
TRIGGER REDUCTIONS AND REVENUES

The budget identifies spending reductions and extension of revenue increases (listed below) that will go into effect in the event that the federal government fails to provide the \$6.9 billion of additional funding proposed in the budget. The cash gain or savings from these trigger solutions will ensure the state has the ability to repay any external borrowing.

REDUCTIONS (\$4.6 BILLION GENERAL FUND)

These reductions impact spending that is within the state's control and are allowable under existing federal law.

- Eliminate the California Work Opportunity and Responsibility to Kids (CalWORKs) Program (\$1.044 billion).
- Fund existing mental health services with Proposition 63 funds (\$847 million).
- Reduce Medi-Cal eligibility to the minimum allowed under current federal law and eliminate most remaining optional benefits (\$532 million).
- Reduce state employee salaries by an additional 5 percent (\$508 million).
- Eliminate the IHHS Program (\$495 million).
- Redirect additional county savings (\$325 million).
- Eliminate non-court required inmate rehabilitation programs, implement banked parole for low-risk serious and violent offenders, expand crimes where convicted felons will serve time in local jails, and increase the number of parolees each agent will supervise (\$280 million).
- Eliminate the Healthy Families Program (\$126 million).
- Eliminate funding for enrollment growth at the University of California and the California State University (\$111.9 million).
- Eliminate various health services programs funded by Proposition 99 (\$115 million).
- Make an unallocated reduction to trial courts (\$100 million).
- Freeze the level of the awards and income eligibility for Cal Grants (\$79 million).
- Eliminate funding for the Transitional Housing Placement for Foster Youth-Plus Program (\$36 million).