



### **Other Potential Budget Reductions or Deferrals (at least \$1.7 billion in possible savings)**

- **Defer Teacher bonus program.** We are confident that teachers will work just as hard even if they don't get a bonus. Further, in Los Angeles, more experienced teachers get bigger bonuses than colleagues whose students showed more improvement in tests. In many schools, the money was divided equally among teachers, regardless of how well their students did. This program costs an estimated \$350 million.
- **Defer home visits by teachers.** This program can be deferred and parent-teacher contact can continue through school-site visits, phone calls, etc. This program costs an estimated \$15 million.
- **Defer expansion of the Cal-Grant program.** This is a huge new entitlement program that provides college scholarships to specified students with average-or-better high school grades. The bills (SB 1688, Polanco and SB 1644, Ortiz of 2000), when fully operational, are estimated to cost taxpayers at least \$1.2 billion a year.
- **Defer building UC Merced.** The state could retain \$160 million, the estimated cost to complete the initial site development, infrastructure, and construction of library and laboratory facilities and beginning the planning for classroom and office buildings at UC Merced.
- **Stop funding phantom positions.** These are believed to be around 9,800 unfilled positions (unknown savings).
- **Limit or eliminate out-of-state travel.** Many out-of-state trips are unnecessary or are just junkets, particularly out-of-country trips. See our "Accountability Files" (unknown savings).
- **Establish management ratios of at least 8 to 1.** The State Board of Equalization adopted an 8 to 1 management ratio in 1996, and it is working well. This should be expanded to all state agencies (unknown savings).
- **Defer hiring new FTB auditors.** Spending funds on new auditors has no immediate return due to the time needed to hire and train them. By the time novice auditors finish their first audit and the protest of the audit, five to ten years could have elapsed. Additionally, new auditors will be looking at more smaller and marginal accounts with a smaller cost benefit ratio than current auditors. An estimated \$7 million savings.