursework beyond that required for transfer. According to the Governor, the unit cap is intended to create an incentive for students to shorten their time-to-degree, reduce costs for students and the state, and increase access to more courses for other students.

Other Notable Higher Education Proposals.

In addition to the proposals highlighted above, the Governor's budget shifts about \$400 million to begin funding general obligation bond debt-service payments within the universities' budgets. (We discuss this proposal in more detail in a later section of this report.) The Governor also has two proposals relating to employee benefits at CSU. The Governor proposes to lock in state appropriations for CSU retirement costs based on 2012-13 payroll costs, with CSU bearing any additional retirement costs above this payroll level moving forward. The Governor also seeks to provide CSU the statutory authority to negotiate the share that current employees pay for health care benefits. Additionally, the Governor sets aside some funding in each segment to expand the number of online courses and fund other related technology projects—\$17 million for CCC and \$10 million each for CSU and UC. Though the Governor's budget contains no policy proposals for the state's student financial aid programs, it does reflect higher Cal Grant costs as a result of increased participation. Specifically, the administration estimates 2012-13 costs are \$61 million higher than budget act estimates, with 2013-14 costs increasing an additional \$100 million from the revised 2012-13 level.

Governor's Higher Education Plan on Right Track but Could Be Improved

Below, we first discuss our assessment of the Governor's overall vision and plan for higher

education and then turn to an assessment of some of his more specific higher education proposals.

Overarching Objectives Deserve Serious Consideration. We believe the administration has identified several important areas of focus for California's higher education system in the coming years. In particular, we generally agree with the Governor on the need for structural reforms that will increase the productivity of the higher education system and result in lower cost per degree for students and the state. We also think the Governor's emphasis on student success and student incentives reflects important state priorities and could help focus both the higher education segments' and students' efforts.

Changes to Governor's Plan Needed to Ensure Objectives Are Met.

If these overarching objectives are to be achieved, however, we believe that parts of the Governor's specific multiyear budget plan need to be further developed and refined. Though the Governor enumerates several performance expectations for the universities (for example, improving graduation and transfer rates), his plan includes no clear way to hold the segments accountable for meeting these expectations. That is, the proposal neither contains specific outcome targets nor requires the universities to report on progress toward meeting those targets. Absent specific targets and state monitoring, the Governor and Legislature would have difficulty holding the segments accountable for achieving these goals and addressing the state's priorities. This type of accountability is of particular concern given the existing mismatch between what the Governor has identified as state priorities and what the segments have identified as segmental priorities within their own budget plans. For example, the universities' own budget plans dedicate a significant portion of growth funding to faculty compensation increases. Such a budget approach could perpetuate the

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traditional, high-cost higher education delivery model for which the Governor expresses concern while leaving student success and incentive initiatives unaddressed.

More Thought Needed on Funding Allocations to Segments. Despite the Governor's concern that the state's public higher education system is inefficient, costly, and not producing acceptable outcomes, the central part of his multiyear plan is unallocated base increases. Yet, it is unclear exactly why additional state funding is needed to make the segments more efficient, reduce costs, and produce better outcomes. Moreover, the Governor's plan for base increases generally attempts to treat the segments equally. In the case of UC and CSU, the Governor even proposes the identical dollar amount (despite the two segments relying to different degrees on state support). The higher education segments, however, probably should not be treated identically (either in percentage or dollar terms). It is likely that a more rational, less arbitrary allocation could prove more effective. For example, if one segment could achieve greater improvement in outcomes per dollar invested, the Legislature could consider allocating a greater share of the augmentations to that segment.

Locking in Tuition and Fee Levels for Extended Period Raises Concerns. Following several years of steep tuition increases, the Governor's desire to hold tuition and fees flat for 2013-14 is understandable. We have some concerns, however, with his proposal also to hold tuition and fees flat for an extended period. Extended tuition freezes help students who are currently in school but often lead to larger increases and greater tuition volatility for future students. Currently, tuition paid by students (after state grant aid) covers about 30 percent of education-related costs at both universities and about 5 percent at CCC. A long-term policy to maintain this share of cost or gradually change it to a specified level likely would

result in more modest and predictable tuition changes for students and their families.

Governor's Census-Date Proposal Misses Opportunity for More Meaningful Changes to CCC Funding Model. We share the Governor's concern that CCC's current funding mechanism creates incentives for colleges to enroll students but provides no strong incentives to help students fulfill their broader academic objectives. We also agree with the administration that the CCC funding model would benefit from being more outcome-oriented. We are concerned, however, that the Governor's census-date proposal could create potential unintended consequences in the classroom, such as grade inflation or reductions in course rigor. The Governor's proposal also has weak justification for redirecting any reduction in a district's apportionment funds relating from the census-date change to that district's categorical programs. In effect, the Governor presupposes that students do not complete their courses because of inadequate support services, but many other factors can affect completion rates that would suggest a notably different reallocation of resources. (For example, added student support services would do nothing to address a poorly designed or taught course.) Given these concerns, we suggest the Legislature consider changes to the funding model that would place greater emphasis on more meaningful outcome measures, such as rewarding colleges for student learning gains and *program* completions (such as obtaining a degree or skills certificate) rather than *course* completions. We also suggest the Legislature rethink how best to use any funds freed up under a new outcome-oriented funding model.

Unit Caps Merit Consideration. We think the Governor's unit-caps proposal would provide incentives for colleges to streamline academic programs and improve academic counseling while also providing incentives for students to develop

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focused academic plans and reduce excess-unit taking. Setting a specific unit cap, however, will require consideration of the reasons students accrue excess units, including unavailability of courses, inconsistent transfer requirements, and requirements of particular majors. The initial limit (150 percent of standard requirements) likely would not have a significant impact at the universities (as the administration indicates, most university students do not exceed this limit). The eventual limit to be imposed at the universities after two years (125 percent of standard requirements) appears to be more in line with the goal of encouraging efficient completion, though remains quite generous. As we have recommended in the past, we also believe a unit cap for the community colleges, along the lines of the one the Governor proposes, is reasonable.

Dissolution of Redevelopment Agencies

Projected RDA Dissolution Savings Reduced by One-Third.

The budget assumes General Fund savings from the dissolution of RDAs of \$2.1 billion in 2012-13 and \$1.1 billion in 2013-14. These amounts are about one-third (a total of \$1.6 billion) lower than assumed in the 2012-13 budget. Distributions of residual property taxes—former RDA property tax revenues not needed to pay agency debts—to schools are nearly \$1.4 billion less than previously assumed, while distributions of former RDA liquid assets to schools are about \$200 million less. Figure 12 provides

additional detail on the assumed state education savings related to redevelopment dissolution and compares these figures to past estimates.

Estimates Now Appear Reasonable but Still Face Significant Uncertainty. The redevelopment savings assumed in the budget appear reasonable based on recently available information—including the amount of residual property taxes distributed to schools in January 2013 and the results of DOF's December review of some former RDA assets. However, these savings are subject to considerable uncertainty and could vary by several hundred million dollars annually, with a greater chance of the savings falling below the level assumed in the Governor's budget plan. Three primary factors contribute to this uncertainty:

- First, several key steps in the redevelopment dissolution process have yet to occur. As a result, there is little reliable information on a large category of former RDA assets.
- Second, the willingness of RDA successor agencies—the entities overseeing the dissolution of RDAs—to comply with state direction regarding redevelopment dissolution has been uneven. For example,

Figure 12
Comparing Redevelopment Dissolution Savings In Governor's Budget to Past Estimates

(In Millions)

	Residual Property Taxes	Liquid Assets	Totals
2013-14 Governor's Budget			
2012-13	\$784	\$1,302	\$2,086
2013-14	559	558	1,117
Difference From 2012-13 Enacted Budget			
2012-13	-892	-177	-1,069
2013-14	-452	-42	-494
Difference From LAO Fiscal Outlook (November 2012)			
2012-13	107	612	719
2013-14	66	-91	-25

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some successor agencies have not met anticipated timelines for performing certain procedures, while others have disputed DOF findings regarding the availability of assets for distribution to schools and other local governments.

- Finally, the outcomes of current and expected future litigation regarding redevelopment dissolution could affect state savings.

Federal Patient Protection and Affordable Care Act

The ACA, also referred to as federal health care reform, is far-reaching legislation that makes significant changes to health care coverage and delivery in California. The ACA is designed to create a health coverage purchasing continuum that makes it easier for persons to access, purchase, and maintain health care coverage. As individuals' incomes rise and fall; as they become employed, change employers or become unemployed; and as they age, they are to have access to different sources of coverage along the coverage continuum. Creating this continuum requires the modification of existing government programs and integration of these programs with new programs created by ACA. Some of the key ACA provisions include:

- ***Creates Penalties for Certain Individuals Without Health Insurance Coverage.*** Beginning January 1, 2014, the ACA requires most U.S. citizens and legal residents to have health insurance coverage or incur a penalty. This requirement is commonly known as the individual mandate.
- ***Establishes Health Benefits Exchanges.*** The ACA provides for each state to establish a health benefits exchange

(Exchange). (If a state chooses not to establish an Exchange, the federal government will establish and administer an Exchange on the state's behalf.) The Exchange will function as a central marketplace for individuals, families, and small businesses to purchase health coverage.

- ***Creates Optional Medicaid Expansion.*** Beginning January 1, 2014, California has the option under the ACA to expand coverage under its Medicaid program (known as Medi-Cal) to include most adults under age 65 with incomes at or below 138 percent of the federal poverty level (FPL) who are not currently eligible for Medi-Cal—hereafter referred to as the expansion population. Beginning in January 2014, the federal matching rate for coverage of the expansion population will be 100 percent for the first three years. The matching rate will gradually decline between 2017 and 2020, at which point the state will bear 10 percent of the additional cost of health care services for the expansion population.
- ***Makes Changes to Outreach, Enrollment Processes, and Eligibility Standards.*** Beginning January 1, 2014, the ACA generally simplifies the standards used to determine eligibility for the Medi-Cal Program. In addition, the ACA includes provisions aimed at streamlining the enrollment processes and coordinating with other public entities that will offer subsidized health insurance coverage to low- and moderate-income persons. There will also be enhanced outreach activities aimed at enrolling uninsured individuals in health insurance coverage, including Medi-Cal.

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The Legislature has already passed legislation to implement significant elements of the ACA. For example, Chapter 655, Statutes of 2010 (AB 1602, Perez), and Chapter 659, Statutes of 2010 (SB 900, Alquist), established the California Health Benefits Exchange. However, significant ACA implementation issues requiring legislative policy decisions and statutory direction remain to be addressed over the next several months, as discussed below. These issues include the major issue of whether or not to opt in to the optional Medicaid expansion under the ACA.

Governor Outlines Two Alternatives For Implementing Optional Medi-Cal Expansion

The administration has stated its commitment to adopting the optional Medicaid expansion authorized under the ACA. The Governor's budget summary document presents two distinct approaches—a state-based expansion and a county-based expansion. However, the administration neither indicates which approach it prefers nor provides an estimate of the fiscal impact on the state for either approach. Accordingly, the budget does not reflect any costs or savings related to the optional Medi-Cal expansion.

State-Based Expansion Approach. Under the state-based expansion approach, the state would build upon the existing state-administered Medi-Cal Program and managed care delivery system. Aside from long-term care, covered benefits for the expansion population would be similar to benefits available to the currently eligible population.

County-Based Expansion Approach. Under this alternative approach, the counties would have operational and fiscal responsibility for implementing the Medi-Cal expansion. Operational responsibilities include some functions performed by the state and Medi-Cal managed care plans to administer the program for the currently eligible population.

- Establishing networks of providers to deliver health care services.
- Setting payment rates to providers.
- Processing claims billed by providers.

Counties could build upon their existing medical programs for indigents and Low Income Health Programs (LIHPs) to operate the expansion. The county-based expansion would meet statewide eligibility standards and cover a minimum benefits package similar to coverage requirements for health plans offered on the Exchange. Counties would also have the option of covering additional benefits (other than long-term care) for the expansion population. The administration indicates this approach would likely require federal approval.

LAO Comments on Medi-Cal Expansion Proposal

More Information Is Needed. By discussing both approaches to the Medi-Cal expansion in broad terms, the Governor leaves important details to be clarified later. For example, there are many questions about how a county-based expansion would operate, including:

- ***Optional or Mandatory?*** Would operating the expansion be mandatory or optional for counties?
- ***Degree of Flexibility?*** What flexibility would counties have in establishing and/or expanding local delivery systems? For example, would counties be able to contract with existing Medi-Cal managed care plans to provide services for the expansion population?

County-Based Option Raises Policy and Implementation Issues. The county-based option raises important policy considerations for the Legislature. For example, the ACA envisions

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and, in some instances, requires administrative streamlining and simplification of health care programs for low- and moderate-income populations. Adopting the county-based option would potentially complicate these efforts. Under the state-based option, state-administered Medi-Cal would serve as the health care coverage program for nearly all qualified persons with income below 138 percent FPL—thereby simplifying program administration. In contrast, the county-based option would potentially continue fragmentation of state and local health care programs. Low-income childless adults would be enrolled in county-administered programs, while families with children and persons with disabilities would be enrolled in the state-administered Medi-Cal Program.

The county-based option also raises questions about how the expansion would be implemented in all counties by January 1, 2014. Under a state Medi-Cal waiver, most counties currently administer LIHPs, which offer coverage to at least a portion of the expansion population. However, the LIHPs differ from the state-administered Medi-Cal Program in several ways, such as offering different provider networks and covered benefits. In addition, there are a few counties that do not currently operate LIHPs. Therefore, a significant amount of time might be needed for certain counties to enhance their existing health coverage programs, or create new programs, in order to meet federal and/or state requirements for coverage provided to the expansion population.

Budget Suggests Making Major Changes to State-County Relationship

Under current law, counties are responsible for providing health care services to low-income individuals without health care coverage—a group commonly referred to as the medically indigent. The budget summary document notes that counties will

realize savings associated with medically indigent adults becoming eligible for Medi-Cal under the expansion. The budget summary further asserts that state implementation of the ACA will require it to assess how much of these county savings “should be redirected to pay for the shift in health care costs to the state.” While the budget summary does not specify how this redirection would occur, it refers to possible changes in the state-county fiscal relationship. Under the state-based expansion approach, the budget summary suggests an increase in county programmatic and financial responsibility for child care and other social service programs. Similarly, under the county-based expansion approach, the financial responsibility for a share of Medi-Cal costs for the expansion population would belong with the counties.

LAO Comments on Changing State-County Relationship

Effects of ACA on State and County Finances Are Subject to Significant Uncertainty. Any estimate of the net effects of ACA implementation on state and local finances is subject to substantial uncertainty at this time. Several major factors contribute to this uncertainty, including: (1) the size of the newly eligible Medi-Cal population, (2) the extent to which this newly eligible population will enroll in the program, (3) the pace at which they will enroll, and (4) the average per-person costs. In addition, a significant number of low-income Californians will remain uninsured after the expansion is adopted—including the undocumented population—and it is unclear what indigent health costs will remain after ACA is fully implemented. These residual costs will vary substantially from county to county depending on, among other things, the county’s demographics and existing health care delivery system. Other aspects of the ACA, such as reduced federal funding for hospitals that serve a disproportionate

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amount of Medicaid and uninsured populations, also may have significant fiscal effects on counties that operate public hospitals.

State Constitution Complicates Efforts to Change State-County Relationship. Given the provisions of the State Constitution (1) requiring the state to reimburse local governments for new programs and increased shares of costs for programs and (2) limiting state authority to change many local government revenues, developing an implementation plan that redirects county funds will be complex. Changes of the magnitude suggested by the Governor may require voter-approved amendments to the State Constitution, as was the case with the 2011 program realignment.

Time Needed to Assess Changes in State-County Relationship. As suggested by the Governor, the significant effect of ACA implementation on state and county finances requires a careful reassessment of the current state-county fiscal relationship. In light of the many uncertainties regarding ACA implementation and the complexity inherent in modifying county fiscal and program responsibilities, the Legislature may find it appropriate to delay making permanent changes in county duties and resources until after the effects of ACA implementation are clearer.

Governor's Budget Includes Some ACA Implementation Costs But Does Not Address All of the ACA's State Fiscal Effects

The Governor's budget plan incorporates some of the costs of ACA implementation. However, it does not include the fiscal effects of other aspects of ACA implementation such as modifying or eliminating certain state programs.

Placeholder for Costs Associated With Increased Enrollment of Currently Eligible Population. The Medi-Cal budget includes a \$350 million General Fund placeholder for costs

associated with increased enrollment among individuals who are currently eligible for Medi-Cal, but not enrolled in the program, until a more refined estimate can be developed. The ACA contains several provisions that will likely increase enrollment among individuals who are currently eligible for Medi-Cal, including simplified eligibility and enrollment procedures, enhanced outreach activities, and the individual mandate to obtain health coverage. The state will be responsible for 50 percent of the costs associated with the increased enrollment among individuals who are currently eligible. At the time this overview was prepared, it is unclear whether there are any additional ACA-related costs that are included in the administration's placeholder estimate besides costs associated with increased enrollment among the currently eligible.

Placeholder Cost Estimate May Be Too High. The estimated costs associated with the increase in enrollment among individuals currently eligible for Medi-Cal is subject to significant uncertainty. Under a moderate-cost scenario that we think is most likely, we estimate that the health care costs associated with this population would be approximately \$100 million in 2013-14—significantly less than the \$350 million included in the Governor's budget. Using different but still plausible assumptions, we estimate state costs could potentially be as low as \$30 million or as high as \$250 million in 2013-14. Therefore, even under a set of assumptions that would result in relatively high state costs, our estimates are lower than the placeholder in the Governor's budget.

Fiscal Estimates Are Incomplete. There are several potential costs and savings related to ACA implementation that are not included in the Governor's budget. As discussed above, the budget does not assume any state savings or costs associated with the optional Medi-Cal expansion. In addition, the budget does not assume savings

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from reduced enrollment in other state health programs—such as the Family Planning, Access, Care, and Treatment Program and the Breast and Cervical Cancer Treatment Program—that may result from the additional health coverage options made available under the ACA. The Legislature will need to account for these and other ACA-related fiscal effects in the 2013-14 spending plan.

Key ACA Policy Decisions Remain

In addition to decisions related to the optional Medi-Cal expansion discussed above, the state has several other major ACA-related policy decisions that have yet to be made—many of which have potential fiscal effects in 2013-14. Some of the key decisions facing the Legislature include:

- Selecting the benefits that would be provided to the Medi-Cal expansion population if a state-based approach were adopted.
- Determining how to implement the new Medi-Cal eligibility standards as required by the ACA.
- Evaluating whether to modify or eliminate existing state health programs that provide services to persons who would become newly eligible for Medi-Cal or other health coverage in 2014.
- Whether or not to establish a Basic Health Program, a “Bridge Program” between Medi-Cal and the Exchange (as proposed by the Governor), or some other program intended to make coverage more affordable for populations with incomes too high to qualify for Medi-Cal.

These and other important ACA policy decisions may be informed by additional federal guidance that is expected in the coming months. As the Legislature considers these policy decisions,

it will also need to consider any related fiscal effects as it constructs the state’s 2013-14 budget.

California Department of Corrections and Rehabilitation

Budget Reflects Population Trends and Recent Administrative Actions

Budget Proposal. The Governor’s budget provides \$9 billion for the California Department of Corrections and Rehabilitation (CDCR) in 2013-14. This is an increase of \$33 million (less than one percent) above the 2012-13 level. The budget reflects recent population projections showing that the average inmate population will decline by about 3,600 inmates to 129,000 in the budget year, and the parolee population will decline by about 5,700 parolees to 43,000. These population reductions are due to a 2011 policy to shift—or “realign”—responsibility for housing and supervising various lower-level adult offenders from the state to the counties. Despite the projected decrease, the inmate population is expected to exceed a federal court-imposed cap on the prison population by about 7,000 inmates at the end of 2012-13.

Recent Administration Actions. On January 7, 2013, the administration submitted a filing to the federal court requesting that it withdraw or modify the existing order requiring the prison population cap. (In response to a court order, the administration also submitted a plan for additional ways to reduce the prison population, such as early release of certain inmates. The Governor, however, has indicated that he does not support this plan.) In addition, the Governor recently terminated an emergency proclamation, originally issued by Governor Schwarzenegger in 2006, that allowed CDCR to involuntarily transfer inmates to out-of-state contract prisons. The state currently houses about 8,900 inmates in out-of-state facilities.

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The Governor's proposed budget for CDCR assumes the current inmate and parolee population trends and that the state does not meet the existing court-ordered prison cap. The budget is also consistent with the termination of the emergency proclamation, reflecting reduced expenditures for out-of-state contract beds. The reduced use of out-of-state beds, however, increases the number of inmates housed in in-state prisons, contributing to the amount by which the state will exceed the court-ordered population cap. The administration plans to completely eliminate the use of such out-of-state beds by July 2016.

Court Ruling on Population Limit May Not Be Final Prior to 2013-14. It could take months or longer for the federal court to decide whether to end or modify the prison population limit currently in place, as has been requested by the Governor. For example, it took more than a year for the U.S. Supreme Court to uphold the first ruling by a federal court to institute the prison cap in California. Consequently, there may be little action for the Legislature to take with regard to meeting the existing prison cap until the courts decide this issue. If, however, the federal courts do ultimately require the state to reduce its prison population to meet the existing or a modified cap, the Legislature may want to ensure that any population reduction plan that is implemented is consistent with legislative priorities. Any plan to reduce the inmate population further would have budgetary impacts (costs and savings), the exact amount depending on the specific changes included in the plan.

Other Issues

The *Governor's Budget Summary* discusses several major issues with important long-term implications for state and local finances. Below, we briefly discuss the Governor's comments concerning infrastructure, the Unemployment Insurance (UI) Fund, and the local government

mandate process. We agree with the Governor that the state needs to take action in each of these areas of state government operations.

Infrastructure

Governor Suggest Changes Needed for Infrastructure Spending Practices. The *Governor's Budget Summary* indicates that the administration is considering some changes to the state's infrastructure spending practices. The administration appears interested in identifying alternatives that limit future bond authorizations backed by the General Fund—currently the state's main source of infrastructure funding. Some alternatives mentioned in the Governor's proposal include reconsidering the state's role in funding local government infrastructure, identifying new funding sources, and creating new mechanisms to prioritize and limit capital spending.

Possible Effects on Education and Transportation, Among Other Areas. The administration discusses potential infrastructure changes in several policy areas. In transportation, the Governor plans to convene a working group to identify state spending priorities, consider long-term, pay-as-you-go funding options, and evaluate the division of responsibilities between state and local government. In higher education, the Governor once again proposes to shift the universities' general obligation bond debt-service payments into their base budgets. The administration asserts that this would limit the segments' capital spending by highlighting the trade-offs between spending on infrastructure versus operations. The Governor also suggests that now is an appropriate time to consider the state's role in funding K-12 facilities and outlines the administration's principles for any future state funding. Lastly, the administration intends to release a five-year infrastructure plan later this year, which will outline the administration's

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infrastructure priorities for the next five years. (If released, this would be the first statewide plan since the introduction of the Governor's budget in 2008-09.) Consistent with the alternatives discussed above, the administration states that the plan will rely less on future voter-authorized general obligation bonds than the state has over the past decade.

Legislature Faces Key Infrastructure Decisions. Over the next few years, the Legislature faces key decisions regarding state infrastructure spending. Several infrastructure programs, such as K-12 and higher education, have exhausted their existing bond authority and lack state funding for any new projects. The Legislature and Governor also must determine how to proceed with the \$11 billion water bond now scheduled for the November 2014 statewide ballot. Additionally, state departments, as well as local governments that rely on state funds for infrastructure, continue to identify infrastructure needs with costs exceeding available resources. If the state elects to maintain its current policies relating to infrastructure, meeting these infrastructure demands likely would require the Legislature to shift a larger share of the state's budget to infrastructure.

Options for Legislative Consideration. Given the state's finite resources and other non-infrastructure priorities, the Legislature could consider other options for managing its infrastructure. In many program areas, these alternatives would be similar to the ideas presented by the Governor: prioritizing the state's infrastructure investments, reevaluating the scope of infrastructure receiving state support, and identifying user fees or charges that could provide additional funding. Developing a comprehensive plan that incorporates these alternatives, however, is a complex task that requires a well-defined process for planning and financing projects. We

discuss options for developing such a process in our August 2011 report, *A Ten-Year Perspective: California Infrastructure Spending*.

Accordingly, a five-year infrastructure plan and a renewed focus from the administration on infrastructure planning would be positive steps. The five-year plan or other infrastructure proposals from the Governor could provide a starting point for discussions on future funding of the state's infrastructure. What is critical in the near term is that the Legislature establish a coordinated process for reviewing the Governor's plan and articulating its priorities.

Unemployment Insurance Fund Insolvency

Federal Loans Total About \$10 Billion. The UI Fund has been insolvent since 2009, primarily reflecting recession-related growth in unemployment benefit payments that exceeded the available fund balance. The state has borrowed from the federal government since 2009 to continue paying unemployment benefits, and the outstanding loan from the federal government is projected to be \$10.2 billion at the end of 2013. The Governor's budget does not propose a solution to the ongoing UI Fund deficit, but instead specifies that the Secretary for Labor and Workforce Development will initiate a series of meetings by February 1, 2013 to discuss solutions to repay the federal loan and stabilize the financial condition of the UI Fund. The budget also assumes a \$291 million General Fund interest payment on the federal loan for 2013-14.

Effects of the Continuing Insolvency. For each year that the state carries a federal loan balance, UI taxes paid by employers are incrementally increased. The proceeds from these increased tax revenues are used to pay down the principal on the state's federal loan. Absent corrective action, the administration projects that the federal loan will

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not be fully repaid until sometime after 2020. Until then, state interest payments on the federal loan remain a significant annual liability.

Recommend Various Actions to Address Program's Financial Health. We have previously found that California's UI program has a structural mismatch between its revenues and benefit costs that predates the recent recession and cannot be sustained for the long term. In our October 2010 report, *California's Other Budget Deficit: The Unemployment Insurance Fund Insolvency*, we recommended a balanced approach of tax increases, benefit reductions, and eligibility changes to address the long-term financial health of the UI program. These policy options are still viable, and could be phased in over several years if the goal were to minimize the potential adverse economic effects of such proposals on UI beneficiaries and employers.

Local Government Mandates

Source of Friction Between State and Local Governments. For many years, the state mandate

reimbursement process has been a source of friction between the state, schools, and other local governments. Last year, the state adopted a block grant program to improve the education mandate process. This year, the administration indicates that it will explore ways to improve the mandate process for other local governments, with a focus on reducing state requirements and maximizing local flexibility.

Options for Improving Local Government Mandate Reimbursement Process. Improving the mandate reimbursement process makes sense. The current process is lengthy, complex, and not oriented toward promoting good outcomes. The Legislature may wish to explore greater use by the administration of the procedures authorized in Chapter 329, Statutes of 2007 (AB 1222, Laird), such as reimbursing local governments for their reasonable costs to implement a mandate instead of requiring detailed cost documentation.

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