



April 10, 2009

Honorable Denise Moreno Ducheny, Chair
Joint Legislative Budget Committee
Senate Budget and Fiscal Review Committee

Honorable Noreen Evans, Chair
Assembly Budget Committee

Honorable Christine Kehoe, Chair
Senate Appropriations Committee

Honorable Kevin de Leon, Chair
Assembly Appropriations Committee

Section 8.25—Notification of Adjustment to California Department of Corrections and Rehabilitation Budget

Pursuant to the provisions of Section 8.25, Budget Act of 2009, the following report is respectfully submitted.

The Department of Finance (Finance) intends to augment the Federal Trust Fund expenditure authority of the California Department of Corrections and Rehabilitation (CDCR) by \$726.8 million in the 2008-09 fiscal year, due to the receipt of federal economic stimulus funds, and reduce the CDCR's General Fund expenditure authority by the same amount.

Under provision (a) of Section 8.25, Finance may authorize the expenditure of funds received from the federal government as part of an economic stimulus or similar legislation, and reduce any General Fund appropriations due to the receipt and expenditure of the funds.

As part of the federal American Recovery and Reinvestment Act, approximately \$8.8 billion is provided to governors for discretionary spending on education (including school modernization), public safety, or other government services. California's allocation from these funds is estimated at \$1,084,769,000. Of California's allocation, \$726.8 million is anticipated to be received in April 2009, and the remainder in the 2009-10 fiscal year. The estimates of amounts and timing presented here are based on information provided by the U.S. Department of Education.


This adjustment will be effective not sooner than 30 days from the above date.

If you have any questions or need additional information regarding this matter, please call Keith Gmeinder, Principal Program Budget Analyst, at (916) 445-8913.

MICHAEL C. GENEST

Director

By:



ANA J. MATOSANTOS

Chief Deputy Director

cc: Honorable Bob Dutton, Vice Chair, Senate Budget and Fiscal Review Committee
Honorable Roger Niello, Vice Chair, Assembly Budget Committee
Honorable Mark DeSaulnier, Chair, Senate Budget and Fiscal Review Subcommittee No. 4
Honorable Juan Arambula, Chair, Assembly Budget Subcommittee No. 4
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Mr. Danny Alvarez, Staff Director, Senate Budget and Fiscal Review Committee
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Mr. Geoff Long, Chief Consultant, Assembly Appropriations Committee
Mr. Peter Schaafsma, Staff Director, Assembly Republican Fiscal Committee
Mr. Ivan Altamura, Chief of Staff, Assembly Republican Leader's Office
Mr. Christopher W. Woods, Assembly Speaker's Office (2)
Mr. Matthew L. Cate, Secretary, California Department of Corrections and Rehabilitation
Mr. Brett Morgan, Chief of Staff, California Department of Corrections and Rehabilitation
Mr. David Lewis, Deputy Director, Fiscal Services, California Department of Corrections and Rehabilitation
Ms. Keely Bosler, Assistant Director, Budget Management Branch, California Department of Corrections and Rehabilitation

icc: BRADSHAW, PROSIO, CAP-OFFICE, FO, JERUE, OROPEZA, SCHWEIZER,
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