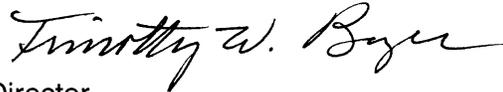


# Memorandum

To : Ms. Deborah Pellegrini, Chief  
Board Proceedings Division

Date: November 14, 2003

From : Timothy W. Boyer  
Interim Executive Director



Subject: **December 4, 2003, Administrative Agenda Budget Item**

Please include the proposed 2004-05 baseline budget as a budget item on the December 4, 2003 Board Administrative Agenda (Executive Director's Report item). Attached is a schedule highlighting changes to the current expenditure level authorized by enactment of the 2003-04 Budget Act (Chapter 157, Statutes of 2003). I will be requesting Board approval to incorporate these changes into the baseline budget that will be developed for submittal to the Department of Finance.

If you have any questions regarding the attached schedule, please contact Ms. Raye Zentner, Deputy Director of Administration at 445-4272 or Ms. Marcia Davey, Chief of the Financial Management Division at 445-3811. Thank you.

TB:jg  
g:\budget\04-05 budget development\2004-05 Baseline Agenda memo\doc.  
Attachment

cc: Ms. Raye Zentner  
Ms. Marcia Davey  
Mr. Rene Gutierrez  
Ms. Robbie Ramirez



BOARD APPROVED  
at the \_\_\_\_\_, 2003 Board Meeting

\_\_\_\_\_  
Deborah Pellegrini, Chief  
Board Proceedings Division

Item #BB  
12/04/03

Board Meeting  
December 4, 2003

\*\*\* Administrative Agenda \*\*\*

**Proposed 2004-05 Budget**

"Summary of Changes"

		2004-05 FUNDING (\$ in Thousands)			
		GENERAL FUND	SPECIAL FUNDS	REIMB.	TOTAL
<b>1.</b>	<b>2003-04 Baseline Budget</b>				
	Budget Act Authorization <u>a/</u>	\$201,413	\$33,555	\$88,968	\$323,936
	Restoration of Section 31.6 Reductions (not included in Budget Act)		309	698	1,007
	Control Section 4.10 Reductions	-16,128	-696		-16,824
	Employee Compensation Adjustments <u>b/</u>	Pending			0
	Transfer to Leg. Claims	-22			-22
	Subtotal, Revised 2003-04 Expenditures	<u>\$185,263</u>	<u>\$33,168</u>	<u>\$89,666</u>	<u>\$308,097</u>
<b>2.</b>	<b>2004-05 Baseline Adjustments:</b>				
	<b>Prior Year Budget Change Proposals (BCPs):</b>				
	1999-00 BCP No. 8 Continuation of Motor Fuel Tax Compliance Project		-71		-71
	2001-02 BCP No. 1 Field Office Automation Expansion	43		11	54
	2001-02 BCP No. 4A Revenue Database Consolidation (RDC) Project	-395	-2,227	-26	-2,648
	2001-02 BCP No. 9 Fuel Tax Evasion Projects			-100	-100
	2001-02 BCP No. 10 IFTA Backlog Workload		-141		-141
	2001-02 BCP No. 12 AB 2114 - Motor Vehicle Fuel Tax Law		-1,120		-1,120
	2001-02 BCP No. 14 AB - 1002 Natural Gas Surcharge		-11		-11
	2002-03 BCP No. 7 Cigarette and Tobacco Products Tax Law - Expand Enforcement Activities	627	-784	157	
	2003-04 BCP No. 1 Replacement of Reproduction Printers	51	9	12	72
	2003-04 BCP No. 3 AB 1701 Alternative Cigarette Stamping	22	167		189
	Subtotal, Prior Year BCPs	<u>348</u>	<u>-4,178</u>	<u>54</u>	<u>-3,776</u>
	State Agency Charges Paid by BOE (Pro Rata)		-10		-10
	One time 2003-04 adjustment (Transfer to Leg. Claims)	22			22
	Total, 2004-05 Baseline Adjustments	<u>370</u>	<u>-4,188</u>	<u>54</u>	<u>-3,764</u>
<b>3.</b>	<b>Proposed 2004-05 BCPs</b>				
	2004-05 Leg. BCP No. 1 SB 20 - Electronic Water Recycling Act of 2003	Pending			
	2004-05 Leg. BCP No. 2 SB 1049 - Annual Water Rights Fee	Pending			
	2004-05 Leg. BCP No. 3 AB 71 - The California Cigarette and Tobacco Products Licensing Act of 2003	Pending			
	2004-05 Leg. BCP No. 4 AB 1666 - Cigarette & Tobacco Dist. Twice-Monthly Payment and Reporting	Pending			
	Total, 2004-05 BCP's				
<b>4.</b>	<b>Proposed 2004-05 Expenditures (1 + 2 + 3)</b>	<u>\$185,633</u>	<u>\$28,980</u>	<u>\$89,720</u>	<u>\$304,333</u>
	CHANGE FROM 2002-03:				
	Amount	370	-4,188	54	-3,764
	Percent	0.2%	-12.6%	0.1%	-1.2%

a/ State Board of Equalization's expenditure authority reflected in the 2003-04 Budget Act, AB 1765 (Chapter 157, Statutes of 2003).

b/ Employee compensation adjustments are currently pending.

Financial Management Division

Budget Section

November 14, 2003