

**Executive Department
State of California**

FILED
In the office of the Secretary of State
of the State of California

OCT 9 - 1981

MARCH FONG EU, Secretary of State

By *Margaret R. Huchler*
Deputy

EXECUTIVE ORDER B-87-81

WHEREAS, the State General Fund is experiencing a significant decline in revenue principally due to a recessionary economy; and

WHEREAS, the State General Fund expenditures for the year are running substantially higher than anticipated; and

WHEREAS, the State General Fund is experiencing major borrowing to meet cash obligations for the first time in nearly a decade; and

WHEREAS, deficit spending is prohibited in the State Constitution;

NOW, THEREFORE, I, Edmund G. Brown Jr., Governor of the State of California, by virtue of the power and authority vested in me by the Constitution and statutes of the State of California, including Government Code §13322, do hereby issue this order to become effective immediately:

1. The Department of Finance will unallot 1981-82 General Fund departmental budgets which are included in State Operations by two (2) percent. Exceptions to this reduction will be debt service, Emergency Fund, Workers' Compensation Benefits, Health Benefits for Annuitants, and the institutions of each of the following: the Department of Corrections, the California Youth Authority, the State hospitals, Veterans Home, and State Special Schools for Individuals with Exceptional Needs.
2. The Public Works Board is directed to defer processing requests for capital outlay projects. Exceptions to this mandate are:
 - a. Projects necessary to increase the capacity of correctional institutions.
 - b. Projects necessary to meet licensing requirements for federal funding.
 - c. Projects to replace electrical equipment which contains polychlorinated biphenyls.

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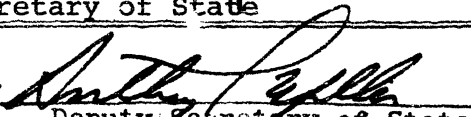
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- d. Projects for which the State is legally obligated to proceed.
3. The Department of Finance will review the unencumbered balances of continuing appropriations, and unallot those funds where, in the determination of the Director, may be reverted to the General Fund.
4. The Department of Finance will unallot, on an interim basis, \$200 million of the funds appropriated for school construction to be apportioned by the State Allocation Board.
5. The Department of Finance in conjunction with State agencies and departments will review 1981-82 Local Assistance budgets to find lower priority programs which may be reduced or eliminated.
6. Higher education must participate in achieving the desired savings. Therefore, I direct the Department of Finance to unallot two (2) percent of the 1981-82 budgets for the University of California and the California State University and Colleges.
7. The constitutional separation of powers precludes an extension or application of the provisions of this Executive Order to the legislative and judicial branches of government. I invite these branches of government to participate in the endeavor to reduce the costs of State Government.
8. The Department of Finance is hereby directed to coordinate the administrative actions necessary to implement this Executive Order. Reassessment of the fiscal status of the State will be continued for the next several months.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 9th day of October, A.D. nineteen hundred and eighty-one.


Governor of California

ATTEST 
Secretary of State

by 
Deputy Secretary of State

