

Assembly Bill No. 593

CHAPTER 1023

An act to amend and supplement the Budget Act of 2002, relating to state government, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 28, 2002. Filed with Secretary of State September 28, 2002.]

LEGISLATIVE COUNSEL'S DIGEST

AB 593, Oropeza. State government.

(1) This bill would amend and supplement the Budget Act of 2002 by providing for various reductions in appropriations contained in that act.

(2) Existing law, with certain exceptions, requires the Controller, commencing July 1, 2001, to abolish any state position that was vacant continuously for 6 consecutive monthly pay periods during the period between July 1 and June 30 of the preceding fiscal year. Existing law also requires that positions that were continuously vacant for 6 consecutive monthly pay periods during a fiscal year because of a hiring freeze in effect during part or all of that period be abolished unless the Director of Finance is notified of the need for, and approves of, the continuance of the positions.

This bill would require at least 1,000 positions in state government to be abolished, not later than June 30, 2004, by the Director of Finance, according to specified criteria, and a report to the Joint Legislative Budget Committee and the Joint Legislative Audit Committee, as specified.

(3) This bill would provide that total expenditure authorizations from the General Fund for the 2003–04 fiscal year shall be limited to the total revenues to the General Fund for the 2003–04 fiscal year.

(4) This bill would declare that it is to take effect immediately as an urgency statute.

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

SECTION 1. Section 3.90 is added to the Budget Act of 2002, to read:

Sec. 3.90. Notwithstanding any other provision of law, appropriations for state operations may be reduced by up to 5 percent of the amount of expenditure authority appropriated in the Budget Act of 2002 to reflect a total reduction of up to \$750,000,000.



(a) The Director of Finance shall allocate the necessary reductions required by this section. The allocation of reductions shall be based on plans submitted by the agency secretaries, and if no agency secretary exists, the appropriate authority shall submit the plan.

(b) All reductions allocated by the Director of Finance pursuant to subdivision (a) shall be specific reductions in positions or items of expenditure. The plan shall categorize each reduction as to whether it eliminates resources in excess of those needed to carry out programs effectively or whether the reduction will have a programmatic effect, in which case the plan shall identify that effect.

(c) The reductions allocated by the Director of Finance shall be reflected and identified in the 2003–04 Governor’s Budget as submitted to the Legislature. At the time that the 2003–04 Governor’s Budget is submitted to the Legislature, the Department of Finance shall (1) submit proposed statutory changes necessary to achieve the reductions, and (2) provide a report to the Joint Legislative Budget Committee and the budget committee in each house identifying the reductions allocated to each department. For each reduction, the report shall identify the program or programs affected, how and when the reduction will be accomplished, and the effect of each reduction on program functions or services.

SEC. 2. Section 3.91 is added to the Budget Act of 2002 to read as follows:

Sec. 3.91. As it would be in the best interest of the state to encourage the early retirement of state employees, the Governor shall, within 30 days of the effective date of this act, issue an executive order in accordance with Section 20901 of the Government Code and Section 22715 of the Education Code to provide state employees from designated units that meet the required conditions an additional two years of service credit.

SEC. 3. (a) Not later than June 30, 2004, the Director of Finance shall abolish at least 1,000 positions in state government, including positions in departments, agencies, boards, commissions, state universities, and other employment authorities of the state. The positions shall be identified in the proposed state budget for the 2003–04 fiscal year.

(b) The Director of Finance shall determine which positions shall be abolished in accordance with the following criteria:

(1) The director may not abolish positions that directly provide 24-hour care, public safety, and critical services to the state.

(2) The director shall give priority to the elimination of positions that are vacant through attrition in order to minimize layoffs.



(3) The director shall give priority to the elimination of administrative and managerial positions that do not provide direct services to the public.

(c) The director shall notify in writing the Chairperson of the Joint Legislative Budget Committee and the chairperson of the committee in each house that considers appropriations not later than 90 days prior to the effective date of an action to abolish any position.

(d) On or before July 31, 2004, the Director of Finance shall, in consultation with the Director of Personnel Administration, submit a report to the Joint Legislative Budget Committee and the Joint Legislative Audit Committee that sets forth all positions that were abolished pursuant to this section.

SEC. 4. The total expenditure authorizations from the General Fund for the 2003–04 fiscal year shall be limited to the total revenues to the General Fund for the 2003–04 fiscal year.

SEC. 6. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

This act contains provisions for strategic planning and performance measurement concerning state government expenditures that are imperative to bring state spending within available resources to ensure the health and welfare of the citizens of the state. It is therefore necessary that this act go into immediate effect.

