

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: 04/09/2012  
POSITION: Oppose

BILL NUMBER: SB 1392  
AUTHOR: Pavley, Fran

**BILL SUMMARY: Developmental Services: Surplus Property**

On or before December 31 of each year, existing law requires each state agency to identify land in excess of its foreseeable needs and provide this information in a report to the Department of General Services (DGS). The Director of DGS is authorized to dispose of state surplus property, once declared surplus by the Legislature. The California Constitution requires the net proceeds from the sale of surplus property, not acquired with special funds, to be deposited into the Deficit Recovery Bond Retirement Sinking Fund Subaccount to retire Economic Recovery Bonds.

This bill would create the Californians with Developmental Disabilities (CDD) Fund and require that the seven specified developmental centers (centers that serve persons with developmental disabilities) that are no longer used to house persons with disabilities shall be made available to be leased with the revenues dedicated to fund housing and other needs for persons with disabilities.

**FISCAL SUMMARY**

This bill would divert current annual lease revenue of approximately \$1.2 million General Fund into the CDD Fund.

Additionally, the bill would effectively prevent these properties from being used for another state purpose or being identified as surplus, thereby reducing potential surplus property sales revenues by an unknown amount. The revenues are used to retire Economic Recovery Bonds.

**COMMENTS**

Finance is opposed to this bill because it would divert approximately \$1.2 million in annual revenues from the General Fund and would prevent the state from selling property that no longer meets a specific state government need. These properties could otherwise be sold to retire Economic Recovery Bonds or be used by another state program.

According to the author’s office the intention of the bill is to lease space in the four current operational developmental disability centers, when it is determined these facilities no longer directly serve persons with developmental disabilities. These new leases would generate revenues, which would be transferred into the CDD Fund.

Furthermore, the author’s office indicates it is not the intention of the bill to divert current lease revenue into the CDD Fund or revenue that is generated from properties previously transferred to other state agencies. However, as currently written, it appears that the bill would transfer lease revenue from properties that are no longer in DDS’ jurisdiction, transfer revenue from leases entered into prior to enactment of this bill, and transfer future lease revenue from all sites.

Analyst/Principal (0651) B.Dewey	Date	Program Budget Manager Karen Finn	Date
Department Deputy Director		Date	
Governor’s Office:	By:	Date:	Position Approved _____ Position Disapproved _____
BILL ANALYSIS			Form DF-43 (Rev 03/95 Buff)

Pavley, Fran

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**COMMENTS** (continued)

The following seven properties would be subject to the requirement of this bill:

- Agnews State Hospital
- Camarillo State Hospital (CSU Channel Islands)
- Stockton State Hospital (CSU Stanislaus)
- Fairview State Hospital
- Lanterman State Hospital
- Porterville State Hospital
- Sonoma State Hospital

The Agnews property has been declared surplus and portions of the property have already been sold. The balance is in the process of being sold. The Camarillo and Stockton properties were statutorily transferred to the California State University Trustees. The remaining four properties are under the control of DDS, are occupied, and have existing leases with revenues going to the General Fund. DGS indicates that there are a total of 18 leases on the properties generating approximately \$1.25 million annually, on the four DDS properties and the Agnews property, not including DGS fees and costs.

Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)						Fund Code
	LA	(Dollars in Thousands)						
	CO	PROP						
	RV	98	FC	2011-2012	FC	2012-2013	FC	2013-2014
1600/Misc Rev Tot	RV	No	U	--	U	-625	U	-1,250 0001