



Governor Announces Executive Order Expected to Save California Additional \$100 Million

After signing a package of bills over the weekend to address the current-year fiscal crisis, Governor Schwarzenegger today announced an executive order that is expected to save the state an additional \$100 million. Savings will be achieved through immediate General Fund expenditure reductions from state agencies and departments. The Governor will also ask the state legislature to address the 2008-09 budget and enact budget reform.

For more information on the Governor's 2008-09 budget proposal visit: www.gov.ca.gov/issue/state-budget/. For more information on the Governor's proposed Budget Stabilization Act visit: www.gov.ca.gov/sots/2008/#/budget/.

Below is the full text of the Governor's executive order:

WHEREAS on January 10, 2008, in accordance with Section 10(f) of Article IV of the Constitution of the State of California, I declared the existence of a fiscal emergency and identified the nature of that emergency to be the projected budget imbalance and insufficient cash reserves for Fiscal Year 2007-08 as well as the projected insufficient cash reserves and potential budgetary and cash deficit in Fiscal Year 2008-09; and

WHEREAS on that same day, in accordance with Sections 3(b) and 10(f) of Article IV of the Constitution of the State of California, I caused the Legislature to assemble in special session to address this fiscal emergency and submitted proposed legislation to the Legislature to address the identified fiscal emergency; and

WHEREAS the Legislature passed and sent to me bills to address the fiscal emergency, and I signed those bills into law; and

WHEREAS the bills act to address the projected budget imbalance and insufficient cash reserves for Fiscal Year 2007-08 and the cash deficit projected for the early months of Fiscal Year 2008-09; however, additional actions can and must be taken within State government to achieve the savings necessary to address the potential budgetary deficit projected for Fiscal Year 2008-09 as a result of the ongoing fiscal challenges facing the State; and

WHEREAS I have ordered all State agencies and departments to reduce all non-essential expenditures during Fiscal Year 2007-08, without adversely affecting public health or safety; and

WHEREAS additional reductions in or elimination of non-essential expenditures are necessary to address the projected budget imbalance in Fiscal Year 2007-08.

NOW, THEREFORE, I, ARNOLD SCHWARZENEGGER, Governor of the State of California, by virtue of the power vested in me by the Constitution and statutes of the State of California, do hereby issue the following orders to become effective immediately:

IT IS HEREBY ORDERED THAT:

1. Agency Secretaries and Department Directors shall take action immediately to reduce the General Fund operations budgets for the Agency and Departments under their control by 1.5 percent on an annualized basis for the remainder of Fiscal Year 2007-08, provided that these reductions shall only be made to non-

essential and non-mission-critical activities and shall not negatively impact public safety or public health activities. These reductions are intended to achieve total General Fund savings of at least \$100 million in fiscal year 2007-2008.

2. Agency Secretaries and Department Directors shall review all General Fund activities under their control for savings opportunities in Fiscal Year 2007-08 and, to the extent feasible, shall halt all General Fund expenditures, disbursements, allocations or other commitments that are non-essential and non-mission-critical.
3. Agency Secretaries and Department Directors shall achieve General Fund savings by targeting non-essential and non-mission-critical General Fund activities, and taking the following actions in relation to non-essential and non-mission-critical General Fund activities that they believe are capable of successful implementation and otherwise permitted by law:
 - o Freezing hiring.
 - o Reducing, cancelling, disencumbering or postponing contracts or agreements to lease or purchase equipment.
 - o Reducing, cancelling, disencumbering or postponing other contracts or agreements, including those for personal services and media and outreach campaigns.
 - o Reducing travel costs by cancelling or postponing discretionary travel for seminars, conferences or training; restricting the size of agency, department, division and unit meetings requiring travel to essential participants only; using video conferencing and teleconferencing; and scheduling meetings at locations at or near headquarters offices.
4. Agency Secretaries and Cabinet-level Directors shall report their progress in achieving these expenditure reductions to the Cabinet Secretary and the Director of Finance at the end of each month during Fiscal Year 2007-08, beginning with March of 2008, and continuing until June 30, 2008.

This Executive Order is not intended to, and does not, create any rights or benefits, substantive or procedural, enforceable at law or in equity, against the State of California, its agencies, departments, entities, officers, employees, or any other person.

I FURTHER DIRECT THAT, as soon as hereafter possible, this Order be filed in the Office of the Secretary of State and that widespread publicity and notice be given to this order.

IN WITNESS WHEREOF I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 19th day of February 2008.

Arnold Schwarzenegger
Governor of California

ATTEST:

DEBRA BOWEN
Secretary of State