

CALIFORNIA LEGISLATURE

2009–10 FOURTH EXTRAORDINARY SESSION

ASSEMBLY JOURNAL

**APPENDIX TO THE ASSEMBLY JOURNAL
FOR THE 2009–10 FOURTH EXTRAORDINARY SESSION**

Assembly Chamber, Sacramento
Tuesday, July 28, 2009

The following is an appendix to the Assembly Journal for the 2009–10 Fourth Extraordinary Session containing information received subsequent to the adjournment *sine die* of the session.

MESSAGES FROM THE GOVERNOR

The following item veto message from the Governor was received and ordered printed in the Journal and the bill ordered to the unfinished business file:

Governor's Office, Sacramento
July 28, 2009

I object to the following appropriations contained in Assembly Bill 1, Fourth Extraordinary Session.

Item 3340-101-0001—For local assistance, California Conservation Corps. I delete this item.

In order to create a reasonable reserve, I am making additional reductions so we have resources to address emergencies or additional revenue shortfalls. In addition, the Legislature did not make changes to improve the cost-effectiveness of the Beverage Container Recycling Program and address the shortfall in the Fund in a manner that supports recycling objectives. I look forward to working with the Legislature to enact comprehensive reform to the Beverage Container Recycling Program.

Item 3360-001-3117—For support of Energy Resources Conservation and Development Commission. I delete Provision 2.

I am deleting Provision 2, which would prohibit the Energy Commission from making any expenditure from this appropriation for hydrogen refueling stations. The goal of the Alternative and Renewable Fuel and Vehicle Technology program is to develop and deploy innovative technologies that transform California's fuel and vehicle types to help attain the state's climate change policies. This provision would limit the program's technology options, and would discourage continued development of hydrogen fuels and related vehicles and technology.

Item 3790-001-0001—For support of Department of Parks and Recreation. I reduce this item from \$133,988,000 to \$127,788,000 by reducing:

(1) For support of the Department of Parks and Recreation from \$428,717,000 to \$422,517,000.

In order to create a reasonable reserve, I am making additional reductions so we have resources to address emergencies or additional revenue shortfalls. I know this reduction will likely lead to closure of additional parks but we are facing unprecedented budget challenges and we have limited choices. I am directing the Department to do everything it can to work with local governments, the federal government, community based organizations, and other interested parties who can partner with the state to help mitigate any state park closures.

Item 4170-001-0001—For support of California Department of Aging. I reduce this item from \$4,227,000 to \$4,121,000 by reducing:

(4) 40-Special Projects from \$8,680,000 to \$8,574,000.

I am reducing this item by \$106,000 and 0.5 personnel years for the following programs:

- \$79,000 for the Linkages Program, and
- \$27,000 for Community Based Services Programs.

This action conforms to my action in Control Section 17.50.

Item 4260-101-0890—For local assistance, Department of Health Care Services. I am reducing this item from \$26,592,825,000 to \$26,532,256,000 to conform to the action I have taken in Control Section 18.00.

Item 4265-111-0231—For local assistance, Department of Public Health. I reduce this item from \$54,154,000 to \$47,354,000.

I am deleting the \$6,800,000 one-time augmentation of Proposition 99 funds for the Tobacco Control Program for anti-tobacco media campaigns and competitive grants to local entities. While I proposed this augmentation, tobacco tax revenues have since declined to levels insufficient to support these efforts.

Item 5180-151-0001—For local assistance, Department of Social Services. I reduce this item from \$763,375,000 to \$702,494,000 by reducing:

(1) 25.30-Children and Adult Services and Licensing from \$2,159,705,000 to \$2,098,824,000.

I am reducing this item by \$60,881,000 to increase the reserve for economic uncertainties and to reduce the state's structural deficit, consistent with my May Revision proposal to achieve an unallocated reduction in the Child Welfare Services Program. I am reducing a total of \$79,956,000 for this purpose: \$60,881,000 from this Item and \$19,075,000 from subdivision (f) of Control Section 18.50.

Item 5225-001-0001—For support of the Department of Corrections and Rehabilitation. I revise this item by deleting Provisions 7 and 9.

I am deleting Provision 7, which would require the California Department of Corrections and Rehabilitation (CDCR) to report 2008–09 and 2009–10 overtime expenditures for custody staff. This reporting requirement would result in additional workload without regard to the availability of resources. Consequently, I am vetoing this language. Nevertheless, in recognition of the Legislature's desire to obtain this information, I am instructing the CDCR to comply with the

legislative request for this report to the extent that compliance can be achieved using existing resources and without impairing the CDCR's ability to perform its essential functions.

I am deleting Provision 9, which would restrict certain expenditures within the CDCR's budget for specified purposes, require the CDCR to report on the expenditure of these funds, allow for the redirection of funds as specified, and provide that any funds not spent revert to the General Fund. While my Administration is committed to ensuring that funds are spent for the purposes for which they are appropriated, this language is too restrictive for CDCR in 2009–10 as they implement major population reforms and other reductions, including a significant unallocated reduction.

Item 5225-002-0001—For support of the Department of Corrections and Rehabilitation. I revise this item by deleting Provision 6.

I am deleting Provision 6, which would restrict certain expenditures within the California Department of Corrections and Rehabilitation's (CDCR) budget for specified purposes, require the CDCR to report on the expenditure of these funds, allow for the redirection of funds as specified, and provide that any funds not spent revert to the General Fund. While my Administration is committed to ensuring that funds are spent for the purposes for which they are appropriated, this language is too restrictive for CDCR in 2009–10 as they implement major population reforms and other reductions, including significant unallocated reductions.

Item 5225-301-0660—For capital outlay, Department of Corrections and Rehabilitation. I revise this item by deleting Provision 5.

I am deleting Provision 5, which prohibits the Department from making any further encumbrances or expenditures of funding appropriated for the San Quentin State Prison: Condemned Inmate Complex until three specified conditions are met. This project is needed to remedy significant operational deficiencies associated with the existing condemned inmate housing and address issues cited in the *Plata* and *Coleman* lawsuits regarding sufficient health care access and accessibility for aging and disabled inmates. This project is ready to begin construction. Having to delay the construction start to comply with these conditions will cause unnecessary increased costs. In addition, this appropriation provides no increased expenditure authority for those costs. This increases the likelihood that the Public Works Board would be required to augment earlier appropriations as provided for by law. I therefore veto this provision so as to control the expenditures of the state.

Item 6110-001-0001—For support of the Department of Education. I reduce this item from \$38,210,000 to \$37,505,000 by reducing:

- (2) 20-Instructional Support from \$158,747,000 to \$158,042,000, and by deleting Provision 7.

I am reducing this item by \$705,000 to capture the maximum amount of savings from the instructional materials flexibility provided in the Education trailer bill to school districts, which suspends the adoption of instructional materials by the State Board of Education (Board) and the subsequent purchasing requirements for school districts until 2013–14. As a result, it is unnecessary for the Curriculum Development and Supplemental Materials Commission to continue to advise the Board on

content frameworks and instructional materials adoptions for the next five years or until an agreed-upon process is reestablished. This reduction removes funding for unnecessary Commission per diem and travel as well as funding for Department staff.

Item 6110-008-0001—For support of Department of Education, as allocated by the Department of Education to the State Special Schools for student transportation allowances. I delete this item.

This item would provide \$3,894,000 Proposition 98 General Fund for student transportation at the State Special Schools. However, the Legislature subsequently provided special education federal funds (Provision 11 of Item 6110-161-0890) for the same purpose with the understanding that this Proposition 98 appropriation is no longer necessary. Therefore, on a technical basis, I delete this item to remove duplicative funding for student transportation at the State Special Schools.

I am also deleting Provisions 1 and 2 to conform to this action.

Item 6600-001-0001—For support of Hastings College of the Law. I am reducing this item from \$9,270,000 to \$8,270,000.

I am reducing this item by an additional \$1,000,000 to achieve General Fund savings. Combined with the 10-percent reduction approved by the Legislature, this unallocated reduction will reduce Hastings' state support to be more in line with the General Fund reductions made to the University of California and the California State University since the 2008–09 Budget was first enacted. Because Hastings has increased its student fees by almost 38 percent since 2007–08, including a 13-percent increase for 2009–10, funding for the instructional program still increases by 5 percent in 2009–10 which should be sufficient in this fiscal climate.

Item 7980-001-0001—For support of California Student Aid Commission. I reduce this item from \$12,623,000 to \$6,323,000 by reducing:

- (1) 15-Financial Aid Grants Program from \$13,049,000 to \$6,749,000

I am vetoing \$6,300,000 from the California Student Aid Commission, of which \$4,300,000 is set aside to be restored contingent upon enactment of legislation that authorizes the decentralization of the Cal Grant Program and other financial aid programs as warranted. The \$2,000,000 difference represents savings that would be achieved through efficiencies resulting from the decentralization and other over-budgeting that currently exists.

Under my January proposal, a proposal that was broadly supported by the higher education segments, the Student Aid Commission's intermediary role in approving awards will be largely eliminated. The proposal would establish colleges and universities as the single point of contact for most students' financial aid needs. This change would significantly reduce the Student Aid Commission's General Fund operating costs on an ongoing basis and save money at the postsecondary segments by reducing double-handling of awards between the colleges and the Commission. This action illustrates my commitment to put the students first and to improve the efficiency of state government. I look forward to working with the Legislature on legislation that will better serve our students and the higher education segments.

Item 9100-101-0001—For local assistance, Tax Relief. I reduce this item from \$472,370,000 to \$444,579,000 by reducing:

(5) 60-Subventions for Open Space from \$27,792,000 to \$1,000.

I am reducing this item by \$27,791,000 to suspend funding for this program, which backfills a portion of property taxes foregone when local governments voluntarily enter into contracts with property owners who agree to use their land for agricultural or open space purposes in exchange for a lower property tax assessment. This is necessary to provide a prudent reserve in the General Fund.

Item 9620-001-0001—For payment of interest on General Fund loans, upon order of the Director of Finance, for any General Fund loan. I delete Provision 4.

I have reviewed the Legislature's action on my proposal for deficiency funding in the event that the Controller must implement a payment delay plan to manage emergency cash needs. My proposal would have appropriated any amount necessary to pay the interest expenses, late payment penalties, and other costs incurred by the Controller in implementing such a plan, and it would have accelerated the review and approval process that currently exists for funding such deficiencies.

Provision 4 serves as an appropriation for specific costs incurred by the Controller. The use of this appropriation is contingent upon the occurrence of various actions and events. The legislative action on this appropriation would, in effect, exempt the Controller from obtaining approval from Finance before incurring a deficiency. It might also have the unintended effect of relieving the Controller of the personal responsibility requirements contained in Control Section 32.00. In light of this, I have determined that the provisions of Item 9840-001-0001 are adequate for the review and approval of Controller costs related to a payment delay plan and I hereby veto Provision 4.

Item 9800-001-0001—For Augmentation for Employee Compensation. I reduce this item from \$40,742,000 to \$15,742,000.

I am reducing funding by \$25,000,000 for employee compensation and am instructing my administration to absorb this reduction to build a prudent reserve. To effect this reduction, I am directing the Director of Finance to reduce the amount that would have been allocated to each department for increases in employee compensation costs, including health care. This reduced amount available for allocation to departments will not affect pay or benefits for employees in any way. Employees will receive full pay, and the funding for pay and benefits not available from Item 9800 will be funded by a redirection within existing resources by individual departments. All previously negotiated employee compensation increases, and all employee compensation increases for medical, mental, and dental health positions arising from the *Coleman*, *Plata*, and *Perez* court cases will be unaffected by my action to reduce this appropriation.

Item 9800-001-0494—For Augmentation for Employee Compensation. I reduce this item from \$51,589,000 to \$31,589,000.

I am reducing funding by \$20,000,000 for employee compensation and am instructing my administration to absorb this reduction to build a prudent reserve. To effect this reduction, I am directing the Director of Finance to reduce the amount that would have been allocated to each department for increases in employee compensation costs, including

health care. This reduced amount available for allocation to departments will not affect pay or benefits for employees in any way. Employees will receive full pay, and the funding for pay and benefits not available from Item 9800 will be funded by a redirection within existing resources by individual departments. All previously negotiated employee compensation increases, and all employee compensation increases for medical, mental, and dental health positions arising from the *Coleman, Plata*, and *Perez* court cases will be unaffected by my action to reduce this appropriation.

Item 9800-001-0988—For Augmentation for Employee Compensation. I reduce this item from \$25,410,000 to \$15,410,000.

I am reducing funding by \$10,000,000 for employee compensation and am instructing my administration to absorb this reduction to build a prudent reserve. To effect this reduction, I am directing the Director of Finance to reduce the amount that would have been allocated to each department for increases in employee compensation costs, including health care. This reduced amount available for allocation to departments will not affect pay or benefits for employees in any way. Employees will receive full pay, and the funding for pay and benefits not available from Item 9800 will be funded by a redirection within existing resources by individual departments. All previously negotiated employee compensation increases, and all employee compensation increases for medical, mental, and dental health positions arising from the *Coleman, Plata*, and *Perez* court cases will be unaffected by my action to reduce this appropriation.

Item 9840-001-0001—Augmentation for Contingencies or Emergencies. I reduce this item from \$44,100,000 to \$20,100,000.

In order to create a reasonable reserve, I am making additional reductions so we have resources to address additional revenue shortfalls. Therefore, I am reducing this item by \$24,000,000 to fund higher competing priorities. I have determined that this reduced level of funding, which is consistent with the amount of unanticipated expenses funded by this Item in the previous fiscal year, is adequate for the purposes of this Item.

SEC. 17.50—I am reducing the item of General Fund appropriation in this section by \$6,160,000 as opposed to approving the item as presented without reduction. Thus, I am increasing the General Fund reduction from \$9,483,000 to \$15,643,000.

The effect of my action reflects a reduction of \$6,160,000 to Special Projects (Program 40) to increase the reserve for economic uncertainties and to reduce the state's structural deficit. This reduction is consistent with my May Revision proposal to eliminate the Linkages Program and Community Based Services Programs. Specifically, I am reducing \$3,879,000 from the Linkages Program and \$2,281,000 from Community Based Services Programs. Funding of these non-mandated programs cannot be continued due to the state's severe budget constraints.

“Sec. 17.50. The amount appropriated in Item 4170-101-0001 of Section 2.00 is hereby reduced by ~~\$9,483,000~~ \$15,643,000.”

SEC. 18.00—I am reducing the item of General Fund appropriation in subdivision (a) of the section by \$60,569,000 as opposed to approving the item as presented without reduction. I am also reducing

the item of General Fund appropriation in subdivision (e) of this section by \$25,000,000 as opposed to approving the item as presented without reduction. Thus, I am revising subdivision (e) of this Section by increasing the General Fund reduction from \$4,303,000 to \$29,303,000, and County Administration by \$60,569,000.

The effect of my action reflects a reduction of \$25,000,000 (from \$39,909,000 to \$14,909,000) to Primary and Rural Health (Program 20.35) to increase the reserve and to reduce the state's structural deficit. This reduction is consistent with my May Revision proposal to eliminate General Fund grants for Community Clinic Programs. Many, if not all of these clinics, will continue to receive funding through remaining state programs, federal programs, local programs, and private funds. Increased federal stimulus funds are available to many of these clinics and will help to minimize the overall impact of this reduction.

I am also reducing County Administration by \$60,569,000 (from \$2,893,363,000 to \$2,832,794,000) to increase the reserve and to reduce the state's structural deficit.

“SEC. 18.00. (a) The amount appropriated in Item 4260-101-0001 of Section 2.00 is hereby reduced by ~~\$2,789,402,000~~ \$2,849,971,000.

(b) Schedule (7) of Item 4260-101-0001 of Section 2.00 is hereby deleted.

(c) Provision 13 is added to Item 4260-101-0001 of Section 2.00, to read:

13. It is the intent of the Legislature to actively pursue the receipt of federal funds within the Medicaid (Medi-Cal) Program which are past due from the federal government, including, but not limited to: (a) disability insurance benefits that resulted in state expenditures instead of federal Medicare expenditures, (b) the retroactive payment of Part B premiums due to systemic errors by the federal Social Security Administration, (c) needed adjustments to formulas that penalize California, such as the Medicare Part D “clawback,” and (d) receipt of federal funds due to California under various existing Medi-Cal waiver programs.

(d) Schedule (4) of Item 4260-101-0001 of Section 2.00 is hereby revised to be ~~-\$284,246,000~~.

(e) The amount appropriated in Item 4260-111-0001 of Section 2.00 is hereby reduced by ~~\$4,303,000~~ \$29,303,000.

(f) Provision 3 is added to Item 4260-111-0001 of Section 2.00, to read:

3. The State Department of Health Care Services shall convene a diverse workgroup as applicable that, at a minimum, represents families enrolled in the California Children's Services (CCS) Program, counties, specialty care providers, children's hospitals, and medical suppliers to discuss the administrative structure of the CCS Program, including eligibility determination processes, the use and content of needs assessment tools in case management, and the processes used for treatment authorizations. The purpose of this workgroup will be to identify methods for streamlining, administrative cost-efficiencies, and better utilization of both state and county staff, as applicable, in meeting the needs of children and families accessing the CCS Program. The department may provide the policy and fiscal committees of each house of the Legislature with periodic updates of outcomes as appropriate.

- (g) Schedule (3) of Item 4260-111-0001 of Section 2.00 is hereby revised to be $-\$58,188,000$.
- (h) The amount appropriated in Item 4260-113-0001 of Section 2.00 is hereby reduced by $\$47,265,000$.”

SEC. 18.10—I am reducing the item of General Fund appropriation in subdivision (c) of this section by $\$80,473,000$ as opposed to approving the item as presented without reduction. Thus, I am increasing the General Fund reduction from $\$62,967,000$ to $\$143,440,000$.

The effect of my action reflects the deletion of various legislative restorations for public health local assistance programs to increase the reserve and to reduce the state’s structural deficit, consistent with my May Revision proposals. When making these difficult reductions to important program services, I have sought to protect the continued delivery of drug therapies to low-income individuals living with HIV and thus retained funding for the AIDS Drug Assistance Program.

Specifically, I am eliminating:

- $\$52,133,000$ General Fund for various programs administered by the Office of AIDS: Education and Prevention, Therapeutic Monitoring, Counseling and Testing, Early Intervention, Home and Community Based Care, and Housing,
- $\$16,337,000$ General Fund for the Domestic Violence Program,
- $\$9,000,000$ General Fund for the Adolescent Family Life Program, and
- $\$3,003,000$ General Fund for the Black Infant Health Program.

I am deleting subdivision (d) of this section to conform to this action. “SEC. 18.10. (a) The amount appropriated in Item 4265-001-0001 of Section 2.00 is hereby reduced by $\$6,981,000$.

(b) Schedule (6) of Item 4265-001-0001 of Section 2.00 is hereby revised to be $-\$38,739,000$.

(c) The amount appropriated in Item 4265-111-0001 of Section 2.00 is hereby reduced by ~~$\$62,967,000$~~ $\$143,440,000$.

(d) Provision 2 is added to Item ~~4265-111-0001~~ of Section 2.00; to read:

2: It is the intent of the Legislature that the funds appropriated in this item be used to maintain core active surveillance activities to meet federal reporting requirements and to continue HIV/AIDS prevention and education efforts for which federal funds are not available:

(e) Provision 3 is added to Item 4265-111-0001 of Section 2.00, to read:

3. The appropriation in this item for the Alzheimer’s Research Centers shall be used for direct services, including, but not limited to, diagnostic screening, case management, disease management, support for caregivers, and related services necessary for positive client outcomes.”

SEC. 18.20—I am reducing the item of General Fund appropriation in subdivision (a) of this section by $\$47,050,000$ as opposed to approving the item as presented without reduction. I am also reducing the item of General Fund appropriation in subdivision (c) of this section by $\$2,950,000$ as opposed to approving the item as presented without reduction. Thus, I am increasing the General Fund reduction in Item 4280-101-0001 from $\$125,581,000$ to $\$172,631,000$, and in Item 4280-102-0001 from $\$3,046,000$ to $\$5,996,000$.

The effect of my action reflects a reduction of \$50,000,000 (from \$275,251,000 to \$225,251,000 in total General Fund program funding) to increase the reserve and to reduce the state's structural deficit. While this is a very difficult reduction, the Healthy Families program is not an entitlement and is a program that can be reduced during this difficult economic period. I hereby direct the Health and Human Services Agency to continue to work with the California Children and Families Commission, with local commissions, foundations, and other interested parties to provide additional resources to supplement General Fund appropriations and provide health care coverage for as many children as possible.

“Section 18.20. (a) The amount appropriated in Item 4280-101-0001 of Section 2.00 is hereby reduced by ~~\$125,581,000~~ \$172,631,000.

(b) Provision 2 is added to 4280-101-0001 of section 2.00, to read:

2. It is the intent of the Legislature, during these unprecedented fiscal times, to maintain the integrity of the Healthy Families Program to continue to provide health, dental, and vision coverage to low-income children. However, assistance from philanthropic organizations and other sources will be necessary in order for California to obtain its full allotment of federal funds to support this program. In the event funds are not available, it is the intent of the Legislature for the Managed Risk Medical Insurance Board to utilize its existing authority to establish a waiting list of children for enrollment in the program.

(c) The amount appropriated in Item 4280-102-0001 of Section 2.0 is hereby reduced by ~~\$3,046,000~~ \$5,996,000.”

SEC. 18.30—I am reducing the item of General Fund appropriation in subdivision (a) of this section by \$50,000,000 as opposed to approving the item as presented without reduction. Thus, I am increasing the reduction in subdivision (a) from \$214,828,000 to \$264,828,000.

I am reducing Regional Center Purchase of Services by \$50,000,000 for services to children up to age five, as these services are due to program growth and thus eligible for funding from the California Children and Families Commission. I am directing the Secretary for the Health and Human Services Agency, the Department of Developmental Services, and the Department of Finance to immediately request funds from the Commission for this purpose. I do not intend to pursue separate legislation changing eligibility or services for these children for purposes of achieving these savings. I urge the Commission to provide supplemental funding for the growth in these services.

“SEC. 18.30. (a) The amount appropriated in Item 4300-101-0001 of Section 2.00 is hereby reduced by ~~\$214,828,000~~ \$264,828,000.

(b) Schedule (4) of Item 4300-101-0001 of Section 2.00 is hereby revised to be ~~-\$1,663,363,000.~~”

SEC. 18.40—I am reducing the item of General Fund appropriation in subdivision (e) of this section by \$4,082,000 as opposed to approving the item as presented without reduction. Thus, I am increasing the General Fund reduction from \$3,547,000 to \$7,629,000. I am vetoing \$4,082,000 to increase the reserve and to reduce the state's structural deficit, consistent with my May Revision proposal to eliminate this program.

The effect of my action reflects a partial veto of the legislative restoration for the Caregiver Resource Centers.

“SEC. 18.40. (a) The amount appropriated in Item 4440-001-0001 of Section 2.00 is hereby reduced by \$8,447,000.

(b) The amount appropriated in Item 4440-103-0001 of Section 2.00 is hereby reduced by \$113,380,000.

(c) The amount appropriated in Item 4440-104-0001 of Section 2.00 is hereby reduced by \$52,000,000.

(d) (1) Provision 1 of Item 4440-104-0001 of Section 2.00 is hereby deleted.

(2) Provision 3 is added to Item 4440-104-0001 of Section 2.00, to read:

3. These funds are for costs incurred in the 2006–07, 2007–08, 2008–09, and 2009–10 fiscal years. The first priority of funds appropriated in this item shall be used to offset the mandate reimbursement claims for the 2006–07 fiscal year. Remaining funds may be used to offset the mandate reimbursement claims for the 2007–08, 2008–09, and 2009–10 fiscal years.

(e) The amount appropriated in Item 4440-111-0001 of Section 2.00 is hereby reduced by ~~\$3,547,000~~ \$7,629,000.”

SEC. 18.50—I am reducing the item of General Fund appropriation in subdivision (d) of this section by \$37,555,000 as opposed to approving the item as presented without reduction. Additionally, I reduce the item of General Fund appropriation in subdivision (f) of this section by \$19,075,000 as opposed to approving the item as presented without reduction. Thus, I am increasing the General Fund reduction from \$1,167,507,000 to \$1,224,137,000.

The effect of my action reflects a reduction of \$37,555,000 to In-Home Supportive Services (IHSS, Program 25.15) to reflect the following reductions:

- \$28,900,000 due to the determination that it is necessary to waive exemptions included in paragraph (2) of subdivision (e) of Section 29 of X4 AB 4 to maintain federal financial participation. Due to this determination, more IHSS recipients will be impacted by the reduction in services authorized in X4 AB 4.
- \$8,655,000 from reducing funding for IHSS Public Authority administration. This leaves \$10,000,000 General Fund available for the Public Authorities to provide assistance to recipients in finding IHSS providers, investigate qualifications of potential IHSS providers, and offer training to IHSS providers.

These reductions total \$37,555,000, which I am reducing from subdivision (d) of this Control Section. I am making these reductions so we have a prudent reserve and resources to address emergencies or additional revenue shortfalls.

My action also reflects a reduction of \$19,075,000 to Title IV-E Waiver (Program 26) to increase the reserve for economic uncertainties and to reduce the state’s structural deficit, consistent with my May Revision proposal to achieve an unallocated reduction in the Child Welfare Services Program. I am reducing a total of \$79,956,000 for this purpose: \$19,075,000 from subdivision (f) of this Control Section and \$60,881,000 from Item 5180-151-0001.

“Sec. 18.50. (a) The amount appropriated in Item 5180-001-0001 of Section 2.00 is hereby reduced by \$7,337,000.

- (b) Provision 9 of Item 5180-001-0001 of Section 2.00 is hereby deleted.
- (c) The amount appropriated in Item 5180-101-0001 of Section 2.00 is hereby reduced by \$500,501,000.
- (d) The amount appropriated in Item 5180-111-0001 of Section 2.00 is hereby reduced by ~~\$643,248,000~~ \$680,803,000.
- (e) Schedule (5) of Item 5180-111-0001 of Section 2.00 is hereby deleted.
- (f) The amount appropriated in Item 5180-153-0001 of Section 2.00 is hereby reduced by ~~\$16,421,000~~ \$35,496,000.”

With the above deletions, revisions, and reductions, I hereby approve Assembly Bill 1, Fourth Extraordinary Session.

ARNOLD SCHWARZENEGGER

RECEIPT OF BILLS

I acknowledge receipt this 28th day of July at 12:29 p.m., of the Governor’s statement of the line item veto from Assembly Bill 1 in the Fourth Extraordinary Session delivered to me personally by Jacque Roberts.

SUE PARKER
Assistant Chief Clerk of the Assembly

KAREN BASS, Speaker

AMY LEACH, Minute Clerk