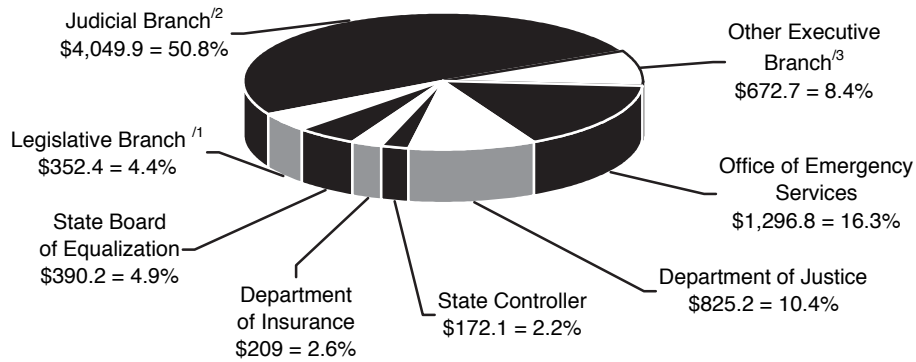


LEGISLATIVE, JUDICIAL, AND EXECUTIVE

Governmental bodies classified under the Legislative, Judicial, and Executive section of the Governor's Budget are either established as independent entities under the California Constitution or are departments with a recognized need to operate outside of the administrative oversight and control of an agency secretary. Constitutionally-established bodies include the Legislature, Judicial Branch, Governor's Office, and Constitutional Officers. This section also includes such independent entities as the Inspector General, the Office of Emergency Services, and the California State Lottery.

The Governor's Budget includes \$8 billion (\$3.8 billion General Fund) and 16,333.6 positions, which reflects an increase of \$296 million (\$288.2 million General Fund) or 3.9 percent above the revised 2006-07 Budget to support the various departments within the Legislative, Judicial, and Executive branches of government. Figure LJE-01 displays the 2007-08 proposed funding levels for these branches.

Figure LJE-01
Total Legislative, Judicial, and Executive Branch Expenditures for 2007-08
All Funds
 (Dollars in Millions)



^{/1} Includes the Legislature, Legislators' Retirement System Contributions, and Legislative Counsel Bureau.
^{/2} Includes the State Judiciary, Trial Courts, Commission on Judicial Performance, and Judges' Retirement System Contributions.
^{/3} Includes the Governor's Office, State Chief Information Officer, Office of the Inspector General, Office of Planning and Research, Office of the Lieutenant Governor, Gambling Control Commission, Secretary of State, State Treasurer, Debt and Investment Advisory Commission, Debt Limit Allocation Committee, Industrial Development Financing Advisory Commission, Tax Credit Allocation Committee, Alternative Energy and Advanced Transportation Financing Authority, Health Facilities Financing Authority, School Finance Authority, and General Obligation Bonds (Legislative, Judicial, and Executive).

MAJOR ACCOMPLISHMENTS IN 2006-07

Initiatives implemented in 2006-07 and continued in the 2007-08 Governor's Budget include the following:

- Security Baseline Funding-The 2006-07 Budget includes \$18.7 million General Fund to address deficiencies in court security, allowing the Trial Courts to add 97 new entrance screening stations and establish a five-year replacement schedule for entrance screening equipment.
- New Judgeships-The 2006-07 Budget includes \$5.5 million General Fund to support facilities, staff, salaries, and benefits for 50 new judgeships beginning in April 2007.
- Sexual Assault Felony Enforcement Teams-The 2006-07 Budget includes \$6 million General Fund for the Office of Emergency Services (OES) to support local Sexual Assault Felony Enforcement Teams, which reduce sexual assault offenses through proactive surveillance and arrest of habitual sexual offenders.

- California Multijurisdictional Methamphetamine Enforcement Team Program-The 2006-07 Budget includes an increase of \$20 million General Fund for the OES' California Multijurisdictional Methamphetamine Enforcement Team Program, providing additional regional support to intensify the current methamphetamine eradication efforts of participating law enforcement agencies.
- Vertical Prosecution-The 2006-07 Budget includes an increase of \$8 million General Fund for the OES to fund vertical prosecution units that dedicate specialized prosecutors, investigators, and/or victim advocates to follow specific heinous cases, such as child and elder abuse, rape, and stalking, through the entire judicial process.
- Gang Suppression Enforcement Teams-The 2006-07 Budget includes an increase of \$6.5 million General Fund to allow the Department of Justice (DOJ) to add four new Gang Suppression Enforcement Teams, on a two-year limited-term basis, to the one team already in place. These teams provide a dedicated force with specialized knowledge of gang activities across multiple jurisdictions to curtail the threat of gangs.
- California Methamphetamine Strategy Program-The 2006-07 Budget includes \$6 million General Fund to create three new teams within the DOJ to augment the three California Methamphetamine Strategy Program teams currently in place. These teams have specialized training that, coupled with multijurisdictional law enforcement partnerships, uniquely qualifies them to coordinate investigations and laboratory seizures. The additional resources will allow the DOJ to focus on less-populated, rural areas of California where methamphetamine production has become increasingly difficult to control.
- Special Crimes Unit-The 2006-07 Budget includes \$1.3 million General Fund to increase investigation activities within the DOJ Special Crimes Unit to aggressively investigate and prosecute individuals and businesses that participate in complex financial and identity theft crimes. The DOJ now has \$3.5 million to carry out these investigations.

PROPOSED LEGISLATIVE, JUDICIAL, AND EXECUTIVE SPENDING FOR 2007-08

Change Table LJE-01 illustrates the major changes proposed within the Legislative, Judicial, and Executive branches of government.

Change Table LJE-01

Legislative, Judicial, and Executive Agency - Changes by Broad Categories

	2006-07			2007-08		
	General Fund	Other Funds	Positions	General Fund	Other Funds	Positions
2006 Budget Act	\$3,416,826	\$4,029,988	16,083.1	\$3,416,826	\$3,942,490	16,083.1
Workload Adjustments						
Augmentation Based on Estimated State Appropriations Growth Rate for Trial Courts	--	--	--	130,114	--	--
Establish Office of State Information Officer	--	--	--	--	7,874	46.5
HAVA VoteCal Replacement of Existing Voter Registration Database	--	--	--	--	6,915	6.2
Help America Vote Act Revised Spending Plan	--	--	--	--	3,540	--
Enrollment/Caseload/Population	--	4,026	--	--	15,005	--
Employee Compensation/Retirement	78,461	36,762	--	77,137	35,193	--
Expiring Programs or Positions	--	--	--	-26,997	-34,726	-161.8
One-Time Cost Reductions	--	--	--	-12,900	-19,539	--
Full-Year Cost of New Programs	--	--	--	46,235	4,358	--
Other Workload Adjustments	9,281	98,047	9.3	123,449	173,676	269.4
Totals, Workload Adjustments	\$87,742	\$138,835	9.3	\$337,038	\$192,296	160.3
Policy Adjustments						
Expanding DNA's Crime-Solving Reach	--	--	--	1,183	1,308	2.8
New Trial Court Judgeships	--	--	--	27,767	--	--
Other Policy Adjustments	--	-1,289	-19.7	9,929	19,950	87.4
Totals, Policy Adjustments	\$0	-\$1,289	-19.7	\$38,879	\$21,258	90.2
Infrastructure Adjustments	\$0	\$240	--	\$0	\$19,527	--
Total Adjustments	\$87,742	\$137,786	-10.4	\$375,917	\$233,081	250.5
Governor's Budget	\$3,504,568	\$4,167,774	16,072.7	\$3,792,743	\$4,175,571	16,333.6

* Dollars in Thousands

The major workload adjustments required by law for 2007-08 include the following:

- Growth Factor Increase for Trial Courts-The Governor's Budget proposes an augmentation of \$130.1 million General Fund for the Trial Courts based on the year-over-year change in the State Appropriations Limit.
- Help America Vote Act -The Governor's Budget includes \$10.4 million in federal funds to continue implementing the federal Help America Vote Act (HAVA). Of the funds included for HAVA, \$6.5 million is to implement the new VoteCal voter database system, and \$3.9 million is for other HAVA implementation activities including funds for assistance to disabled voters, interim voting systems, and voter education materials.
- Office of the State Chief Information Officer-The Governor's Budget includes \$7.9 million Technology Services Revolving Fund and 46.5 positions to establish the Office of the State Chief Information Officer, pursuant to Chapter 533, Statutes of 2006.

The major policy adjustments included in the Budget are discussed in Program Enhancements and Other Budget Adjustments.

PROGRAM ENHANCEMENTS AND OTHER BUDGET ADJUSTMENTS

The 2007-08 Governor's Budget proposes significant changes for the departments within the Legislative, Judicial, and Executive branches of government. More notable funding changes included in the Governor's Budget for these departments are further described below.

JUDICIAL BRANCH

The State Constitution vests California's judicial authority in a tripartite court system composed of the Supreme Court, the Courts of Appeal, and the Trial Courts. The State Judiciary encompasses the activities of the Supreme Court, the Courts of Appeal, the Judicial Council/Administrative Office of the Courts, the Judicial Branch Facility Program, and the Habeas Corpus Resource Center. The Supreme Court, which reviews legal questions of statewide importance and appeals of all death penalty judgments, is the highest court in the state judicial system. The six District Courts of Appeal hear appeals in all areas of civil and criminal law. The Habeas Corpus Resource Center provides legal representation for defendants in death penalty habeas corpus proceedings in the Supreme Court and in the federal courts. The state provides local assistance funding to support the operations of California's 58 Superior Courts (Trial Courts).

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The Governor's Budget proposes \$3.7 billion (\$2.3 billion General Fund) and 1,840.6 positions for the Judicial Branch, an increase of \$196 million (\$243.7 million General Fund) above the revised 2006-07 budget. Of this amount, \$426.7 million (\$353.5 million General Fund) is for the State Judiciary, and \$3.3 billion (\$1.9 billion General Fund) is for the Trial Courts. This increase is primarily attributable to:

- The application of the annual growth factor adjustment to the budget of the Judicial Branch based on the year-over-year change in the State Appropriations Limit at a cost of \$146.8 million General Fund. This includes \$130.1 million for the Trial Courts, consistent with the statutory requirement, and \$16.7 million for the State Judiciary, and acknowledges the need for the Judicial Branch, as a co-equal branch of government, to set its own priorities and manage its own day-to-day operations and budget.
- An augmentation of \$27.8 million General Fund in 2007-08 and \$74.3 million in 2008-09 to add 100 new judgeships over a two-year period beginning in April 2008. This augmentation will increase access to the courts, address court backlogs, and provide more equitable justice throughout the state. The expenditure of these funds is restricted until legislation authorizing new judgeships is enacted.
- An augmentation of \$18.8 million General Fund to implement recently enacted legislation, including the Conservatorship and Guardianship Reform Act of 2006 (\$17.4 million) and Court-Appointed Counsel for Children in Dependency Cases (\$1.4 million). This augmentation will provide resources for the courts to conduct more investigations and hearings related to conservators and guardians and to appoint counsel in every judicial proceeding involving an abused or neglected child.

OFFICE OF THE STATE CHIEF INFORMATION OFFICER

In 2002, the Department of Information Technology was "sunset." With no Department of Information Technology, the Governor appointed a State Chief Information Officer (CIO) to establish direction and provide leadership for the state's information technology activities. Because the CIO did not have staff to delegate duties and responsibilities, the CIO used an informal approach, working collaboratively with the business and information technology communities within state government and beyond.

Chapter 533, Statutes of 2006, (SB 834) formally created the Office of the State Chief Information Officer, with the State CIO being appointed by and serving at the pleasure of the Governor. Pursuant to this new law, the State CIO will be responsible for the following duties:

- Advising the Governor on the strategic management and direction of the state's information technology resources.
- Minimizing overlap, redundancy, and cost in state operations.
- Coordinating activities of agency information officers and the Director of Technology Services.
- Improving organizational maturity and capacity in the effective management of information technology.
- Establishing performance management and ensuring state information technology services are efficient and effective.

The State CIO will assume responsibility for review and oversight of projects and department-specific activities, a function that has been the responsibility of the Department of Finance. Accordingly, the Department of Finance staff who have been performing this function will move to the Office of the State Chief Information Officer at the start of the new fiscal year.

DEPARTMENT OF JUSTICE

The Governor's Budget includes \$825.2 million (\$402.7 million General Fund) for the Department of Justice (DOJ), which reflects an increase of \$25.6 million (a reduction of \$4.8 million General Fund) above the revised 2006-07 budget. The Attorney General serves as the state's primary legal representative and chief law enforcement officer and is responsible for ensuring that California's laws are uniformly enforced.

The Governor's Budget proposes 5,538.3 positions and includes \$224.6 million for law enforcement programs, \$361.4 million for legal service programs, \$185.9 million for the California Justice Information Services program, \$20.4 million for the Division of Gambling Control, \$16.7 million for the Firearms Division, and \$16.2 million for Executive Programs.

The Governor's Budget includes an augmentation of \$2.5 million (\$1.2 million General Fund) and 2.8 positions to help address DOJ's capacity needs in order to accommodate the additional sample load expected when all-felon arrestees will be required to submit DNA samples pursuant to the provisions of the DNA Fingerprint, Unsolved Crime and Innocence Protection Act (Proposition 69) beginning in 2009. The DOJ has made significant progress in addressing the Proposition 69 DNA sample backlog, and, by July 2007, will maintain a backlog

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below the level contemplated in Proposition 69. This will ensure that the DOJ is prepared for the increased samples expected to be received in 2009.

Specifically, the Governor's Budget includes \$2 million DNA Identification Fund to implement a DNA Live Scan Automation Project to provide automated fingerprint verification systems throughout all California law enforcement agencies; \$489,000 General Fund and 2.8 positions to establish a satellite office of the California Criminalistics Institute in Southern California (currently located only in Sacramento) to provide critical training to state and local forensic scientists and law enforcement personnel to meet the scientific needs of state and local crime laboratories; and a shift of \$694,000 of expenditures from the Sexual Habitual Offender Program Fund to the General Fund to maintain the DOJ's Cal DNA Databank Casework Program at its current level.

Within existing resources, the DOJ will establish a loan assumption program to address recruitment issues for DNA Criminalists; implement program and workflow management efficiencies to accommodate increased sample volume expected in 2009, including the automatic review of data generated by genetic analyzers to reduce the amount of time criminalists are required to review sample data; and assign three existing criminalists as field representatives to assist local law enforcement with training and technical assistance associated with Proposition 69, which will be critical in the implementation of the DNA Live Scan Automation Project.

The Strategic Growth Plan (SGP) proposes to address the state's critical facility needs to ensure adequate functionality and capacity to enable the delivery of services to the public. The SGP proposes to expand and relocate the DNA laboratory currently located in Richmond, which is necessary to address DOJ's long-term response to the increasing demands related to DNA analysis and testing. Given the high cost of living and the competing salaries of private and public laboratories in the Bay Area, the DOJ faces significant recruitment and retention issues in its DNA Program. Relocation of the Richmond DNA laboratory is critical to ensure the success of the DNA Program as envisioned in Proposition 69.

DEPARTMENT OF INSURANCE

The Governor's Budget includes \$209 million, which reflects an increase of \$1.2 million above the revised 2006-07 budget.

The Insurance Commissioner enforces the California Insurance Code, regulates the insurance industry, and oversees the Department of Insurance. The Department of Insurance regulates

the largest insurance market in the United States, overseeing \$115 billion in direct premiums. The Department examines and investigates insurance companies and producers to ensure operations are consistent with requirements of the Insurance Code, and insurance companies are financially able to meet their obligations to policyholders and claimants. The Department investigates complaints, responds to consumer inquiries, administers the conservation and liquidation of insolvent and delinquent insurance companies, reviews and approves insurance rates, and is a major force in combating insurance fraud.

COMBATING INSURANCE FRAUD

The Governor's Budget includes \$5.1 million Insurance Fund for grants to support insurance fraud investigation, prosecution, and education activities. Specifically the Governor's Budget includes: \$1.4 million for the Urban Grant Program to combat organized automobile insurance fraud, \$1.6 million for grants to local District Attorneys to combat automobile insurance fraud that is not part of organized crime, \$1.3 million to continue grants to combat workers compensation fraud by employers and medical providers, and \$750,000, one-time, for grants to local District Attorneys to enhance prosecution of financial abuse crimes and educate consumers regarding financial abuse related to life insurance and annuity products.

INTERVENOR COMPENSATION

The Governor's Budget includes an increase of \$780,000 Insurance Fund for Intervenor compensation costs. Intervenors act on behalf of consumers to resolve conflicts with insurers. Statute provides for compensation to Intervenors as determined by the Insurance Commissioner or a judge when the conflict is resolved, settled, or adjudicated. This augmentation funds the increased need for Intervenor compensation.

BOARD OF EQUALIZATION

The Governor's Budget includes \$390.2 million (\$219.7 million General Fund), which reflects an increase of \$5.9 million (\$2.2 million General Fund) above the revised 2006-07 budget.

The Board of Equalization (BOE) administers the sales and use taxes, insurance tax, excise taxes, and various other taxes and fees. The BOE is responsible for valuing and assessing inter-county pipelines, and for valuing and assessing properties owned by railroads, regulated telephone companies, and gas and electricity sellers. The BOE also adjudicates appeals on property tax assessments, and on the various other taxes that the BOE administers.

U.S. CUSTOMS PROGRAM

The Governor's Budget proposes \$1.1 million (\$696,000 General Fund) to expand the U.S. Customs Program from five positions to 16.5 positions. This Program collects California

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import data from the Department of U.S. Customs and Border Protection and matches it against sales and use tax records that California-based purchasers provide to the BOE. When the records comparison indicates a purchaser failed to pay use taxes on an imported product, collection activities are initiated.

The BOE estimates the proposed positions will generate \$15.2 million in revenues in 2007-08, of which \$9.4 million will accrue to the General Fund and \$5.8 million to local governments.

SECRETARY OF STATE

The Governor's Budget includes \$92.6 million (\$36.2 million General Fund), which reflects a decrease of \$7.6 million (\$3.8 million General Fund) below the revised 2006-07 budget.

The Secretary of State (SOS), a constitutionally established office, is the chief election officer of the state and is responsible for the administration and enforcement of election laws. The SOS is responsible for the administration and enforcement of laws pertaining to filing documents associated with corporations, limited partnerships, and security agreements. The SOS is responsible for the appointment of notaries public, enforcement of notary laws, and preservation of documents and records having historical significance. All documents filed are a matter of public record and of historical importance. These documents are available through prescribed procedures for public review and certification as to authenticity.

The executive staff determines policy associated with the administration of the office through the programs of Elections, Political Reform, Business Programs, Archives, Information Technology, and Management Services Division.

SAFE AT HOME PROGRAM

The Governor's Budget includes \$292,000 and 2.8 positions to expand the existing Safe at Home Program pursuant to Chapter 639, of the Statutes of 2006 (SB 1062). This Program, which provides services to victims of domestic violence and stalking, is now expanded to include victims of sexual assault. The funds will provide for staff, materials, mail bins, equipment, and printing materials for program enrollment. The Safe at Home Program allows local agencies to respond to requests for public records without disclosing a program participant's residence address contained in any public record, and otherwise provides for confidentiality of identity for eligible program participants.

HELP AMERICA VOTE ACT

The Governor's Budget includes \$10.4 million in federal funds to continue the implementation of Help America Vote Act (HAVA). Of this amount, \$6.5 million is to implement the new

federally required VoteCal system which replaces the existing voter registration data base. The remainder is for ongoing HAVA implementation activities including \$1.1 million in new federal funds for election assistance to individuals with disabilities, to be allocated to counties on a competitive basis; \$500,000 for ongoing voter education and materials dissemination; \$462,000 to continue activities to comply with changing federal voting standards; \$180,000 to continue funds to counties for interim information technology solutions; and continuation of \$1.7 million for HAVA administration.

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