

GENERAL GOVERNMENT

The General Government Section includes multiple departments, commissions, and offices responsible for oversight and specific activities not included in other areas. This section provides the significant issues addressed in the May Revision.

DEPARTMENT OF FOOD AND AGRICULTURE

The May Revision proposes an increase of \$2.0 million as a placeholder to address the Light Brown Apple Moth (LBAM) until the assessment to ascertain the areas affected by the LBAM and identify options to eradicate or control this pest is completed in mid-May. The LBAM is not native to the continental United States and has no natural enemies to control its population. More than 80 percent of the United States has a climate capable of supporting the LBAM. This pest has the potential to harm California's natural ecosystem and cause annual economic losses exceeding \$100 million. Many countries list the LBAM as a Quarantine Pest. Quarantines restrict California's ability to export agricultural products, which were valued at more than \$7.2 billion in 2003. The LBAM most likely entered the state through people bringing infested plants, fruits, and vegetables into California from New Zealand, Australia, or Hawaii. The Department is continuing to work with the United States Department of Agriculture to obtain federal funding.

DEPARTMENT OF VETERANS AFFAIRS

The May Revision includes \$564,000 for the Department of Veterans Affairs (CDVA) to provide salary increases to employees in job classifications affected by the Coleman and Perez court cases. These increases are necessary to properly protect and serve the members in the Veterans Homes by retaining existing staff and enhancing the recruitment of additional mental health and dental professionals. This funding will enable the CDVA to increase salaries for psychiatrists and senior psychologists to California Department of Corrections and

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Rehabilitation (CDCR) salary levels less five percent, and raises salaries for all other impacted mental health and dental classifications to CDCR salary levels less 18 percent.

The May Revision proposes an augmentation of \$3.3 million (\$2.3 million General Fund) for the new 75-bed Alzheimer's Unit at the Veteran's Home in Yountville, expected to open in mid-July 2007. These increases include \$2.3 million General Fund associated with various employee compensation costs and \$1.0 million for direct patient operating and expense costs of food, pharmaceuticals, outside medical services, and supplemental medical insurance. Due to the delay in opening the Alzheimer's Unit at the California Veterans Home in Yountville from July 2006 to July 2007, the May Revision reflects 2006-07 savings of \$4.0 million (\$2.6 million General Fund and \$1.4 million other funds).

The May Revision includes an increase of \$1.2 million (\$1.1 million General Fund) for a 40-bed Skilled Nursing Facility expected to open in January 2008 at the Veterans Home in Yountville. This increase includes \$570,000 General Fund for various employee compensation costs and \$640,000 for direct patient operating and expense costs of food, pharmaceuticals, outside medical services, and supplemental medical insurance.

CONTROL SECTION 15.25—TECHNOLOGY RATES

The May Revision proposes a new control section authorizing the Director of Finance to adjust department budgets to reflect rate changes adopted by the Technology Services Board in January 2007 and subsequent rate changes expected to be adopted in 2007-08. The January 2007 rates reflect significant changes in how costs are recovered for central processing and telecommunications/network services to more accurately reflect actual costs. The new rates are expected to result in net savings of approximately \$26.7 million statewide. Adjustments to other rates are expected in mid 2007-08. Any increases in General Fund costs to any individual department are offset by General Fund savings in other departments.

WILLIAMSON ACT SUBSIDIES

The May Revision proposes a decrease of \$39.1 million General Fund associated with elimination of Williamson Act subsidies. These subsidies partially backfill property tax revenue that local governments forfeit when they enter into contracts with landowners to not develop land in exchange for reduced property tax assessments. Subsidies are funded at \$5 for each acre of prime agricultural land covered by a Williamson Act contract, and \$1 for each acre of non-prime agricultural land so covered.

The Administration encourages local governments to continue their Williamson Act contracts, since they help preserve agricultural land from development. However, due to the state's fiscal condition, the state cannot continue to provide funding for this program.

RECRUITMENT FOR HEALTH, DENTAL AND MENTAL HEALTH PROFESSIONALS

The Governor's proposed budget includes \$1 million to contract with a professional "headhunter" to assist the state in locating, recruiting, and hiring critical health care delivery staff for the departments of Mental Health (DMH), Developmental Services (DDS), Veteran's Affairs (DVA), and Corrections and Rehabilitation (CDCR). The state's compensation for medical, dental and mental health staff lags other potential employers and the state facilities that provide care for mentally ill, developmentally disabled, veterans and inmates have been unable to hire sufficient numbers of these "level-of-care" staff. Recent federal court cases involving inmate care within the CDCR have resulted in a significant increase in the number of positions and compensation disparities between the prison system and the remainder of the state's health care facilities and exacerbated the problem for other state facilities. These two factors have resulted in vacancy levels in all the institutions that place patients entrusted to the state's care at risk.

The state's usual recruiting and hiring practices have proven ineffective in locating and hiring health care staff in all the institutions. To date, each department has approached recruiting health care professionals separately and has bid against each other for the same prospects. This proposal will consolidate the recruiting and hiring efforts for the most critical classifications into a single contract. In order to facilitate the filling of these critical positions, an expedited examination and hiring process will also be implemented. It is expected that the expertise of private firms in this field will have more success than the state's traditional recruitment efforts. The Department of Personnel Administration will administer the contract with direction and oversight provided by an Advisory Council comprised of the State Personnel Board and impacted departments. It is intended that the contract provide payment to the contractor based on positions being filled rather than identifying prospects for an interview. The Administration recognizes that it may be necessary to augment this proposal should this endeavor prove successful.