Volume 1

STATUTES OF CALIFORNIA

AND DIGESTS OF MEASURES

1999

Constitution of 1879 as Amended

General Laws, Amendments to the Codes, Resolutions, and Constitutional Amendments passed by the California Legislature

1999–2000 Regular Session
1999–2000 First Extraordinary Session

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EFFECTIVE DATES

Regular Session

The 1999–2000 Regular Session convened on December 7, 1998, and the interim study recess commenced on September 10, 1999. Statutes enacted in 1999, other than those taking immediate effect, will become effective January 1, 2000.

The effective date of a joint or concurrent resolution is the date it is filed with the Secretary of State.

An initiative statute or referendum or a constitutional amendment proposed by the Legislature and adopted by the people takes effect the day after the election unless the measure provides otherwise.

Statutes Which Take Effect Immediately. An urgency statute, and a statute calling an election, providing for a tax levy, or making an appropriation for the usual current expenses of the state may take effect immediately. Such a statute becomes *effective* on the date it is filed with the Secretary of State.

Operative Date. The provisions of a statute normally become operative on the date it takes effect. However, any statute may, by its own terms, delay the *operation* of its provisions until the happening of some contingency or until a specified time. Also, a later statute or a general provision in a particular code may delay the operation of a statute to a time after its effective date.

Extraordinary Sessions

An urgency statute enacted at a special session of the Legislature takes effect immediately, as outlined above, and the same rules apply with respect to a delayed *operative* date. A nonurgency statute takes effect on the 91st day after adjournment of the special session at which the bill was passed. The effective date of a concurrent resolution is the date it is filed with the Secretary of State.

The 1999–2000 First Extraordinary Session convened on January 19, 1999, and adjourned *sine die* on March 26, 1999. The 91st day after adjournment is June 25, 1999.

CONSTITUTION OF THE STATE OF CALIFORNIA

1879

CONSTITUTION OF THE STATE OF CALIFORNIA*

AS AMENDED AND IN FORCE NOVEMBER 3, 1998

PREAMBLE

We, the People of the State of California, grateful to Almighty God for our freedom, in order to secure and perpetuate its blessings, do establish this Constitution.

ARTICLE I

DECLARATION OF RIGHTS

SECTION 1. [*Repealed November 5, 1974. See Section 1, below.*]

[*Inalienable Rights*]

SECTION 1. All people are by nature free and independent and have inalienable rights. Among these are enjoying and defending life and liberty, acquiring, possessing, and protecting property, and pursuing and obtaining safety, happiness, and privacy. [*New section adopted November 5, 1974.*]

[*Liberty of Speech and of the Press—Newspersons' Refusal to Disclose Information Sources Not Adjudged in Contempt*]

SEC. 2. (a) Every person may freely speak, write and publish his or her sentiments on all subjects, being responsible for the abuse of this right. A law may not restrain or abridge liberty of speech or press.

(b) A publisher, editor, reporter, or other person connected with or employed upon a newspaper, magazine, or other periodical publication, or by a press association or wire service, or any person who has been so connected or employed, shall not be adjudged in contempt by a judicial, legislative, or administrative body, or any other body having the power to issue subpoenas, for refusing to disclose the source of any information procured while so connected or employed for publication in a newspaper, magazine or other periodical publication, or for refusing to disclose any unpublished information obtained or prepared in gathering, receiving or processing of information for communication to the public.

Nor shall a radio or television news reporter or other person connected with or employed by a radio or television station, or any person who has been so connected or employed, be so adjudged in contempt for refusing to disclose the source of any information procured while so connected or employed for news or news commentary purposes on radio or television, or for refusing to disclose any unpublished information obtained or prepared in gathering, receiving or processing of information for communication to the public.

* Adopted by the people on May 7, 1879. Certain spelling and capitalization variances reflect State Printer's style in effect at time of adoption of amendments.

As used in this subdivision, ''unpublished information'' includes information not disseminated to the public by the person from whom disclosure is sought, whether or not related information has been disseminated and includes, but is not limited to, all notes, outtakes, photographs, tapes or other data of whatever sort not itself disseminated to the public through a medium of communication, whether or not published information based upon or related to such material has been disseminated. [*As amended June 3, 1980.*]

[*Right to Assemble and to Petition*]

SEC. 3. The people have the right to instruct their representatives, petition government for redress of grievances, and assemble freely to consult for the common good. [*New section adopted November 5, 1974.*]

SEC. 4. [*Repealed November 5, 1974. See Section 4, below.*]

[*Liberty of Conscience*]

SEC. 4. Free exercise and enjoyment of religion without discrimination or preference are guaranteed. This liberty of conscience does not excuse acts that are licentious or inconsistent with the peace or safety of the State. The Legislature shall make no law respecting an establishment of religion.

A person is not incompetent to be a witness or juror because of his or her opinions on religious beliefs. [*New section adopted November 5, 1974.*]

SEC. 5. [*Repealed November 5, 1974. See Section 5, below.*]

[*The Military*]

SEC. 5. The military is subordinate to civil power. A standing army may not be maintained in peacetime. Soldiers may not be quartered in any house in wartime except as prescribed by law, or in peacetime without the owner's consent. [*New section adopted November 5, 1974.*]

SEC. 6. [*Repealed November 5, 1974. See Section 6, below.*]

[*Slavery Prohibited*]

SEC. 6. Slavery is prohibited. Involuntary servitude is prohibited except to punish crime. [*New section adopted November 5, 1974.*]

[*Due Process of Law—Use of Pupil School Assignment or Pupil Transportation*]

SEC. 7. (a) A person may not be deprived of life, liberty, or property without due process of law or denied equal protection of the laws; provided, that nothing contained herein or elsewhere in this Constitution imposes upon the State of California or any public entity, board, or official any obligations or responsibilities which exceed those imposed by the Equal Protection Clause of the 14th Amendment to the United States Constitution with respect to the use of pupil school assignment or pupil trans-

portation. In enforcing this subdivision or any other provision of this Constitution, no court of this State may impose upon the State of California or any public entity, board, or official any obligation or responsibility with respect to the use of pupil school assignment or pupil transportation, (1) except to remedy a specific violation by such party that would also constitute a violation of the Equal Protection Clause of the 14th Amendment to the United States Constitution, and (2) unless a federal court would be permitted under federal decisional law to impose that obligation or responsibility upon such party to remedy the specific violation of the Equal Protection Clause of the 14th Amendment of the United States Constitution.

Except as may be precluded by the Constitution of the United States, every existing judgment, decree, writ, or other order of a court of this State, whenever rendered, which includes provisions regarding pupil school assignment or pupil transportation, or which requires a plan including any such provisions shall, upon application to a court having jurisdiction by any interested person, be modified to conform to the provisions of this subdivision as amended, as applied to the facts which exist at the time of such modification.

In all actions or proceedings arising under or seeking application of the amendments to this subdivision proposed by the Legislature at its 1979–80 Regular Session, all courts, wherein such actions or proceedings are or may hereafter be pending, shall give such actions or proceedings first precedence over all other civil actions therein.

Nothing herein shall prohibit the governing board of a school district from voluntarily continuing or commencing a school integration plan after the effective date of this subdivision as amended.

In amending this subdivision, the Legislature and people of the State of California find and declare that this amendment is necessary to serve compelling public interests, including those of making the most effective use of the limited financial resources now and prospectively available to support public education, maximizing the educational opportunities and protecting the health and safety of all public school pupils, enhancing the ability of parents to participate in the educational process, preserving harmony and tranquility in this State and its public schools, preventing the waste of scarce fuel resources, and protecting the environment.

[*Privileges and Immunities*]

(b) A citizen or class of citizens may not be granted privileges or immunities not granted on the same terms to all citizens. Privileges or immunities granted by the Legislature may be altered or revoked. [*As amended November 6, 1979.*]

[*Sex, Race, Etc., Not a Disqualification for Business*]

SEC. 8. A person may not be disqualified from entering or pursuing a business, profession, vocation, or employment because of sex, race, creed, color, or national or ethnic origin. [*Former Section 18 of Article XX, as renumbered and amended November 5, 1974.*]

SEC. 9. [*Repealed November 5, 1974. See Section 9, below.*]

[*Bill of Attainder—Ex Post Facto Law—Obligation of Contract*]

SEC. 9. A bill of attainder, ex post facto law, or law impairing the obligation of contracts may not be passed. [*New section adopted November 5, 1974.*]

SEC. 10. [*Repealed November 5, 1974. See Section 10, below.*]

[*Detention of Witnesses—No Imprisonment for Debt*]

SEC. 10. Witnesses may not be unreasonably detained. A person may not be imprisoned in a civil action for debt or tort, or in peacetime for a militia fine. [*New section adopted November 5, 1974.*]

SEC. 11. [*Repealed November 5, 1974. See Section 11, below.*]

[*Suspension of Habeas Corpus*]

SEC. 11. Habeas corpus may not be suspended unless required by public safety in cases of rebellion or invasion. [*New section adopted November 5, 1974.*]

[*Bail—Release on Own Recognizance*]

SEC. 12. A person shall be released on bail by sufficient sureties, except for:

(a) Capital crimes when the facts are evident or the presumption great;

(b) Felony offenses involving acts of violence on another person, or felony sexual assault offenses on another person, when the facts are evident or the presumption great and the court finds based upon clear and convincing evidence that there is a substantial likelihood the person's release would result in great bodily harm to others; or

(c) Felony offenses when the facts are evident or the presumption great and the court finds based on clear and convinving evidence that the person has threatened another with great bodily harm and that there is a substantial likelihood that the person would carry out the threat if released.

Excessive bail may not be required. In fixing the amount of bail, the court shall take into consideration the seriousness of the offense charged, the previous criminal record of the defendant, and the probability of his or her appearing at the trial or hearing of the case.

A person may be released on his or her own recognizance in the court's discretion. [*As amended November 8, 1994.*]

SEC. 13. [*Repealed November 5, 1974. See Section 13, below.*]

[*Unreasonable Seizure and Search—Warrant*]

SEC. 13. The right of the people to be secure in their persons, houses, papers, and effects against unreasonable seizures and searches may not be violated; and a warrant may not issue except on probable cause, supported by oath or affirmation, particularly describing the place to be searched and the persons and things to be seized. [*New section adopted November 5, 1974.*]

SEC. 14. [*Repealed November 5, 1974. See Section 14, below.*]

[*Felony Defendant Before Magistrate—Prosecutions*]

SEC. 14. Felonies shall be prosecuted as provided by law, either by indictment or, after examination and commitment by a magistrate, by information.

A person charged with a felony by complaint subscribed under penalty of perjury and on file in a court in the county where the felony is triable shall be taken without unnecessary delay before a magistrate of that court. The magistrate shall immediately give the defendant a copy of the complaint, inform the defendant of the defendant's right to counsel, allow the defendant a reasonable time to send for counsel, and on the defendant's request read the complaint to the defendant. On the defendant's request the magistrate shall require a peace officer to transmit within the county where the court is located a message to counsel named by defendant.

A person unable to understand English who is charged with a crime has a right to an interpreter throughout the proceedings. [*New section adopted November 5, 1974.*]

[*Felony—Prosecution by Indictment*]

SEC. 14.1. If a felony is prosecuted by indictment, there shall be no postindictment preliminary hearing. [*New section adopted June 5, 1990. Initiative measure.*]

SEC. 14½. [*Repealed November 5, 1974.*]

SEC. 15. [*Repealed November 5, 1974. See Section 15, below.*]

[*Criminal Prosecutions—Rights of Defendant—Due Process of Law—Jeopardy—Depositions—Assistance of Counsel*]

SEC. 15. The defendant in a criminal cause has the right to a speedy public trial, to compel attendance of witnesses in the defendant's behalf, to have the assistance of counsel for the defendant's defense, to be personally present with counsel, and to be confronted with the witnesses against the defendant. The Legislature may provide for the deposition of a witness in the presence of the defendant and the defendant's counsel.

Persons may not twice be put in jeopardy for the same offense, be compelled in a criminal cause to be a witness against themselves, or be deprived of life, liberty, or property without due process of law. [*New section adopted November 5, 1974.*]

[*Trial by Jury*]

SEC. 16. Trial by jury is an inviolate right and shall be secured to all, but in a civil cause three-fourths of the jury may render a verdict. A jury may be waived in a criminal cause by the consent of both parties expressed in open court by the defendant and the defendant's counsel. In a civil cause a jury may be waived by the consent of the parties expressed as prescribed by statute.

[*Number of Jurors in Civil Trials*]

In civil causes the jury shall consist of 12 persons or a lesser number agreed on by the parties in open court. In civil causes other than causes within the appellate jurisdiction of the court of appeal the Legislature may provide that the jury shall consist of eight persons or a lesser number agreed on by the parties in open court.

[*Number of Jurors in Criminal Trials*]

In criminal actions in which a felony is charged, the jury shall consist of 12 persons. In criminal actions in which a misdemeanor is charged, the jury shall consist of 12 persons or a lesser number agreed on by the parties in open court. [*As amended June 2, 1998.*]

SEC. 17. [*Repealed November 5, 1974. See Section 17, below.*]

[*Unusual Punishment—Excessive Fines*]

SEC. 17. Cruel or unusual punishment may not be inflicted or excessive fines imposed. [*New section adopted November 5, 1974.*]

SEC. 18. [*Repealed November 5, 1974. See Section 18, below.*]

[*Treason*]

SEC. 18. Treason against the State consists only in levying war against it, adhering to its enemies, or giving them aid and comfort. A person may not be convicted of treason except on the evidence of two witnesses to the same overt act or by confession in open court. [*New section adopted November 5, 1974.*]

SEC. 19. [*Repealed November 5, 1974. See Section 19, below.*]

[*Eminent Domain*]

SEC. 19. Private property may be taken or damaged for public use only when just compensation, ascertained by a jury unless waived, has first been paid to, or into court for, the owner. The Legislature may provide

for possession by the condemnor following commencement of eminent domain proceedings upon deposit in court and prompt release to the owner of money determined by the court to be the probable amount of just compensation. [*New section adopted November 5, 1974.*]

SEC. 20. [*Repealed November 5, 1974. See Section 20, below.*]

[*Rights of Noncitizens*]

SEC. 20. Noncitizens have the same property rights as citizens. [*New section adopted November 5, 1974.*]

SEC. 21. [*Repealed November 5, 1974. See Section 21, below.*]

[*Separate Property of Husband and Wife*]

SEC. 21. Property owned before marriage or acquired during marriage by gift, will, or inheritance is separate property. [*Former Section 8 of Article XX, as renumbered November 5, 1974.*]

SEC. 22. [*Repealed November 5, 1974. See Section 22, below.*]

[*No Property Qualification for Electors*]

SEC. 22. The right to vote or hold office may not be conditioned by a property qualification. [*New section adopted November 5, 1974.*]

SEC. 23. [*Repealed November 5, 1974. See Section 23, below.*]

[*Grand Juries*]

SEC. 23. One or more grand juries shall be drawn and summoned at least once a year in each county. [*New section adopted November 5, 1974.*]

[*Constitutional Rights—Rights Reserved*]

SEC. 24. Rights guaranteed by this Constitution are not dependent on those guaranteed by the United States Constitution.

In criminal cases the rights of a defendant to equal protection of the laws, to due process of law, to the assistance of counsel, to be personally present with counsel, to a speedy and public trial, to compel the attendance of witnesses, to confront the witnesses against him or her, to be free from unreasonable searches and seizures, to privacy, to not be compelled to be a witness against himself or herself, to not be placed twice in jeopardy for the same offense, and to not suffer the imposition of cruel or unusual punishment, shall be construed by the courts of this State in a manner consistent with the Constitution of the United States. This Constitution shall not be construed by the courts to afford greater rights to criminal defendants than those afforded by the Constitution of the United States, nor shall it be construed to afford greater rights to minors in juvenile proceedings on criminal causes than those afforded by the Constitution of the United States.

This declaration of rights may not be construed to impair or deny others retained by the people. [*As amended June 5, 1990. Initiative measure.*]

[*Right to Fish*]

SECTION 25. The people shall have the right to fish upon and from the public lands of the State and in the waters thereof, excepting upon lands set aside for fish hatcheries, and no land owned by the State shall ever be sold or transferred without reserving in the people the absolute right to fish thereupon; and no law shall ever be passed making it a crime for the people to enter upon the public lands within this State for the purpose of fishing in any water containing fish that have been planted therein by the State; *provided*, that the Legislature may by statute, provide for the season when and the conditions under which the different species of fish may be taken. [*New section adopted November 8, 1910.*]

SEC. 26. [*Renumbered Section 1 of Article II June 8, 1976. See Section 26, below.*]

[*Constitution Mandatory and Prohibitory*]

SEC. 26. The provisions of this Constitution are mandatory and prohibitory, unless by express words they are declared to be otherwise. [*Former Section 28, as renumbered June 8, 1976.*]

SEC. 26a. [*Repealed November 8, 1949.*]

[*Death Penalty*]

SEC. 27. All statutes of this State in effect on February 17, 1972, requiring, authorizing, imposing, or relating to the death penalty are in full force and effect, subject to legislative amendment or repeal by statute, initiative, or referendum.

The death penalty provided for under those statutes shall not be deemed to be, or to constitute, the infliction of cruel or unusual punishments within the meaning of Article 1, Section 6 nor shall such punishment for such offenses be deemed to contravene any other provision of this constitution. [*New section adopted November 7, 1972. Initiative measure.*]

[*"The Victims' Bill of Rights"*]

SEC. 28. (a) The People of the State of California find and declare that the enactment of comprehensive provisions and laws ensuring a bill of rights for victims of crime, including safeguards in the criminal justice system to fully protect those rights, is a matter of grave statewide concern.

The rights of victims pervade the criminal justice system, encompassing not only the right to restitution from the wrongdoers for financial losses suffered as a result of criminal acts, but also the more basic expectation that persons who commit felonious acts causing injury to innocent victims

will be appropriately detained in custody, tried by the courts, and sufficiently punished so that the public safety is protected and encouraged as a goal of highest importance.

Such public safety extends to public primary, elementary, junior high, and senior high school campuses, where students and staff have the right to be safe and secure in their persons.

To accomplish these goals, broad reforms in the procedural treatment of accused persons and the disposition and sentencing of convicted persons are necessary and proper as deterrents to criminal behavior and to serious disruption of people's lives.

(b) Restitution. It is the unequivocal intention of the People of the State of California that all persons who suffer losses as a result of criminal activity shall have the right to restitution from the persons convicted of the crimes for losses they suffer.

Restitution shall be ordered from the convicted persons in every case, regardless of the sentence or disposition imposed, in which a crime victim suffers a loss, unless compelling and extraordinary reasons exist to the contrary. The Legislature shall adopt provisions to implement this section during the calendar year following adoption of this section.

(c) Right to Safe Schools. All students and staff of public primary, elementary, junior high and senior high schools have the inalienable right to attend campuses which are safe, secure and peaceful.

(d) Right to Truth-in-Evidence. Except as provided by statute hereafter enacted by a two-thirds vote of the membership in each house of the Legislature, relevant evidence shall not be excluded in any criminal proceeding, including pretrial and post conviction motions and hearings, or in any trial or hearing of a juvenile for a criminal offense, whether heard in juvenile or adult court. Nothing in this section shall affect any existing statutory rule of evidence relating to privilege or hearsay, or Evidence Code, Sections 352, 782 or 1103. Nothing in this section shall affect any existing statutory or constitutional right of the press.

(e) Public Safety Bail. A person may be released on bail by sufficient sureties, except for capital crimes when the facts are evident or the presumption great. Excessive bail may not be required. In setting, reducing or denying bail, the judge or magistrate shall take into consideration the protection of the public, the seriousness of the offense charged, the previous criminal record of the defendant, and the probability of his or her appearing at the trial or hearing of the case. Public safety shall be the primary consideration.

A person may be released on his or her own recognizance in the court's discretion, subject to the same factors considered in setting bail. However, no person charged with the commission of any serious felony shall be released on his or her own recognizance.

Before any person arrested for a serious felony may be released on bail, a hearing may be held before the magistrate or judge, and the prosecuting attorney shall be given notice and reasonable opportunity to be heard on the matter.

When a judge or magistrate grants or denies bail or release on a person's own recognizance, the reasons for that decision shall be stated in the record and included in the court's minutes.

(f) Use of Prior Convictions. Any prior felony conviction of any person in any criminal proceeding, whether adult or juvenile, shall subsequently be used without limitation for purposes of impeachment or enhancement of sentence in any criminal proceeding. When a prior felony conviction is an element of any felony offense, it shall be proven to the trier of fact in open court.

(g) As used in this article, the term ''serious felony'' is any crime defined in Penal Code, Section 1192.7(c). [*New section adopted June 8, 1982. Initiative measure.*]

[*Criminal Cases—Due Process of Law—Speedy and Public Trial*]

SEC. 29. In a criminal case, the people of the State of California have the right to due process of law and to a speedy and public trial. [*New section adopted June 5, 1990. Initiative measure.*]

[*Criminal Cases—Jointure-Hearsay Evidence—Discovery*]

SEC. 30. (a) This Constitution shall not be construed by the courts to prohibit the joining of criminal cases as prescribed by the Legislature or by the people through the initiative process.

(b) In order to protect victims and witnesses in criminal cases, hearsay evidence shall be admissible at preliminary hearings, as prescribed by the Legislature or by the people through the initiative process.

(c) In order to provide for fair and speedy trials, discovery in criminal cases shall be reciprocal in nature, as prescribed by the Legislature or by the people through the initiative process. [*New section adopted June 5, 1990. Initiative measure.*]

[*Prohibition Against Discrimination or Preferential Treatment*]

SEC. 31. (a) The State shall not discriminate against, or grant preferential treatment to, any individual or group on the basis of race, sex, color, ethnicity, or national origin in the operation of public employment, public education, or public contracting.

(b) This section shall apply only to action taken after the section's effective date.

(c) Nothing in this section shall be interpreted as prohibiting bona fide qualifications based on sex which are reasonably necessary to the normal operation of public employment, public education, or public contracting.

(d) Nothing in this section shall be interpreted as invalidating any court order or consent decree which is in force as of the effective date of this section.

(e) Nothing in this section shall be interpreted as prohibiting action which must be taken to establish or maintain eligibility for any federal program, where ineligibility would result in a loss of federal funds to the State.

(f) For the purposes of this section, ''State'' shall include, but not necessarily be limited to, the State itself, any city, county, city and county, public university system, including the University of California, community college district, school district, special district, or any other political subdivision or governmental instrumentality of or within the State.

(g) The remedies available for violations of this section shall be the same, regardless of the injured party's race, sex, color, ethnicity, or national origin, as are otherwise available for violations of then-existing California antidiscrimination law.

(h) This section shall be self-executing. If any part or parts of this section are found to be in conflict with federal law or the United States Constitution, the section shall be implemented to the maximum extent that federal law and the United States Constitution permit. Any provision held invalid shall be severable from the remaining portions of this section. [*New section adopted November 5, 1996. Initiative measure.*]

ARTICLE II. [*Repealed November 7, 1972. See Article II, below.*]

ARTICLE II*

VOTING, INITIATIVE AND REFERENDUM, AND RECALL

[*Heading as amended June 8, 1976.*]

SEC. 1. [*Renumbered Section 2 June 8, 1976. See Section 1, below.*]

[*Purpose of Government*]

SECTION 1. All political power is inherent in the people. Government is instituted for their protection, security, and benefit, and they have the right to alter or reform it when the public good may require. [*Former Section 26 of Article I, as renumbered June 8, 1976.*]

SEC. 1½. [*Repealed November 7, 1972.*]

SEC. 2. [*Renumbered Section 3 June 8, 1976. See Section 2, below.*]

[*Right to Vote*]

SEC. 2. A United States citizen 18 years of age and resident in this State may vote. [*Former Section 1, as renumbered June 8, 1976.*]

* New Article II adopted November 7, 1972.

SEC. 2.5. [*Repealed November 7, 1972.*]

SEC. 2¾. [*Repealed November 7, 1972.*]

SEC. 3. [*Renumbered Section 4 June 8, 1976. See Section 3, below.*]

[*Residence—Registration—Free Elections*]

SEC. 3. The Legislature shall define residence and provide for registration and free elections. [*Former Section 2, as renumbered June 8, 1976.*]

SEC. 4. [*Renumbered Section 5 June 8, 1976. See Section 4, below.*]

[*Improper Practices That Affect Elections—Mentally Incompetent, Etc.*]

SEC. 4. The Legislature shall prohibit improper practices that affect elections and shall provide for the disqualification of electors while mentally incompetent or imprisoned or on parole for the conviction of a felony. [*Former Section 3, as renumbered June 8, 1976.*]

SEC. 5. [*Renumbered Section 6 June 8, 1976. See Section 5, below.*]

[*Primary Elections for Partisan Offices—Open Presidential Primary*]

SEC. 5. The Legislature shall provide for primary elections for partisan offices, including an open presidential primary whereby the candidates on the ballot are those found by the Secretary of State to be recognized candidates throughout the nation or throughout California for the office of President of the United States, and those whose names are placed on the ballot by petition, but excluding any candidate who has withdrawn by filing an affidavit of noncandidacy. [*Former Section 4, as renumbered June 8, 1976.*]

[*Nonpartisan Offices*]

SEC. 6. (a) All judicial, school, county, and city offices shall be nonpartisan.

(b) No political party or party central committee may endorse, support, or oppose a candidate for nonpartisan office. [*As amended June 3, 1986.*]

[*Voting—Secret*]

SEC. 7. Voting shall be secret. [*Former Section 6, as renumbered June 8, 1976.*]

[*Initiative*]

SEC. 8. (a) The initiative is the power of the electors to propose statutes and amendments to the Constitution and to adopt or reject them.

(b) An initiative measure may be proposed by presenting to the Secretary of State a petition that sets forth the text of the proposed statute or amendment to the Constitution and is certified to have been signed by electors equal in number to 5 percent in the case of a statute, and 8 percent

in the case of an amendment to the Constitution, of the votes for all candidates for Governor at the last gubernatorial election.

(c) The Secretary of State shall then submit the measure at the next general election held at least 131 days after it qualifies or at any special statewide election held prior to that general election. The Governor may call a special statewide election for the measure.

(d) An initiative measure embracing more than one subject may not be submitted to the electors or have any effect.

(e) An initiative measure may not include or exclude any political subdivision of the State from the application or effect of its provisions based upon approval or disapproval of the initiative measure, or based upon the casting of a specified percentage of votes in favor of the measure, by the electors of that political subdivision.

(f) An initiative measure may not contain alternative or cumulative provisions wherein one or more of those provisions would become law depending upon the casting of a specified percentage of votes for or against the measure. [*As amended June 2, 1998.*]

[*Referendum*]

SEC. 9. (a) The referendum is the power of the electors to approve or reject statutes or parts of statutes except urgency statutes, statutes calling elections, and statutes providing for tax levies or appropriations for usual current expenses of the State.

(b) A referendum measure may be proposed by presenting to the Secretary of State, within 90 days after the enactment date of the statute, a petition certified to have been signed by electors equal in number to 5 percent of the votes for all candidates for Governor at the last gubernatorial election, asking that the statute or part of it be submitted to the electors. In the case of a statute enacted by a bill passed by the Legislature on or before the date the Legislature adjourns for a joint recess to reconvene in the second calendar year of the biennium of the legislative session, and in the possession of the Governor after that date, the petition may not be presented on or after January 1 next following the enactment date unless a copy of the petition is submitted to the Attorney General pursuant to subdivision (d) of Section 10 of Article II before January 1.

(c) The Secretary of State shall then submit the measure at the next general election held at least 31 days after it qualifies or at a special statewide election held prior to that general election. The Governor may call a special statewide election for the measure. [*As amended June 5, 1990.*]

[*Initiative and Referendum—Vote and Effective Date—Conflicts—Legislative Repeal or Amendment—Titling*]

SEC. 10. (a) An initiative statute or referendum approved by a majority of votes thereon takes effect the day after the election unless the

measure provides otherwise. If a referendum petition is filed against a part of a statute the remainder shall not be delayed from going into effect.

(b) If provisions of 2 or more measures approved at the same election conflict, those of the measure receiving the highest affirmative vote shall prevail.

(c) The Legislature may amend or repeal referendum statutes. It may amend or repeal an initiative statute by another statute that becomes effective only when approved by the electors unless the initiative statute permits amendment or repeal without their approval.

(d) Prior to circulation of an initiative or referendum petition for signatures, a copy shall be submitted to the Attorney General who shall prepare a title and summary of the measure as provided by law.

(e) The Legislature shall provide the manner in which petitions shall be circulated, presented, and certified, and measures submitted to the electors. [*Former Section 24 of Article IV, as renumbered June 8, 1976.*]

[*Initiative and Referendum—Cities or Counties*]

SEC. 11. (a) Initiative and referendum powers may be exercised by the electors of each city or county under procedures that the Legislature shall provide. Except as provided in subdivisions (b) and (c), this section does not affect a city having a charter.

(b) A city or county initiative measure may not include or exclude any part of the city or county from the application or effect of its provisions based upon approval or disapproval of the initiative measure, or based upon the casting of a specified percentage of votes in favor of the measure, by the electors of the city or county or any part thereof.

(c) A city or county initiative measure may not contain alternative or cumulative provisions wherein one or more of those provisions would become law depending upon the casting of a specified percentage of votes for or against the measure. [*As amended June 2, 1998.*]

[*Naming Individual or Private Corporation to Office or Duty Prohibited*]

SEC. 12. No amendment to the Constitution, and no statute proposed to the electors by the Legislature or by initiative, that names any individual to hold any office, or names or identifies any private corporation to perform any function or to have any power or duty, may be submitted to the electors or have any effect. [*Former Section 26 of Article IV, as renumbered June 8, 1976.*]

[*Recall Defined*]

SEC. 13. Recall is the power of the electors to remove an elective officer. [*New section adopted June 8, 1976.*]

[*Recall Petitions*]

SEC. 14. (a) Recall of a state officer is initiated by delivering to the Secretary of State a petition alleging reason for recall. Sufficiency of reason is not reviewable. Proponents have 160 days to file signed petitions.

(b) A petition to recall a statewide officer must be signed by electors equal in number to 12 percent of the last vote for the office, with signatures from each of 5 counties equal in number to 1 percent of the last vote for the office in the county. Signatures to recall Senators, members of the Assembly, members of the Board of Equalization, and judges of courts of appeal and trial courts must equal in number 20 percent of the last vote for the office.

(c) The Secretary of State shall maintain a continuous count of the signatures certified to that office. [*New section adopted June 8, 1976.*]

[*Recall Elections*]

SEC. 15. (a) An election to determine whether to recall an officer and, if appropriate, to elect a successor shall be called by the Governor and held not less than 60 days nor more than 80 days from the date of certification of sufficient signatures.

(b) A recall election may be conducted within 180 days from the date of certification of sufficient signatures in order that the election may be consolidated with the next regularly scheduled election occurring wholly or partially within the same jurisdiction in which the recall election is held, if the number of voters eligible to vote at that next regularly scheduled election equal at least 50 percent of all the voters eligible to vote at the recall election.

(c) If the majority vote on the question is to recall, the officer is removed and, if there is a candidate, the candidate who receives a plurality is the successor. The officer may not be a candidate, nor shall there be any candidacy for an office filled pursuant to subdivision (d) of Section 16 of Article VI. [*As amended November 8, 1994.*]

[*Legislature to Provide for Petitions, Etc.*]

SEC. 16. The Legislature shall provide for circulation, filing, and certification of petitions, nomination of candidates, and the recall election. [*New section adopted June 8, 1976.*]

[*Recall of Governor or Secretary of State*]

SEC. 17. If recall of the Governor or Secretary of State is initiated, the recall duties of that office shall be performed by the Lieutenant Governor or Controller, respectively. [*New section adopted June 8, 1976.*]

[*Reimbursement of Recall Election Expenses*]

SEC. 18. A state officer who is not recalled shall be reimbursed by the State for the officer's recall election expenses legally and personally in-

curred. Another recall may not be initiated against the officer until six months after the election. [*New section adopted June 8, 1976.*]

[*Recall of Local Officers*]

SEC. 19. The Legislature shall provide for recall of local officers. This section does not affect counties and cities whose charters provide for recall. [*New section adopted June 8, 1976.*]

[*Terms of Elective Offices*]

SEC. 20. Terms of elective offices provided for by this Constitution, other than Members of the Legislature, commence on the Monday after January 1 following election. The election shall be held in the last even-numbered year before the term expires. [*New section adopted June 8, 1976.*]

ARTICLE III. [*Repealed November 7, 1972. See Article III, below.*]

ARTICLE III*

STATE OF CALIFORNIA

[*United States Constitution Supreme Law*]

SEC. 1. The State of California is an inseparable part of the United States of America, and the United States Constitution is the supreme law of the land. [*New section adopted November 7, 1972.*]

[*Boundaries of the State—Sacramento Seat of Government*]

SEC. 2. The boundaries of the State are those stated in the Constitution of 1849 as modified pursuant to statute. Sacramento is the capital of California. [*New section adopted November 7, 1972.*]

[*Separation of Powers*]

SEC. 3. The powers of state government are legislative, executive, and judicial. Persons charged with the exercise of one power may not exercise either of the others except as permitted by this Constitution. [*New section adopted November 7, 1972.*]

[*Administrative Agencies: Declaration Statute Unenforceable or Unconstitutional Prohibited*]

SEC. 3.5. An administrative agency, including an administrative agency created by the Constitution or an initiative statute, has no power:

(a) To declare a statute unenforceable, or refuse to enforce a statute, on the basis of it being unconstitutional unless an appellate court has made a determination that such statute is unconstitutional;

* New Article III adopted November 7, 1972.

(b) To declare a statute unconstitutional;
(c) To declare a statute unenforceable, or to refuse to enforce a statute on the basis that federal law or federal regulations prohibit the enforcement of such statute unless an appellate court has made a determination that the enforcement of such statute is prohibited by federal law or federal regulations. [*New section adopted June 6, 1978.*]

[*Salaries of Elected State Officers—Salaries of Judges*]

SEC. 4. (a) Except as provided in subdivision (b), salaries of elected state officers may not be reduced during their term of office. Laws that set these salaries are appropriations.

(b) Beginning on January 1, 1981, the base salary of a judge of a court of record shall equal the annual salary payable as of July 1, 1980, for that office had the judge been elected in 1978. The Legislature may prescribe increases in those salaries during a term of office, and it may terminate prospective increases in those salaries at any time during a term of office, but it shall not reduce the salary of a judge during a term of office below the highest level paid during that term of office. Laws setting the salaries of judges shall not constitute an obligation of contract pursuant to Section 9 of Article I or any other provision of law. [*As amended November 4, 1980.*]

[*Suits Against State*]

SEC. 5. Suits may be brought against the State in such manner and in such courts as shall be directed by law. [*New section adopted November 7, 1972.*]

[*Official State Language*]

SEC. 6. (a) Purpose.

English is the common language of the people of the United States of America and the State of California. This section is intended to preserve, protect and strengthen the English language, and not to supersede any of the rights guaranteed to the people by this Constitution.

(b) English as the Official Language of California.

English is the official language of the State of California.

(c) Enforcement.

The Legislature shall enforce this section by appropriate legislation. The Legislature and officials of the State of California shall take all steps necessary to insure that the role of English as the common language of the State of California is preserved and enhanced. The Legislature shall make no law which diminishes or ignores the role of English as the common language of the State of California.

(d) Personal Right of Action and Jurisdiction of Courts.

Any person who is a resident of or doing business in the State of California shall have standing to sue the State of California to enforce this section, and the Courts of record of the State of California shall have jurisdiction to hear cases brought to enforce this section. The Legislature may provide reasonable and appropriate limitations on the time and manner of suits brought under this section. [*New section adopted November 4, 1986. Initiative measure.*]

[*Retirement Benefits for Elected Constitutional Officers*]

SEC. 7. (a) The retirement allowance for any person, all of whose credited service in the Legislators' Retirement System was rendered or was deemed to have been rendered as an elective officer of the State whose office is provided for by the California Constitution, other than a judge and other than a Member of the Senate or Assembly, and all or any part of whose retirement allowance is calculated on the basis of the compensation payable to the officer holding the office which the member last held prior to retirement, or for the survivor or beneficiary of such a person, shall not be increased or affected in any manner by changes on or after November 5, 1986, in the compensation payable to the officer holding the office which the member last held prior to retirement.

(b) This section shall apply to any person, survivor, or beneficiary described in subdivision (a) who receives, or is receiving, from the Legislators' Retirement System a retirement allowance on or after November 5, 1986, all or any part of which allowance is calculated on the basis of the compensation payable to the officer holding the office which the member last held prior to retirement.

(c) It is the intent of the people, in adopting this section, to restrict retirement allowances to amounts reasonably to be expected by certain members and retired members of the Legislators' Retirement System and to preserve the basic character of earned retirement benefits while prohibiting windfalls and unforeseen advantages which have no relation to the real theory and objective of a sound retirement system. It is not the intent of this section to deny any member, retired member, survivor, or beneficiary a reasonable retirement allowance. Thus, this section shall not be construed as a repudiation of a debt nor the impairment of a contract for a substantial and reasonable retirement allowance from the Legislators' Retirement System.

(d) The people and the Legislature hereby find and declare that the dramatic increase in the retirement allowances of persons described in subdivision (a) which would otherwise result when the compensation for those offices increases on November 5, 1986, or January 5, 1987, are not benefits which could have reasonably been expected. The people and the Legislature further find and declare that the Legislature did not intend to

provide in its scheme of compensation for those offices such windfall benefits. [*New section adopted November 4, 1986.*]

[*California Citizens Compensation Commission*]

SEC. 8. (a) The California Citizens Compensation Commission is hereby created and shall consist of seven members appointed by the Governor. The commission shall establish the annual salary and the medical dental, insurance, and other similar benefits of state officers.

(b) The commission shall consist of the following persons:

(1) Three public members, one of whom has expertise in the area of compensation, such as an economist, market researcher, or personnel manager; one of whom is a member of a nonprofit public interest organization; and one of whom is representative of the general population and may include, among others, a retiree, homemaker, or person of median income. No person appointed pursuant to this paragraph may, during the 12 months prior to his or her appointment, have held public office, either elective or appointive, have been a candidate for elective public office, or have been a lobbyist, as defined by the Political Reform Act of 1974.

(2) Two members who have experience in the business community, one of whom is an executive of a corporation incorporated in this State which ranks among the largest private sector employers in the State based on the number of employees employed by the corporation in this State and one of whom is an owner of a small business in this State.

(3) Two members, each of whom is an officer or member of a labor organization.

(c) The Governor shall strive insofar as practicable to provide a balanced representation of the geographic, gender, racial, and ethnic diversity of the State in appointing commission members.

(d) The Governor shall appoint commission members and designate a chairperson for the commission not later than 30 days after the effective date of this section. The terms of two of the initial appointees shall expire on December 31, 1992, two on December 31, 1994, and three on December 31, 1996, as determined by the Governor. Thereafter, the term of each member shall be six years. Within 15 days of any vacancy, the Governor shall appoint a person to serve the unexpired portion of the term.

(e) No current or former officer or employee of this State is eligible for appointment to the commission.

(f) Public notice shall be given of all meetings of the commission, and the meetings shall be open to the public.

(g) On or before December 3, 1990, the commission shall, by a single resolution adopted by a majority of the membership of the commission, establish the annual salary and the medical, dental, insurance, and other similar benefits of state officers. The annual salary and benefits specified in that resolution shall be effective on and after December 3, 1990.

Thereafter, at or before the end of each of each fiscal year, the commission shall, by a single resolution adopted by a majority of the membership of the commission, adjust the annual salary and the medical, dental, insurance, and other similar benefits of state officers. The annual salary and benefits specified in the resolution shall be effective on and after the first Monday of the next December.

(h) In establishing or adjusting the annual salary and the medical, dental, insurance, and other similar benefits, the commission shall consider all of the following:

(1) The amount of time directly or indirectly related to the performance of the duties, functions, and services of a state officer.

(2) The amount of the annual salary and the medical, dental, insurance, and other similar benefits for other elected and appointed officers and officials in this State with comparable responsibilities, the judiciary, and, to the extent practicable, the private sector, recognizing, however, that state officers do not receive, and do not expect to receive, compensation at the same levels as individuals in the private sector with comparable experience and responsibilities.

(3) The responsibility and scope of authority of the entity in which the state officer serves.

(i) Until a resolution establishing or adjusting the annual salary and the medical, dental, insurance, and other similar benefits for state officers takes effect, each state officer shall continue to receive the same annual salary and the medical, dental, insurance, and other similar benefits received previously.

(j) All commission members shall receive their actual and necessary expenses, including travel expenses, incurred in the performance of their duties. Each member shall be compensated at the same rate as members, other than the chairperson, of the Fair Political Practices Commission, or its successor, for each day engaged in official duties, not to exceed 45 days per year.

(k) It is the intent of the Legislature that the creation of the commission should not generate new state costs for staff and services. The Department of Personnel Administration, the Board of Administration of the Public Employees' Retirement System, or other appropriate agencies, or their successors, shall furnish, from existing resources, staff and services to the commission as needed for the performance of its duties.

(*l*) "State officer," as used in this section, means the Governor, Lieutenant Governor, Attorney General, Controller, Insurance Commissioner, Secretary of State, Superintendent of Public Instruction, Treasurer, member of the State Board of Equalization, and Member of the Legislature. [*New section adopted June 5, 1990.*]

ARTICLE IV

LEGISLATIVE

[*Heading as amended November 8, 1966.*]

SECTION 1. [*Repealed November 8, 1966. See Section 1, below.*]

[*Legislative Power*]

SEC. 1. The legislative power of this State is vested in the California Legislature which consists of the Senate and Assembly, but the people reserve to themselves the powers of initiative and referendum. [*New section adopted November 8, 1966.*]

SEC. 1a. [*Renumbered Section 20 of Article XIII and amended November 8, 1966.*]

SEC. 1b. [*Repealed November 8, 1966.*]

SEC. 1c. [*Repealed November 8, 1966.*]

SEC. 1d. [*Repealed November 8, 1966.*]

[*Legislators—Limitation on Incumbency—Restriction of Retirement Benefits— Limitation of Staff and Support Services—Number of Terms*]

SEC. 1.5. The people find and declare that the Founding Fathers established a system of representative government based upon free, fair, and competitive elections. The increased concentration of political power in the hands of incumbent representatives has made our electoral system less free, less competitive, and less representative.

The ability of legislators to serve unlimited number of terms, to establish their own retirement system, and to pay for staff and support services at state expense contribute heavily to the extremely high number of incumbents who are reelected. These unfair incumbent advantages discourage qualified candidates from seeking public office and create a class of career politicians, instead of the citizen representatives envisioned by the Founding Fathers. These career politicians become representatives of the bureaucracy, rather than of the people whom they are elected to represent.

To restore a free and democratic system of fair elections, and to encourage qualified candidates to seek public office, the people find and declare that the powers of incumbency must be limited. Retirement benefits must be restricted, state-financed incumbent staff and support services limited, and limitations placed upon the number of terms which may be served. [*New section adopted November 6, 1990. Initiative measure.*]

[*Senate and Assembly—Membership—Elections—Number of Terms—Qualifications—Vacancies*]

SEC. 2. (a) The Senate has a membership of 40 Senators elected for 4-year terms, 20 to begin every 2 years. No Senator may serve more than 2 terms.

The Assembly has a membership of 80 members elected for 2-year terms. No member of the Assembly may serve more than 3 terms.

Their terms shall commence on the first Monday in December next following their election.

(b) Election of members of the Assembly shall be on the first Tuesday after the first Monday in November of even-numbered years unless otherwise prescribed by the Legislature. Senators shall be elected at the same time and places as members of the Assembly.

(c) A person is ineligible to be a member of the Legislature unless the person is an elector and has been a resident of the legislative district for one year, and a citizen of the United States and a resident of California for 3 years, immediately preceding the election.

(d) When a vacancy occurs in the Legislature the Governor immediately shall call an election to fill the vacancy. [*As amended November 6, 1990. Initiative measure.*]

[*Legislative Sessions—Regular and Special Sessions*]

SEC. 3. (a) The Legislature shall convene in regular session at noon on the first Monday in December of each even-numbered year and each house shall immediately organize. Each session of the Legislature shall adjourn sine die by operation of the Constitution at midnight on November 30 of the following even-numbered year.

(b) On extraordinary occasions the Governor by proclamation may cause the Legislature to assemble in special session. When so assembled it has power to legislate only on subjects specified in the proclamation but may provide for expenses and other matters incidental to the session. [*As amended June 8, 1976.*]

[*Legislators—Conflict of Interest—Prohibited Compensation—Earned Income*]

SEC. 4. (a) To eliminate any appearance of a conflict with the proper discharge of his or her duties and responsibilities, no Member of the Legislature may knowingly receive any salary, wages, commissions, or other similar earned income from a lobbyist or lobbying firm, as defined by the Political Reform Act of 1974, or from a person who, during the previous 12 months, has been under a contract with the Legislature. The Legislature shall enact laws that define earned income. However, earned income does not include any community property interest in the income of a spouse. Any Member who knowingly receives any salary, wages, commissions, or other similar earned income from a lobbyist employer, as defined by the

Political Reform Act of 1974, may not, for a period of one year following its receipt, vote upon or make, participate in making, or in any way attempt to use his or her official position to influence an action or decision before the Legislature, other than an action or decision involving a bill described in subdivision (c) of Section 12 of this article, which he or she knows, or has reason to know, would have a direct and significant financial impact on the lobbyist employer and would not impact the public generally or a significant segment of the public in a similar manner. As used in this subdivision, ''public generally'' includes an industry, trade, or profession.

[*Legislators—Travel and Living Expenses*]

(b) Travel and living expenses for Members of the Legislature in connection with their official duties shall be prescribed by statute passed by rollcall vote entered in the journal, two-thirds of the membership of each house concurring. A Member may not receive travel and living expenses during the times that the Legislature is in recess for more than three calendar days, unless the Member is traveling to or from, or is in attendance at, any meeting of a committee of which he or she is a member, or a meeting, conference, or other legislative function or responsibility as authorized by the rules of the house of which he or she is a member, which is held at a location at least 20 miles from his or her place of residence.

[*Legislators—Retirement*]

(c) The Legislature may not provide retirement benefits based on any portion of a monthly salary in excess of five hundred dollars ($500) paid to any Member of the Legislature unless the Member receives the greater amount while serving as a Member in the Legislature. The Legislature may, prior to their retirement, limit the retirement benefits payable to Members of the Legislature who serve during or after the term commencing in 1967.

When computing the retirement allowance of a Member who serves in the Legislature during the term commencing in 1967 or later, allowance may be made for increases in cost of living if so provided by statute, but only with respect to increases in the cost of living occurring after retirement of the Member. However, the Legislature may provide that no Member shall be deprived of a cost of living adjustment based on a monthly salary of five hundred dollars ($500) which has accrued prior to the commencement of the 1967 Regular Session of the Legislature. [*As amended June 5, 1990.*]

[*Legislators—Retirement*]

SEC. 4.5. Notwithstanding any other provision of this Constitution or existing law, a person elected to or serving in the Legislature on or after November 1, 1990, shall participate in the Federal Social Security (Retirement, Disability, Health Insurance) Program and the State shall pay

only the employer's share of the contribution necessary to such participation. No other pension or retirement benefit shall accrue as a result of service in the Legislature, such service not being intended as a career occupation. This Section shall not be construed to abrogate or diminish any vested pension or retirement benefit which may have accrued under an existing law to a person holding or having held office in the Legislature, but upon adoption of this Act no further entitlement to nor vesting in any existing program shall accrue to any such person, other than Social Security to the extent herein provided. [*New section adopted November 6, 1990. Initiative measure.*]

[*Legislators—Qualifications—Expulsion*]

SEC. 5. (a) Each house shall judge the qualifications and elections of its Members and, by rollcall vote entered in the journal, two thirds of the membership concurring, may expel a Member.

[*Legislators—Honoraria*]

(b) No Member of the Legislature may accept any honorarium. The Legislature shall enact laws that implement this subdivision.

[*Legislators—Gifts—Conflict of Interest*]

(c) The Legislature shall enact laws that ban or strictly limit the acceptance of a gift by a Member of the Legislature from any source if the acceptance of the gift might create a conflict of interest.

[*Legislators—Prohibited Compensation or Activity*]

(d) No Member of the Legislature may knowingly accept any compensation for appearing, agreeing to appear, or taking any other action on behalf of another person before any state government board or agency. If a Member knowingly accepts any compensation for appearing, agreeing to appear, or taking any other action on behalf of another person before any local government board or agency, the Member may not, for a period of one year following the acceptance of the compensation, vote upon or make, participate in making, or in any way attempt to use his or her official position to influence an action or decision before the Legislature, other than an action or decision involving a bill described in subdivision (c) of Section 12 of this article, which he or she knows, or has reason to know, would have a direct and significant financial impact on that person and would not impact the public generally or a significant segment of the public in a similar manner. As used in this subdivision, ''public generally'' includes an industry, trade, or profession. However, a Member may engage in activities involving a board or agency which are strictly on his or her own behalf, appear in the capacity of an attorney before any court or the Workers' Compensation Appeals Board, or act as an advocate without compensation or make an inquiry for information on behalf of a person be-

fore a board or agency. This subdivision does not prohibit any action of a partnership or firm of which the Member is a member if the Member does not share directly or indirectly in the fee, less any expenses attributable to that fee, resulting from that action.

[*Legislators—Lobbying*]

(e) The Legislature shall enact laws that prohibit a Member of the Legislature whose term of office commences on or after December 3, 1990, from lobbying, for compensation, as governed by the Political Reform Act of 1974, before the Legislature for 12 months after leaving office.

[*Legislators—Conflict of Interest*]

(f) The Legislature shall enact new laws, and strengthen the enforcement of existing laws, prohibiting Members of the Legislature from engaging in activities or having interests which conflict with the proper discharge of their duties and responsibilities. However, the people reserve to themselves the power to implement this requirement pursuant to Article II. [*As amended June 5, 1990. Subdivision (b) operative December 3, 1990.*]

SEC. 6. [*Repealed June 3, 1980. See Section 6, below.*]

[*Senatorial and Assembly Districts*]

SEC. 6. For the purpose of choosing members of the Legislature, the State shall be divided into 40 Senatorial and 80 Assembly districts to be called Senatorial and Assembly Districts. Each Senatorial district shall choose one Senator and each Assembly district shall choose one member of the Assembly. [*New section adopted June 3, 1980.*]

[*House Rules—Officers—Quorum*]

SEC. 7. (a) Each house shall choose its officers and adopt rules for its proceedings. A majority of the membership constitutes a quorum, but a smaller number may recess from day to day and compel the attendance of absent members.

[*Journals*]

(b) Each house shall keep and publish a journal of its proceedings. The rollcall vote of the members on a question shall be taken and entered in the journal at the request of 3 members present.

[*Public Proceedings—Closed Sessions*]

(c) (1) The proceedings of each house and the committees thereof shall be open and public. However, closed sessions may be held solely for any of the following purposes:

(A) To consider the appointment, employment, evaluation of performance, or dismissal of a public officer or employee, to consider or hear complaints or charges brought against a Member of the Legislature or

other public officer or employee, or to establish the classification or compensation of an employee of the Legislature.

(B) To consider matters affecting the safety and security of Members of the Legislature or its employees or the safety and security of any buildings and grounds used by the Legislature.

(C) To confer with, or receive advice from, its legal counsel regarding pending or reasonably anticipated, or whether to initiate, litigation when discussion in open session would not protect the interests of the house or committee regarding the litigation.

(2) A caucus of the Members of the Senate, the Members of the Assembly, or the Members of both houses, which is composed of the members of the same political party, may meet in closed session.

(3) The Legislature shall implement this subdivision by concurrent resolution adopted by rollcall vote entered in the journal, two-thirds of the membership of each house concurring, or by statute, and shall prescribe that, when a closed session is held pursuant to paragraph (1), reasonable notice of the closed session and the purpose of the closed session shall be provided to the public. If there is a conflict between a concurrent resolution and statute, the last adopted or enacted shall prevail.

[*Recess*]

(d) Neither house without the consent of the other may recess for more than 10 days or to any other place. [*As amended June 5, 1990. Subdivision (c) operative December 3, 1990.*]

[*Legislature—Total Aggregate Expenditures*]

SEC. 7.5. In the fiscal year immediately following the adoption of this Act, the total aggregate expenditures of the Legislature for the compensation of members and employees of, and the operating expenses and equipment for, the Legislature may not exceed an amount equal to nine hundred fifty thousand dollars ($950,000) per member for that fiscal year or 80 percent of the amount of money expended for those purposes in the preceding fiscal year, whichever is less. For each fiscal year thereafter, the total aggregate expenditures may not exceed an amount equal to that expended for those purposes in the preceding fiscal year, adjusted and compounded by an amount equal to the percentage increase in the appropriations limit for the State established pursuant to Article XIII B. [*New section adopted November 6, 1990. Initiative measure.*]

[*Bills and Statutes—30-day Waiting Period*]

SEC. 8. (a) At regular sessions no bill other than the budget bill may be heard or acted on by committee or either house until the 31st day after the bill is introduced unless the house dispenses with this requirement by rollcall vote entered in the journal, three fourths of the membership concurring.

[*Bills and Statutes—3 Readings*]

(b) The Legislature may make no law except by statute and may enact no statute except by bill. No bill may be passed unless it is read by title on 3 days in each house except that the house may dispense with this requirement by rollcall vote entered in the journal, two thirds of the membership concurring. No bill may be passed until the bill with amendments has been printed and distributed to the members. No bill may be passed unless, by rollcall vote entered in the journal, a majority of the membership of each house concurs.

[*Bills and Statutes—Effective Date*]

(c) (1) Except as provided in paragraphs (2) and (3) of this subdivision, a statute enacted at a regular session shall go into effect on January 1 next following a 90-day period from the date of enactment of the statute and a statute enacted at a special session shall go into effect on the 91st day after adjournment of the special session at which the bill was passed.

(2) A statute, other than a statute establishing or changing boundaries of any legislative, congressional, or other election district, enacted by a bill passed by the Legislature on or before the date the Legislature adjourns for a joint recess to reconvene in the second calendar year of the biennium of the legislative session, and in the possession of the Governor after that date, shall go into effect on January 1 next following the enactment date of the statute unless, before January 1, a copy of a referendum petition affecting the statute is submitted to the Attorney General pursuant to subdivision (d) of Section 10 of Article II, in which event the statute shall go into effect on the 91st day after the enactment date unless the petition has been presented to the Secretary of State pursuant to subdivision (b) of Section 9 of Article II.

(3) Statutes calling elections, statutes providing for tax levies or appropriations for the usual current expenses of the State, and urgency statutes shall go into effect immediately upon their enactment.

[*Bills and Statutes—Urgency Statutes*]

(d) Urgency statutes are those necessary for immediate preservation of the public peace, health, or safety. A statement of facts constituting the necessity shall be set forth in one section of the bill. In each house the section and the bill shall be passed separately, each by rollcall vote entered in the journal, two thirds of the membership concurring. An urgency statute may not create or abolish any office or change the salary, term, or duties of any office, or grant any franchise or special privilege, or create any vested right or interest. [*As amended June 5, 1990.*]

[*Ballot Measures—Application*]

SEC. 8.5. An act amending an initiative statute, an act providing for the issuance of bonds, or a constitutional amendment proposed by the Legislature and submitted to the voters for approval may not do either of the following:

(a) Include or exclude any political subdivision of the State from the application or effect of its provisions based upon approval or disapproval of the measure, or based upon the casting of a specified percentage of votes in favor of the measure, by the electors of that political subdivision.

(b) Contain alternative or cumulative provisions wherein one or more of those provisions would become law depending upon the casting of a specified percentage of votes for or against the measure. [*New section adopted June 2, 1998.*]

SEC. 9. [*Repealed November 8, 1966. See Section 9, below.*]

[*Statutes—Title—Section*]

SEC. 9. A statute shall embrace but one subject, which shall be expressed in its title. If a statute embraces a subject not expressed in its title, only the part not expressed is void. A statute may not be amended by reference to its title. A section of a statute may not be amended unless the section is re-enacted as amended. [*New section adopted November 8, 1966.*]

[*Governor's Veto—Bill Introduction in Biennial Session*]

SEC. 10. (a) Each bill passed by the Legislature shall be presented to the Governor. It becomes a statute if it is signed by the Governor. The Governor may veto it by returning it with any objections to the house of origin, which shall enter the objections in the journal and proceed to reconsider it. If each house then passes the bill by rollcall vote entered in the journal, two thirds of the membership concurring, it becomes a statute.

(b) (1) Any bill, other than a bill which would establish or change boundaries of any legislative, congressional, or other election district, passed by the Legislature on or before the date the Legislature adjourns for a joint recess to reconvene in the second calendar year of the biennium of the legislative session, and in the possession of the Governor after that date, that is not returned within 30 days after that date becomes a statute.

(2) Any bill passed by the Legislature before September 1 of the second calendar year of the biennium of the legislative session and in the possession of the Governor on or after September 1 that is not returned on or before September 30 of that year becomes a statute.

(3) Any other bill presented to the Governor that is not returned within 12 days becomes a statute.

(4) If the Legislature by adjournment of a special session prevents the return of a bill with the veto message, the bill becomes a statute unless the

Governor vetoes the bill within 12 days after it is presented by depositing it and the veto message in the office of the Secretary of State.

(5) If the 12th day of the period within which the Governor is required to perform an act pursuant to paragraph (3) or (4) of this subdivision is a Saturday, Sunday, or holiday, the period is extended to the next day that is not a Saturday, Sunday, or holiday.

(c) Any bill introduced during the first year of the biennium of the legislative session that has not been passed by the house of origin by January 31 of the second calendar year of the biennium may no longer be acted on by the house. No bill may be passed by either house on or after September 1 of an even-numbered year except statutes calling elections, statutes providing for tax levies or appropriations for the usual current expenses of the State, and urgency statutes, and bills passed after being vetoed by the Governor.

(d) The Legislature may not present any bill to the Governor after November 15 of the second calendar year of the biennium of the legislative session.

(e) The Governor may reduce or eliminate one or more items of appropriation while approving other portions of a bill. The Governor shall append to the bill a statement of the items reduced or eliminated with the reasons for the action. The Governor shall transmit to the house originating the bill a copy of the statement and reasons. Items reduced or eliminated shall be separately reconsidered and may be passed over the Governor's veto in the same manner as bills. [*As amended June 5, 1990.*]

[*Committees*]

SEC. 11. The Legislature or either house may by resolution provide for the selection of committees necessary for the conduct of its business, including committees to ascertain facts and make recommendations to the Legislature on a subject within the scope of legislative control. [*As amended November 7, 1972.*]

[*Governor's Budget—Budget Bill—Other Appropriations*]

SEC. 12. (a) Within the first 10 days of each calendar year, the Governor shall submit to the Legislature, with an explanatory message, a budget for the ensuing fiscal year containing itemized statements for recommended state expenditures and estimated state revenues. If recommended expenditures exceed estimated revenues, the Governor shall recommend the sources from which the additional revenues should be provided.

(b) The Governor and the Governor-elect may require a state agency, officer or employee to furnish whatever information is deemed necessary to prepare the budget.

(c) The budget shall be accompanied by a budget bill itemizing recommended expenditures. The bill shall be introduced immediately in each

house by the persons chairing the committees that consider appropriations. The Legislature shall pass the budget bill by midnight on June 15 of each year. Until the budget bill has been enacted, the Legislature shall not send to the Governor for consideration any bill appropriating funds for expenditure during the fiscal year for which the budget bill is to be enacted, except emergency bills recommended by the Governor or appropriations for the salaries and expenses of the Legislature.

(d) No bill except the budget bill may contain more than one item of appropriation, and that for one certain, expressed purpose. Appropriations from the General Fund of the State, except appropriations for the public schools, are void unless passed in each house by rollcall vote entered in the journal, two thirds of the membership concurring.

(e) The Legislature may control the submission, approval, and enforcement of budgets and the filing of claims for all state agencies. [*As amended June 4, 1974, and November 5, 1974.*]

[*Legislators—Ineligible for Certain Offices*]

SEC. 13. A member of the Legislature may not, during the term for which the member is elected, hold any office or employment under the State other than an elective office. [*As amended November 5, 1974.*]

SEC. 14. [*Repealed November 8, 1966. See Section 14, below.*]

[*Members—Not Subject to Civil Process*]

SEC. 14. A member of the Legislature is not subject to civil process during a session of the Legislature or for 5 days before and after a session. [*New section adopted November 8, 1966.*]

[*Influencing Action or Vote of a Member—Felony*]

SEC. 15. A person who seeks to influence the vote or action of a member of the Legislature in the member's legislative capacity by bribery, promise of reward, intimidation, or other dishonest means, or a member of the Legislature so influenced, is guilty of a felony. [*As amended November 5, 1974.*]

[*Uniform Operation of General Laws—Special Statute—Invalid*]

SEC. 16. (a) All laws of a general nature have uniform operation.

(b) A local or special statute is invalid in any case if a general statute can be made applicable. [*As amended November 5, 1974.*]

SEC. 17. [*Repealed November 8, 1966. See Section 17, below.*]

[*Grant of Extra Compensation or Allowance Prohibited*]

SEC. 17. The Legislature has no power to grant, or to authorize a city, county, or other public body to grant, extra compensation or extra allowance to a public officer, public employee, or contractor after service has

been rendered or a contract has been entered into and performed in whole or in part, or to authorize the payment of a claim against the State or a city, county, or other public body under an agreement made without authority of law. [*New section adopted November 8, 1966.*]

SEC. 18. [*Repealed November 8, 1966. See Section 18, below.*]

[*Impeachment*]

SEC. 18. (a) The Assembly has the sole power of impeachment. Impeachments shall be tried by the Senate. A person may not be convicted unless, by rollcall vote entered in the journal, two thirds of the membership of the Senate concurs.

(b) State officers elected on a statewide basis, members of the State Board of Equalization, and judges of state courts are subject to impeachment for misconduct in office. Judgment may extend only to removal from office and disqualification to hold any office under the State, but the person convicted or acquitted remains subject to criminal punishment according to law. [*New section adopted November 8, 1966.*]

[*Lotteries—Horse Races Regulated—Bingo Games for Charitable Purposes*]

SEC. 19. (a) The Legislature has no power to authorize lotteries and shall prohibit the sale of lottery tickets in the State.

(b) The Legislature may provide for the regulation of horse races and horse race meetings and wagering on the results.

(c) Notwithstanding subdivision (a) the Legislature by statute may authorize cities and counties to provide for bingo games, but only for charitable purposes.

(d) Notwithstanding subdivision (a), there is authorized the establishment of a California State Lottery.

(e) The Legislature has no power to authorize, and shall prohibit casinos of the type currently operating in Nevada and New Jersey. [*As amended November 6, 1984. Initiative measure.*]

SEC. 20. [*Repealed November 8, 1966. See Section 20, below.*]

[*Fish and Game—Districts and Commission*]

SEC. 20. (a) The Legislature may provide for division of the State into fish and game districts and may protect fish and game in districts or parts of districts.

(b) There is a Fish and Game Commission of 5 members appointed by the Governor and approved by the Senate, a majority of the membership concurring, for 6-year terms and until their successors are appointed and qualified. Appointment to fill a vacancy is for the unexpired portion of the term. The Legislature may delegate to the commission such powers relating to the protection and propagation of fish and game as the Legislature sees fit. A member of the commission may be removed by concurrent reso-

lution adopted by each house, a majority of the membership concurring. [*New section adopted November 8, 1966.*]

[*War- or Enemy-Caused Disaster*]

SEC. 21. To meet the needs resulting from war-caused or enemy-caused disaster in California, the Legislature may provide for:

(a) Filling the offices of members of the Legislature should at least one fifth of the membership of either house be killed, missing, or disabled, until they are able to perform their duties or successors are elected.

(b) Filling the office of Governor should the Governor be killed, missing, or disabled, until the Governor or the successor designated in this Constitution is able to perform the duties of the office of Governor or a successor is elected.

(c) Convening the Legislature.

(d) Holding elections to fill offices that are elective under this Constitution and that are either vacant or occupied by persons not elected thereto.

(e) Selecting a temporary seat of state or county government. [*As amended November 5, 1974.*]

[*Accountability—Session Goals and Objectives*]

SEC. 22. It is the right of the people to hold their legislators accountable. To assist the people in exercising this right, at the convening of each regular session of the Legislature, the President pro Tempore of the Senate, the Speaker of the Assembly, and the minority leader of each house shall report to their house the goals and objectives of that house during that session and, at the close of each regular session, the progress made toward meeting those goals and objectives. [*New section adopted June 5, 1990.*]

SEC. 22a. [*Repealed November 8, 1966.*]

SEC. 23. [*Renumbered Section 9 of Article II June 8, 1976.*]

SEC. 23a. [*Repealed November 8, 1966.*]

SEC. 23b. [*Repealed November 8, 1966.*]

SEC. 24. [*Renumbered Section 10 of Article II June 8, 1976.*]

SEC. 25. [*Renumbered Section 11 of Article II June 8, 1976.*]

SEC. 25a. [*Repealed November 8, 1966.*]

SEC. 25½. [*Repealed November 8, 1966.*]

SEC. 25⅝. [*Renumbered Section 22 of Article XIII and amended November 8, 1966.*]

SEC. 25¾. [*Renumbered Section 25.7 and amended November 6, 1962.*]

SEC. 25.7. [*Repealed November 8, 1966.*]

SEC. 26. [*Renumbered Section 12 of Article II June 8, 1976.*]

SEC. 27. [*Repealed June 3, 1980.*]

[*State Capitol Maintenance—Appropriations*]

SEC. 28. (a) Notwithstanding any other provision of this Constitution, no bill shall take effect as an urgency statute if it authorizes or contains an appropriation for either (1) the alteration or modification of the color, detail, design, structure or fixtures of the historically restored areas of the first, second, and third floors and the exterior of the west wing of the State Capitol from that existing upon the completion of the project of restoration or rehabilitation of the building conducted pursuant to Section 9124 of the Government Code as such section read upon the effective date of this section, or (2) the purchase of furniture of different design to replace that restored, replicated, or designed to conform to the historic period of the historically restored areas specified above, including the legislators' chairs and desks in the Senate and Assembly Chambers.

(b) No expenditures shall be made in payment for any of the purposes described in subdivision (a) of this section unless funds are appropriated expressly for such purposes.

(c) This section shall not apply to appropriations or expenditures for ordinary repair and maintenance of the State Capitol building, fixtures and furniture. [*New Section adopted June 3, 1980.*]

SEC. 29. [*Renumbered Section 23 of Article XIII and amended November 8, 1966.*]

SEC. 30. [*Renumbered Section 24 of Article XIII and amended November 8, 1966.*]

SEC. 31. [*Renumbered Section 25 of Article XIII and amended November 8, 1966.*]

SEC. 31a. [*Renumbered Section 26 of Article XIII and amended November 8, 1966.*]

SEC. 31b. [*As adopted by Assembly Constitutional Amendment 14 of 1931, repealed November 6, 1956.*]

SEC. 31b. [*As adopted November 8, 1932, renumbered Section 27 of Article XIII and amended November 8, 1966.*]

SEC. 31c. [*As adopted November 3, 1936, renumbered Section 28 of Article XIII and amended November 8, 1966.*]

SEC. 31c. [*As adopted November 3, 1942, repealed November 6, 1956.*]

SEC. 31d. [*Repealed November 6, 1956.*]

SEC. 32. [*Repealed November 8, 1966.*]

SEC. 33. [*Repealed November 8, 1966.*]

SEC. 34. [*Repealed November 8, 1966.*]

SEC. 34a. [*Repealed November 8, 1966.*]

SEC. 35. [*Repealed November 8, 1966.*]

SEC. 36. [*Repealed November 8, 1966.*]

SEC. 37. [*Repealed November 8, 1966.*]

SEC. 38. [*Repealed November 8, 1966.*]

ARTICLE V. [*Repealed November 8, 1966. See Article V, below.*]

ARTICLE V*

EXECUTIVE

[*Executive Power Vested in Governor*]

SECTION 1. The supreme executive power of this State is vested in the Governor. The Governor shall see that the law is faithfully executed. [*As amended November 5, 1974.*]

[*Election—Eligibility—Number of Terms*]

SEC. 2. The Governor shall be elected every fourth year at the same time and places as members of the Assembly and hold office from the Monday after January 1 following the election until a successor qualifies. The Governor shall be an elector who has been a citizen of the United States and a resident of this State for 5 years immediately preceding the Governor's election. The Governor may not hold other public office. No Governor may serve more than 2 terms. [*As amended November 6, 1990. Initiative measure.*]

[*Report to Legislature—Recommendations*]

SEC. 3. The Governor shall report to the Legislature each calendar year on the condition of the State and may make recommendations. [*As amended November 7, 1972.*]

SEC. 4. [*Repealed November 8, 1966. See Section 4, below.*]

[*Information From Executive Officers, Etc.*]

SEC. 4. The Governor may require executive officers and agencies and their employees to furnish information relating to their duties. [*New section adopted November 8, 1966.*]

[*Filling Vacancies—Confirmation by Legislature*]

SEC. 5. (a) Unless the law otherwise provides, the Governor may fill a vacancy in office by appointment until a successor qualifies.

(b) Whenever there is a vacancy in the office of the Superintendent of Public Instruction, the Lieutenant Governor, Secretary of State, Controller, Treasurer, or Attorney General, or on the State Board of Equalization, the

* New Article V adopted November 8, 1966.

Governor shall nominate a person to fill the vacancy who shall take office upon confirmation by a majority of the membership of the Senate and a majority of the membership of the Assembly and who shall hold office for the balance of the unexpired term. In the event the nominee is neither confirmed nor refused confirmation by both the Senate and the Assembly within 90 days of the submission of the nomination, the nominee shall take office as if he or she had been confirmed by a majority of the Senate and Assembly; provided, that if such 90-day period ends during a recess of the Legislature, the period shall be extended until the sixth day following the day on which the Legislature reconvenes. [*As amended November 2, 1976.*]

SEC. 6. [*Repealed November 8, 1966. See Section 6, below.*]

[*Executive Assignment and Agency Reorganization*]

SEC. 6. Authority may be provided by statute for the Governor to assign and reorganize functions among executive officers and agencies and their employees, other than elective officers and agencies administered by elective officers. [*New section adopted November 8, 1966.*]

[*Commander of Militia*]

SEC. 7. The Governor is commander in chief of a militia that shall be provided by statute. The Governor may call it forth to execute the law. [*As amended November 5, 1974.*]

[*Reprieves—Pardons—Commutations*]

SEC. 8. (a) Subject to application procedures provided by statute, the Governor, on conditions the Governor deems proper, may grant a reprieve, pardon, and commutation, after sentence, except in case of impeachment. The Governor shall report to the Legislature each reprieve, pardon, and commutation granted, stating the pertinent facts and the reasons for granting it. The Governor may not grant a pardon or commutation to a person twice convicted of a felony except on recommendation of the Supreme Court, 4 judges concurring.

(b) No decision of the parole authority of this State with respect to the granting, denial, revocation, or suspension of parole of a person sentenced to an indeterminate term upon conviction of murder shall become effective for a period of 30 days, during which the Governor may review the decision subject to procedures provided by statute. The Governor may only affirm, modify, or reverse the decision of the parole authority on the basis of the same factors which the parole authority is required to consider. The Governor shall report to the Legislature each parole decision affirmed, modified, or reversed, stating the pertinent facts and reasons for the action. [*As amended November 8, 1988.*]

[*Lieutenant Governor—Qualifications—Casting Vote*]

SEC. 9. The Lieutenant Governor shall have the same qualifications as the Governor. The Lieutenant Governor is President of the Senate but has only a casting vote. [*As amended November 5, 1974.*]

[*Succession*]

SEC. 10. The Lieutenant Governor shall become Governor when a vacancy occurs in the office of Governor.

The Lieutenant Governor shall act as Governor during the impeachment, absence from the State, or other temporary disability of the Governor or of a Governor-elect who fails to take office.

The Legislature shall provide an order of precedence after the Lieutenant Governor for succession to the office of Governor and for the temporary exercise of the Governor's functions.

The Supreme Court has exclusive jurisdiction to determine all questions arising under this section.

Standing to raise questions of vacancy or temporary disability is vested exclusively in a body provided by statute. [*As amended November 5, 1974.*]

[*Other State Officers—Election—Number of Terms*]

SEC. 11. The Lieutenant Governor, Attorney General, Controller, Secretary of State, and Treasurer shall be elected at the same time and places and for the same term as the Governor. No Lieutenant Governor, Attorney General, Controller, Secretary of State, or Treasurer may serve in the same office for more than 2 terms. [*As amended November 6, 1990. Initiative measure.*]

SEC. 12. [*Repealed June 5, 1990.*]

[*Attorney General—Chief Law Officer*]

SEC. 13. Subject to the powers and duties of the Governor, the Attorney General shall be the chief law officer of the State. It shall be the duty of the Attorney General to see that the laws of the State are uniformly and adequately enforced. The Attorney General shall have direct supervision over every district attorney and sheriff and over such other law enforcement officers as may be designated by law, in all matters pertaining to the duties of their respective offices, and may require any of said officers to make reports concerning the investigation, detection, prosecution, and punishment of crime in their respective jurisdictions as to the Attorney General may seem advisable. Whenever in the opinion of the Attorney General any law of the State is not being adequately enforced in any county, it shall be the duty of the Attorney General to prosecute any violations of law of which the superior court shall have jurisdiction, and in such cases the Attorney General shall have all the powers of a district at-

torney. When required by the public interest or directed by the Governor, the Attorney General shall assist any district attorney in the discharge of the duties of that office. [*As amended November 5, 1974.*]

[*State Officers—Conflict of Interest—Prohibited Compensation—Earned Income*]

SEC. 14. (a) To eliminate any appearance of a conflict with the proper discharge of his or her duties and responsibilities, no state officer may knowingly receive any salary, wages, commissions, or other similar earned income from a lobbyist or lobbying firm, as defined by the Political Reform Act of 1974, or from a person who, during the previous 12 months, has been under a contract with the state agency under the jurisdiction of the state officer. The Legislature shall enact laws that define earned income. However, earned income does not include any community property interest in the income of a spouse. Any state officer who knowingly receives any salary, wages, commissions, or other similar earned income from a lobbyist employer, as defined by the Political Reform Act of 1974, may not, for a period of one year following its receipt, vote upon or make, participate in making, or in any way attempt to use his or her official position to influence an action or decision before the agency for which the state officer serves, other than an action or decision involving a bill described in subdivision (c) of Section 12 of Article IV, which he or she knows, or has reason to know, would have a direct and significant financial impact on the lobbyist employer and would not impact the public generally or a significant segment of the public in a similar manner. As used in this subdivision, ''public generally'' includes an industry, trade, or profession.

[*State Officers—Honoraria*]

(b) No state officer may accept any honorarium. The Legislature shall enact laws that implement this subdivision.

[*State Officers—Gifts—Conflict of Interest*]

(c) The Legislature shall enact laws that ban or strictly limit the acceptance of a gift by a state officer from any source if the acceptance of the gift might create a conflict of interest.

[*State Officers—Prohibited Compensation or Activity*]

(d) No state officer may knowingly accept any compensation for appearing, agreeing to appear, or taking any other action on behalf of another person before any state government board or agency. If a state officer knowingly accepts any compensation for appearing, agreeing to appear, or taking any other action on behalf of another person before any local government board or agency, the state officer may not, for a period of one year following the acceptance of the compensation, make, participate in making, or in any way attempt to use his or her official position to influence an

action or decision before the state agency for which the state officer serves, other than an action or decision involving a bill described in subdivision (c) of Section 12 of Article IV, which he or she knows, or has reason to know, would have a direct and significant financial impact on that person and would not impact the public generally or a significant segment of the public in a similar manner. As used in this subdivision, ''public generally'' includes an industry, trade, or profession. However, a state officer may engage in activities involving a board or agency which are strictly on his or her own behalf, appear in the capacity of an attorney before any court or the Workers' Compensation Appeals Board, or act as an advocate without compensation or make an inquiry for information on behalf of a person before a board or agency. This subdivision does not prohibit any action of a partnership or firm of which the state officer is a member if the state officer does not share directly or indirectly in the fee, less any expenses attributable to that fee, resulting from that action.

[*State Officers—Lobbying*]

(e) The Legislature shall enact laws that prohibit a state officer, or a secretary of an agency or director of a department appointed by the Governor, who has not resigned or retired from state service prior to January 7, 1991, from lobbying, for compensation, as governed by the Political Reform Act of 1974, before the executive branch of state government for 12 months after leaving office.

[*State Officer—Definition*]

(f) ''State officer,'' as used in this section, means the Governor, Lieutenant Governor, Attorney General, Controller, Insurance Commissioner, Secretary of State, Superintendent of Public Instruction, Treasurer, and member of the State Board of Equalization. [*New section adopted June 5, 1990. Subdivision (b) operative December 3, 1990.*]

SEC. 15. [*Repealed November 8, 1966.*]

SEC. 16. [*Repealed November 8, 1966.*]

SEC. 17. [*Repealed November 8, 1966.*]

SEC. 18. [*Repealed November 8, 1966.*]

SEC. 20. [*Repealed November 8, 1966.*]

SEC. 21. [*Repealed November 8, 1966.*]

SEC. 22. [*Repealed November 8, 1966.*]

ARTICLE VI. [*Repealed November 8, 1966. See Article VI, below.*]

ARTICLE VI*

JUDICIAL

[*Judicial Power Vested in Courts*]

SEC. 1. The judicial power of this State is vested in the Supreme Court, courts of appeal, superior courts, and municipal courts, all of which are courts of record. [*As amended June 2, 1998.*]

SEC. 1a. [*Repealed November 8, 1966.*]

SEC. 1b. [*Repealed November 8, 1966.*]

SEC. 1c. [*Repealed November 8, 1966.*]

[*Supreme Court—Composition*]

SEC. 2. The Supreme Court consists of the Chief Justice of California and 6 associate justices. The Chief Justice may convene the court at any time. Concurrence of 4 judges present at the argument is necessary for a judgment.

An acting Chief Justice shall perform all functions of the Chief Justice when the Chief Justice is absent or unable to act. The Chief Justice or, if the Chief Justice fails to do so, the court shall select an associate justice as acting Chief Justice. [*As amended November 5, 1974.*]

[*Judicial Districts—Courts of Appeal*]

SEC. 3. The Legislature shall divide the State into districts each containing a court of appeal with one or more divisions. Each division consists of a presiding justice and 2 or more associate justices. It has the power of a court of appeal and shall conduct itself as a 3-judge court. Concurrence of 2 judges present at the argument is necessary for a judgment.

An acting presiding justice shall perform all functions of the presiding justice when the presiding justice is absent or unable to act. The presiding justice or, if the presiding justice fails to do so, the Chief Justice shall select an associate justice of that division as acting presiding justice. [*As amended November 5, 1974.*]

[*Superior Courts*]

SEC. 4. In each county there is a superior court of one or more judges. The Legislature shall prescribe the number of judges and provide for the officers and employees of each superior court. If the governing body of each affected county concurs, the Legislature may provide that one or more judges serve more than one superior court.

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* New Article VI adopted November 8, 1966.

In each superior court there is an appellate division. The Chief Justice shall assign judges to the appellate division for specified terms pursuant to rules, not inconsistent with statute, adopted by the Judicial Council to promote the independence of the appellate division. [*As amended June 2, 1998.*]

SEC. 4a. [*Repealed November 8, 1966.*]

SEC. 4b. [*Repealed November 8, 1966.*]

SEC. 4c. [*Repealed November 8, 1966.*]

SEC. 4d. [*Repealed November 8, 1966.*]

SEC. 4e. [*Repealed November 8, 1966.*]

SEC. 4½. [*Repealed November 8, 1966.*]

SEC. 4¾. [*Repealed November 8, 1966.*]

[*Municipal, Superior, and Justice Courts*]

SEC. 5. (a) Each county shall be divided into municipal court districts as provided by statute, but a city may not be divided into more than one district. Each municipal court shall have one or more judges. Each municipal court district shall have no fewer than 40,000 residents; provided that each county shall have at least one municipal court district. The number of residents shall be determined as provided by statute.

(b) On the operative date of this subdivision, all existing justice courts shall become municipal courts, and the number, qualifications, and compensation of judges, officers, attachés, and employees shall continue until changed by the Legislature. Each judge of a part-time municipal court is deemed to have agreed to serve full time and shall be available for assignment by the Chief Justice for the balance of time necessary to comprise a full-time workload.

(c) The Legislature shall provide for the organization and prescribe the jurisdiction of municipal courts. It shall prescribe for each municipal court the number, qualifications, and compensation of judges, officers, and employees.

(d) Notwithstanding subdivision (a), any city in San Diego County may be divided into more than one municipal court district if the Legislature determines that unusual geographic conditions warrant such division.

(e) Notwithstanding subdivision (a), the municipal and superior courts shall be unified upon a majority vote of superior court judges and a majority vote of municipal court judges within the county. In those counties, there shall be only a superior court. [*As amended June 2, 1998.*]

SEC. 5.5. [*Repealed June 8, 1976.*]

[*Judicial Council—Membership and Powers*]

SEC. 6. The Judicial Council consists of the Chief Justice and one other judge of the Supreme Court, 3 judges of courts of appeal, 5 judges

of superior courts, 5 judges of municipal courts, 2 nonvoting court administrators, and such other nonvoting members as determined by the voting membership of the council, each appointed by the Chief Justice for a 3-year term pursuant to procedures established by the council; 4 members of the State Bar appointed by its governing body for 3-year terms; and one member of each house of the Legislature appointed as provided by the house. Vacancies in the memberships on the Judicial Council otherwise designated for municipal court judges shall be filled by judges of the superior court in the case of appointments made when fewer than 10 counties have municipal courts.

Council membership terminates if a member ceases to hold the position that qualified the member for appointment. A vacancy shall be filled by the appointing power for the remainder of the term.

The council may appoint an Administrative Director of the Courts, who serves at its pleasure and performs functions delegated by the council or the Chief Justice, other than adopting rules of court administration, practice and procedure.

To improve the administration of justice the council shall survey judicial business and make recommendations to the courts, make recommendations annually to the Governor and Legislature, adopt rules for court administration, practice and procedure, and perform other functions prescribed by statute. The rules adopted shall not be inconsistent with statute.

The Chief Justice shall seek to expedite judicial business and to equalize the work of judges. The Chief Justice may provide for the assignment of any judge to another court but only with the judge's consent if the court is of lower jurisdiction. A retired judge who consents may be assigned to any court.

Judges shall report to the council as the Chief Justice directs concerning the condition of judicial business in their courts. They shall cooperate with the council and hold court as assigned. [*As amended June 2, 1998.*]

SEC. 7. [*Repealed November 8, 1966. See Section 7, below.*]

[*Commission on Judicial Appointments—Membership*]

SEC. 7. The Commission on Judicial Appointments consists of the Chief Justice, the Attorney General, and the presiding justice of the court of appeal of the affected district or, if there are 2 or more presiding justices, the one who has presided longest or, when a nomination or appointment to the Supreme Court is to be considered, the presiding justice who has presided longest on any court of appeal. [*New section adopted November 8, 1966.*]

[*Commission on Judicial Performance—Membership*]

SEC. 8. (a) The Commission on Judicial Performance consists of one judge of a court of appeal, one judge of a superior court, and one judge of a municipal court, each appointed by the Supreme Court; 2 members of the State Bar of California who have practiced law in this State for 10 years, each appointed by the Governor; and 6 citizens who are not judges, retired judges, or members of the State Bar of California, 2 of whom shall be appointed by the Governor, 2 by the Senate Committee on Rules, and 2 by the Speaker of the Assembly. Except as provided in subdivisions (b) and (c), all terms are for 4 years. No member shall serve more than 2 4-year terms, or for more than a total of 10 years if appointed to fill a vacancy. A vacancy in the membership on the Commission on Judicial Performance otherwise designated for a municipal court judge shall be filled by a judge of the superior court in the case of an appointment made when fewer than 10 counties have municipal courts.

(b) Commission membership terminates if a member ceases to hold the position that qualified the member for appointment. A vacancy shall be filled by the appointing power for the remainder of the term. A member whose term has expired may continue to serve until the vacancy has been filled by the appointing power. Appointing powers may appoint members who are already serving on the commission prior to March 1, 1995, to a single 2-year term, but may not appoint them to an additional term thereafter.

(c) To create staggered terms among the members of the Commission on Judicial Performance, the following members shall be appointed, as follows:

(1) Two members appointed by the Supreme Court to a term commencing March 1, 1995, shall each serve a term of 2 years and may be reappointed to one full term.

(2) One attorney appointed by the Governor to a term commencing March 1, 1995, shall serve a term of 2 years and may be reappointed to one full term.

(3) One citizen member appointed by the Governor to a term commencing March 1, 1995, shall serve a term of 2 years and may be reappointed to one full term.

(4) One member appointed by the Senate Committee on Rules to a term commencing March 1, 1995, shall serve a term of 2 years and may be reappointed to one full term.

(5) One member appointed by the Speaker of the Assembly to a term commencing March 1, 1995, shall serve a term of 2 years and may be reappointed to one full term.

(6) All other members shall be appointed to full 4-year terms commencing March 1, 1995. [*As amended June 2, 1998.*]

SEC. 9. [*Repealed November 8, 1966. See Section 9, below.*]

[*State Bar*]

SEC. 9. The State Bar of California is a public corporation. Every person admitted and licensed to practice law in this State is and shall be a member of the State Bar except while holding office as a judge of a court of record. [*New section adopted November 8, 1966.*]

SEC. 10. [*Repealed November 8, 1966. See Section 10, below.*]

[*Jurisdiction—Original*]

SEC. 10. The Supreme Court, courts of appeal, superior courts, and their judges have original jurisdiction in habeas corpus proceedings. Those courts also have original jurisdiction in proceedings for extraordinary relief in the nature of mandamus, certiorari, and prohibition. The appellate division of the superior court has original jurisdiction in proceedings for extraordinary relief in the nature of mandamus, certiorari, and prohibition directed to the superior court in causes subject to its appellate jurisdiction.

Superior courts have original jurisdiction in all other causes except those given by statute to other trial courts.

The court may make such comment on the evidence and the testimony and credibility of any witness as in its opinion is necessary for the proper determination of the cause. [*As amended June 2, 1998.*]

SEC. 10a. [*Repealed November 8, 1966.*]

SEC. 10b. [*Repealed November 8, 1966.*]

[*Jurisdiction—Appellate*]

SEC. 11. (a) The Supreme Court has appellate jurisdiction when judgment of death has been pronounced. With that exception courts of appeal have appellate jurisdiction when superior courts have original jurisdiction in causes of a type within the appellate jurisdiction of the courts of appeal on June 30, 1995, and in other causes prescribed by statute. When appellate jurisdiction in civil causes is determined by the amount in controversy, the Legislature may change the appellate jurisdiction of the courts of appeal by changing the jurisdictional amount in controversy.

(b) Except as provided in subdivision (a), the appellate division of the superior court has appellate jurisdiction in causes prescribed by statute.

(c) The Legislature may permit courts exercising appellate jurisdiction to take evidence and make findings of fact when jury trial is waived or not a matter of right. [*As amended June 2, 1998.*]

[*Transfer of Causes—Jurisdiction—Review of Decisions*]

SEC. 12. (a) The Supreme Court may, before decision, transfer to itself a cause in a court of appeal. It may, before decision, transfer a cause from itself to a court of appeal or from one court of appeal or division to another. The court to which a cause is transferred has jurisdiction.

(b) The Supreme Court may review the decision of a court of appeal in any cause.

(c) The Judicial Council shall provide, by rules of court, for the time and procedure for transfer and for review, including, among other things, provisions for the time and procedure for transfer with instructions, for review of all or part of a decision, and for remand as improvidently granted.

(d) This section shall not apply to an appeal involving a judgment of death. [*As amended November 6, 1984. Operative May 6, 1985.*]

[*Judgment—When Set Aside*]

SEC. 13. No judgment shall be set aside, or new trial granted, in any cause, on the ground of misdirection of the jury, or of the improper admission or rejection of evidence, or for any error as to any matter of pleading, or for any error as to any matter of procedure, unless, after an examination of the entire cause, including the evidence, the court shall be of the opinion that the error complained of has resulted in a miscarriage of justice. [*New section adopted November 8, 1966.*]

SEC. 14. [*Repealed November 8, 1966. See Section 14, below.*]

[*Supreme Court and Appellate Court—Published Opinions*]

SEC. 14. The Legislature shall provide for the prompt publication of such opinions of the Supreme Court and courts of appeal as the Supreme Court deems appropriate, and those opinions shall be available for publication by any person.

Decisions of the Supreme Court and courts of appeal that determine causes shall be in writing with reasons stated. [*New section adopted November 8, 1966.*]

[*Judges—Eligibility*]

SEC. 15. A person is ineligible to be a judge of a court of record unless for 5 years immediately preceding selection to a municipal court or 10 years immediately preceding selection to other courts, the person has been a member of the State Bar or served as a judge of a court of record in this State. A judge eligible for municipal court service may be assigned by the Chief Justice to serve on any court. [*As amended November 8, 1994. Operative January 1, 1995.*]

SEC. 15.5. [*Repealed January 1, 1995.*]

[*Judges—Elections—Terms—Vacancies*]

SEC. 16. (a) Judges of the Supreme Court shall be elected at large and judges of courts of appeal shall be elected in their districts at general elections at the same time and places as the Governor. Their terms are 12 years beginning the Monday after January 1 following their election, except that a judge elected to an unexpired term serves the remainder of the term. In

creating a new court of appeal district or division the Legislature shall provide that the first elective terms are 4, 8, and 12 years.

(b) (1) In counties in which there is no municipal court, judges of superior courts shall be elected in their counties at general elections except as otherwise necessary to meet the requirements of federal law. In the latter case the Legislature, by two-thirds vote of the membership of each house thereof, with the advice of judges within the affected court, may provide for their election by the system prescribed in subdivision (d), or by any other arrangement. The Legislature may provide that an unopposed incumbent's name not appear on the ballot.

(2) In counties in which there is one or more municipal court districts, judges of superior and municipal courts shall be elected in their counties or districts at general elections. The Legislature may provide that an unopposed incumbent's name not appear on the ballot.

(c) Terms of judges of superior courts are 6 years beginning the Monday after January 1 following their election. A vacancy shall be filled by election to a full term at the next general election after the second January 1 following the vacancy, but the Governor shall appoint a person to fill the vacancy temporarily until the elected judge's term begins.

(d) Within 30 days before August 16 preceding the expiration of the judge's term, a judge of the Supreme Court or a court of appeal may file a declaration of candidacy to succeed to the office presently held by the judge. If the declaration is not filed, the Governor before September 16 shall nominate a candidate. At the next general election, only the candidate so declared or nominated may appear on the ballot, which shall present the question whether the candidate shall be elected. The candidate shall be elected upon receiving a majority of the votes on the question. A candidate not elected may not be appointed to that court but later may be nominated and elected.

The Governor shall fill vacancies in those courts by appointment. An appointee holds office until the Monday after January 1 following the first general election at which the appointee had the right to become a candidate or until an elected judge qualifies. A nomination or appointment by the Governor is effective when confirmed by the Commission on Judicial Appointments.

Electors of a county, by majority of those voting and in a manner the Legislature shall provide, may make this system of selection applicable to judges of superior courts. [*As amended June 2, 1998.*]

[*Judges—Restrictions, Other Employment, and Benefits*]

SEC. 17. A judge of a court of record may not practice law and during the term for which the judge was selected is ineligible for public employment or public office other than judicial employment or judicial office, except a judge of a court of record may accept a part-time teaching position

that is outside the normal hours of his or her judicial position and that does not interfere with the regular performance of his or her judicial duties while holding office. A judge of a trial court of record may, however, become eligible for election to other public office by taking a leave of absence without pay prior to filing a declaration of candidacy. Acceptance of the public office is a resignation from the office of judge.

A judicial officer may not receive fines or fees for personal use.

A judicial officer may not earn retirement service credit from a public teaching position while holding judicial office. [*As amended November 8, 1988.*]

[*Judges—Discipline*]

SEC. 18. (a) A judge is disqualified from acting as a judge, without loss of salary, while there is pending (1) an indictment or an information charging the judge in the United States with a crime punishable as a felony under California or federal law, or (2) a petition to the Supreme Court to review a determination by the Commission on Judicial Performance to remove or retire a judge.

(b) The Commission on Judicial Performance may disqualify a judge from acting as a judge, without loss of salary, upon notice of formal proceedings by the commission charging the judge with judicial misconduct or disability.

(c) The Commission on Judicial Performance shall suspend a judge from office without salary when in the United States the judge pleads guilty or no contest or is found guilty of a crime punishable as a felony under California or federal law or of any other crime that involves moral turpitude under that law. If the conviction is reversed, suspension terminates, and the judge shall be paid the salary for the judicial office held by the judge for the period of suspension. If the judge is suspended and the conviction becomes final, the Commission on Judicial Performance shall remove the judge from office.

(d) Except as provided in subdivision (f), the Commission on Judicial Performance may (1) retire a judge for disability that seriously interferes with the performance of the judge's duties and is or is likely to become permanent, or (2) censure a judge or former judge or remove a judge for action occurring not more than 6 years prior to the commencement of the judge's current term or of the former judge's last term that constitutes willful misconduct in office, persistent failure or inability to perform the judge's duties, habitual intemperance in the use of intoxicants or drugs, or conduct prejudicial to the administration of justice that brings the judicial office into disrepute, or (3) publicly or privately admonish a judge or former judge found to have engaged in an improper action or dereliction of duty. The commission may also bar a former judge who has been censured from receiving an assignment, appointment, or reference of work

from any California state court. Upon petition by the judge or former judge, the Supreme Court may, in its discretion, grant review of a determination by the commission to retire, remove, censure, admonish, or disqualify pursuant to subdivision (b) a judge or former judge. When the Supreme Court reviews a determination of the commission, it may make an independent review of the record. If the Supreme Court has not acted within 120 days after granting the petition, the decision of the commission shall be final.

(e) A judge retired by the commission shall be considered to have retired voluntarily. A judge removed by the commission is ineligible for judicial office, including receiving an assignment, appointment, or reference of work from any California state court, and pending further order of the court is suspended from practicing law in this State. The State Bar may institute appropriate attorney disciplinary proceedings against any judge who retires or resigns from office with judicial disciplinary charges pending.

(f) A determination by the Commission on Judicial Performance to admonish or censure a judge or former judge of the Supreme Court or remove or retire a judge of the Supreme Court shall be reviewed by a tribunal of 7 court of appeal judges selected by lot.

(g) No court, except the Supreme Court, shall have jurisdiction in a civil action or other legal proceeding of any sort brought against the commission by a judge. Any request for injunctive relief or other provisional remedy shall be granted or denied within 90 days of the filing of the request for relief. A failure to comply with the time requirements of this section does not affect the validity of commission proceedings.

(h) Members of the commission, the commission staff, and the examiners and investigators employed by the commission shall be absolutely immune from suit for all conduct at any time in the course of their official duties. No civil action may be maintained against a person, or adverse employment action taken against a person, by any employer, public or private, based on statements presented by the person to the commission.

(i) The Commission on Judicial Performance shall make rules implementing this section, including, but not limited to, the following:

(1) The commission shall make rules for the investigation of judges. The commission may provide for the confidentiality of complaints to and investigations by the commission.

(2) The commission shall make rules for formal proceedings against judges when there is cause to believe there is a disability or wrongdoing within the meaning of subdivision (d).

(j) When the commission institutes formal proceedings, the notice of charges, the answer, and all subsequent papers and proceedings shall be open to the public for all formal proceedings instituted after February 28, 1995.

(k) The commission may make explanatory statements.

(*l*) The budget of the commission shall be separate from the budget of any other state agency or court.

(m) The Supreme Court shall make rules for the conduct of judges, both on and off the bench, and for judicial candidates in the conduct of their campaigns. These rules shall be referred to as the Code of Judicial Ethics. [*As amended November 8, 1994. Operative March 1, 1995.*]

[*Subordinate Judicial Officers—Discipline*]

SEC. 18.1. The Commission on Judicial Performance shall exercise discretionary jurisdiction with regard to the oversight and discipline of subordinate judicial officers, according to the same standards, and subject to review upon petition to the Supreme Court, as specified in Section 18.

No person who has been found unfit to serve as a subordinate judicial officer after a hearing before the Commission on Judicial Performance shall have the requisite status to serve as a subordinate judicial officer.

This section does not diminish or eliminate the responsibility of a court to exercise initial jurisdiction to discipline or dismiss a subordinate judicial officer as its employee. [*New section adopted June 2, 1998.*]

[*Disciplined Judge Under Consideration for Judicial Appointment*]

SEC. 18.5. (a) Upon request, the Commission on Judicial Performance shall provide to the Governor of any State of the Union the text of any private admonishment, advisory letter, or other disciplinary action together with any information that the Commission on Judicial Performance deems necessary to a full understanding of the commission's action, with respect to any applicant whom the Governor of any State of the Union indicates is under consideration for any judicial appointment.

(b) Upon request, the Commission on Judicial Performance shall provide the President of the United States the text of any private admonishment, advisory letter, or other disciplinary action together with any information that the Commission on Judicial Performance deems necessary to a full understanding of the commission's action, with respect to any applicant whom the President indicates is under consideration for any federal judicial appointment.

(c) Upon request, the Commission on Judicial Performance shall provide the Commission on Judicial Appointments the text of any private admonishment, advisory letter, or other disciplinary action together with any information that the Commission on Judicial Performance deems necessary to a full understanding of the commission action, with respect to any applicant whom the Commission on Judicial Appointments indicates is under consideration for any judicial appointment.

(d) All information released under this section shall remain confidential and privileged.

(e) Notwithstanding subdivision (d), any information released pursuant to this section shall also be provided to the applicant about whom the information was requested.

(f) ''Private admonishment'' refers to a disciplinary action against a judge by the Commission on Judicial Performance as authorized by subdivision (c) of Section 18 of Article VI, as amended November 8, 1988. [*New section adopted November 8, 1994. Operative March 1, 1995.*]

[*Judges—Compensation*]

SEC. 19. The Legislature shall prescribe compensation for judges of courts of record.

A judge of a court of record may not receive the salary for the judicial office held by the judge while any cause before the judge remains pending and undetermined for 90 days after it has been submitted for decision. [*As amended November 5, 1974.*]

SEC. 20. [*Repealed November 8, 1966. See Section 20, below.*]

[*Judges—Retirement—Disability*]

SEC. 20. The Legislature shall provide for retirement, with reasonable allowance, of judges of courts of record for age or disability. [*New section adopted November 8, 1966.*]

SEC. 21. [*Repealed November 8, 1966. See Section 21, below.*]

[*Temporary Judges*]

SEC. 21. On stipulation of the parties litigant the court may order a cause to be tried by a temporary judge who is a member of the State Bar, sworn and empowered to act until final determination of the cause. [*New section adopted November 8, 1966.*]

[*Appointment of Officers—Subordinate Judicial Duties*]

SEC. 22. The Legislature may provide for the appointment by trial courts of record of officers such as commissioners to perform subordinate judicial duties. [*New section adopted November 8, 1966.*]

SEC. 23. [*Repealed November 8, 1966. See Section 23, below.*]

[*Superior and Municipal Court Consolidation*]

SEC. 23. (a) The purpose of the amendments to Sections 1, 4, 5, 6, 8, 10, 11, and 16, of this article, and the amendments to Section 16 of Article I, approved at the June 2, 1998, primary election is to permit the Legislature to provide for the abolition of the municipal courts and unify their operations within the superior courts. Notwithstanding Section 8 of Article IV, the implementation of, and orderly transition under, the provisions of the measure adding this section may include urgency statutes that create or abolish offices or change the salaries, terms, or duties of offices, or grant

franchises or special privileges, or create vested rights or interests, where otherwise permitted under this Constitution.

(b) When the superior and municipal courts within a county are unified, the judgeships in each municipal court in that county are abolished and the previously selected municipal court judges shall become judges of the superior court in that county. The term of office of a previously selected municipal court judge is not affected by taking office as a judge of the superior court. The 10-year membership or service requirement of Section 15 does not apply to a previously selected municipal court judge. Pursuant to Section 6, the Judicial Council may prescribe appropriate education and training for judges with regard to trial court unification.

(c) Except as provided by statute to the contrary, in any county in which the superior and municipal courts become unified, the following shall occur automatically in each preexisting superior and municipal court:

(1) Previously selected officers, employees, and other personnel who serve the court become the officers and employees of the superior court.

(2) Preexisting court locations are retained as superior court locations.

(3) Preexisting court records become records of the superior court.

(4) Pending actions, trials, proceedings, and other business of the court become pending in the superior court under the procedures previously applicable to the matters in the court in which the matters were pending.

(5) Matters of a type previously within the appellate jurisdiction of the superior court remain within the jurisdiction of the appellate division of the superior court.

(6) Matters of a type previously subject to rehearing by a superior court judge remain subject to rehearing by a superior court judge, other than the judge who originally heard the matter.

(7) Penal Code procedures that necessitate superior court review of, or action based on, a ruling or order by a municipal court judge shall be performed by a superior court judge other than the judge who originally made the ruling or order. [*New section adopted June 2, 1998.*]

SEC. 24. [*Repealed November 8, 1966.*]

SEC. 26. [*Repealed November 8, 1966.*]

ARTICLE VII*

PUBLIC OFFICERS AND EMPLOYEES

[*Civil Service*]

SECTION 1. (a) The civil service includes every officer and employee of the State except as otherwise provided in this Constitution.

(b) In the civil service permanent appointment and promotion shall be made under a general system based on merit ascertained by competitive examination. [*New section adopted June 8, 1976.*]

[*Personnel Board—Membership and Compensation*]

SEC. 2. (a) There is a Personnel Board of 5 members appointed by the Governor and approved by the Senate, a majority of the membership concurring, for 10-year terms and until their successors are appointed and qualified. Appointment to fill a vacancy is for the unexpired portion of the term. A member may be removed by concurrent resolution adopted by each house, two-thirds of the membership of each house concurring.

(b) The board annually shall elect one of its members as presiding officer.

(c) The board shall appoint and prescribe compensation for an executive officer who shall be a member of the civil service but not a member of the board. [*New section adopted June 8, 1976.*]

[*Personnel Board—Duties*]

SEC. 3. (a) The board shall enforce the civil service statutes and, by majority vote of all its members, shall prescribe probationary periods and classifications, adopt other rules authorized by statute, and review disciplinary actions.

(b) The executive officer shall administer the civil service statutes under rules of the board. [*New section adopted June 8, 1976.*]

[*Exempt Positions*]

SEC. 4. The following are exempt from civil service:

(a) Officers and employees appointed or employed by the Legislature, either house, or legislative committees.

(b) Officers and employees appointed or employed by councils, commissions or public corporations in the judicial branch or by a court of record or officer thereof.

(c) Officers elected by the people and a deputy and an employee selected by each elected officer.

(d) Members of boards and commissions.

(e) A deputy or employee selected by each board or commission either appointed by the Governor or authorized by statute.

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* New Article VII adopted June 8, 1976.

(f) State officers directly appointed by the Governor with or without the consent or confirmation of the Senate and the employees of the Governor's office, and the employees of the Lieutenant Governor's office directly appointed or employed by the Lieutenant Governor.

(g) A deputy or employee selected by each officer, except members of boards and commissions, exempted under Section 4(f).

(h) Officers and employees of the University of California and the California State Colleges.

(i) The teaching staff of schools under the jurisdiction of the Department of Education or the Superintendent of Public Instruction.

(j) Member, inmate, and patient help in state homes, charitable or correctional institutions, and state facilities for mentally ill or retarded persons.

(k) Members of the militia while engaged in military service.

(*l*) Officers and employees of district agricultural associations employed less than 6 months in a calendar year.

(m) In addition to positions exempted by other provisions of this section, the Attorney General may appoint or employ six deputies or employees, the Public Utilities Commission may appoint or employ one deputy or employee, and the Legislative Counsel may appoint or employ two deputies or employees. [*New section adopted June 8, 1976.*]

[*Temporary Appointments*]

SEC. 5. A temporary appointment may be made to a position for which there is no employment list. No person may serve in one or more positions under temporary appointment longer than 9 months in 12 consecutive months. [*New section adopted June 8, 1976.*]

[*Veterans' Preferences—Special Rules*]

SEC. 6. (a) The Legislature may provide preferences for veterans and their surviving spouses.

(b) The board by special rule may permit persons in exempt positions, brought under civil service by constitutional provision, to qualify to continue in their positions.

(c) When the State undertakes work previously performed by a county, city, public district of this State or by a federal department or agency, the board by special rule shall provide for persons who previously performed this work to qualify to continue in their positions in the state civil service subject to such minimum standards as may be established by statute. [*New section adopted June 8, 1976.*]

[*Dual Office Holding*]

SEC. 7. A person holding a lucrative office under the United States or other power may not hold a civil office of profit. A local officer or post-

master whose compensation does not exceed 500 dollars per year or an officer in the militia or a member of a reserve component of the armed forces of the United States except where on active federal duty for more than 30 days in any year is not a holder of a lucrative office, nor is the holding of a civil office of profit affected by this military service. [*New section adopted June 8, 1976.*]

[*Disqualification From Holding Office or Serving on Jury—Free Suffrage*]

SEC. 8. (a) Every person shall be disqualified from holding any office of profit in this State who shall have been convicted of having given or offered a bribe to procure personal election or appointment.

(b) Laws shall be made to exclude persons convicted of bribery, perjury, forgery, malfeasance in office, or other high crimes from office or serving on juries. The privilege of free suffrage shall be supported by laws regulating elections and prohibiting, under adequate penalties, all undue influence thereon from power, bribery, tumult, or other improper practice. [*New section adopted June 8, 1976.*]

[*Persons or Organizations Advocating Overthrow of Government*]

SEC. 9. Notwithstanding any other provision of this Constitution, no person or organization which advocates the overthrow of the Government of the United States or the State by force or violence or other unlawful means or who advocates the support of a foreign government against the United States in the event of hostilities shall:

(a) Hold any office or employment under this State, including but not limited to the University of California, or with any county, city or county, city, district, political subdivision, authority, board, bureau, commission or other public agency of this State; or

(b) Receive any exemption from any tax imposed by this State or any county, city or county, city, district, political subdivision, authority, board, bureau, commission or other public agency of this State.

The Legislature shall enact such laws as may be necessary to enforce the provisions of this section. [*New section adopted June 8, 1976.*]

[*Elected Officials—Disqualification for Libelous or Slanderous Campaign Statements*]

SEC. 10. (a) No person who is found liable in a civil action for making libelous or slanderous statements against an opposing candidate during the course of an election campaign for any federal, statewide, Board of Equalization, or legislative office or for any county, city and county, city, district, or any other local elective office shall retain the seat to which he or she is elected, where it is established that the libel or slander was a major contributing cause in the defeat of an opposing candidate.

A libelous or slanderous statement shall be deemed to have been made by a person within the meaning of this section if that person actually made the statement or if the person actually or constructively assented to, authorized, or ratified the statement.

''Federal office,'' as used in this section means the office of United States Senator and Member of the House of Representatives; and to the extent that the provisions of this section do not conflict with any provision of federal law, it is intended that candidates seeking the office of United States Senator or Member of the House of Representatives comply with this section.

(b) In order to determine whether libelous or slanderous statements were a major contributing cause in the defeat of an opposing candidate, the trier of fact shall make a separate, distinct finding on that issue. If the trier of fact finds that libel or slander was a major contributing cause in the defeat of an opposing candidate and that the libelous or slanderous statement was made with knowledge that it was false or with reckless disregard of whether it was false or true, the person holding office shall be disqualified from or shall forfeit that office as provided in subdivision (d). The findings required by this section shall be in writing and shall be incorporated as part of the judgment.

(c) In a case where a person is disqualified from holding office or is required to forfeit an office under subdivisions (a) and (b), that disqualification or forfeiture shall create a vacancy in office, which vacancy shall be filled in the manner provided by law for the filling of a vacancy in that particular office.

(d) Once the judgment of liability is entered by the trial court and the time for filing a notice of appeal has expired, or all possibility of direct attack in the courts of this State has been finally exhausted, the person shall be disqualified from or shall forfeit the office involved in that election and shall have no authority to exercise the powers or perform the duties of the office.

(e) This section shall apply to libelous or slanderous statements made on or after the effective date of this section. [*New section adopted June 5, 1984.*]

[*Legislators' and Judges' Retirement Systems*]

SEC. 11. (a) The Legislators' Retirement System shall not pay any unmodified retirement allowance or its actuarial equivalent to any person who on or after January 1, 1987, entered for the first time any state office for which membership in the Legislators' Retirement System was elective or to any beneficiary or survivor of such a person, which exceeds the higher of (1) the salary receivable by the person currently serving in the office in which the retired person served or (2) the highest salary that was received by the retired person while serving in that office.

(b) The Judges' Retirement System shall not pay any unmodified retirement allowance or its actuarial equivalent to any person who on or after January 1, 1987, entered for the first time any judicial office subject to the Judges' Retirement System or to any beneficiary or survivor of such a person, which exceeds the higher of (1) the salary receivable by the person currently serving in the judicial office in which the retired person served or (2) the highest salary that was received by the retired person while serving in that judicial office.

(c) The Legislature may define the terms used in this section.

(d) If any part of this measure or the application to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications which reasonably can be given effect without the invalid provision or application. [*As amended November 6, 1990. Initiative measure.*]

ARTICLE VIII. [*Repealed November 8, 1966.*]

ARTICLE IX

EDUCATION

[*Legislative Policy*]

SECTION 1. A general diffusion of knowledge and intelligence being essential to the preservation of the rights and liberties of the people, the Legislature shall encourage by all suitable means the promotion of intellectual, scientific, moral, and agricultural improvement.

[*Superintendent of Public Instruction—Election—Date of Office—Number of Terms*]

SEC. 2. A Superintendent of Public Instruction shall be elected by the qualified electors of the State at each gubernatorial election. The Superintendent of Public Instruction shall enter upon the duties of the office on the first Monday after the first day of January next succeeding each gubernatorial election. No Superintendent of Public Instruction may serve more than 2 terms. [*As amended November 6, 1990. Initiative measure.*]

[*Deputy and Associate Superintendents of Public Instruction*]

SEC. 2.1. The State Board of Education, on nomination of the Superintendent of Public Instruction, shall appoint one Deputy Superintendent of Public Instruction and three Associate Superintendents of Public Instruction who shall be exempt from state civil service and whose terms of office shall be four years.

This section shall not be construed as prohibiting the appointment, in accordance with law, of additional Associate Superintendents of Public Instruction subject to state civil service. [*New section adopted November 5, 1946.*]

[*County Superintendents of Schools*]

SEC. 3. A Superintendent of Schools for each county may be elected by the qualified electors thereof at each gubernatorial election or may be appointed by the county board of education, and the manner of the selection shall be determined by a majority vote of the electors of the county voting on the question; provided, that two or more counties may, by an election conducted pursuant to Section 3.2 of this article, unite for the purpose of electing or appointing one joint superintendent for the counties so uniting. [*As amended November 2, 1976.*]

[*County Superintendents of Schools—Qualifications and Salaries*]

SEC. 3.1. (a) Notwithstanding any provision of this Constitution to the contrary, the Legislature shall prescribe the qualifications required of county superintendents of schools, and for these purposes shall classify the several counties in the State.

(b) Notwithstanding any provision of this Constitution to the contrary, the county board of education or joint county board of education, as the case may be, shall fix the salary of the county superintendent of schools or the joint county superintendent of schools, respectively. [*As amended November 2, 1976.*]

[*Joint County Board of Education—Joint County Superintendent of Schools*]

SEC. 3.2. Notwithstanding any provision of this Constitution to the contrary, any two or more chartered counties, or nonchartered counties, or any combination thereof, may, by a majority vote of the electors of each such county voting on the proposition at an election called for that purpose in each such county, establish one joint board of education and one joint county superintendent of schools for the counties so uniting. A joint county board of education and a joint county superintendent of schools shall be governed by the general statutes and shall not be governed by the provisions of any county charter. [*New section adopted November 2, 1976.*]

[*County Boards of Education—Qualifications and Terms of Office*]

SEC. 3.3. Except as provided in Section 3.2 of this article, it shall be competent to provide in any charter framed for a county under any provision of this Constitution, or by the amendment of any such charter, for the election of the members of the county board of education of such county and for their qualifications and terms of office. [*As amended November 2, 1976.*]

SEC. 4. [*Repealed November 3, 1964.*]

[*Common School System*]

SEC. 5. The Legislature shall provide for a system of common schools by which a free school shall be kept up and supported in each district at least six months in every year, after the first year in which a school has been established.

[*Public Schools—Salaries*]

SEC. 6. Each person, other than a substitute employee, employed by a school district as a teacher or in any other position requiring certification qualifications shall be paid a salary which shall be at the rate of an annual salary of not less than twenty-four hundred dollars ($2,400) for a person serving full time, as defined by law.

[*Public School System*]

The Public School System shall include all kindergarten schools, elementary schools, secondary schools, technical schools, and state colleges, established in accordance with law and, in addition, the school districts and the other agencies authorized to maintain them. No school or college or any other part of the Public School System shall be, directly or indirectly, transferred from the Public School System or placed under the jurisdiction of any authority other than one included within the Public School System.

[*Support of Public School System—State Aid*]

The Legislature shall add to the State School Fund such other means from the revenues of the State as shall provide in said fund for apportionment in each fiscal year, an amount not less than one hundred eighty dollars ($180) per pupil in average daily attendance in the kindergarten schools, elementary schools, secondary schools, and technical schools in the Public School System during the next preceding fiscal year.

The entire State School Fund shall be apportioned in each fiscal year in such manner as the Legislature may provide, through the school districts and other agencies maintaining such schools, for the support of, and aid to, kindergarten schools, elementary schools, secondary schools, and technical schools except that there shall be apportioned to each school district in each fiscal year not less than one hundred twenty dollars ($120) per pupil in average daily attendance in the district during the next preceding fiscal year and except that the amount apportioned to each school district in each fiscal year shall be not less than twenty-four hundred dollars ($2,400).

Solely with respect to any retirement system provided for in the charter of any county or city and county pursuant to the provisions of which the contributions of, and benefits to, certificated employees of a school district who are members of such system are based upon the proportion of the salaries of such certificated employees contributed by said county or city

and county, all amounts apportioned to said county or city and county, or to school districts therein, pursuant to the provisions of this section shall be considered as though derived from county or city and county school taxes for the support of county and city and county government and not money provided by the State within the meaning of this section. [*As amended November 5, 1974.*]

[*School Districts—Bonds*]

SEC. 6½. Nothing in this Constitution contained shall forbid the formation of districts for school purposes situate in more than one county or the issuance of bonds by such districts under such general laws as have been or may hereafter be prescribed by the Legislature; and the officers mentioned in such laws shall be authorized to levy and assess such taxes and perform all such other acts as may be prescribed therein for the purpose of paying such bonds and carrying out the other powers conferred upon such districts; *provided,* that all such bonds shall be issued subject to the limitations prescribed in section eighteen† of article eleven hereof. [*New section adopted November 7, 1922.*]

[*Boards of Education*]

SEC. 7. The Legislature shall provide for the appointment or election of the State Board of Education and a board of education in each county or for the election of a joint county board of education for two or more counties. [*As amended November 2, 1976.*]

[*Free Textbooks*]

SEC. 7.5. The State Board of Education shall adopt textbooks for use in grades one through eight throughout the State, to be furnished without cost as provided by statute. [*New section adopted June 2, 1970.*]

[*Sectarian Schools—Public Money—Doctrines*]

SEC. 8. No public money shall ever be appropriated for the support of any sectarian or denominational school, or any school not under the exclusive control of the officers of the public schools; nor shall any sectarian or denominational doctrine be taught, or instruction thereon be permitted, directly or indirectly, in any of the common schools of this State.

[*University of California*]

SEC. 9. (a) The University of California shall constitute a public trust, to be administered by the existing corporation known as "The Regents of the University of California," with full powers of organization and government, subject only to such legislative control as may be necessary to insure the security of its funds and compliance with the terms of

† Former Section 18 of Article XI added to Article XIII as Section 40, June 2, 1970 and repealed November 5, 1974.

the endowments of the university and such competitive bidding procedures as may be made applicable to the university by statute for the letting of construction contracts, sales of real property, and purchasing of materials, goods, and services. Said corporation shall be in form a board composed of seven ex officio members, which shall be: the Governor, the Lieutenant Governor, the Speaker of the Assembly, the Superintendent of Public Instruction, the president and the vice president of the alumni association of the university and the acting president of the university, and 18 appointive members appointed by the Governor and approved by the Senate, a majority of the membership concurring; provided, however that the present appointive members shall hold office until the expiration of their present terms.

(b) The terms of the members appointed prior to November 5, 1974, shall be 16 years; the terms of two appointive members to expire as heretofore on March 1st of every even-numbered calendar year, and two members shall be appointed for terms commencing on March 1, 1976, and on March 1 of each year thereafter; provided that no such appointments shall be made for terms to commence on March 1, 1979, or on March 1 of each fourth year thereafter, to the end that no appointment to the regents for a newly commencing term shall be made during the first year of any gubernatorial term of office. The terms of the members appointed for terms commencing on and after March 1, 1976, shall be 12 years. During the period of transition until the time when the appointive membership is comprised exclusively of persons serving for terms of 12 years, the total number of appointive members may exceed the numbers specified in the preceeding paragraph.

In case of any vacancy, the term of office of the appointee to fill such vacancy, who shall be appointed by the Governor and approved by the Senate, a majority of the membership concurring, shall be for the balance of the term for which such vacancy exists.

(c) The members of the board may, in their discretion, following procedures established by them and after consultation with representatives of faculty and students of the university, including appropriate officers of the academic senate and student governments, appoint to the board either or both of the following persons as members with all rights of participation: a member of the faculty at a campus of the university or of another institution of higher education; a person enrolled as a student at a campus of the university for each regular academic term during his service as a member of the board. Any person so appointed shall serve for not less than one year commencing on July 1.

(d) Regents shall be able persons broadly reflective of the economic, cultural, and social diversity of the State, including ethnic minorities and women. However, it is not intended that formulas or specific ratios be applied in the selection of regents.

(e) In the selection of the Regents, the Governor shall consult an advisory committee composed as follows: The Speaker of the Assembly and two public members appointed by the Speaker, the President Pro Tempore of the Senate and two public members appointed by the Rules Committee of the Senate, two public members appointed by the Governor, the chairman of the regents of the university, an alumnus of the university chosen by the alumni association of the university, a student of the university chosen by the Council of Student Body Presidents, and a member of the faculty of the university chosen by the academic senate of the university. Public members shall serve for four years, except that one each of the initially appointed members selected by the Speaker of the Assembly, the President Pro Tempore of the Senate, and the Governor shall be appointed to serve for two years; student, alumni, and faculty members shall serve for one year and may not be regents of the university at the time of their service on the advisory committee.

(f) The Regents of the University of California shall be vested with the legal title and the management and disposition of the property of the university and of property held for its benefit and shall have the power to take and hold, either by purchase or by donation, or gift, testamentary or otherwise, or in any other manner, without restriction, all real and personal property for the benefit of the university or incidentally to its conduct; provided, however, that sales of university real property shall be subject to such competitive bidding procedures as may be provided by statute. Said corporation shall also have all the powers necessary or convenient for the effective administration of its trust, including the power to sue and to be sued, to use a seal, and to delegate to its committees or to the faculty of the university, or to others, such authority or functions as it may deem wise. The Regents shall receive all funds derived from the sale of lands pursuant to the act of Congress of July 2, 1862, and any subsequent acts amendatory thereof. The university shall be entirely independent of all political or sectarian influence and kept free therefrom in the appointment of its regents and in the administration of its affairs, and no person shall be debarred admission to any department of the university on account of race, religion, ethnic heritage, or sex.

(g) Meetings of the Regents of the University of California shall be public, with exceptions and notice requirements as may be provided by statute. [*As amended November 2, 1976.*]

SEC. 10. [*Repealed November 5, 1974.*]

SEC. 11. [*Repealed November 5, 1974.*]

SEC. 12. [*Repealed November 5, 1974.*]

SEC. 13. [*Repealed November 5, 1974.*]

[*School District Incorporation and Organization—Governing Board Powers*]

SEC. 14. The Legislature shall have power, by general law, to provide for the incorporation and organization of school districts, high school districts, and community college districts, of every kind and class, and may classify such districts.

The Legislature may authorize the governing boards of all school districts to initiate and carry on any programs, activities, or to otherwise act in any manner which is not in conflict with the laws and purposes for which school districts are established. [*As amended November 7, 1972. Operative July 1, 1973.*]

SEC. 15. [*Repealed November 5, 1974.*]

[*Boards of Education—City Charter Provisions*]

SEC. 16. (a) It shall be competent, in all charters framed under the authority given by Section 5 of Article XI, to provide, in addition to those provisions allowable by this Constitution, and by the laws of the State for the manner in which, the times at which, and the terms for which the members of boards of education shall be elected or appointed, for their qualifications, compensation and removal, and for the number which shall constitute any one of such boards.

[*Charter Amendments—Approval by Voters*]

(b) Notwithstanding Section 3 of Article XI, when the boundaries of a school district or community college district extend beyond the limits of a city whose charter provides for any or all of the foregoing with respect to the members of its board of education, no charter amendment effecting a change in the manner in which, the times at which, or the terms for which the members of the board of education shall be elected or appointed, for their qualifications, compensation, or removal, or for the number which shall constitute such board, shall be adopted unless it is submitted to and approved by a majority of all the qualified electors of the school district or community college district voting on the question. Any such amendment, and any portion of a proposed charter or a revised charter which would establish or change any of the foregoing provisions respecting a board of education, shall be submitted to the electors of the school district or community college district as one or more separate questions. The failure of any such separate question to be approved shall have the result of continuing in effect the applicable existing law with respect to that board of education. [*As amended June 6, 1978.*]

ARTICLE X*

WATER

[*State's Right of Eminent Domain*]

SECTION 1. The right of eminent domain is hereby declared to exist in the State to all frontages on the navigable waters of this State. [*New section adopted June 8, 1976.*]

[*Conservation and Beneficial Use of Water—Riparian Rights*]

SEC. 2. It is hereby declared that because of the conditions prevailing in this State the general welfare requires that the water resources of the State be put to beneficial use to the fullest extent of which they are capable, and that the waste or unreasonable use or unreasonable method of use of water be prevented, and that the conservation of such waters is to be exercised with a view to the reasonable and beneficial use thereof in the interest of the people and for the public welfare. The right to water or to the use or flow of water in or from any natural stream or water course in this State is and shall be limited to such water as shall be reasonably required for the beneficial use to be served, and such right does not and shall not extend to the waste or unreasonable use or unreasonable method of use or unreasonable method of diversion of water. Riparian rights in a stream or water course attach to, but to no more than so much of the flow thereof as may be required or used consistently with this section, for the purposes for which such lands are, or may be made adaptable, in view of such reasonable and beneficial uses; provided, however, that nothing herein contained shall be construed as depriving any riparian owner of the reasonable use of water of the stream to which the owner's land is riparian under reasonable methods of diversion and use, or as depriving any appropriator of water to which the appropriator is lawfully entitled. This section shall be self-executing, and the Legislature may also enact laws in the furtherance of the policy in this section contained. [*New section adopted June 8, 1976.*]

[*Tidelands*]

SEC. 3. All tidelands within two miles of any incorporated city, city and county, or town in this State, and fronting on the water of any harbor, estuary, bay, or inlet used for the purposes of navigation, shall be withheld from grant or sale to private persons, partnerships, or corporations; provided, however, that any such tidelands, reserved to the State solely for street purposes, which the Legislature finds and declares are not used for navigation purposes and are not necessary for such purposes may be sold to any town, city, county, city and county, municipal corporations, private persons, partnerships or corporations subject to such conditions as the

* New Article X adopted June 8, 1976.

Legislature determines are necessary to be imposed in connection with any such sales in order to protect the public interest. [*New section adopted June 8, 1976.*]

[*Access to Navigable Waters*]

SEC. 4. No individual, partnership, or corporation, claiming or possessing the frontage or tidal lands of a harbor, bay, inlet, estuary, or other navigable water in this State, shall be permitted to exclude the right of way to such water whenever it is required for any public purpose, nor to destroy or obstruct the free navigation of such water; and the Legislature shall enact such laws as will give the most liberal construction to this provision, so that access to the navigable waters of this State shall be always attainable for the people thereof. [*New section adopted June 8, 1976.*]

[*State Control of Water Use*]

SEC. 5. The use of all water now appropriated, or that may hereafter be appropriated, for sale, rental, or distribution, is hereby declared to be a public use, and subject to the regulation and control of the State, in the manner to be prescribed by law. [*New section adopted June 8, 1976.*]

[*Compensation for Water Use*]

SEC. 6. The right to collect rates or compensation for the use of water supplied to any county, city and county, or town, or the inhabitants thereof, is a franchise, and cannot be exercised except by authority of and in the manner prescribed by law. [*New section adopted June 8, 1976.*]

[*Acquisition of Real Property—Conformance to California Water Laws*]

SEC. 7. Whenever any agency of government, local, state, or federal, hereafter acquires any interest in real property in this State, the acceptance of the interest shall constitute an agreement by the agency to conform to the laws of California as to the acquisition, control, use, and distribution of water with respect to the land so acquired. [*New section adopted June 8, 1976.*]

ARTICLE X A*

WATER RESOURCES DEVELOPMENT

[*Article X A has no force or effect because Senate Bill No. 200 of the 1979–80 Regular Session of the Legislature was defeated by referendum vote June 8, 1982*]

[*Water Rights, Water Quality, and Fish and Wildlife Resources Guaranteed and Protected*]

SECTION 1. The people of the State hereby provide the following guarantees and protections in this article for water rights, water quality, and fish and wildlife resources. [*New section adopted November 4, 1980. Section has no force or effect because Senate Bill No. 200 of the 1979–80 Regular Session of the Legislature was defeated by referendum vote June 8, 1982.*]

[*Statutes for Protection of Fish and Wildlife Resources, Delta, Etc.*]

SEC. 2. No statute amending or repealing, or adding to, the provisions of the statute enacted by Senate Bill No. 200 † of the 1979–80 Regular Session of the Legislature which specify (1) the manner in which the State will protect fish and wildlife resources in the Sacramento-San Joaquin Delta, Suisun Marsh, and San Francisco Bay system westerly of the delta; (2) the manner in which the State will protect existing water rights in the Sacramento-San Joaquin Delta; and (3) the manner in which the State will operate the State Water Resources Development System to comply with water quality standards and water quality control plans, shall become effective unless approved by the electors in the same manner as statutes amending initiative statutes are approved; except that the Legislature may, by statute passed in each house by roll call vote entered in the journal, two-thirds of the membership concurring, amend or repeal, or add to, these provisions if the statute does not in any manner reduce the protection of the delta or fish and wildlife. [*New section adopted November 4, 1980. Section has no force or effect because Senate Bill No. 200 of the 1979–80 Regular Session of the Legislature was defeated by referendum vote June 8, 1982.*]

[*Appropriations of Water—Components of California Wild and Scenic Rivers System*]

SEC. 3. No water shall be available for appropriation by storage in, or by direct diversion from, any of the components of the California Wild and Scenic Rivers System, as such system exists on January 1, 1981, where such appropriation is for export of water into another major hydrologic basin of the State, as defined in the Department of Water Resources Bulletin

*New Article X A adopted November 4, 1980.

† Chapter 632, Statutes of 1980.

160-74, unless such export is expressly authorized prior to such appropriation by: (a) an initiative statute approved by the electors, or (b) the Legislature, by statute passed in each house by roll call vote entered in the journal, two-thirds of the membership concurring. [*New section adopted November 4, 1980. Section has no force or effect because Senate Bill No. 200 of the 1979–80 Regular Session of the Legislature was defeated by referendum vote June 8, 1982.*]

[*Statutes Amending, Repealing, or Adding to Delta Protection Act*]

SEC. 4. No statute amending or repealing, or adding to, the provisions of Part 4.5 (commencing with Section 12200) of Division 6 of the Water Code (the Delta Protection Act) shall become effective unless approved by the electors in the same manner as statutes amending initiative statutes are approved; except that the Legislature may, by statute passed in each house by roll call vote entered in the journal, two-thirds of the membership concurring, amend or repeal, or add to, these provisions if the statute does not in any manner reduce the protection of the delta or fish and wildlife. [*New section adopted November 4, 1980. Section has no force or effect because Senate Bill No. 200 of the 1979–80 Regular Session of the Legislature was defeated by referendum vote June 8, 1982.*]

[*Eminent Domain Proceedings to Acquire Water Rights or Contract Rights for Water or Water Quality Maintenance in Delta Prohibited*]

SEC. 5. No public agency may utilize eminent domain proceedings to acquire water rights, which are held for uses within the Sacramento-San Joaquin Delta as defined in Section 12220 of the Water Code, or any contract rights for water or water quality maintenance in the Delta for the purpose of exporting such water from the Delta. This provision shall not be construed to prohibit the utilization of eminent domain proceedings for the purpose of acquiring land or any other rights necessary for the construction of water facilities, including, but not limited to, facilities authorized in Chapter 8 (commencing with Section 12930) of Part 6 of Division 6 of the Water Code. [*New section adopted November 4, 1980. Section has no force or effect because Senate Bill No. 200 of the 1979–80 Regular Session of the Legislature was defeated by referendum vote June 8, 1982.*]

[*Actions and Proceedings*]

SEC. 6. (a) The venue of any of the following actions or proceedings brought in a superior court shall be Sacramento County:

(1) An action or proceeding to attack, review, set aside, void, or annul any provision of the statute enacted by Senate Bill No. 200 † of the 1979–80 Regular Session of the Legislature.

† Chapter 632, Statutes of 1980.

(2) An action or proceeding to attack, review, set aside, void, or annul the determination made by the Director of Water Resources and the Director of Fish and Game pursuant to subdivision (a) of Section 11255 of the Water Code.

(3) An action or proceeding which would have the effect of attacking, reviewing, preventing, or substantially delaying the construction, operation, or maintenance of the peripheral canal unit described in subdivision (a) of Section 11255 of the Water Code.

(4) An action or proceeding to require the State Water Resources Development System to comply with subdivision (b) of Section 11460 of the Water Code.

(5) An action or proceeding to require the Department of Water Resources or its successor agency to comply with the permanent agreement specified in subdivision (a) of Section 11256 of the Water Code.

(6) An action or proceeding to require the Department of Water Resources or its successor agency to comply with the provisions of the contracts entered into pursuant to Section 11456 of the Water Code.

(b) An action or proceeding described in paragraph (1) of subdivision (a) shall be commenced within one year after the effective date of the statute enacted by Senate Bill No. 200 † of the 1979–80 Regular Session of the Legislature. Any other action or proceeding described in subdivision (a) shall be commenced within one year after the cause of action arises unless a shorter period is otherwise provided by statute.

(c) The superior court or a court of appeals shall give preference to the actions or proceedings described in this section over all civil actions or proceedings pending in the court. The superior court shall commence hearing any such action or proceeding within six months after the commencement of the action or proceeding, provided that any such hearing may be delayed by joint stipulation of the parties or at the discretion of the court for good cause shown. The provisions of this section shall supersede any provisions of law requiring courts to give preference to other civil actions or proceedings. The provisions of this subdivision may be enforced by mandamus.

(d) The Supreme Court shall, upon the request of any party, transfer to itself, before a decision in the court of appeal, any appeal or petition for extraordinary relief from an action or proceeding described in this section, unless the Supreme Court determines that the action or proceeding is unlikely to substantially affect (1) the construction, operation, or maintenance of the peripheral canal unit described in subdivision (a) of Section 11255 of the Water Code, (2) compliance with subdivision (b) of Section 11460 of the Water Code, (3) compliance with the permanent agreement specified in Section 11256 of the Water Code, or (4) compliance with the provisions of the contracts entered into pursuant to Section 11456 of the

† Chapter 632, Statutes of 1980.

Water Code. The request for transfer shall receive preference on the Supreme Court's calendar. If the action or proceeding is transferred to the Supreme Court, the Supreme Court shall commence to hear the matter within six months of the transfer unless the parties by joint stipulation request additional time or the court, for good cause shown, grants additional time.

(e) The remedy prescribed by the court for an action or proceeding described in paragraph (4), (5), or (6) of subdivision (a) shall include, but need not be limited to, compliance with subdivision (b) of Section 11460 of the Water Code, the permanent agreement specified in Section 11256 of the Water Code, or the provisions of the contracts entered into pursuant to Section 11456 of the Water Code.

(f) The Board of Supervisors of the County of Sacramento may apply to the State Board of Control for actual costs imposed by the requirements of this section upon the county, and the State Board of Control shall pay such actual costs.

(g) Notwithstanding the provisions of this section, nothing in this Article shall be construed as prohibiting the Supreme Court from exercising the transfer authority contained in Article VI, Section 12 of the Constitution. [*New section adopted November 4, 1980. Section has no force or effect because Senate Bill No. 200 of the 1979–80 Regular Session of the Legislature was defeated by referendum vote June 8, 1982.*]

[*State Agencies' Exercise of Authorized Powers*]

SEC. 7. State agencies shall exercise their authorized powers in a manner consistent with the protections provided by this article. [*New section adopted November 4, 1980. Section has no force or effect because Senate Bill No. 200 of the 1979–80 Regular Session of the Legislature was defeated by referendum vote June 8, 1982.*]

[*Force or Effect of Article*]

SEC. 8. This article shall have no force or effect unless Senate Bill No. 200 † of the 1979–80 Regular Session of the Legislature is enacted and takes effect. [*New section adopted November 4, 1980. Section has no force or effect because Senate Bill No. 200 of the 1979–80 Regular Session of the Legislature was defeated by referendum vote June 8, 1982.*]

† Chapter 632, Statutes of 1980.

ARTICLE X B*

MARINE RESOURCES PROTECTION ACT OF 1990

[*Title*]

SECTION 1. This article shall be known and may be cited as the Marine Resources Protection Act of 1990. [*New section adopted November 6, 1990. Initiative measure.*]

[*Definitions*]

SEC. 2. (a) ''District'' means a fish and game district as defined in the Fish and Game Code by statute on January 1, 1990.

(b) Except as specifically provided in this article, all references to Fish and Game Code sections, articles, chapters, parts, and divisions are defined as those statutes in effect on January 1, 1990.

(c) ''Ocean waters'' means the waters of the Pacific Ocean regulated by the State.

(d) ''Zone'' means the Marine Resources Protection zone established pursuant to this article. The zone consists of the following:

(1) In waters less than 70 fathoms or within one mile, whichever is less, around the Channel Islands consisting of the Islands of San Miguel, Santa Rosa, Santa Cruz, Anacapa, San Nicolaus, Santa Barbara, Santa Catalina, and San Clemente.

(2) The area within three nautical miles offshore of the mainland coast, and the area within three nautical miles off any manmade breakwater, between a line extending due west from Point Arguello and a line extending due west from the Mexican border.

(3) In waters less than 35 fathoms between a line running 180 degrees true from Point Fermin and a line running 270 degrees true from the south jetty of Newport Harbor. [*New section adopted November 6, 1990. Initiative measure.*]

[*Gill and Trammel Nets—Usage*]

SEC. 3. (a) From January 1, 1991, to December 31, 1993, inclusive, gill nets or trammel nets may only be used in the zone pursuant to a nontransferable permit issued by the Department of Fish and Game pursuant to Section 5.

(b) On and after January 1, 1994, gill nets and trammel nets shall not be used in the zone. [*New section adopted November 6, 1990. Initiative measure.*]

[*Gill and Trammel Nets—Usage*]

SEC. 4. (a) Notwithstanding any other provision of law, gill nets and trammel nets may not be used to take any species of rockfish.

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* New Article X B adopted November 6, 1990. Initiative measure.

(b) In ocean waters north of Point Arguello on and after the effective date of this article, the use of gill nets and trammel nets shall be regulated by the provisions of Article 4 (commencing with Section 8660), Article 5 (commencing with Section 8680) and Article 6 (commencing with Section 8720) of Chapter 3 of Part 3 of Division 6 of the Fish and Game Code, or any regulation or order issued pursuant to these articles, in effect on January 1, 1990, except that as to Sections 8680, 8681, 8681.7, and 8682, and subdivisions (a) through (f), inclusive of Section 8681.5 of the Fish and Game Code, or any regulation or order issued pursuant to these sections, the provisions in effect on January 1, 1989, shall control where not in conflict with other provisions of this article, and shall be applicable to all ocean waters. Notwithstanding the provisions of this section, the Legislature shall not be precluded from imposing more restrictions on the use and/or possession of gill nets or trammel nets. The Director of the Department of Fish and Game shall not authorize the use of gill nets or trammel nets in any area where the use is not permitted even if the director makes specified findings. [*New section adopted November 6, 1990. Initiative measure.*]

[*Gill and Trammel Nets—Usage*]

SEC. 5. The Department of Fish and Game shall issue a permit to use a gill net or trammel net in the zone for the period specified in subdivision (a) of Section 3 to any applicant who meets both of the following requirements:

(a) Has a commercial fishing license issued pursuant to Sections 7850–7852.3 of the Fish and Game Code.

(b) Has a permit issued pursuant to Section 8681 of the Fish and Game Code and is presently the owner or operator of a vessel equipped with a gill net or trammel net. [*New section adopted November 6, 1990. Initiative measure.*]

[*Permit Fees*]

SEC. 6. The Department of Fish and Game shall charge the following fees for permits issued pursuant to Section 5 pursuant to the following schedule:

Calendar Year	Fee
1991	$250
1992	500
1993	1,000

[*New section adopted November 6, 1990. Initiative measure.*]

[*Permitholder's Compensation for Discontinuing Fishing with Gill and Trammel Nets*]

SEC. 7. (a) Within 90 days after the effective date of this section, every person who intends to seek the compensation provided in subdivision

(b) shall notify the Department of Fish and Game, on forms provided by the department, of that intent. Any person who does not submit the form within that 90-day period shall not be compensated pursuant to subdivision (b). The department shall publish a list of all persons submitting the form within 120 days after the effective date of this section.

(b) After July 1, 1993, and before January 1, 1994, any person who holds a permit issued pursuant to Section 5 and operates in the zone may surrender that permit to the department and agree to permanently discontinue fishing with gill or trammel nets in the zone, for which he or she shall receive, beginning on July 1, 1993, a one time compensation which shall be based upon the average annual ex vessel value of the fish other than any species of rockfish landed by a fisherman, which were taken pursuant to a valid general gill net or trammel net permit issued pursuant to Sections 8681 and 8682 of the Fish and Game Code within the zone during the years 1983 to 1987, inclusive. The department shall verify those landings by reviewing logs and landing receipts submitted to it. Any person who is denied compensation by the department as a result of the department's failure to verify landings may appeal that decision to the Fish and Game Commission.

(c) The State Board of Control shall, prior to the disbursement of any funds, verify the eligibility of each person seeking compensation and the amount of the compensation to be provided in order to ensure compliance with this section.

(d) Unless the Legislature enacts any required enabling legislation to implement this section on or before July 1, 1993, no compensation shall be paid under this article. [*New section adopted November 6, 1990. Initiative measure.*]

[*Marine Resources Protection Account—Fees—Interest*]

SEC. 8. (a) There is hereby created the Marine Resources Protection Account in the Fish and Game Preservation Fund. On and after January 1, 1991, the Department of Fish and Game shall collect any and all fees required by this article. All fees received by the department pursuant to this article shall be deposited in the account and shall be expended or encumbered to compensate persons who surrender permits pursuant to Section 7 or to provide for administration of this article. All funds received by the department during any fiscal year pursuant to this article which are not expended during that fiscal year to compensate persons as set forth in Section 7 or to provide for administration of this article shall be carried over into the following fiscal year and shall be used only for those purposes. All interest accrued from the department's retention of fees received pursuant to this article shall be credited to the account. The accrued interest may only be expended for the purposes authorized by this article. The account shall continue in existence, and the requirement to pay fees under this ar-

ticle shall remain in effect, until the compensation provided in Section 7 has been fully funded or until January 1, 1995, whichever occurs first.

(b) An amount, not to exceed 15 percent of the total annual revenues deposited in the account excluding any interest accrued or any funds carried over from a prior fiscal year may be expended for the administration of this article.

(c) In addition to a valid California sportfishing license issued pursuant to Sections 7149, 7149.1 or 7149.2 of the Fish and Game Code and any applicable sport license stamp issued pursuant to the Fish and Game Code, a person taking fish from ocean waters south of a line extending due west from Point Arguello for sport purposes shall have permanently affixed to that person's sportfishing license a marine resources protection stamp which may be obtained from the department upon payment of a fee of three dollars ($3). This subdivision does not apply to any one-day fishing license.

(d) In addition to a valid California commercial passenger fishing boat license required by Section 7920 of the Fish and Game Code, the owner of any boat or vessel who, for profit, permits any person to fish from the boat or vessel in ocean waters south of a line extending due west from Point Arguello, shall obtain and permanently affix to the license a commercial marine resources protection stamp which may be obtained from the department upon payment of a fee of three dollars ($3).

(e) The department may accept contributions or donations from any person who wishes to donate money to be used for the compensation of commercial gill net and trammel net fishermen who surrender permits under this article.

(f) This section shall become inoperative on January 1, 1995. [*New section adopted November 6, 1990. Inoperative January 1, 1995. Initiative measure.*]

[*Marine Resources Protection Account—Grants*]

SEC. 9. Any funds remaining in the Marine Resources Protection Account in the Fish and Game Preservation Fund on or after January 1, 1995, shall, with the approval of the Fish and Game Commission, be used to provide grants to colleges, universities and other bonafide scientific research groups to fund marine resource related scientific research within the ecological reserves established by Section 14 of this act. [*New section adopted November 6, 1990. Initiative measure.*]

[*Report to Legislature*]

SEC. 10. On or before December 31 of each year, the Director of Fish and Game shall prepare and submit a report to the Legislature regarding the implementation of this article including an accounting of all funds. [*New section adopted November 6, 1990. Initiative measure.*]

[*Violations*]

SEC. 11. It is unlawful for any person to take, possess, receive, transport, purchase, sell, barter, or process any fish obtained in violation of this article. [*New section adopted November 6, 1990. Initiative measure.*]

[*Commercial Fishing Daily Landings Monitoring and Evaluating Program*]

SEC. 12. To increase the State's scientific and biological information on the ocean fisheries of this State, the Department of Fish and Game shall establish a program whereby it can monitor and evaluate the daily landings of fish by commercial fishermen who are permitted under this article to take these fish. The cost of implementing this monitoring program shall be borne by the commercial fishing industry. [*New section adopted November 6, 1990. Initiative measure.*]

[*Penalties for Violations—Probation—Fine*]

SEC. 13. (a) The penalty for a first violation of the provisions of Sections 3 and 4 of this article is a fine of not less than one thousand dollars ($1,000) and not more than five thousand dollars ($5,000) and a mandatory suspension of any license, permit or stamp to take, receive, transport, purchase, sell, barter or process fish for commercial purposes for six months. The penalty for a second or subsequent violation of the provisions of Sections 3 and 4 of this article is a fine of not less than two thousand five hundred dollars ($2,500) and not more than ten thousand dollars ($10,000) and a mandatory suspension of any license, permit or stamp to take, receive, transport, purchase, sell, barter, or process fish for commercial purposes for one year.

(b) Notwithstanding any other provisions of law, a violation of Section 8 of this article shall be deemed a violation of the provisions of Section 7145 of the Fish and Game Code and the penalty for such violation shall be consistent with the provisions of Section 12002.2 of said code.

(c) If a person convicted of a violation of Section 3, 4, or 8 of this article is granted probation, the court shall impose as a term or condition of probation, in addition to any other term or condition of probation, that the person pay at least the minimum fine prescribed in this section. [*New section adopted November 6, 1990. Initiative measure.*]

[*New Ecological Reserves*]

SEC. 14. Prior to January 1, 1994, the Fish and Game Commission shall establish four new ecological reserves in ocean waters along the mainland coast. Each ecological reserve shall have a surface area of at least two square miles. The commission shall restrict the use of these ecological reserves to scientific research relating to the management and enhancement of marine resources. [*New section adopted November 6, 1990. Initiative measure.*]

[*Article not Preempting or Superseding Other Protective Closures*]

SEC. 15. This article does not preempt or supersede any other closures to protect any other wildlife, including sea otters, whales, and shorebirds. [*New section adopted November 6, 1990. Initiative measure.*]

[*Severability*]

SEC. 16. If any provision of this article or the application thereof to any person or circumstances is held invalid, that invalidity shall not affect other provisions or applications of this article which can be given effect without the invalid provision or application, and to this end the provisions of this article are severable. [*New section adopted November 6, 1990. Initiative measure.*]

ARTICLE XI. [*Repealed June 2, 1970. See Article XI, below.*]

ARTICLE XI*

LOCAL GOVERNMENT

[*Counties—Formation, Boundaries, County Seat, Officers, and Governing Body*]

SEC. 1. (a) The State is divided into counties which are legal subdivisions of the State. The Legislature shall prescribe uniform procedure for county formation, consolidation, and boundary change. Formation or consolidation requires approval by a majority of electors voting on the question in each affected county. A boundary change requires approval by the governing body of each affected county. No county seat shall be removed unless two-thirds of the qualified electors of the county, voting on the proposition at a general election, shall vote in favor of such removal. A proposition of removal shall not be submitted in the same county more than once in four years.

(b) The Legislature shall provide for county powers, an elected county sheriff, an elected district attorney, an elected assessor, and an elected governing body in each county. Except as provided in subdivision (b) of Section 4 of this article, each governing body shall prescribe by ordinance the compensation of its members, but the ordinance prescribing such compensation shall be subject to referendum. The Legislature or the governing body may provide for other officers whose compensation shall be prescribed by the governing body. The governing body shall provide for the number, compensation, tenure, and appointment of employees. [*As amended June 7, 1988.*]

SEC. 2. [*Repealed June 2, 1970. See Section 2, below.*]

* New Article XI adopted June 2, 1970.

[*Cities—Formation, Powers*]

SEC. 2. (a) The Legislature shall prescribe uniform procedure for city formation and provide for city powers.

(b) Except with approval by a majority of its electors voting on the question, a city may not be annexed to or consolidated into another. [*New section adopted June 2, 1970.*]

[*County or City—Charters*]

SEC. 3. (a) For its own government, a county or city may adopt a charter by majority vote of its electors voting on the question. The charter is effective when filed with the Secretary of State. A charter may be amended, revised, or repealed in the same manner. A charter, amendment, revision, or repeal thereof shall be published in the official state statutes. County charters adopted pursuant to this section shall supersede any existing charter and all laws inconsistent therewith. The provisions of a charter are the law of the State and have the force and effect of legislative enactments.

(b) The governing body or charter commission of a county or city may propose a charter or revision. Amendment or repeal may be proposed by initiative or by the governing body.

(c) An election to determine whether to draft or revise a charter and elect a charter commission may be required by initiative or by the governing body.

(d) If provisions of 2 or more measures approved at the same election conflict, those of the measure receiving the highest affirmative vote shall prevail. [*As amended November 5, 1974.*]

[*County Charters—Provisions*]

SEC. 4. County charters shall provide for:

(a) A governing body of 5 or more members, elected (1) by district or, (2) at large, or (3) at large, with a requirement that they reside in a district. Charter counties are subject to statutes that relate to apportioning population of governing body districts.

(b) The compensation, terms, and removal of members of the governing body. If a county charter provides for the Legislature to prescribe the salary of the governing body, such compensation shall be prescribed by the governing body by ordinance.

(c) An elected sheriff, an elected district attorney, an elected assessor, other officers, their election or appointment, compensation, terms and removal.

(d) The performance of functions required by statute.

(e) The powers and duties of governing bodies and all other county officers, and for consolidation and segregation of county officers, and for the manner of filling all vacancies occurring therein.

(f) The fixing and regulation by governing bodies, by ordinance, of the appointment and number of assistants, deputies, clerks, attachés, and other persons to be employed, and for the prescribing and regulating by such bodies of the powers, duties, qualifications, and compensation of such persons, the times at which, and terms for which they shall be appointed, and the manner of their appointment and removal.

(g) Whenever any county has framed and adopted a charter, and the same shall have been approved by the Legislature as herein provided, the general laws adopted by the Legislature in pursuance of Section 1(b) of this article, shall, as to such county, be superseded by said charter as to matters for which, under this section it is competent to make provision in such charter, and for which provision is made therein, except as herein otherwise expressly provided.

(h) Charter counties shall have all the powers that are provided by this Constitution or by statute for counties. [*As amended June 7, 1988.*]

SEC. 5. [*Repealed June 2, 1970. See Section 5, below.*]

[*City Charters—Provisions*]

SEC. 5. (a) It shall be competent in any city charter to provide that the city governed thereunder may make and enforce all ordinances and regulations in respect to municipal affairs, subject only to restrictions and limitations provided in their several charters and in respect to other matters they shall be subject to general laws. City charters adopted pursuant to this Constitution shall supersede any existing charter, and with respect to municipal affairs shall supersede all laws inconsistent therewith.

(b) It shall be competent in all city charters to provide, in addition to those provisions allowable by this Constitution, and by the laws of the State for: (1) the constitution, regulation, and government of the city police force (2) subgovernment in all or part of a city (3) conduct of city elections and (4) plenary authority is hereby granted, subject only to the restrictions of this article, to provide therein or by amendment thereto, the manner in which, the method by which, the times at which, and the terms for which the several municipal officers and employees whose compensation is paid by the city shall be elected or appointed, and for their removal, and for their compensation, and for the number of deputies, clerks and other employees that each shall have, and for the compensation, method of appointment, qualifications, tenure of office and removal of such deputies, clerks and other employees. [*New section adopted June 2, 1970.*]

SEC. 5.1. [*Repealed June 2, 1970.*]

SEC. 6. [*Repealed June 2, 1970. See Section 6, below.*]

[*Charter City and County*]

SEC. 6. (a) A county and all cities within it may consolidate as a charter city and county as provided by statute.

(b) A charter city and county is a charter city and a charter county. Its charter city powers supersede conflicting charter county powers. [*New section adopted June 2, 1970.*]

SEC. 7. [*Repealed June 2, 1970. See Section 7, below.*]

[*Local Ordinances and Regulations*]

SEC. 7. A county or city may make and enforce within its limits all local, police, sanitary, and other ordinances and regulations not in conflict with general laws. [*New section adopted June 2, 1970.*]

SEC. 7½. [*Repealed June 2, 1970.*]

SEC. 7½b. [*Repealed June 2, 1970.*]

[*Ballot Measures—Application*]

SEC. 7.5. (a) A city or county measure proposed by the legislative body of a city, charter city, county, or charter county and submitted to the voters for approval may not do either of the following:

(1) Include or exclude any part of the city, charter city, county, or charter county from the application or effect of its provisions based upon approval or disapproval of the city or county measure, or based upon the casting of a specified percentage of votes in favor of the measure, by the electors of the city, charter city, county, charter county, or any part thereof.

(2) Contain alternative or cumulative provisions wherein one or more of those provisions would become law depending upon the casting of a specified percentage of votes for or against the measure.

(b) ''City or county measure,'' as used in this section, means an advisory question, proposed charter or charter amendment, ordinance, proposition for the issuance of bonds, or other question or proposition submitted to the voters of a city, or to the voters of a county at an election held throughout an entire single county. [*New section adopted June 2, 1998.*]

SEC. 8. [*Repealed June 2, 1970. See Section 8, below.*]

[*Counties—Performance of Municipal Functions*]

SEC. 8. (a) The Legislature may provide that counties perform municipal functions at the request of cities within them.

(b) If provided by their respective charters, a county may agree with a city within it to assume and discharge specified municipal functions. [*New section adopted June 2, 1970.*]

SEC. 8½. [*Repealed June 2, 1970.*]

[*Local Utilities*]

SEC. 9. (a) A municipal corporation may establish, purchase, and operate public works to furnish its inhabitants with light, water, power, heat, transportation, or means of communication. It may furnish those services outside its boundaries, except within another municipal corporation which furnishes the same service and does not consent.

(b) Persons or corporations may establish and operate works for supplying those services upon conditions and under regulations that the city may prescribe under its organic law. [*New section adopted June 2, 1970.*]

[*Local Government—Extra Compensation; City, County or District Employees—Residency*]

SEC. 10. (a) A local government body may not grant extra compensation or extra allowance to a public officer, public employee, or contractor after service has been rendered or a contract has been entered into and performed in whole or in part, or pay a claim under an agreement made without authority of law.

(b) A city or county, including any chartered city or chartered county, or public district, may not require that its employees be residents of such city, county, or district; except that such employees may be required to reside within a reasonable and specific distance of their place of employment or other designated location. [*As amended June 8, 1976.*]

SEC. 10.5. [*Repealed June 8, 1976.*]

[*Private Control of County or Municipal Functions—Deposit and Investment of Public Moneys*]

SEC. 11. (a) The Legislature may not delegate to a private person or body power to make, control, appropriate, supervise, or interfere with county or municipal corporation improvements, money, or property, or to levy taxes or assessments, or perform municipal functions.

(b) The Legislature may, however, provide for the deposit of public moneys in any bank in this State or in any savings and loan association in this State or any credit union in this State or in any federally insured industrial loan company in this State and for payment of interest, principal, and redemption premiums of public bonds and other evidence of public indebtedness by banks within or without this State. It may also provide for investment of public moneys in securities and the registration of bonds and other evidences of indebtedness by private persons or bodies, within or without this State, acting as trustees or fiscal agents. [*As amended November 8, 1988.*]

SEC. 12. [*As amended June 27, 1933, added to Article XIII as Section 37, June 2, 1970. See Section 12, below.*]

[*Claims Against Counties or Cities, Etc.*]

SEC. 12. The Legislature may prescribe procedure for presentation, consideration, and enforcement of claims against counties, cities, their officers, agents, or employees. [*New section adopted June 2, 1970.*]

SEC. 13. [*Repealed June 2, 1970. See Section 13, below.*]

[*Distribution of Powers—Construction of Article*]

SEC. 13. The provisions of Sections 1(b) (except for the second sentence), 3(a), 4, and 5 of this Article relating to matters affecting the distribution of powers between the Legislature and cities and counties, including matters affecting supersession, shall be construed as a restatement of all related provisions of the Constitution in effect immediately prior to the effective date of this amendment, and as making no substantive change.

The terms general law, general laws, and laws, as used in this Article, shall be construed as a continuation and restatement of those terms as used in the Constitution in effect immediately prior to the effective date of this amendment, and not as effecting a change in meaning. [*New section adopted June 2, 1970.*]

SEC. 13½. [*As amended November 3, 1914, added to Article XIII as Section 37.5, June 2, 1970.*]

[*Local Government—Taxation*]

SEC. 14. A local government formed after the effective date of this section, the boundaries of which include all or part of two or more counties, shall not levy a property tax unless such tax has been approved by a majority vote of the qualified voters of that local government voting on the issue of the tax. [*New section adopted November 2, 1976.*]

[*Vehicle License Fee Allocations*]

SEC. 15. (a) All revenues from taxes imposed pursuant to the Vehicle License Fee Law, or its successor, other than fees on trailer coaches and mobilehomes, over and above the costs of collection and any refunds authorized by law, shall be allocated to counties and cities according to statute.

(b) This section shall apply to those taxes imposed pursuant to that law on and after July 1 following the approval of this section by the voters. [*New section adopted June 3, 1986.*]

SEC. 16. [*Added to Article XIII as Section 38, June 2, 1970.*]

SEC. 16½. [*As amended November 8, 1932, added to Article XIII as Section 39, June 2, 1970.*]

SEC. 17. [*Repealed June 2, 1970.*]

SEC. 18. [*As amended November 8, 1949, added to Article XIII as Section 40, June 2, 1970.*]

SEC. 18¼. [*Repealed June 2, 1970.*]

SEC. 19. [*Repealed June 2, 1970.*]

SEC. 20. [*Repealed June 2, 1970.*]

ARTICLE XII. [*Repealed November 5, 1974. See Article XII, below.*]

ARTICLE XII*

PUBLIC UTILITIES

[*Public Utilities Commission—Composition*]

SECTION 1. The Public Utilities Commission consists of 5 members appointed by the Governor and approved by the Senate, a majority of the membership concurring, for staggered 6-year terms. A vacancy is filled for the remainder of the term. The Legislature may remove a member for incompetence, neglect of duty, or corruption, two thirds of the membership of each house concurring. [*New section adopted November 5, 1974.*]

[*Public Utilities Commission—Powers and Duties*]

SEC. 2. Subject to statute and due process, the commission may establish its own procedures. Any commissioner as designated by the commission may hold a hearing or investigation or issue an order subject to commission approval. [*New section adopted November 5, 1974.*]

[*Public Utilities—Legislative Control*]

SEC. 3. Private corporations and persons that own, operate, control, or manage a line, plant, or system for the transportation of people or property, the transmission of telephone and telegraph messages, or the production, generation, transmission, or furnishing of heat, light, water, power, storage, or wharfage directly or indirectly to or for the public, and common carriers, are public utilities subject to control by the Legislature. The Legislature may prescribe that additional classes of private corporations or other persons are public utilities. [*New section adopted November 5, 1974.*]

[*Rates—Discrimination in Transportation Charges, Etc.*]

SEC. 4. The commission may fix rates and establish rules for the transportation of passengers and property by transportation companies, prohibit discrimination, and award reparation for the exaction of unreasonable, excessive, or discriminatory charges. A transportation company

* New Article XII adopted November 5, 1974.

may not raise a rate or incidental charge except after a showing to and a decision by the commission that the increase is justified, and this decision shall not be subject to judicial review except as to whether confiscation of property will result. [*New section adopted November 5, 1974.*]

[*Public Utilities Commission—Compensation in Eminent Domain Proceedings*]

SEC. 5. The Legislature has plenary power, unlimited by the other provisions of this constitution but consistent with this article, to confer additional authority and jurisdiction upon the commission, to establish the manner and scope of review of commission action in a court of record, and to enable it to fix just compensation for utility property taken by eminent domain. [*New section adopted November 5, 1974.*]

[*Public Utilities Commission—Powers and Duties*]

SEC. 6. The commission may fix rates, establish rules, examine records, issue subpenas, administer oaths, take testimony, punish for contempt, and prescribe a uniform system of accounts for all public utilities subject to its jurisdiction. [*New section adopted November 5, 1974.*]

[*Free Passes, Public Officials—Conflict of Interest, Public Utilities Commissioner*]

SEC. 7. A transportation company may not grant free passes or discounts to anyone holding an office in this State; and the acceptance of a pass or discount by a public officer, other than a Public Utilities Commissioner, shall work a forfeiture of that office. A Public Utilities Commissioner may not hold an official relation to nor have a financial interest in a person or corporation subject to regulation by the commission. [*New section adopted November 5, 1974.*]

[*Public Utilities—Regulation*]

SEC. 8. A city, county, or other public body may not regulate matters over which the Legislature grants regulatory power to the Commission. This section does not affect power over public utilities relating to the making and enforcement of police, sanitary, and other regulations concerning municipal affairs pursuant to a city charter existing on October 10, 1911, unless that power has been revoked by the city's electors, or the right of any city to grant franchises for public utilities or other businesses on terms, conditions, and in the manner prescribed by law. [*New section adopted November 5, 1974.*]

[*Restatement*]

SEC. 9. The provisions of this article restate all related provisions of the Constitution in effect immediately prior to the effective date of this amendment and make no substantive change. [*New section adopted November 5, 1974.*]

SEC. 10. [*Repealed November 5, 1974.*]

SEC. 17. [*Repealed November 5, 1974.*]
SEC. 18. [*Repealed November 5, 1974.*]
SEC. 19. [*Repealed November 5, 1974.*]
SEC. 20. [*Repealed November 5, 1974.*]
SEC. 21. [*Repealed November 5, 1974.*]
SEC. 22. [*Repealed November 5, 1974.*]
SEC. 23. [*Repealed November 5, 1974.*]
SEC. 23a. [*Repealed November 5, 1974.*]

ARTICLE XIII. [*Repealed November 5, 1974. See Article XIII, below.*]

ARTICLE XIII*

TAXATION

SECTION 1. [*Repealed November 5, 1974. See Section 1, below.*]

[*Uniformity Clause*]

SEC. 1. Unless otherwise provided by this Constitution or the laws of the United States:

(a) All property is taxable and shall be assessed at the same percentage of fair market value. When a value standard other than fair market value is prescribed by this Constitution or by statute authorized by this Constitution, the same percentage shall be applied to determine the assessed value. The value to which the percentage is applied, whether it be the fair market value or not, shall be known for property tax purposes as the full value.

(b) All property so assessed shall be taxed in proportion to its full value. [*New section adopted November 5, 1974.*]

SEC. 1a. [*Repealed November 5, 1974.*]
SEC. 1b. [*Repealed November 5, 1974.*]
SEC. 1c. [*Repealed November 5, 1974.*]
SEC. 1d. [*Repealed November 5, 1974.*]
SEC. 1¼. [*Repealed November 5, 1974.*]
SEC. 1¼a. [*Repealed November 5, 1974.*]
SEC. 1¼b. [*Repealed November 5, 1974.*]
SEC. 1½. [*Repealed November 5, 1974.*]
SEC. 1½a. [*Repealed November 5, 1974.*]
SEC. 1.60. [*Repealed November 5, 1974.*]
SEC. 1.61. [*Repealed November 5, 1974.*]

* New Article XIII adopted November 5, 1974.

SEC. 1.62. [*Repealed November 5, 1974.*]

SEC. 1.63. [*Repealed November 5, 1974.*]

SEC. 1.64. [*Repealed November 5, 1974.*]

SEC. 1.65. [*Repealed November 5, 1974.*]

SEC. 1.66. [*Repealed November 5, 1974.*]

SEC. 1.67. [*Repealed November 5, 1974.*]

SEC. 1.68. [*Repealed November 5, 1974.*]

SEC. 1.69. [*Repealed November 5, 1974.*]

SEC. 1¾. [*Repealed November 5, 1974.*]

SEC. 2. [*Repealed November 5, 1974. See Section 2, below.*]

[*Personal Property Classification*]

SEC. 2. The Legislature may provide for property taxation of all forms of tangible personal property, shares of capital stock, evidences of indebtedness, and any legal or equitable interest therein not exempt under any other provision of this article. The Legislature, two-thirds of the membership of each house concurring, may classify such personal property for differential taxation or for exemption. The tax on any interest in notes, debentures, shares of capital stock, bonds, solvent credits, deeds of trust, or mortgages shall not exceed four-tenths of one percent of full value, and the tax per dollar of full value shall not be higher on personal property than on real property in the same taxing jurisdiction. [*New section adopted November 5, 1974.*]

SEC. 2.5. [*Repealed November 5, 1974.*]

SEC. 2.6. [*Repealed November 5, 1974.*]

SEC. 2.8. [*Repealed November 5, 1974.*]

[*Property Tax Exemptions*]

SEC. 3. The following are exempt from property taxation:

[*State Owned Property*]

(a) Property owned by the State.

[*Local Government Property*]

(b) Property owned by a local government, except as otherwise provided in Section 11(a).

[*Government Bonds*]

(c) Bonds issued by the State or a local government in the State.

[*Public Property*]

(d) Property used for libraries and museums that are free and open to the public and property used exclusively for public schools, community colleges, state colleges, and state universities.

[*Educational Property*]

(e) Buildings, land, equipment, and securities used exclusively for educational purposes by a nonprofit institution of higher education.

[*Church Property*]

(f) Buildings, land on which they are situated, and equipment used exclusively for religious worship.

[*Cemetery Property*]

(g) Property used or held exclusively for the permanent deposit of human dead or for the care and maintenance of the property or the dead, except when used or held for profit. This property is also exempt from special assessment.

[*Growing Crops*]

(h) Growing crops.

[*Fruit and Nut Trees*]

(i) Fruit and nut trees until 4 years after the season in which they were planted in orchard form and grape vines until 3 years after the season in which they were planted in vineyard form.

[*Timber Exemption*]

(j) Immature forest trees planted on lands not previously bearing merchantable timber or planted or of natural growth on lands from which the merchantable original growth timber stand to the extent of 70 percent of all trees over 16 inches in diameter has been removed. Forest trees or timber shall be considered mature at such time after 40 years from the time of planting or removal of the original timber when so declared by a majority vote of a board consisting of a representative from the State Board of Forestry, a representative from the State Board of Equalization, and the assessor of the county in which the trees are located.

The Legislature may supersede the foregoing provisions with an alternative system or systems of taxing or exempting forest trees or timber, including a taxation system not based on property valuation. Any alternative system or systems shall provide for exemption of unharvested immature trees, shall encourage the continued use of timberlands for the production of trees for timber products, and shall provide for restricting the use of timberland to the production of timber products and compatible uses with

provisions for taxation of timberland based on the restrictions. Nothing in this paragraph shall be construed to exclude timberland from the provisions of Section 8 of this article.

[*Homeowners' Exemption*]

(k) $7,000 of the full value of a dwelling, as defined by the Legislature, when occupied by an owner as his principal residence, unless the dwelling is receiving another real property exemption. The Legislature may increase this exemption and may deny it if the owner received state or local aid to pay taxes either in whole or in part, and either directly or indirectly, on the dwelling.

No increase in this exemption above the amount of $7,000 shall be effective for any fiscal year unless the Legislature increases the rate of state taxes in an amount sufficient to provide the subventions required by Section 25.

If the Legislature increases the homeowners' property tax exemption, it shall provide increases in benefits to qualified renters, as defined by law, comparable to the average increase in benefits to homeowners, as calculated by the Legislature.

[*Vessels*]

(*l*) Vessels of more than 50 tons burden in this State and engaged in the transportation of freight or passengers.

[*Household Furnishings—Personal Effects*]

(m) Household furnishings and personal effects not held or used in connection with a trade, profession, or business.

[*Debt Secured by Land*]

(n) Any debt secured by land.

[*Veterans' Exemptions*]

(o) Property in the amount of $1,000 of a claimant who—

(1) is serving in or has served in and has been discharged under honorable conditions from service in the United States Army, Navy, Air Force, Marine Corps, Coast Guard, or Revenue Marine (Revenue Cutter) Service; and—

(2) served either

(i) in time of war, or

(ii) in time of peace in a campaign or expedition for which a medal has been issued by Congress, or

(iii) in time of peace and because of a service-connected disability was released from active duty; and—

(3) resides in the State on the current lien date.

An unmarried person who owns property valued at $5,000 or more, or a married person, who, together with the spouse, owns property valued at $10,000 or more, is ineligible for this exemption.

If the claimant is married and does not own property eligible for the full amount of the exemption, property of the spouse shall be eligible for the unused balance of the exemption.

[*Veterans' Exemptions*]

(p) Property in the amount of $1,000 of a claimant who—

(1) is the unmarried spouse of a deceased veteran who met the service requirement stated in paragraphs (1) and (2) of subsection 3(o), and

(2) does not own property in excess of $10,000, and

(3) is a resident of the State on the current lien date.

[*Veterans' Exemptions*]

(q) Property in the amount of $1,000 of a claimant who—

(1) is the parent of a deceased veteran who met the service requirement stated in paragraphs (1) and (2) of subsection 3(o), and

(2) receives a pension because of the veteran's service, and

(3) is a resident of the State on the current lien date.

Either parent of a deceased veteran may claim this exemption.

An unmarried person who owns property valued at $5,000 or more, or a married person, who, together with the spouse, owns property valued at $10,000 or more, is ineligible for this exemption.

[*Veterans' Exemptions*]

(r) No individual residing in the State on the effective date of this amendment who would have been eligible for the exemption provided by the previous section 1¼ of this article had it not been repealed shall lose eligibility for the exemption as a result of this amendment. [*As amended November 8, 1988.*]

[*Veterans' Exemptions—Change in Assessment Ratio—Adjustment*]

SEC. 3.5. In any year in which the assessment ratio is changed, the Legislature shall adjust the valuation of assessable property described in subdivisions (o), (p) and (q) of Section 3 of this article to maintain the same proportionate values of such property. [*New section adopted November 6, 1979.*]

[*Property Tax Exemption*]

SEC. 4. The Legislature may exempt from property taxation in whole or in part:

[*Home of Veteran or Surviving Spouse*]

(a) The home of a person or a person's spouse, including an unmarried surviving spouse, if the person, because of injury incurred in military service, is blind in both eyes, has lost the use of 2 or more limbs, or is totally disabled, or if the person has, as a result of a service-connected injury or disease, died while on active duty in military service, unless the home is receiving another real property exemption.

[*Religious, Hospital and Charitable Property*]

(b) Property used exclusively for religious, hospital, or charitable purposes and owned or held in trust by corporations or other entities (1) that are organized and operating for those purposes, (2) that are nonprofit, and (3) no part of whose net earnings inures to the benefit of any private shareholder or individual.

[*Specific College Exemptions*]

(c) Property owned by the California School of Mechanical Arts, California Academy of Sciences, or Cogswell Polytechnical College, or held in trust for the Huntington Library and Art Gallery, or their successors.

[*Church Parking Lots*]

(d) Real property not used for commercial purposes that is reasonably and necessarily required for parking vehicles of persons worshipping on land exempt by Section 3(f). [*As amended November 3, 1992.*]

[*Exemption of Buildings Under Construction*]

SEC. 5. Exemptions granted or authorized by Sections 3(e), 3(f), and 4(b) apply to buildings under construction, land required for their convenient use, and equipment in them if the intended use would qualify the property for exemption. [*New section adopted November 5, 1974.*]

SEC. 6. [*Repealed November 5, 1974. See Section 6, below.*]

[*Exemption Waivers*]

SEC. 6. The failure in any year to claim, in a manner required by the laws in effect at the time the claim is required to be made, an exemption or classification which reduces a property tax shall be deemed a waiver of the exemption or classification for that year. [*New section adopted November 5, 1974.*]

SEC. 7. [*Repealed November 5, 1974. See Section 7, below.*]

[*Real Property Taxes—Exemption by County Boards of Supervisors*]

SEC. 7. The Legislature, two-thirds of the membership of each house concurring, may authorize county boards of supervisors to exempt real property having a full value so low that, if not exempt, the total taxes and applicable subventions on the property would amount to less than the cost of assessing and collecting them. [*New section adopted November 5, 1974.*]

[*Open Space Land and Historical Property—Exemption*]

SEC. 8. To promote the conservation, preservation and continued existence of open space lands, the Legislature may define open space land and shall provide that when this land is enforceably restricted, in a manner specified by the Legislature, to recreation, enjoyment of scenic beauty, use or conservation of natural resources, or production of food or fiber, it shall be valued for property tax purposes only on a basis that is consistent with its restrictions and uses.

To promote the preservation of property of historical significance, the Legislature may define such property and shall provide that when it is enforceably restricted, in a manner specified by the Legislature, it shall be valued for property tax purposes only on a basis that is consistent with its restrictions and uses. [*As amended June 8, 1976.*]

[*Postponement of Property Taxes*]

SEC. 8.5. The Legislature may provide by law for the manner in which a person of low or moderate income who is 62 years of age or older may postpone ad valorem property taxes on the dwelling owned and occupied by him or her as his or her principal place of residence. The Legislature may also provide by law for the manner in which a disabled person may postpone payment of ad valorem property taxes on the dwelling owned and occupied by him or her as his or her principal place of residence. The Legislature shall have plenary power to define all terms in this section.

The Legislature shall provide by law for subventions to counties, cities and counties, cities and districts in an amount equal to the amount of revenue lost by each by reason of the postponement of taxes and for the reimbursement to the State of subventions from the payment of postponed taxes. Provision shall be made for the inclusion of reimbursement for the payment of interest on, and any costs to the State incurred in connection with, the subventions. [*As amended November 6, 1984.*]

SEC. 9. [*Repealed November 5, 1974. See Section 9, below.*]

[*Valuation of Certain Homes*]

SEC. 9. The Legislature may provide for the assessment for taxation only on the basis of use of a single-family dwelling, as defined by the Leg-

islature, and so much of the land as is required for its convenient use and occupation, when the dwelling is occupied by an owner and located on land zoned exclusively for single-family dwellings or for agricultural purposes. [*New section adopted November 5, 1974.*]

SEC. 9a. [*Repealed November 5, 1974.*]

SEC. 9.5. [*Repealed November 5, 1974.*]

SEC. 10. [*Repealed November 5, 1974. See Section 10, below.*]

[*Golf Course Values*]

SEC. 10. Real property in a parcel of 10 or more acres which, on the lien date and for 2 or more years immediately preceding, has been used exclusively for nonprofit golf course purposes shall be assessed for taxation on the basis of such use, plus any value attributable to mines, quarries, hydrocarbon substances, or other minerals in the property or the right to extract hydrocarbons or other minerals from the property. [*New section adopted November 5, 1974.*]

SEC. 10½. [*Repealed November 5, 1974.*]

SEC. 11. [*Repealed November 5, 1974. See Section 11, below.*]

[*Taxation of Local Government Real Property*]

SEC. 11. (a) Lands owned by a local government that are outside its boundaries, including rights to use or divert water from surface or underground sources and any other interests in lands, are taxable if (1) they are located in Inyo or Mono County and (a) they were assessed for taxation to the local government in Inyo County as of the 1966 lien date, or in Mono County as of the 1967 lien date, whether or not the assessment was valid when made, or (b) they were acquired by the local government subsequent to that lien date and were assessed to a prior owner as of that lien date and each lien date thereafter, or (2) they are located outside Inyo or Mono County and were taxable when acquired by the local government. Improvements owned by a local government that are outside its boundaries are taxable if they were taxable when acquired or were constructed by the local government to replace improvements which were taxable when acquired.

(b) Taxable land belonging to a local government and located in Inyo County shall be assessed in any year subsequent to 1968 at the place where it was assessed as of the 1966 lien date and in an amount derived by multiplying its 1966 assessed value by the ratio of the statewide per capita assessed value of land as of the last lien date prior to the current lien date to $766, using civilian population only. Taxable land belonging to a local government and located in Mono County shall be assessed in any year subsequent to 1968 at the place where it was assessed as of the 1967 lien date and in an amount determined by the preceding formula except that the

1967 lien date, the 1967 assessed value, and the figure $856 shall be used in the formula. Taxable land belonging to a local government and located outside of Inyo and Mono counties shall be assessed at the place where located and in an amount that does not exceed the lower of (1) its fair market value times the prevailing percentage of fair market value at which other lands are assessed and (2) a figure derived in the manner specified in this Section for land located in Mono County.

If land acquired by a local government after the lien date of the base year specified in this Section was assessed in the base year as part of a larger parcel, the assessed value of the part in the base year shall be that fraction of the assessed value of the larger parcel that the area of the part is of the area of the larger parcel.

If a local government divests itself of ownership of land without water rights and this land was assessed in Inyo County as of the 1966 lien date or in Mono County as of the 1967 lien date, the divestment shall not diminish the quantity of water rights assessable and taxable at the place where assessed as of that lien date.

(c) In the event the Legislature changes the prevailing percentage of fair market value at which land is assessed for taxation, there shall be used in the computations required by Section 11(b) of this Article, for the first year for which the new percentage is applicable, in lieu of the statewide per capita assessed value of land as of the last lien date prior to the current lien date, the statewide per capita assessed value of land on the prior lien date times the ratio of the new prevailing percentage of fair market value to the previous prevailing percentage.

(d) If, after March 1954, a taxable improvement is replaced while owned by and in possession of a local government, the replacement improvement shall be assessed, as long as it is owned by a local government, as other improvements are except that the assessed value shall not exceed the product of (1) the percentage at which privately owned improvements are assessed times (2) the highest full value ever used for taxation of the improvement that has been replaced. For purposes of this calculation, the full value for any year prior to 1967 shall be conclusively presumed to be 4 times the assessed value in that year.

(e) No tax, charge, assessment, or levy of any character, other than those taxes authorized by Sections 11(a) to 11(d), inclusive, of this Article, shall be imposed upon one local government by another local government that is based or calculated upon the consumption or use of water outside the boundaries of the government imposing it.

(f) Any taxable interest of any character, other than a lease for agricultural purposes and an interest of a local government, in any land owned by a local government that is subject to taxation pursuant to Section 11(a) of this Article shall be taxed in the same manner as other taxable interests. The aggregate value of all the interests subject to taxation pursuant to Sec-

tion 11(a), however, shall not exceed the value of all interests in the land less the taxable value of the interest of any local government ascertained as provided in Sections 11(a) to 11(e), inclusive, of this Article.

(g) Any assessment made pursuant to Sections 11(a) to 11(d), inclusive, of this Article shall be subject to review, equalization, and adjustment by the State Board of Equalization, but an adjustment shall conform to the provisions of these Sections. [*New section adopted November 5, 1974.*]

[*Unsecured Property Tax Rate*]

SEC. 12. (a) Except as provided in subdivision (b), taxes on personal property, possessory interests in land, and taxable improvements located on land exempt from taxation which are not a lien upon land sufficient in value to secure their payment shall be levied at the rates for the preceding tax year upon property of the same kind where the taxes were a lien upon land sufficient in value to secure their payment.

(b) In any year in which the assessment ratio is changed, the Legislature shall adjust the rate described in subdivision (a) to maintain equality between property on the secured and unsecured rolls. [*As amended November 2, 1976.*]

SEC. 12¾. [*Repealed November 5, 1974.*]

SEC. 13. [*Repealed November 5, 1974. See Section 13, below.*]

[*Separate Land and Improvements Assessment*]

SEC. 13. Land and improvements shall be separately assessed. [*New section adopted November 5, 1974.*]

SEC. 14. [*Repealed November 5, 1974. See Section 14, below.*]

[*Tax Situs*]

SEC. 14. All property taxed by local government shall be assessed in the county, city, and district in which it is situated. [*New section adopted November 5, 1974.*]

SEC. 14⅘. [*Repealed November 5, 1974.*]

SEC. 15. [*Repealed November 5, 1974. See Section 15, below.*]

[*Disaster Relief*]

SEC. 15. The Legislature may authorize local government to provide for the assessment or reassessment of taxable property physically damaged or destroyed after the lien date to which the assessment or reassessment relates. [*New section adopted November 5, 1974.*]

SEC. 16. [*Repealed November 5, 1974. See Section 16, below.*]

[*County Board of Equalization—Assessment Appeals Board*]

SEC. 16. The county board of supervisors, or one or more assessment appeals boards created by the county board of supervisors, shall constitute

the county board of equalization for a county. Two or more county boards of supervisors may jointly create one or more assessment appeals boards which shall constitute the county board of equalization for each of the participating counties.

Except as provided in subdivision (g) of Section 11, the county board of equalization, under such rules of notice as the county board may prescribe, shall equalize the values of all property on the local assessment roll by adjusting individual assessments.

County boards of supervisors shall fix the compensation for members of assessment appeals boards, furnish clerical and other assistance for those boards, adopt rules of notice and procedures for those boards as may be required to facilitate their work and to insure uniformity in the processing and decision of equalization petitions, and may provide for their discontinuance.

The Legislature shall provide for: (a) the number and qualifications of members of assessment appeals boards, the manner of selecting, appointing, and removing them, and the terms for which they serve, and (b) the procedure by which two or more county boards of supervisors may jointly create one or more assessment appeals boards. [*New section adopted November 5, 1974.*]

[*Board of Equalization*]

SEC. 17. The Board of Equalization consists of 5 voting members: the Controller and 4 members elected for 4-year terms at gubernatorial elections. The State shall be divided into four Board of Equalization districts with the voters of each district electing one member. No member may serve more than 2 terms. [*As amended November 6, 1990. Initiative measure.*]

SEC. 18. [*Repealed November 5, 1974. See Section 18, below.*]

[*Intercounty Equalization*]

SEC. 18. The Board shall measure county assessment levels annually and shall bring those levels into conformity by adjusting entire secured local assessment rolls. In the event a property tax is levied by the State, however, the effects of unequalized local assessment levels, to the extent any remain after such adjustments, shall be corrected for purposes of distributing this tax by equalizing the assessment levels of locally and state-assessed properties and varying the rate of the state tax inversely with the counties' respective assessment levels. [*New section adopted November 5, 1974.*]

SEC. 19. [*Repealed November 5, 1974. See Section 19, below.*]

[*State Assessment*]

SEC. 19. The Board shall annually assess (1) pipelines, flumes, canals, ditches, and aqueducts lying within 2 or more counties and (2) property, except franchises, owned or used by regulated railway, telegraph, or telephone companies, car companies operating on railways in the State, and companies transmitting or selling gas or electricity. This property shall be subject to taxation to the same extent and in the same manner as other property.

No other tax or license charge may be imposed on these companies which differs from that imposed on mercantile, manufacturing, and other business corporations. This restriction does not release a utility company from payments agreed on or required by law for a special privilege or franchise granted by a government body.

The Legislature may authorize Board assessment of property owned or used by other public utilities.

The Board may delegate to a local assessor the duty to assess a property used but not owned by a state assessee on which the taxes are to be paid by a local assessee. [*New section adopted November 5, 1974.*]

SEC. 20. [*Repealed November 5, 1974. See Section 20, below.*]

[*Maximum Tax Rates—Bonding Limits*]

SEC. 20. The Legislature may provide maximum property tax rates and bonding limits for local governments. [*New section adopted November 5, 1974.*]

SEC. 21. [*Repealed November 5, 1974. See Section 21, below.*]

[*School District Tax*]

SEC. 21. Within such limits as may be provided under Section 20 of this Article, the Legislature shall provide for an annual levy by county governing bodies of school district taxes sufficient to produce annual revenues for each district that the district's board determines are required for its schools and district functions. [*New section adopted November 5, 1974.*]

SEC. 21.5. [*Repealed November 5, 1974.*]

SEC. 22. [*Repealed November 5, 1974. See Section 22, below.*]

[*State Property Tax Limitations*]

SEC. 22. Not more than 25 percent of the total appropriations from all funds of the State shall be raised by means of taxes on real and personal property according to the value thereof. [*New section adopted November 5, 1974.*]

SEC. 23. [*Repealed November 5, 1974. See Section 23, below.*]

[*State Boundary Change*]

SEC. 23. If state boundaries change, the Legislature shall determine how property affected shall be taxed. [*New section adopted November 5, 1974.*]

SEC. 24. [*Repealed November 5, 1974. See Section 24, below.*]

[*State Taxes for Local Purposes*]

SEC. 24. The Legislature may not impose taxes for local purposes but may authorize local governments to impose them.

[*State Funds for Local Purposes*]

Money appropriated from state funds to a local government for its local purposes may be used as provided by law.

[*Subventions*]

Money subvened to a local government under Section 25 may be used for state or local purposes. [*New section adopted November 5, 1974.*]

SEC. 25. [*Repealed November 5, 1974. See Section 25, below.*]

[*Homeowners' Exemption, Reimbursement of Local Government*]

SEC. 25. The Legislature shall provide, in the same fiscal year, reimbursements to each local government for revenue lost because of Section 3(k). [*New section adopted November 5, 1974.*]

SEC. 25.5. [*Repealed November 5, 1974.*]

[*Income Tax*]

SEC. 26. (a) Taxes on or measured by income may be imposed on persons, corporations, or other entities as prescribed by law.

(b) Interest on bonds issued by the State or a local government in the State is exempt from taxes on income.

(c) Income of a nonprofit educational institution of collegiate grade within the State of California is exempt from taxes on or measured by income if both of the following conditions are met:

(1) The income is not unrelated business income as defined by the Legislature.

(2) The income is used exclusively for educational purposes.

(d) A nonprofit organization that is exempted from taxation by Chapter 4 (commencing with Section 23701) of Part 11 of Division 2 of the Revenue and Taxation Code or Subchapter F (commencing with Section 501) of Chapter 1 of Subtitle A of the Internal Revenue Code of 1986, or the successor of either, is exempt from any business license tax or fee measured by income or gross receipts that is levied by a county or city, whether charter or general law, a city and county, a school district, a special district, or any other local agency. [*As amended June 7, 1994.*]

[*Bank and Corporation Taxes*]

SEC. 27. The Legislature, a majority of the membership of each house concurring, may tax corporations, including state and national banks, and their franchises by any method not prohibited by this Constitution or the Constitution or laws of the United States. Unless otherwise provided by the Legislature, the tax on state and national banks shall be according to or measured by their net income and shall be in lieu of all other taxes and license fees upon banks or their shares, except taxes upon real property and vehicle registration and license fees. [*As amended June 8, 1976.*]

[*Taxation of Insurance Companies*]

SEC. 28. (a) ''Insurer,'' as used in this section, includes insurance companies or associations and reciprocal or interinsurance exchanges together with their corporate or other attorneys in fact considered as a single unit, and the State Compensation Insurance Fund. As used in this paragraph, ''companies'' includes persons, partnerships, joint stock associations, companies and corporations.

(b) An annual tax is hereby imposed on each insurer doing business in this State on the base, at the rates, and subject to the deductions from the tax hereinafter specified.

(c) In the case of an insurer not transacting title insurance in this State, the ''basis of the annual tax'' is, in respect to each year, the amount of gross premiums, less return premiums, received in such year by such insurer upon its business done in this State, other than premiums received for reinsurance and for ocean marine insurance.

In the case of an insurer transacting title insurance in this State, the ''basis of the annual tax'' is, in respect to each year, all income upon business done in this State, except:

(1) Interest and dividends.

(2) Rents from real property.

(3) Profits from the sale or other disposition of investments.

(4) Income from investments.

''Investments'' as used in this subdivision includes property acquired by such insurer in the settlement or adjustment of claims against it but excludes investments in title plants and title records. Income derived directly or indirectly from the use of title plants and title records is included in the basis of the annual tax.

In the case of an insurer transacting title insurance in this State which has a trust department and does a trust business under the banking laws of this State, there shall be excluded from the basis of the annual tax imposed by this section, the income of, and from the assets of, such trust department and such trust business, if such income is taxed by this State or included in the measure of any tax imposed by this State.

(d) The rate of the tax to be applied to the basis of the annual tax in respect to each year is 2.35 percent.

(f) The tax imposed on insurers by this section is in lieu of all other taxes and licenses, state, county, and municipal, upon such insurers and their property, except:

(1) Taxes upon their real estate.

(2) That an insurer transacting title insurance in this State which has a trust department or does a trust business under the banking laws of this State is subject to taxation with respect to such trust department or trust business to the same extent and in the same manner as trust companies and the trust departments of banks doing business in this State.

(3) When by or pursuant to the laws of any other state or foreign country any taxes, licenses and other fees, in the aggregate, and any fines, penalties, deposit requirements or other material obligations, prohibitions or restrictions are or would be imposed upon California insurers, or upon the agents or representatives of such insurers, which are in excess of such taxes, licenses and other fees, in the aggregate, or which are in excess of the fines, penalties, deposit requirements or other obligations, prohibitions, or restrictions directly imposed upon similar insurers, or upon the agents or representatives of such insurers, of such other state or country under the statutes of this State; so long as such laws of such other state or country continue in force or are so applied, the same taxes, licenses and other fees, in the aggregate, or fines, penalties or deposit requirements or other material obligations, prohibitions, or restrictions, of whatever kind shall be imposed upon the insurers, or upon the agents or representatives of such insurers, of such other state or country doing business or seeking to do business in California. Any tax, license or other fee or other obligation imposed by any city, county, or other political subdivision or agency of such other state or country on California insurers or their agents or representatives shall be deemed to be imposed by such state or country within the meaning of this paragraph (3) of subdivision (f).

The provisions of this paragraph (3) of subdivision (f) shall not apply as to personal income taxes, nor as to ad valorem taxes on real or personal property nor as to special purpose obligations or assessments heretofore imposed by another state or foreign country in connection with particular kinds of insurance, other than property insurance; except that deductions, from premium taxes or other taxes otherwise payable, allowed on account of real estate or personal property taxes paid shall be taken into consideration in determining the propriety and extent of retaliatory action under this paragraph (3) of subdivision (f).

For the purposes of this paragraph (3) of subdivision (f) the domicile of an alien insurer, other than insurers formed under the laws of Canada, shall be that state in which is located its principal place of business in the United States.

In the case of an insurer formed under the laws of Canada or a province thereof, its domicile shall be deemed to be that province in which its head office is situated.

The provisions of this paragraph (3) of subdivision (f) shall also be applicable to reciprocals or interinsurance exchanges and fraternal benefit societies.

(4) The tax on ocean marine insurance.

(5) Motor vehicle and other vehicle registration license fees and any other tax or license fee imposed by the State upon vehicles, motor vehicles or the operation thereof.

(6) That each corporate or other attorney in fact of a reciprocal or interinsurance exchange shall be subject to all taxes imposed upon corporations or others doing business in the State, other than taxes on income derived from its principal business as attorney in fact.

A corporate or other attorney in fact of each exchange shall annually compute the amount of tax that would be payable by it under prevailing law except for the provisions of this section, and any management fee due from each exchange to its corporate or other attorney in fact shall be reduced pro tanto by a sum equivalent to the amount so computed.

(g) Every insurer transacting the business of ocean marine insurance in this State shall annually pay to the State a tax measured by that proportion of the underwriting profit of such insurer from such insurance written in the United States, which the gross premiums of the insurer from such insurance written in this State bear to the gross premiums of the insurer from such insurance written within the United States, at the rate of 5 per centum, which tax shall be in lieu of all other taxes and licenses, state, county and municipal, upon such insurer, except taxes upon real estate, and such other taxes as may be assessed or levied against such insurer on account of any other class of insurance written by it. The Legislature shall define the terms ''ocean marine insurance'' and ''underwriting profit,'' and shall provide for the assessment, levy, collection and enforcement of the ocean marine tax.

(h) The taxes provided for by this section shall be assessed by the State Board of Equalization.

(i) The Legislature, a majority of all the members elected to each of the two houses voting in favor thereof, may by law change the rate or rates of taxes herein imposed upon insurers.

(j) This section is not intended to and does not change the law as it has previously existed with respect to the meaning of the words ''gross premiums, less return premiums, received'' as used in this article. [*As amended June 8, 1976.*]

[*Local Government Tax Sharing*]

SEC. 29. (a) The Legislature may authorize counties, cities and counties, and cities to enter into contracts to apportion between them the revenue derived from any sales or use tax imposed by them that is collected for them by the State. Before the contract becomes operative, it shall be authorized by a majority of those voting on the question in each jurisdiction at a general or direct primary election.

(b) Notwithstanding subdivision (a), on and after the operative date of this subdivision, counties, cities and counties, and cities may enter into contracts to apportion between them the revenue derived from any sales or use tax imposed by them pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law, or any successor provisions, that is collected for them by the State, if the ordinance or resolution proposing each contract is approved by a two-thirds vote of the governing body of each jurisdiction that is a party to the contract. [*As amended November 3, 1998.*]

[*Tax Liens—Presumption of Payment of Taxes*]

SEC. 30. Every tax shall be conclusively presumed to have been paid after 30 years from the time it became a lien unless the property subject to the lien has been sold in the manner provided by the Legislature for the payment of the tax. [*New section adopted November 5, 1974.*]

[*Power to Tax*]

SEC. 31. The power to tax may not be surrendered or suspended by grant or contract. [*New section adopted November 5, 1974.*]

[*Proceedings Relating to Collection*]

SEC. 32. No legal or equitable process shall issue in any proceeding in any court against this State or any officer thereof to prevent or enjoin the collection of any tax. After payment of a tax claimed to be illegal, an action may be maintained to recover the tax paid, with interest, in such manner as may be provided by the Legislature. [*New section adopted November 5, 1974.*]

[*Legislature to Enact Laws*]

SEC. 33. The Legislature shall pass all laws necessary to carry out the provisions of this article. [*New section adopted November 5, 1974.*]

[*Food Products—Taxation*]

SEC. 34. Neither the State of California nor any of its political subdivisions shall levy or collect a sales or use tax on the sale of, or the storage, use or other consumption in this State of food products for human consumption except as provided by statute as of the effective date of this section. [*New section adopted November 3, 1992. Operative January 1, 1993. Initiative measure.*]

[*Local Public Safety Services*]

SEC. 35. (a) The people of the State of California find and declare all of the following:

(1) Public safety services are critically important to the security and well-being of the State's citizens and to the growth and revitalization of the State's economic base.

(2) The protection of the public safety is the first responsibility of local government and local officials have an obligation to give priority to the provision of adequate public safety services.

(3) In order to assist local government in maintaining a sufficient level of public safety services, the proceeds of the tax enacted pursuant to this section shall be designated exclusively for public safety.

(b) In addition to any sales and use taxes imposed by the Legislature, the following sales and use taxes are hereby imposed:

(1) For the privilege of selling tangible personal property at retail, a tax is hereby imposed upon all retailers at the rate of ½ percent of the gross receipts of any retailer from the sale of all tangible personal property sold at retail in this State on and after January 1, 1994.

(2) An excise tax is hereby imposed on the storage, use, or other consumption in this State of tangible personal property purchased from any retailer on and after January 1, 1994, for storage, use, or other consumption in this State at the rate of ½ percent of the sales price of the property.

(c) The Sales and Use Tax Law, including any amendments made thereto on or after the effective date of this section, shall be applicable to the taxes imposed by subdivision (b).

(d) (1) All revenues, less refunds, derived from the taxes imposed pursuant to subdivision (b) shall be transferred to the Local Public Safety Fund for allocation by the Legislature, as prescribed by statute, to counties in which either of the following occurs:

(A) The board of supervisors, by a majority vote of its membership, requests an allocation from the Local Public Safety Fund in a manner prescribed by statute.

(B) A majority of the county's voters voting thereon approve the addition of this section.

(2) Moneys in the Local Public Safety Fund shall be allocated for use exclusively for public safety services of local agencies.

(e) Revenues derived from the taxes imposed pursuant to subdivision (b) shall not be considered proceeds of taxes for purposes of Article XIII B or State General Fund proceeds of taxes within the meaning of Article XVI.

(f) Except for the provisions of Section 34, this section shall supersede any other provisions of this Constitution that are in conflict with the provisions of this section, including, but not limited to, Section 9 of Article II. [*New section adopted November 2, 1993.*]

SEC. 37. [*Repealed November 5, 1974.*]
SEC. 37.5. [*Repealed November 5, 1974.*]
SEC. 38. [*Repealed November 5, 1974.*]
SEC. 39. [*Repealed November 5, 1974.*]
SEC. 40. [*Repealed November 5, 1974.*]
SEC. 41. [*Repealed November 5, 1974.*]
SEC. 42. [*Repealed November 5, 1974.*]
SEC. 44. [*Repealed November 5, 1974.*]

ARTICLE XIII A*

[TAX LIMITATION]

[*Maximum Ad Valorem Tax on Real Property—Apportionment of Tax Revenues*]

SECTION 1. (a) The maximum amount of any ad valorem tax on real property shall not exceed One percent (1%) of the full cash value of such property. The one percent (1%) tax to be collected by the counties and apportioned according to law to the districts within the counties.

[*Exceptions to Limitation*]

(b) The limitation provided for in subdivision (a) shall not apply to ad valorem taxes or special assessments to pay the interest and redemption charges on (1) any indebtedness approved by the voters prior to July 1, 1978, or (2) any bonded indebtedness for the acquisition or improvement of real property approved on or after July 1, 1978, by two-thirds of the votes cast by the voters voting on the proposition. [*As amended June 3, 1986.*]

[*Valuation of Real Property—Appraised Value After 1975 Assessment—Replacement Dwelling*]

SEC. 2. (a) The ''full cash value'' means the county assessor's valuation of real property as shown on the 1975–76 tax bill under ''full cash value'' or, thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred after the 1975 assessment. All real property not already assessed up to the 1975–76 full cash value may be reassessed to reflect that valuation. For purposes of this section, ''newly constructed'' does not include real property that is reconstructed after a disaster, as declared by the Governor, where the fair market value of the real property, as reconstructed, is comparable to its fair market value prior to the disaster. Also, the term ''newly constructed'' does not include the portion of reconstruction or improvement to a structure, con-

* New Article XIII A adopted June 6, 1978. Operative for tax year beginning July 1, 1979. Initiative measure.

structed of unreinforced masonry bearing wall construction, necessary to comply with any local ordinance relating to seismic safety during the first 15 years following that reconstruction or improvement.

However, the Legislature may provide that, under appropriate circumstances and pursuant to definitions and procedures established by the Legislature, any person over the age of 55 years who resides in property that is eligible for the homeowner's exemption under subdivision (k) of Section 3 of Article XIII and any implementing legislation may transfer the base year value of the property entitled to exemption, with the adjustments authorized by subdivision (b), to any replacement dwelling of equal or lesser value located within the same county and purchased or newly constructed by that person as his or her principal residence within two years of the sale of the original property. For purposes of this section, ''any person over the age of 55 years'' includes a married couple one member of which is over the age of 55 years. For purposes of this section, ''replacement dwelling'' means a building, structure, or other shelter constituting a place of abode, whether real property or personal property, and any land on which it may be situated. For purposes of this section, a two-dwelling unit shall be considered as two separate single-family dwellings. This paragraph shall apply to any replacement dwelling that was purchased or newly constructed on or after November 5, 1986.

In addition, the Legislature may authorize each county board of supervisors, after consultation with the local affected agencies within the county's boundaries, to adopt an ordinance making the provisions of this subdivision relating to transfer of base year value also applicable to situations in which the replacement dwellings are located in that county and the original properties are located in another county within this State. For purposes of this paragraph, ''local affected agency'' means any city, special district, school district, or community college district that receives an annual property tax revenue allocation. This paragraph shall apply to any replacement dwelling that was purchased or newly constructed on or after the date the county adopted the provisions of this subdivision relating to transfer of base year value, but shall not apply to any replacement dwelling that was purchased or newly constructed before November 9, 1988.

The Legislature may extend the provisions of this subdivision relating to the transfer of base year values from original properties to replacement dwellings of homeowners over the age of 55 years to severely disabled homeowners, but only with respect to those replacement dwellings purchased or newly constructed on or after the effective date of this paragraph.

[*Full Cash Value Reflecting Inflationary Rate*]

(b) The full cash value base may reflect from year to year the inflationary rate not to exceed 2 percent for any given year or reduction as

shown in the consumer price index or comparable data for the area under taxing jurisdiction, or may be reduced to reflect substantial damage, destruction, or other factors causing a decline in value.

[*''Newly Constructed''*]

(c) For purposes of subdivision (a), the Legislature may provide that the term ''newly constructed'' does not include any of the following:

(1) The construction or addition of any active solar energy system.

(2) The construction or installation of any fire sprinkler system, other fire extinguishing system, fire detection system, or fire-related egress improvement, as defined by the Legislature, that is constructed or installed after the effective date of this paragraph.

(3) The construction, installation, or modification on or after the effective date of this paragraph of any portion or structural component of a single- or multiple-family dwelling that is eligible for the homeowner's exemption if the construction, installation, or modification is for the purpose of making the dwelling more accessible to a severely disabled person.

(4) The construction or installation of seismic retrofitting improvements or improvements utilizing earthquake hazard mitigation technologies, that are constructed or installed in existing buildings after the effective date of this paragraph. The Legislature shall define eligible improvements. This exclusion does not apply to seismic safety reconstruction or improvements that qualify for exclusion pursuant to the last sentence of the first paragraph of subdivision (a).

(5) The construction, installation, removal, or modification on or after the effective date of this paragraph of any portion or structural component of an existing building or structure if the construction, installation, removal, or modification is for the purpose of making the building more accessible to, or more usable by, a disabled person.

[*''Change in Ownership''*]

(d) For purposes of this section, the term ''change in ownership'' does not include the acquisition of real property as a replacement for comparable property if the person acquiring the real property has been displaced from the property replaced by eminent domain proceedings, by acquisition by a public entity, or governmental action that has resulted in a judgment of inverse condemnation. The real property acquired shall be deemed comparable to the property replaced if it is similar in size, utility, and function, or if it conforms to state regulations defined by the Legislature governing the relocation of persons displaced by governmental actions. The provisions of this subdivision shall be applied to any property acquired after March 1, 1975, but shall affect only those assessments of that property that occur after the provisions of this subdivision take effect.

[*Disasters—Replacement Property*]

(e) (1) Notwithstanding any other provision of this section, the Legislature shall provide that the base year value of property that is substantially damaged or destroyed by a disaster, as declared by the Governor, may be transferred to comparable property within the same county that is acquired or newly constructed as a replacement for the substantially damaged or destroyed property.

(2) Except as provided in paragraph (3), this subdivision shall apply to any comparable replacement property acquired or newly constructed on or after July 1, 1985, and to the determination of base year values for the 1985–86 fiscal year and fiscal years thereafter.

(3) In addition to the transfer of base year value of property within the same county that is permitted by paragraph (1), the Legislature may authorize each county board of supervisors to adopt, after consultation with affected local agencies within the county, an ordinance allowing the transfer of the base year value of property that is located within another county in the State and is substantially damaged or destroyed by a disaster, as declared by the Governor, to comparable replacement property of equal or lesser value that is located within the adopting county and is acquired or newly constructed within three years of the substantial damage or destruction of the original property as a replacement for that property. The scope and amount of the benefit provided to a property owner by the transfer of base year value of property pursuant to this paragraph shall not exceed the scope and amount of the benefit provided to a property owner by the transfer of base year value of property pursuant to subdivision (a). For purposes of this paragraph, ''affected local agency'' means any city, special district, school district, or community college district that receives an annual allocation of ad valorem property tax revenues. This paragraph shall apply to any comparable replacement property that is acquired or newly constructed as a replacement for property substantially damaged or destroyed by a disaster, as declared by the Governor, occurring on or after October 20, 1991, and to the determination of base year values for the 1991–92 fiscal year and fiscal years thereafter.

(f) For the purposes of subdivision (e):

(1) Property is substantially damaged or destroyed if it sustains physical damage amounting to more than 50 percent of its value immediately before the disaster. Damage includes a diminution in the value of property as a result of restricted access caused by the disaster.

(2) Replacement property is comparable to the property substantially damaged or destroyed if it is similar in size, utility, and function to the property that it replaces, and if the fair market value of the acquired property is comparable to the fair market value of the replaced property prior to the disaster.

[*Real Property Transfers between Spouses*]

(g) For purposes of subdivision (a), the terms ''purchased'' and ''change in ownership'' do not include the purchase or transfer of real property between spouses since March 1, 1975, including, but not limited to, all of the following:

(1) Transfers to a trustee for the beneficial use of a spouse, or the surviving spouse of a deceased transferor, or by a trustee of such a trust to the spouse of the trustor.

(2) Transfers to a spouse that take effect upon the death of a spouse.

(3) Transfers to a spouse or former spouse in connection with a property settlement agreement or decree of dissolution of a marriage or legal separation.

(4) The creation, transfer, or termination, solely between spouses, of any coowner's interest.

(5) The distribution of a legal entity's property to a spouse or former spouse in exchange for the interest of the spouse in the legal entity in connection with a property settlement agreement or a decree of dissolution of a marriage or legal separation.

[*Real Property Transfers between Family Members*]

(h) (1) For purposes of subdivision (a), the terms ''purchased'' and ''change in ownership'' do not include the purchase or transfer of the principal residence of the transferor in the case of a purchase or transfer between parents and their children, as defined by the Legislature, and the purchase or transfer of the first one million dollars ($1,000,000) of the full cash value of all other real property between parents and their children, as defined by the Legislature. This subdivision shall apply to both voluntary transfers and transfers resulting from a court order or judicial decree.

(2) (A) Subject to subparagraph (B), commencing with purchases or transfers that occur on or after the date upon which the measure adding this paragraph becomes effective, the exclusion established by paragraph (1) also applies to a purchase or transfer of real property between grandparents and their grandchild or grandchildren, as defined by the Legislature, that otherwise qualifies under paragraph (1), if all of the parents of that grandchild or those grandchildren, who qualify as the children of the grandparents, are deceased as of the date of the purchase or transfer.

(B) A purchase or transfer of a principal residence shall not be excluded pursuant to subparagraph (A) if the transferee grandchild or grandchildren also received a principal residence, or interest therein, through another purchase or transfer that was excludable pursuant to paragraph (1). The full cash value of any real property, other than a principal residence, that was transferred to the grandchild or grandchildren pursuant to a purchase or transfer that was excludable pursuant to paragraph (1), and the full cash value of a principal residence that fails to qualify for exclu-

sion as a result of the preceding sentence, shall be included in applying, for purposes of subparagraph (A), the one million dollar ($1,000,000) full cash value limit specified in paragraph (1).

[*Contaminated Property*]

(i) (1) Notwithstanding any other provision of this section, the Legislature shall provide with respect to a qualified contaminated property, as defined in paragraph (2), that either, but not both, of the following shall apply:

(A) (i) Subject to the limitation of clause (ii), the base year value of the qualified contaminated property, as adjusted as authorized by subdivision (b), may be transferred to a replacement property that is acquired or newly constructed as a replacement for the qualified contaminated property, if the replacement real property has a fair market value that is equal to or less than the fair market value of the qualified contaminated property if that property were not contaminated and, except as otherwise provided by this clause, is located within the same county. The base year value of the qualified contaminated property may be transferred to a replacement real property located within another county if the board of supervisors of that other county has, after consultation with the affected local agencies within that county, adopted a resolution authorizing an intercounty transfer of base year value as so described.

(ii) This subparagraph applies only to replacement property that is acquired or newly constructed within five years after ownership in the qualified contaminated property is sold or otherwise transferred.

(B) In the case in which the remediation of the environmental problems on the qualified contaminated property requires the destruction of, or results in substantial damage to, a structure located on that property, the term ''new construction'' does not include the repair of a substantially damaged structure, or the construction of a structure replacing a destroyed structure on the qualified contaminated property, performed after the remediation of the environmental problems on that property, provided that the repaired or replacement structure is similar in size, utility, and function to the original structure.

(2) For purposes of this subdivision, ''qualified contaminated property'' means residential or nonresidential real property that is all of the following:

(A) In the case of residential real property, rendered uninhabitable, and in the case of nonresidential real property, rendered unusable, as the result of either environmental problems, in the nature of and including, but not limited to, the presence of toxic or hazardous materials, or the remediation of those environmental problems, except where the existence of the environmental problems was known to the owner, or to a related individual or entity as described in paragraph (3), at the time the real property was ac-

quired or constructed. For purposes of this subparagraph, residential real property is ''uninhabitable'' if that property, as a result of health hazards caused by or associated with the environmental problems, is unfit for human habitation, and nonresidential real property is ''unusable'' if that property, as a result of health hazards caused by or associated with the environmental problems, is unhealthy and unsuitable for occupancy.

(B) Located on a site that has been designated as a toxic or environmental hazard or as an environmental cleanup site by an agency of the State of California or the federal government.

(C) Real property that contains a structure or structures thereon prior to the completion of environmental cleanup activities, and that structure or structures are substantially damaged or destroyed as a result of those environmental cleanup activities.

(D) Stipulated by the lead governmental agency, with respect to the environmental problems or environmental cleanup of the real property, not to have been rendered uninhabitable or unusable, as applicable, as described in subparagraph (A), by any act or omission in which an owner of that real property participated or acquiesced.

(3) It shall be rebuttably presumed that an owner of the real property participated or acquiesced in any act or omission that rendered the real property uninhabitable or unusable, as applicable, if that owner is related to any individual or entity that committed that act or omission in any of the following ways:

(A) Is a spouse, parent, child, grandparent, grandchild, or sibling of that individual.

(B) Is a corporate parent, subsidiary, or affiliate of that entity.

(C) Is an owner of, or has control of, that entity.

(D) Is owned or controlled by that entity.

If this presumption is not overcome, the owner shall not receive the relief provided for in subparagraph (A) or (B) of paragraph (1). The presumption may be overcome by presentation of satisfactory evidence to the assessor, who shall not be bound by the findings of the lead governmental agency in determining whether the presumption has been overcome.

(4) This subdivision applies only to replacement property that is acquired or constructed on or after January 1, 1995, and to property repairs performed on or after that date.

[*Effectiveness of Amendments*]

(j) Unless specifically provided otherwise, amendments to this section adopted prior to November 1, 1988, shall be effective for changes in ownership that occur, and new construction that is completed, after the effective date of the amendment. Unless specifically provided otherwise, amendments to this section adopted after November 1, 1988, shall be ef-

fective for changes in ownership that occur, and new construction that is completed, on or after the effective date of the amendment. [*As amended November 3, 1998.*]

[*Changes in State Taxes—Vote Requirement*]

SEC. 3. From and after the effective date of this article, any changes in state taxes enacted for the purpose of increasing revenues collected pursuant thereto whether by increased rates or changes in methods of computation must be imposed by an Act passed by not less than two-thirds of all members elected to each of the two houses of the Legislature, except that no new ad valorem taxes on real property, or sales or transaction taxes on the sales of real property may be imposed. [*New section adopted June 6, 1978. Initiative measure.*]

[*Imposition of Special Taxes*]

SEC. 4. Cities, Counties and special districts, by a two-thirds vote of the qualified electors of such district, may impose special taxes on such district, except ad valorem taxes on real property or a transaction tax or sales tax on the sale of real property within such City, County or special district. [*New section adopted June 6, 1978. Operative for tax year beginning July 1, 1979. Initiative measure.*]

[*Effective Date of Article*]

SEC. 5. This article shall take effect for the tax year beginning on July 1 following the passage of this Amendment, except Section 3 which shall become effective upon the passage of this article. [*New section adopted June 6, 1978. Operative for tax year beginning July 1, 1979. Initiative measure.*]

[*Severability*]

SEC. 6. If any section, part, clause, or phrase hereof is for any reason held to be invalid or unconstitutional, the remaining sections shall not be affected but will remain in full force and effect. [*New section adopted June 6, 1978. Operative for tax year beginning July 1, 1979. Initiative measure.*]

[*California Children and Families First Act of 1998*]

SEC. 7. Section 3 of this article does not apply to the California Children and Families First Act of 1998. [*New section adopted November 3, 1998. Initiative measure.*]

ARTICLE XIII B*

GOVERNMENT SPENDING LIMITATION

[*Total Annual Appropriations*]

SEC. 1. The total annual appropriations subject to limitation of the State and of each local government shall not exceed the appropriations limit of the entity of government for the prior year adjusted for the change in the cost of living and the change in population, except as otherwise provided in this article. [*As amended June 5, 1990. Operative July 1, 1990.*]

[*Appropriations Limit Annual Calculation—Review*]

SEC. 1.5. The annual calculation of the appropriations limit under this article for each entity of local government shall be reviewed as part of an annual financial audit. [*New section adopted June 5, 1990. Operative July 1, 1990.*]

[*Revenues in Excess of Limitation*]

SEC. 2. (a)(1) Fifty percent of all revenues received by the State in a fiscal year and in the fiscal year immediately following it in excess of the amount which may be appropriated by the State in compliance with this article during that fiscal year and the fiscal year immediately following it shall be transferred and allocated, from a fund established for that purpose, pursuant to Section 8.5 of Article XVI.

(2) Fifty percent of all revenues received by the State in a fiscal year and in the fiscal year immediately following it in excess of the amount which may be appropriated by the State in compliance with this article during that fiscal year and the fiscal year immediately following it shall be returned by a revision of tax rates or fee schedules within the next two subsequent fiscal years.

(b) All revenues received by an entity of government, other than the State, in a fiscal year and in the fiscal year immediately following it in excess of the amount which may be appropriated by the entity in compliance with this article during that fiscal year and the fiscal year immediately following it shall be returned by a revision of tax rates or fee schedules within the next two subsequent fiscal years. [*As amended June 5, 1990. Operative July 1, 1990.*]

[*Appropriations Limit—Adjustments*]

SEC. 3. The appropriations limit for any fiscal year pursuant to Sec. 1 shall be adjusted as follows:

(a) In the event that the financial responsibility of providing services is transferred, in whole or in part, whether by annexation, incorporation or

* New Article XIII B adopted November 6, 1979. Operative commencing first day of fiscal year following adoption. Initiative measure.

otherwise, from one entity of government to another, then for the year in which such transfer becomes effective the appropriations limit of the transferee entity shall be increased by such reasonable amount as the said entities shall mutually agree and the appropriations limit of the transferor entity shall be decreased by the same amount.

(b) In the event that the financial responsibility of providing services is transferred, in whole or in part, from an entity of government to a private entity, or the financial source for the provision of services is transferred, in whole or in part, from other revenues of an entity of government, to regulatory licenses, user charges or user fees, then for the year of such transfer the appropriations limit of such entity of government shall be decreased accordingly.

(c) (1) In the event an emergency is declared by the legislative body of an entity of government, the appropriations limit of the affected entity of government may be exceeded provided that the appropriations limits in the following three years are reduced accordingly to prevent an aggregate increase in appropriations resulting from the emergency.

(2) In the event an emergency is declared by the Governor, appropriations approved by a two-thirds vote of the legislative body of an affected entity of government to an emergency account for expenditures relating to that emergency shall not constitute appropriations subject to limitation. As used in this paragraph, ''emergency'' means the existence, as declared by the Governor, of conditions of disaster or extreme peril to the safety of persons and property within the State, or parts thereof, caused by such conditions as attack or probable or imminent attack by an enemy of the United States, fire, flood, drought, storm, civil disorder, earthquake, or volcanic eruption. [*As amended June 5, 1990. Operative July 1, 1990.*]

[*Appropriations Limit—Establishment or Change*]

SEC. 4. The appropriations limit imposed on any new or existing entity of government by this Article may be established or changed by the electors of such entity, subject to and in conformity with constitutional and statutory voting requirements. The duration of any such change shall be as determined by said electors, but shall in no event exceed four years from the most recent vote of said electors creating or continuing such change. [*New section adopted November 6, 1979. Operative commencing first day of fiscal year following adoption. Initiative measure.*]

[*Contingency, Emergency, Unemployment, Etc., Funds—Contributions—Withdrawals—Transfers*]

SEC. 5. Each entity of government may establish such contingency, emergency, unemployment, reserve, retirement, sinking fund, trust, or similar funds as it shall deem reasonable and proper. Contributions to any such fund, to the extent that such contributions are derived from the pro-

ceeds of taxes, shall for purposes of this Article constitute appropriations subject to limitation in the year of contribution. Neither withdrawals from any such fund, nor expenditures of (or authorizations to expend) such withdrawals, nor transfers between or among such funds, shall for purposes of this Article constitute appropriations subject to limitation. [*New section adopted November 6, 1979. Operative commencing first day of fiscal year following adoption. Initiative measure.*]

[*Prudent State Reserve*]

SEC. 5.5. *Prudent State Reserve.* The Legislature shall establish a prudent state reserve fund in such amount as it shall deem reasonable and necessary. Contributions to, and withdrawals from, the fund shall be subject to the provisions of Section 5 of this Article. [*New section adopted November 8, 1988. Initiative measure.*]

[*Mandates of New Programs or Higher Levels of Service—State Subvention—Exceptions*]

SEC. 6. Whenever the Legislature or any state agency mandates a new program or higher level of service on any local government, the State shall provide a subvention of funds to reimburse such local government for the costs of such program or increased level of service, except that the Legislature may, but need not, provide such subvention of funds for the following mandates:

(a) Legislative mandates requested by the local agency affected;

(b) Legislation defining a new crime or changing an existing definition of a crime; or

(c) Legislative mandates enacted prior to January 1, 1975, or executive orders or regulations initially implementing legislation enacted prior to January 1, 1975. [*New section adopted November 6, 1979. Operative commencing first day of fiscal year following adoption. Initiative measure.*]

[*Bonded Indebtedness*]

SEC. 7. Nothing in this Article shall be construed to impair the ability of the State or of any local government to meet its obligations with respect to existing or future bonded indebtedness. [*New section adopted November 6, 1979. Operative commencing first day of fiscal year following adoption. Initiative measure.*]

[*Definitions*]

SEC. 8. As used in this article and except as otherwise expressly provided herein:

(a) ''Appropriations subject to limitation'' of the State means any authorization to expend during a fiscal year the proceeds of taxes levied by or for the State, exclusive of state subventions for the use and operation of local government (other than subventions made pursuant to Section 6) and further exclusive of refunds of taxes, benefit payments from retirement, unemployment insurance, and disability insurance funds.

(b) ''Appropriations subject to limitation'' of an entity of local government means any authorization to expend during a fiscal year the proceeds of taxes levied by or for that entity and the proceeds of state subventions to that entity (other than subventions made pursuant to Section 6) exclusive of refunds of taxes.

(c) ''Proceeds of taxes'' shall include, but not be restricted to, all tax revenues and the proceeds to an entity of government, from (1) regulatory licenses, user charges, and user fees to the extent that those proceeds exceed the costs reasonably borne by that entity in providing the regulation, product, or service, and (2) the investment of tax revenues. With respect to any local government, ''proceeds of taxes'' shall include subventions received from the State, other than pursuant to Section 6, and, with respect to the State, proceeds of taxes shall exclude such subventions.

(d) ''Local government'' means any city, county, city and county, school district, special district, authority, or other political subdivision of or within the State.

(e) (1) ''Change in the cost of living'' for the State, a school district, or a community college district means the percentage change in California per capita personal income from the preceding year.

(2) ''Change in the cost of living'' for an entity of local government, other than a school district or a community college district, shall be either (A) the percentage change in California per capita personal income from the preceding year, or (B) the percentage change in the local assessment roll from the preceding year for the jurisdiction due to the addition of local nonresidential new construction. Each entity of local government shall select its change in the cost of living pursuant to this paragraph annually by a recorded vote of the entity's governing body.

(f) ''Change in population'' of any entity of government, other than the State, a school district, or a community college district, shall be determined by a method prescribed by the Legislature.

''Change in population'' of a school district or a community college district shall be the percentage change in the average daily attendance of the school district or community college district from the preceding fiscal year, as determined by a method prescribed by the Legislature.

''Change in population'' of the State shall be determined by adding (1) the percentage change in the State's population multiplied by the percentage of the State's budget in the prior fiscal year that is expended for other than educational purposes for kindergarten and grades one to 12, inclusive, and the community colleges, and (2) the percentage change in the total statewide average daily attendance in kindergarten and grades one to 12, inclusive, and the community colleges, multiplied by the percentage of the State's budget in the prior fiscal year that is expended for educational purposes for kindergarten and grades one to 12, inclusive, and the community colleges.

Any determination of population pursuant to this subdivision, other than that measured by average daily attendance, shall be revised, as necessary, to reflect the periodic census conducted by the United States Department of Commerce, or successor department.

(g) ''Debt service'' means appropriations required to pay the cost of interest and redemption charges, including the funding of any reserve or sinking fund required in connection therewith, on indebtedness existing or legally authorized as of January 1, 1979, or on bonded indebtedness thereafter approved according to law by a vote of the electors of the issuing entity voting in an election for that purpose.

(h) The ''appropriations limit'' of each entity of government for each fiscal year is that amount which total annual appropriations subject to limitation may not exceed under Sections 1 and 3. However, the ''appropriations limit'' of each entity of government for fiscal year 1978–79 is the total of the appropriations subject to limitation of the entity for that fiscal year. For fiscal year 1978–79, state subventions to local governments, exclusive of federal grants, are deemed to have been derived from the proceeds of state taxes.

(i) Except as otherwise provided in Section 5, ''appropriations subject to limitation'' do not include local agency loan funds or indebtedness funds, investment (or authorizations to invest) funds of the State, or of an entity of local government in accounts at banks or savings and loan associations or in liquid securities. [*As amended June 5, 1990. Operative July 1, 1990.*]

[*Exceptions to Appropriations Subject to Limitation*]

SEC. 9. ''Appropriations subject to limitation'' for each entity of government do not include:

(a) Appropriations for debt service.

(b) Appropriations required to comply with mandates of the courts or the federal government which, without discretion, require an expenditure for additional services or which unavoidably make the provision of existing services more costly.

(c) Appropriations of any special district which existed on January 1, 1978, and which did not as of the 1977–78 fiscal year levy an ad valorem tax on property in excess of 12½ cents per $100 of assessed value; or the appropriations of any special district then existing or thereafter created by a vote of the people, which is totally funded by other than the proceeds of taxes.

(d) Appropriations for all qualified capital outlay projects, as defined by the Legislature.

(e) Appropriations of revenue which are derived from any of the following:

(1) That portion of the taxes imposed on motor vehicle fuels for use in motor vehicles upon public streets and highways at a rate of more than nine cents ($0.09) per gallon.

(2) Sales and use taxes collected on that increment of the tax specified in paragraph (1).

(3) That portion of the weight fee imposed on commercial vehicles which exceeds the weight fee imposed on those vehicles on January 1, 1990. [*As amended June 5, 1990. Operative July 1, 1990.*]

[*Effective Date of Article*]

SEC. 10. This Article shall be effective commencing with the first day of the fiscal year following its adoption. [*New section adopted November 6, 1979. Operative commencing first day of fiscal year following adoption. Initiative measure.*]

[*Appropriations Limit on or after July 1, 1990*]

SEC. 10.5. For fiscal years beginning on or after July 1, 1990, the appropriations limit of each entity of government shall be the appropriations limit for the 1986–87 fiscal year adjusted for the changes made from that fiscal year pursuant to this article, as amended by the measure adding this section, adjusted for the changes required by Section 3. [*New section adopted June 5, 1990. Operative July 1, 1990.*]

[*Category Added or Removed from Appropriations Subject to Limitation—Severability*]

SEC. 11. If any appropriation category shall be added to or removed from appropriations subject to limitation, pursuant to final judgment of any court of competent jurisdiction and any appeal therefrom, the appropriations limit shall be adjusted accordingly. If any section, part, clause or phrase in this Article is for any reason held invalid or unconstitutional, the remaining portions of this Article shall not be affected but shall remain in full force and effect. [*New section adopted November 6, 1979. Operative commencing first day of fiscal year following adoption. Initiative measure.*]

[*Exceptions to Appropriations Subject to Limitation*]

SEC. 12. ''Appropriations subject to limitation'' of each entity of government shall not include appropriations of revenue from the Cigarette and Tobacco Products Surtax Fund created by the Tobacco Tax and Health Protection Act of 1988. No adjustment in the appropriations limit of any entity of government shall be required pursuant to Section 3 as a result of revenue being deposited in or appropriated from the Cigarette and Tobacco Products Surtax Fund created by the Tobacco Tax and Health Protection Act of 1988. [*New section adopted November 8, 1988. Initiative measure.*]

[*Exceptions to Appropriations Subject to Limitation*]

SEC. 13. ''Appropriations subject to limitation'' of each entity of government shall not include appropriations of revenue from the California Children and Families First Trust Fund created by the California Children and Families First Act of 1998. No adjustment in the appropriations limit of any entity of government shall be required pursuant to Section 3 as a result of revenue being deposited in or appropriated from the California Children and Families First Trust Fund. The surtax created by the California Children and Families First Act of 1998 shall not be considered General Fund revenues for the purposes of Section 8 of Article XVI. [*New section adopted November 3, 1998. Initiative measure.*]

ARTICLE XIII C *

[VOTER APPROVAL FOR LOCAL TAX LEVIES]

SECTION 1. Definitions. As used in this article:

(a) ''General tax'' means any tax imposed for general governmental purposes.

(b) ''Local government'' means any county, city, city and county, including a charter city or county, any special district, or any other local or regional governmental entity.

(c) ''Special district'' means an agency of the State, formed pursuant to general law or a special act, for the local performance of governmental or proprietary functions with limited geographic boundaries including, but not limited to, school districts and redevelopment agencies.

(d) ''Special tax'' means any tax imposed for specific purposes, including a tax imposed for specific purposes, which is placed into a general fund. [*New section adopted November 5, 1996. Initiative measure.*]

* New Article XIII C adopted November 5, 1996. Initiative measure.

SEC. 2. Local Government Tax Limitation. Notwithstanding any other provision of this Constitution:

(a) All taxes imposed by any local government shall be deemed to be either general taxes or special taxes. Special purpose districts or agencies, including school districts, shall have no power to levy general taxes.

(b) No local government may impose, extend, or increase any general tax unless and until that tax is submitted to the electorate and approved by a majority vote. A general tax shall not be deemed to have been increased if it is imposed at a rate not higher than the maximum rate so approved. The election required by this subdivision shall be consolidated with a regularly scheduled general election for members of the governing body of the local government, except in cases of emergency declared by a unanimous vote of the governing body.

(c) Any general tax imposed, extended, or increased, without voter approval, by any local government on or after January 1, 1995, and prior to the effective date of this article, shall continue to be imposed only if approved by a majority vote of the voters voting in an election on the issue of the imposition, which election shall be held within two years of the effective date of this article and in compliance with subdivision (b).

(d) No local government may impose, extend, or increase any special tax unless and until that tax is submitted to the electorate and approved by a two-thirds vote. A special tax shall not be deemed to have been increased if it is imposed at a rate not higher than the maximum rate so approved. [*New section adopted November 5, 1996. Initiative measure.*]

SEC. 3. Initiative Power for Local Taxes, Assessments, Fees and Charges. Notwithstanding any other provision of this Constitution, including, but not limited to, Sections 8 and 9 of Article II, the initiative power shall not be prohibited or otherwise limited in matters of reducing or repealing any local tax, assessment, fee or charge. The power of initiative to affect local taxes, assessments, fees and charges shall be applicable to all local governments and neither the Legislature nor any local government charter shall impose a signature requirement higher than that applicable to statewide statutory initiatives. [*New section adopted November 5, 1996. Initiative measure.*]

ARTICLE XIII D*

[ASSESSMENT AND PROPERTY-RELATED FEE REFORM]

SECTION 1. Application. Notwithstanding any other provision of law, the provisions of this article shall apply to all assessments, fees and charges, whether imposed pursuant to state statute or local government charter authority. Nothing in this article or Article XIII C shall be construed to:

(a) Provide any new authority to any agency to impose a tax, assessment, fee, or charge.

(b) Affect existing laws relating to the imposition of fees or charges as a condition of property development.

(c) Affect existing laws relating to the imposition of timber yield taxes. [*New section adopted November 5, 1996. Initiative measure.*]

SEC. 2. Definitions. As used in this article:

(a) ''Agency'' means any local government as defined in subdivision (b) of Section 1 of Article XIII C.

(b) ''Assessment'' means any levy or charge upon real property by an agency for a special benefit conferred upon the real property. ''Assessment'' includes, but is not limited to, ''special assessment,'' ''benefit assessment,'' ''maintenance assessment'' and ''special assessment tax.''

(c) ''Capital cost'' means the cost of acquisition, installation, construction, reconstruction, or replacement of a permanent public improvement by an agency.

(d) ''District'' means an area determined by an agency to contain all parcels which will receive a special benefit from a proposed public improvement or property-related service.

(e) ''Fee'' or ''charge'' means any levy other than an ad valorem tax, a special tax, or an assessment, imposed by an agency upon a parcel or upon a person as an incident of property ownership, including a user fee or charge for a property-related service.

(f) ''Maintenance and operation expenses'' means the cost of rent, repair, replacement, rehabilitation, fuel, power, electrical current, care, and supervision necessary to properly operate and maintain a permanent public improvement.

(g) ''Property ownership'' shall be deemed to include tenancies of real property where tenants are directly liable to pay the assessment, fee, or charge in question.

(h) ''Property-related service'' means a public service having a direct relationship to property ownership.

(i) ''Special benefit'' means a particular and distinct benefit over and above general benefits conferred on real property located in the district or

* New Article XIII D adopted November 5, 1996. Initiative measure.

to the public at large. General enhancement of property value does not constitute "special benefit." [*New section adopted November 5, 1996. Initiative measure.*]

SEC. 3. Property Taxes, Assessments, Fees and Charges Limited. (a) No tax, assessment, fee, or charge shall be assessed by any agency upon any parcel of property or upon any person as an incident of property ownership except:

(1) The ad valorem property tax imposed pursuant to Article XIII and Article XIII A.

(2) Any special tax receiving a two-thirds vote pursuant to Section 4 of Article XIII A.

(3) Assessments as provided by this article.

(4) Fees or charges for property-related services as provided by this article.

(b) For purposes of this article, fees for the provision of electrical or gas service shall not be deemed charges or fees imposed as an incident of property ownership. [*New section adopted November 5, 1996. Initiative measure.*]

SEC. 4. Procedures and Requirements for All Assessments. (a) An agency which proposes to levy an assessment shall identify all parcels which will have a special benefit conferred upon them and upon which an assessment will be imposed. The proportionate special benefit derived by each identified parcel shall be determined in relationship to the entirety of the capital cost of a public improvement, the maintenance and operation expenses of a public improvement, or the cost of the property-related service being provided. No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel. Only special benefits are assessable, and an agency shall separate the general benefits from the special benefits conferred on a parcel. Parcels within a district that are owned or used by any agency, the State of California or the United States shall not be exempt from assessment unless the agency can demonstrate by clear and convincing evidence that those publicly owned parcels in fact receive no special benefit.

(b) All assessments shall be supported by a detailed engineer's report prepared by a registered professional engineer certified by the State of California.

(c) The amount of the proposed assessment for each identified parcel shall be calculated and the record owner of each parcel shall be given written notice by mail of the proposed assessment, the total amount thereof chargeable to the entire district, the amount chargeable to the owner's particular parcel, the duration of the payments, the reason for the assessment and the basis upon which the amount of the proposed assessment was calculated, together with the date, time, and location of a public hearing on the proposed assessment. Each notice shall also include, in a conspicuous

place thereon, a summary of the procedures applicable to the completion, return, and tabulation of the ballots required pursuant to subdivision (d), including a disclosure statement that the existence of a majority protest, as defined in subdivision (e), will result in the assessment not being imposed.

(d) Each notice mailed to owners of identified parcels within the district pursuant to subdivision (c) shall contain a ballot which includes the agency's address for receipt of the ballot once completed by any owner receiving the notice whereby the owner may indicate his or her name, reasonable identification of the parcel, and his or her support or opposition to the proposed assessment.

(e) The agency shall conduct a public hearing upon the proposed assessment not less than 45 days after mailing the notice of the proposed assessment to record owners of each identified parcel. At the public hearing, the agency shall consider all protests against the proposed assessment and tabulate the ballots. The agency shall not impose an assessment if there is a majority protest. A majority protest exists if, upon the conclusion of the hearing, ballots submitted in opposition to the assessment exceed the ballots submitted in favor of the assessment. In tabulating the ballots, the ballots shall be weighted according to the proportional financial obligation of the affected property.

(f) In any legal action contesting the validity of any assessment, the burden shall be on the agency to demonstrate that the property or properties in question receive a special benefit over and above the benefits conferred on the public at large and that the amount of any contested assessment is proportional to, and no greater than, the benefits conferred on the property or properties in question.

(g) Because only special benefits are assessable, electors residing within the district who do not own property within the district shall not be deemed under this Constitution to have been deprived of the right to vote for any assessment. If a court determines that the Constitution of the United States or other federal law requires otherwise, the assessment shall not be imposed unless approved by a two-thirds vote of the electorate in the district in addition to being approved by the property owners as required by subdivision (e). [*New section adopted November 5, 1996. Initiative measure.*]

SEC. 5. Effective Date. Pursuant to subdivision (a) of Section 10 of Article II, the provisions of this article shall become effective the day after the election unless otherwise provided. Beginning July 1, 1997, all existing, new, or increased assessments shall comply with this article. Notwithstanding the foregoing, the following assessments existing on the effective date of this article shall be exempt from the procedures and approval process set forth in Section 4:

(a) Any assessment imposed exclusively to finance the capital costs or maintenance and operation expenses for sidewalks, streets, sewers, water,

flood control, drainage systems or vector control. Subsequent increases in such assessments shall be subject to the procedures and approval process set forth in Section 4.

(b) Any assessment imposed pursuant to a petition signed by the persons owning all of the parcels subject to the assessment at the time the assessment is initially imposed. Subsequent increases in such assessments shall be subject to the procedures and approval process set forth in Section 4.

(c) Any assessment the proceeds of which are exclusively used to repay bonded indebtedness of which the failure to pay would violate the Contract Impairment Clause of the Constitution of the United States.

(d) Any assessment which previously received majority voter approval from the voters voting in an election on the issue of the assessment. Subsequent increases in those assessments shall be subject to the procedures and approval process set forth in Section 4. [*New section adopted November 5, 1996. Initiative measure.*]

SEC. 6. Property-Related Fees and Charges. (a) Procedures for New or Increased Fees and Charges. An agency shall follow the procedures pursuant to this section in imposing or increasing any fee or charge as defined pursuant to this article, including, but not limited to, the following:

(1) The parcels upon which a fee or charge is proposed for imposition shall be identified. The amount of the fee or charge proposed to be imposed upon each parcel shall be calculated. The agency shall provide written notice by mail of the proposed fee or charge to the record owner of each identified parcel upon which the fee or charge is proposed for imposition, the amount of the fee or charge proposed to be imposed upon each, the basis upon which the amount of the proposed fee or charge was calculated, the reason for the fee or charge, together with the date, time, and location of a public hearing on the proposed fee or charge.

(2) The agency shall conduct a public hearing upon the proposed fee or charge not less than 45 days after mailing the notice of the proposed fee or charge to the record owners of each identified parcel upon which the fee or charge is proposed for imposition. At the public hearing, the agency shall consider all protests against the proposed fee or charge. If written protests against the proposed fee or charge are presented by a majority of owners of the identified parcels, the agency shall not impose the fee or charge.

(b) Requirements for Existing, New or Increased Fees and Charges. A fee or charge shall not be extended, imposed, or increased by any agency unless it meets all of the following requirements:

(1) Revenues derived from the fee or charge shall not exceed the funds required to provide the property-related service.

(2) Revenues derived from the fee or charge shall not be used for any purpose other than that for which the fee or charge was imposed.

(3) The amount of a fee or charge imposed upon any parcel or person as an incident of property ownership shall not exceed the proportional cost of the service attributable to the parcel.

(4) No fee or charge may be imposed for a service unless that service is actually used by, or immediately available to, the owner of the property in question. Fees or charges based on potential or future use of a service are not permitted. Standby charges, whether characterized as charges or assessments, shall be classified as assessments and shall not be imposed without compliance with Section 4.

(5) No fee or charge may be imposed for general governmental services including, but not limited to, police, fire, ambulance or library services, where the service is available to the public at large in substantially the same manner as it is to property owners.
Reliance by an agency on any parcel map, including, but not limited to, an assessor's parcel map, may be considered a significant factor in determining whether a fee or charge is imposed as an incident of property ownership for purposes of this article. In any legal action contesting the validity of a fee or charge, the burden shall be on the agency to demonstrate compliance with this article.

(c) Voter Approval for New or Increased Fees and Charges. Except for fees or charges for sewer, water, and refuse collection services, no property-related fee or charge shall be imposed or increased unless and until that fee or charge is submitted and approved by a majority vote of the property owners of the property subject to the fee or charge or, at the option of the agency, by a two-thirds vote of the electorate residing in the affected area. The election shall be conducted not less than 45 days after the public hearing. An agency may adopt procedures similar to those for increases in assessments in the conduct of elections under this subdivision.

(d) Beginning July 1, 1997, all fees or charges shall comply with this section. [*New section adopted November 5, 1996. Initiative measure.*]

ARTICLE XIV. [*Repealed June 8, 1976. See Article XIV, below.*]

ARTICLE XIV*

LABOR RELATIONS

SECTION 1. [*Repealed June 8, 1976. See Section 1, below.*]

[*Minimum Wages and General Welfare of Employees*]

SECTION 1. The Legislature may provide for minimum wages and for the general welfare of employees and for those purposes may confer on a commission legislative, executive, and judicial powers. [*New section adopted June 8, 1976.*]

SEC. 2. [*Repealed June 8, 1976. See Section 2, below.*]

[*Eight-hour Workday*]

SEC. 2. Worktime of mechanics or workers on public works may not exceed eight hours a day except in wartime or extraordinary emergencies that endanger life or property. The Legislature shall provide for enforcement of this section. [*New section adopted June 8, 1976.*]

SEC. 3. [*Repealed June 8, 1976. See Section 3, below.*]

[*Mechanics' Liens*]

SEC. 3. Mechanics, persons furnishing materials, artisans, and laborers of every class, shall have a lien upon the property upon which they have bestowed labor or furnished material for the value of such labor done and material furnished; and the Legislature shall provide, by law, for the speedy and efficient enforcement of such liens. [*New section adopted June 8, 1976.*]

SEC. 4. [*Repealed June 8, 1976. See Section 4, below.*]

[*Workers' Compensation*]

SEC. 4. The Legislature is hereby expressly vested with plenary power, unlimited by any provision of this Constitution, to create, and enforce a complete system of workers' compensation, by appropriate legislation, and in that behalf to create and enforce a liability on the part of any or all persons to compensate any or all of their workers for injury or disability, and their dependents for death incurred or sustained by the said workers in the course of their employment, irrespective of the fault of any party. A complete system of workers' compensation includes adequate provisions for the comfort, health and safety and general welfare of any and all workers and those dependent upon them for support to the extent of relieving from the consequences of any injury or death incurred or sus-

* New Article XIV adopted June 8, 1976.

tained by workers in the course of their employment, irrespective of the fault of any party; also full provision for securing safety in places of employment; full provision for such medical, surgical, hospital and other remedial treatment as is requisite to cure and relieve from the effects of such injury; full provision for adequate insurance coverage against liability to pay or furnish compensation; full provision for regulating such insurance coverage in all its aspects, including the establishment and management of a state compensation insurance fund; full provision for otherwise securing the payment of compensation; and full provision for vesting power, authority and jurisdiction in an administrative body with all the requisite governmental functions to determine any dispute or matter arising under such legislation, to the end that the administration of such legislation shall accomplish substantial justice in all cases expeditiously, inexpensively, and without incumbrance of any character; all of which matters are expressly declared to be the social public policy of this State, binding upon all departments of the state government.

The Legislature is vested with plenary powers, to provide for the settlement of any disputes arising under such legislation by arbitration, or by an industrial accident commission, by the courts, or by either, any, or all of these agencies, either separately or in combination, and may fix and control the method and manner of trial of any such dispute, the rules of evidence and the manner of review of decisions rendered by the tribunal or tribunals designated by it; provided, that all decisions of any such tribunal shall be subject to review by the appellate courts of this State. The Legislature may combine in one statute all the provisions for a complete system of workers' compensation, as herein defined.

The Legislature shall have power to provide for the payment of an award to the State in the case of the death, arising out of and in the course of the employment, of an employee without dependents, and such awards may be used for the payment of extra compensation for subsequent injuries beyond the liability of a single employer for awards to employees of the employer.

Nothing contained herein shall be taken or construed to impair or render ineffectual in any measure the creation and existence of the industrial accident commission of this State or the state compensation insurance fund, the creation and existence of which, with all the functions vested in them, are hereby ratified and confirmed. [*New section adopted June 8, 1976.*]

SEC. 5. [*Repealed November 6, 1990. See Section 5, below.*]

[*Inmate Labor*]

SECTION 5. (a) The Director of Corrections or any county Sheriff or other local government official charged with jail operations, may enter into contracts with public entities, nonprofit or for profit organizations, entities, or businesses for the purpose of conducting programs which use in-

mate labor. Such programs shall be operated and implemented pursuant to statutes enacted by or in accordance with the provisions of the Prison Inmate Labor Initiative of 1990, and by rules and regulations prescribed by the Director of Corrections and, for county jail programs, by local ordinances.

(b) No contract shall be executed with an employer that will initiate employment by inmates in the same job classification as non-inmate employees of the same employer who are on strike, as defined in Section 1132.6 of the Labor Code, as it reads on January 1, 1990, or who are subject to lockout, as defined in Section 1132.8 of the Labor Code, as it reads on January 1, 1990. Total daily hours worked by inmates employed in the same job classification as non-inmate employees of the same employer who are on strike, as defined in Section 1132.6 of the Labor Code, as it reads on January 1, 1990, or who are subject to lockout, as defined in Section 1132.8 of the Labor Code, as it reads on January 1, 1990, shall not exceed, for the duration of the strike, the average daily hours worked for the preceding six months, or if the program has been in operation for less than six months, the average for the period of operation.

(c) Nothing in this section shall be interpreted as creating a right of inmates to work. [*New section adopted November 6, 1990. Initiative measure.*]

ARTICLE XV. [*Repealed June 8, 1976. See Article XV, below.*]

ARTICLE XV*

USURY

[*Rate of Interest*]

SECTION 1. The rate of interest upon the loan or forbearance of any money, goods, or things in action, or on accounts after demand, shall be 7 percent per annum but it shall be competent for the parties to any loan or forbearance of any money, goods or things in action to contract in writing for a rate of interest:

(1) For any loan or forbearance of any money, goods, or things in action, if the money, goods, or things in action are for use primarily for personal, family, or household purposes, at a rate not exceeding 10 percent per annum; provided, however, that any loan or forbearance of any money, goods or things in action the proceeds of which are used primarily for the purchase, construction or improvement of real property shall not be deemed to be a use primarily for personal, family or household purposes; or

* New Article XV adopted June 8, 1976.

(2) For any loan or forbearance of any money, goods, or things in action for any use other than specified in paragraph (1), at a rate not exceeding the higher of (a) 10 percent per annum or (b) 5 percent per annum plus the rate prevailing on the 25th day of the month preceding the earlier of (i) the date of execution of the contract to make the loan or forbearance, or (ii) the date of making the loan or forbearance established by the Federal Reserve Bank of San Francisco on advances to member banks under Sections 13 and 13a of the Federal Reserve Act as now in effect or hereafter from time to time amended (or if there is no such single determinable rate of advances, the closest counterpart of such rate as shall be designated by the Superintendent of Banks of the State of California unless some other person or agency is delegated such authority by the Legislature).

[*Charges*]

No person, association, copartnership or corporation shall by charging any fee, bonus, commission, discount or other compensation receive from a borrower more than the interest authorized by this section upon any loan or forbearance of any money, goods or things in action.

[*Exemptions*]

However, none of the above restrictions shall apply to any obligations of, loans made by, or forbearances of, any building and loan association as defined in and which is operated under that certain act known as the ''Building and Loan Association Act,'' approved May 5, 1931, as amended, or to any corporation incorporated in the manner prescribed in and operating under that certain act entitled ''An act defining industrial loan companies, providing for their incorporation, powers and supervision,'' approved May 18, 1917, as amended, or any corporation incorporated in the manner prescribed in and operating under that certain act entitled ''An act defining credit unions, providing for their incorporation, powers, management and supervision,'' approved March 31, 1927, as amended or any duly licensed pawnbroker or personal property broker, or any loans made or arranged by any person licensed as a real estate broker by the State of California and secured in whole or in part by liens on real property, or any bank as defined in and operating under that certain act known as the ''Bank Act,'' approved March 1, 1909, as amended, or any bank created and operating under and pursuant to any laws of this State or of the United States of America or any nonprofit cooperative association organized under Chapter 1 (commencing with Section 54001) of Division 20 of the Food and Agricultural Code in loaning or advancing money in connection with any activity mentioned in said title or any corporation, association, syndicate, joint stock company, or partnership engaged exclusively in the business of marketing agricultural, horticultural, viticultural, dairy, live stock, poultry and bee products on a cooperative nonprofit basis

in loaning or advancing money to the members thereof or in connection with any such business or any corporation securing money or credit from any federal intermediate credit bank, organized and existing pursuant to the provisions of an act of Congress entitled ''Agricultural Credits Act of 1923,'' as amended in loaning or advancing credit so secured, or any other class of persons authorized by statute, or to any successor in interest to any loan or forbearance exempted under this article, nor shall any such charge of any said exempted classes of persons be considered in any action or for any purpose as increasing or affecting or as connected with the rate of interest hereinbefore fixed. The Legislature may from time to time prescribe the maximum rate per annum of, or provide for the supervision, or the filing of a schedule of, or in any manner fix, regulate or limit, the fees, bonuses, commissions, discounts or other compensation which all or any of the said exempted classes of persons may charge or receive from a borrower in connection with any loan or forbearance of any money, goods or things in action.

[*Judgments Rendered in Court—Rate of Interest*]

The rate of interest upon a judgment rendered in any court of this State shall be set by the Legislature at not more than 10 percent per annum. Such rate may be variable and based upon interest rates charged by federal agencies or economic indicators, or both.

In the absence of the setting of such rate by the Legislature, the rate of interest on any judgment rendered in any court of the State shall be 7 percent per annum.

[*Scope of Section*]

The provisions of this section shall supersede all provisions of this Constitution and laws enacted thereunder in conflict therewith. [*As amended November 6, 1979.*]

SEC. 2. [*Repealed June 8, 1976.*]

SEC. 3. [*Repealed June 8, 1976.*]

ARTICLE XVI

PUBLIC FINANCE

[*Heading as amended November 5, 1974.*]

[*State Indebtedness—Limitation—Two-thirds Vote to Submit Bond Law—Submission of Law to Electors*]

SECTION 1. The Legislature shall not, in any manner create any debt or debts, liability or liabilities, which shall, singly or in the aggregate with any previous debts or liabilities, exceed the sum of three hundred thousand dollars ($300,000), except in case of war to repel invasion or suppress in-

surrection, unless the same shall be authorized by law for some single object or work to be distinctly specified therein which law shall provide ways and means, exclusive of loans, for the payment of the interest of such debt or liability as it falls due, and also to pay and discharge the principal of such debt or liability within 50 years of the time of the contracting thereof, and shall be irrepealable until the principal and interest thereon shall be paid and discharged, and such law may make provision for a sinking fund to pay the principal of such debt or liability to commence at a time after the incurring of such debt or liability of not more than a period of one-fourth of the time of maturity of such debt or liability; but no such law shall take effect unless it has been passed by a two-thirds vote of all the members elected to each house of the Legislature and until, at a general election or at a direct primary, it shall have been submitted to the people and shall have received a majority of all the votes cast for and against it at such election; and all moneys raised by authority of such law shall be applied only to the specific object therein stated or to the payment of the debt thereby created. Full publicity as to matters to be voted upon by the people is afforded by the setting out of the complete text of the proposed laws, together with the arguments for and against them, in the ballot pamphlet mailed to each elector preceding the election at which they are submitted, and the only requirement for publication of such law shall be that it be set out at length in ballot pamphlets which the Secretary of State shall cause to be printed. The Legislature may, at any time after the approval of such law by the people, reduce the amount of the indebtedness authorized by the law to an amount not less than the amount contracted at the time of the reduction, or it may repeal the law if no debt shall have been contracted in pursuance thereof.

Notwithstanding any other provision of this Constitution, Members of the Legislature who are required to meet with the State Allocation Board shall have equal rights and duties with the nonlegislative members to vote and act upon matters pending or coming before such board for the allocation and apportionment of funds to school districts for school construction purposes or purposes related thereto.

Notwithstanding any other provision of this constitution, or of any bond act to the contrary, if any general obligation bonds of the State heretofore or hereafter authorized by vote of the people have been offered for sale and not sold, the Legislature may raise the maximum rate of interest payable on all general obligation bonds authorized but not sold, whether or not such bonds have been offered for sale, by a statute passed by a two-thirds vote of all members elected to each house thereof.

The provisions of Senate Bill No. 763† of the 1969 Regular Session, which authorize an increase of the state general obligation bond maximum interest rate from 5 percent to an amount not in excess of 7 percent and

† Chapter 740.

eliminate the maximum rate of interest payable on notes given in anticipation of the sale of such bonds, are hereby ratified. [*As amended June 2, 1970.*]

[*General Obligation Bond Proceeds Fund*]

SEC. 1.5. The Legislature may create and establish a ''General Obligation Bond Proceeds Fund'' in the State Treasury, and may provide for the proceeds of the sale of general obligation bonds of the State heretofore or hereafter issued, including any sums paid as accrued interest thereon, under any or all acts authorizing the issuance of such bonds, to be paid into or transferred to, as the case may be, the ''General Obligation Bond Proceeds Fund.'' Accounts shall be maintained in the ''General Obligation Bond Proceeds Fund'' of all moneys deposited in the State Treasury to the credit of that fund and the proceeds of each bond issue shall be maintained as a separate and distinct account and shall be paid out only in accordance with the law authorizing the issuance of the particular bonds from which the proceeds were derived. The Legislature may abolish, subject to the conditions of this section, any fund in the State Treasury heretofore or hereafter created by any act for the purpose of having deposited therein the proceeds from the issuance of bonds if such proceeds are transferred to or paid into the ''General Obligation Bond Proceeds Fund'' pursuant to the authority granted in this section; provided, however, that nothing in this section shall prevent the Legislature from re-establishing any bond proceeds fund so abolished and transferring back to its credit all proceeds in the ''General Obligation Bond Proceeds Fund'' which constitute the proceeds of the particular bond fund being re-established. [*New section adopted November 6, 1962.*]

SEC. 2. [*Repealed November 6, 1962. See Section 2, below.*]

[*Bond Issues—Submission by Constitutional Amendment Prohibited—Repeal of Certain Constitutional Provisions*]

SEC. 2. (a) No amendment to this Constitution which provides for the preparation, issuance and sale of bonds of the State of California shall hereafter be submitted to the electors, nor shall any such amendment to the Constitution hereafter submitted to or approved by the electors become effective for any purpose.

Each measure providing for the preparation, issuance and sale of bonds of the State of California shall hereafter be submitted to the electors in the form of a bond act or statute.

(b) The provisions of this Constitution enumerated in subdivision (c) of this section are repealed and such provisions are continued as statutes which have been approved, adopted, legalized, ratified, validated, and made fully and completely effective, by means of the adoption by the electorate of a ratifying constitutional amendment, except that the Legislature,

in addition to whatever powers it possessed under such provisions, may amend or repeal such provisions when the bonds issued thereunder have been fully retired and when no rights thereunder will be damaged.

(c) The enumerated provisions of this Constitution are: Article XVI, Sections 2, 3, 4, 4½, 5, 6, 8, 8½, 15, 16, 16.5, 17, 18, 19, 19.5, 20 and 21. [*New section adopted November 6, 1962.*]

[*Appropriations*]

SEC. 3. No money shall ever be appropriated or drawn from the State Treasury for the purpose or benefit of any corporation, association, asylum, hospital, or any other institution not under the exclusive management and control of the State as a state institution, nor shall any grant or donation of property ever be made thereto by the State, except that notwithstanding anything contained in this or any other section of the Constitution:

[*Federal Funds*]

(1) Whenever federal funds are made available for the construction of hospital facilities by public agencies and nonprofit corporations organized to construct and maintain such facilities, nothing in this Constitution shall prevent the Legislature from making state money available for that purpose, or from authorizing the use of such money for the construction of hospital facilities by nonprofit corporations organized to construct and maintain such facilities.

[*Institution for Support of Orphans or Aged Indigents*]

(2) The Legislature shall have the power to grant aid to the institutions conducted for the support and maintenance of minor orphans, or half-orphans, or abandoned children, or children of a father who is incapacitated for gainful work by permanent physical disability or is suffering from tuberculosis in such a stage that he cannot pursue a gainful occupation, or aged persons in indigent circumstances—such aid to be granted by a uniform rule, and proportioned to the number of inmates of such respective institutions.

[*Needy Blind*]

(3) The Legislature shall have the power to grant aid to needy blind persons not inmates of any institution supported in whole or in part by the State or by any of its political subdivisions, and no person concerned with the administration of aid to needy blind persons shall dictate how any applicant or recipient shall expend such aid granted him, and all money paid to a recipient of such aid shall be intended to help him meet his individual needs and is not for the benefit of any other person, and such aid when granted shall not be construed as income to any person other than the blind

recipient of such aid, and the State Department of Social Welfare shall take all necessary action to enforce the provisions relating to aid to needy blind persons as heretofore stated.

[*Physically Handicapped Persons*]

(4) The Legislature shall have power to grant aid to needy physically handicapped persons not inmates of any institution under the supervision of the Department of Mental Hygiene and supported in whole or in part by the State or by any institution supported in whole or part by any political subdivision of the State.

[*Management of Institutions*]

(5) The State shall have at any time the right to inquire into the management of such institutions.

[*Orphans, Aged Indigents, Needy Blind—County Support*]

(6) Whenever any county, or city and county, or city, or town, shall provide for the support of minor orphans, or half-orphans, or abandoned children, or children of a father who is incapacitated for gainful work by permanent physical disability or is suffering from tuberculosis in such a stage that he cannot pursue a gainful occupation, or aged persons in indigent circumstances, or needy blind persons not inmates of any institution supported in whole or in part by the State or by any of its political subdivisions, or needy physically handicapped persons not inmates of any institution under the supervision of the Department of Mental Hygiene and supported in whole or in part by the State or by any institution supported in whole or part by any political subdivision of the State; such county, city and county, city, or town shall be entitled to receive the same pro rata appropriations as may be granted to such institutions under church, or other control.

[*Receipts and Expenditures of Public Moneys*]

An accurate statement of the receipts and expenditures of public moneys shall be attached to and published with the laws at every regular session of the Legislature. [*New section adopted November 5, 1974.*]

[*Loan Guarantees re Nonprofit Corporations and Public Agencies*]

SEC. 4. The Legislature shall have the power to insure or guarantee loans made by private or public lenders to nonprofit corporations and public agencies, the proceeds of which are to be used for the construction, expansion, enlargement, improvement, renovation or repair of any public or nonprofit hospital, hospital facility, or extended care facility, facility for the treatment of mental illness, or all of them, including any outpatient fa-

cility and any other facility useful and convenient in the operation of the hospital and any original equipment for any such hospital or facility, or both.

No provision of this Constitution, including but not limited to, Section 1 of Article XVI and Section 14 of Article XI, shall be construed as a limitation upon the authority granted to the Legislature by this section. [*New section adopted November 5, 1974.*]

SEC. 4½. [*Repealed November 6, 1962.*]

[*Religious Institutions—Grants Prohibited*]

SEC. 5. Neither the Legislature, nor any county, city and county, township, school district, or other municipal corporation, shall ever make an appropriation, or pay from any public fund whatever, or grant anything to or in aid of any religious sect, church, creed, or sectarian purpose, or help to support or sustain any school, college, university, hospital, or other institution controlled by any religious creed, church, or sectarian denomination whatever; nor shall any grant or donation of personal property or real estate ever be made by the State, or any city, city and county, town, or other municipal corporation for any religious creed, church, or sectarian purpose whatever; provided, that nothing in this section shall prevent the Legislature granting aid pursuant to Section 3 of Article XVI. [*New section adopted November 5, 1974.*]

[*Gifts or Loans of Public Moneys or Pledging of Credit Prohibited—Stock of Corporations*]

SEC. 6. The Legislature shall have no power to give or to lend, or to authorize the giving or lending, of the credit of the State, or of any county, city and county, city, township or other political corporation or subdivision of the State now existing, or that may be hereafter established, in aid of or to any person, association, or corporation, whether municipal or otherwise, or to pledge the credit thereof, in any manner whatever, for the payment of the liabilities of any individual, association, municipal or other corporation whatever; nor shall it have power to make any gift or authorize the making of any gift, of any public money or thing of value to any individual, municipal or other corporation whatever; provided, that nothing in this section shall prevent the Legislature granting aid pursuant to Section 3 of Article XVI; and it shall not have power to authorize the State, or any political subdivision thereof, to subscribe for stock, or to become a stockholder in any corporation whatever; provided, further, that irrigation districts for the purpose of acquiring the control of any entire international water system necessary for its use and purposes, a part of which is situated in the United States, and a part thereof in a foreign country, may in the manner authorized by law, acquire the stock of any foreign corporation which is the owner of, or which holds the title to the part of such system

situated in a foreign country; provided, further, that irrigation districts for the purpose of acquiring water and water rights and other property necessary for their uses and purposes, may acquire and hold the stock of corporations, domestic or foreign, owning waters, water rights, canals, waterworks, franchises or concessions subject to the same obligations and liabilities as are imposed by law upon all other stockholders in such corporation; and

[*Insurance Pooling Arrangements*]

Provided, further, that this section shall not prohibit any county, city and county, city, township, or other political corporation or subdivision of the State from joining with other such agencies in providing for the payment of workers' compensation, unemployment compensation, tort liability, or public liability losses incurred by such agencies, by entry into an insurance pooling arrangement under a joint exercise of powers agreement, or by membership in such publicly-owned nonprofit corporation or other public agency as may be authorized by the Legislature; and

[*Aid to Veterans*]

Provided, further, that nothing contained in this Constitution shall prohibit the use of state money or credit, in aiding veterans who served in the military or naval service of the United States during the time of war, in the acquisition of, or payments for, (1) farms or homes, or in projects of land settlement or in the development of such farms or homes or land settlement projects for the benefit of such veterans, or (2) any business, land or any interest therein, buildings, supplies, equipment, machinery, or tools, to be used by the veteran in pursuing a gainful occupation; and

[*Disaster Assistance*]

Provided, further, that nothing contained in this Constitution shall prohibit the State, or any county, city and county, city, township, or other political corporation or subdivision of the State from providing aid or assistance to persons, if found to be in the public interest, for the purpose of clearing debris, natural materials, and wreckage from privately owned lands and waters deposited thereon or therein during a period of a major disaster or emergency, in either case declared by the President. In such case, the public entity shall be indemnified by the recipient from the award of any claim against the public entity arising from the rendering of such aid or assistance. Such aid or assistance must be eligible for federal reimbursement for the cost thereof.

[*Temporary Transfers of Funds to Political Subdivisions*]

And provided, still further, that notwithstanding the restrictions contained in this Constitution, the treasurer of any city, county, or city and county shall have power and the duty to make such temporary transfers

from the funds in custody as may be necessary to provide funds for meeting the obligations incurred for maintenance purposes by any city, county, city and county, district, or other political subdivision whose funds are in custody and are paid out solely through the treasurer's office. Such temporary transfer of funds to any political subdivision shall be made only upon resolution adopted by the governing body of the city, county, or city and county directing the treasurer of such city, county, or city and county to make such temporary transfer. Such temporary transfer of funds to any political subdivision shall not exceed 85 percent of the anticipated revenues accruing to such political subdivision, shall not be made prior to the first day of the fiscal year nor after the last Monday in April of the current fiscal year, and shall be replaced from the revenues accruing to such political subdivision before any other obligation of such political subdivision is met from such revenue. [*As amended November 2, 1982.*]

[*Controller's Warrants*]

SEC. 7. Money may be drawn from the Treasury only through an appropriation made by law and upon a Controller's duly drawn warrant. [*New section adopted November 5, 1974.*]

[*School Funding Priority*]

SEC. 8. (a) From all state revenues there shall first be set apart the moneys to be applied by the State for support of the public school system and public institutions of higher education.

(b) Commencing with the 1990–91 fiscal year, the moneys to be applied by the State for the support of school districts and community college districts shall be not less than the greater of the following amounts:

(1) The amount which, as a percentage of General Fund revenues which may be appropriated pursuant to Article XIII B, equals the percentage of General Fund revenues appropriated for school districts and community college districts, respectively, in fiscal year 1986–87.

(2) The amount required to ensure that the total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B and allocated local proceeds of taxes shall not be less than the total amount from these sources in the prior fiscal year, excluding any revenues allocated pursuant to subdivision (a) of Section 8.5, adjusted for changes in enrollment and adjusted for the change in the cost of living pursuant to paragraph (1) of subdivision (e) of Section 8 of Article XIII B. This paragraph shall be operative only in a fiscal year in which the percentage growth in California per capita personal income is less than or equal to the percentage growth in per capita General Fund revenues plus one half of one percent.

(3) (A) The amount required to ensure that the total allocations to school districts and community college districts from General Fund pro-

ceeds of taxes appropriated pursuant to Article XIII B and allocated local proceeds of taxes shall equal the total amount from these sources in the prior fiscal year, excluding any revenues allocated pursuant to subdivision (a) of Section 8.5, adjusted for changes in enrollment and adjusted for the change in per capita General Fund revenues.

(B) In addition, an amount equal to one-half of one percent times the prior year total allocations to school districts and community colleges from General Fund proceeds of taxes appropriated pursuant to Article XIII B and allocated local proceeds of taxes, excluding any revenues allocated pursuant to subdivision (a) of Section 8.5, adjusted for changes in enrollment.

(C) This paragraph (3) shall be operative only in a fiscal year in which the percentage growth in California per capita personal income in a fiscal year is greater than the percentage growth in per capital General Fund revenues plus one half of one percent.

(c) In any fiscal year, if the amount computed pursuant to paragraph (1) of subdivision (b) exceeds the amount computed pursuant to paragraph (2) of subdivision (b) by a difference that exceeds one and one-half percent of General Fund revenues, the amount in excess of one and one-half percent of General Fund revenues shall not be considered allocations to school districts and community colleges for purposes of computing the amount of state aid pursuant to paragraph (2) or 3 of subdivision (b) in the subsequent fiscal year.

(d) In any fiscal year in which school districts and community college districts are allocated funding pursuant to paragraph (3) of subdivision (b) or pursuant to subdivision (h), they shall be entitled to a maintenance factor, equal to the difference between (1) the amount of General Fund moneys which would have been appropriated pursuant to paragraph (2) of subdivision (b) if that paragraph had been operative or the amount of General Fund moneys which would have been appropriated pursuant to subdivision (b) had subdivision (b) not been suspended, and (2) the amount of General Fund moneys actually appropriated to school districts and community college districts in that fiscal year.

(e) The maintenance factor for school districts and community college districts determined pursuant to subdivision (d) shall be adjusted annually for changes in enrollment, and adjusted for the change in the cost of living pursuant to paragraph (1) of subdivision (e) of Section 8 of Article XIII B, until it has been allocated in full. The maintenance factor shall be allocated in a manner determined by the Legislature in each fiscal year in which the percentage growth in per capita General Fund revenues exceeds the percentage growth in California per capita personal income. The maintenance factor shall be reduced each year by the amount allocated by the Legislature in that fiscal year. The minimum maintenance factor amount to be allocated in a fiscal year shall be equal to the product of General Fund rev-

enues from proceeds of taxes and one-half of the difference between the percentage growth in per capita General Fund revenues from proceeds of taxes and in California per capita personal income, not to exceed the total dollar amount of the maintenance factor.

(f) For purposes of this section, ''changes in enrollment'' shall be measured by the percentage change in average daily attendance. However, in any fiscal year, there shall be no adjustment for decreases in enrollment between the prior fiscal year and the current fiscal year unless there have been decreases in enrollment between the second prior fiscal year and the prior fiscal year and between the third prior fiscal year and the second prior fiscal year.

(h) Subparagraph (B) of paragraph (3) of subdivision (b) may be suspended for one year only when made part of or included within any bill enacted pursuant to Section 12 of Article IV. All other provisions of subdivision (b) may be suspended for one year by the enactment of an urgency statute pursuant to Section 8 of Article IV, provided that the urgency statute may not be made part of or included within any bill enacted pursuant to Section 12 of Article IV. [*As amended June 5, 1990. Operative July 1, 1990.*]

SEC. 8½. [*Repealed November 6, 1962.*]

[*Allocations to State School Fund*]

SECTION 8.5. (a) In addition to the amount required to be applied for the support of school districts and community college districts pursuant to Section 8, the Controller shall during each fiscal year transfer and allocate all revenues available pursuant to paragraph 1 of subdivision (a) of Section 2 of Article XIII B to that portion of the State School Fund restricted for elementary and high school purposes, and to that portion of the State School Fund restricted for community college purposes, respectively, in proportion to the enrollment in school districts and community college districts respectively.

(1) With respect to funds allocated to that portion of the State School Fund restricted for elementary and high school purposes, no transfer or allocation of funds pursuant to this section shall be required at any time that the Director of Finance and the Superintendent of Public Instruction mutually determine that current annual expenditures per student equal or exceed the average annual expenditure per student of the 10 states with the highest annual expenditures per student for elementary and high schools, and that average class size equals or is less than the average class size of the 10 states with the lowest class size for elementary and high schools.

(2) With respect to funds allocated to that portion of the State School Fund restricted for community college purposes, no transfer or allocation of funds pursuant to this section shall be required at any time that the Director of Finance and the Chancellor of the California Community Col-

leges mutually determine that current annual expenditures per student for community colleges in this State equal or exceed the average annual expenditure per student of the 10 states with the highest annual expenditure per student for community colleges.

(b) Notwithstanding the provisions of Article XIII B, funds allocated pursuant to this section shall not constitute appropriations subject to limitation.

(c) From any funds transferred to the State School Fund pursuant to subdivision (a), the Controller shall each year allocate to each school district and community college district an equal amount per enrollment in school districts from the amount in that portion of the State School Fund restricted for elementary and high school purposes and an equal amount per enrollment in community college districts from that portion of the State School Fund restricted for community college purposes.

(d) All revenues allocated pursuant to subdivision (a) shall be expended solely for the purposes of instructional improvement and accountability as required by law.

(e) Any school district maintaining an elementary or secondary school shall develop and cause to be prepared an annual audit accounting for such funds and shall adopt a School Accountability Report Card for each school. [*As amended June 5, 1990. Operative July 1, 1990.*]

[*Fish and Game*]

SEC. 9. Money collected under any state law relating to the protection or propagation of fish and game shall be used for activities relating thereto. [*New section adopted November 5, 1974.*]

[*Aged Aid—Federal-State Co-operation*]

SEC. 10. Whenever the United States government or any officer or agency thereof shall provide pensions or other aid for the aged, cooperation by the State therewith and therein is hereby authorized in such manner and to such extent as may be provided by law.

The money expended by any county, city and county, municipality, district or other political subdivision of this State made available under the provisions of this section shall not be considered as a part of the base for determining the maximum expenditure for any given year permissible under Section 20† of Article XI of this Constitution independent of the vote of the electors or authorization by the State Board of Equalization. [*As amended November 6, 1962.*]

[*Relief Administration*]

SEC. 11. The Legislature has plenary power to provide for the administration of any constitutional provisions or laws heretofore or hereafter

† Section 20, Article XI, repealed June 2, 1970.

enacted concerning the administration of relief, and to that end may modify, transfer, or enlarge the powers vested in any state agency or officer concerned with the administration of relief or laws appertaining thereto. The Legislature, or the people by initiative, shall have power to amend, alter, or repeal any law relating to the relief of hardship and destitution, whether such hardship and destitution results from unemployment or from other causes, or to provide for the administration of the relief of hardship and destitution, whether resulting from unemployment or from other causes, either directly by the State or through the counties of the State, and to grant such aid to the counties therefor, or make such provision for reimbursement of the counties by the State, as the Legislature deems proper. [*As amended November 6, 1962.*]

SEC. 12. [*Repealed November 6, 1962.*]

[*Legislative Power to Release Encumbrances Taken as Security for Aid to Aged*]

SEC. 13. Notwithstanding any other provision of this Constitution, the Legislature shall have power to release, rescind, cancel, or otherwise nullify in whole or in part any encumbrance on property, personal obligation, or other form of security heretofore or hereafter exacted or imposed by the Legislature to secure the repayment to, or reimbursement of, the State, and the counties or other agencies of the state government, of aid lawfully granted to and received by aged persons. [*As amended November 6, 1962.*]

[*Bonds—Environmental Pollution Control Facilities*]

SEC. 14. The Legislature may provide for the issuance of revenue bonds to finance the acquisition, construction, and installation of environmental pollution control facilities, including the acquisition of all technological facilities necessary or convenient for pollution control, and for the lease or sale of such facilities to persons, associations, or corporations, other than municipal corporations; provided, that such revenue bonds shall not be secured by the taxing power of the State; and provided, further, that the Legislature may, by resolution adopted by either house, prohibit or limit any proposed issuance of such revenue bonds. No provision of this Constitution, including, but not limited to, Section 25 of Article XIII and Sections 1 and 2 of Article XVI, shall be construed as a limitation upon the authority granted to the Legislature pursuant to this section. Nothing herein contained shall authorize any public agency to operate any industrial or commercial enterprise. [*New section adopted November 7, 1972.*]

[*Energy Alternative Sources Facilities—Acquisition, Construction, Etc.—Revenue Bond Issuance*]

SEC. 14.5. The Legislature may provide for the issuance of revenue bonds to finance the acquisition, construction, and installation of facilities utilizing cogeneration technology, solar power, biomass, or any other al-

ternative source the Legislature may deem appropriate, including the acquisition of all technological facilities necessary or convenient for the use of alternative sources, and for the lease or sale of such facilities to persons, associations, or corporations, other than municipal corporations; provided, that such revenue bonds shall not be secured by the taxing power of the State; and provided, further, that the Legislature may, by resolution adopted by both houses, prohibit or limit any proposed issuance of such revenue bonds. No provision of this Constitution, including, but not limited to, Sections 1, 2, and 6, of this article, shall be construed as a limitation upon the authority granted to the Legislature pursuant to this section. Nothing contained herein shall authorize any public agency to operate any industrial or commercial enterprise. [*New section adopted June 3, 1980.*]

[*Parking Meter Revenues*]

SEC. 15. A public body authorized to issue securities to provide public parking facilities and any other public body whose territorial area includes such facilities are authorized to make revenues from street parking meters available as additional security. [*New section adopted November 5, 1974.*]

[*Taxation of Redevelopment Projects*]

SEC. 16. All property in a redevelopment project established under the Community Redevelopment Law as now existing or hereafter amended, except publicly owned property not subject to taxation by reason of that ownership, shall be taxed in proportion to its value as provided in Section 1 of this article, and those taxes (the word ''taxes'' as used herein includes, but is not limited to, all levies on an ad valorem basis upon land or real property) shall be levied and collected as other taxes are levied and collected by the respective taxing agencies.

The Legislature may provide that any redevelopment plan may contain a provision that the taxes, if any, so levied upon the taxable property in a redevelopment project each year by or for the benefit of the State of California, any city, county, city and county, district, or other public corporation (hereinafter sometimes called ''taxing agencies'') after the effective date of the ordinance approving the redevelopment plan, shall be divided as follows:

(a) That portion of the taxes which would be produced by the rate upon which the tax is levied each year by or for each of those taxing agencies upon the total sum of the assessed value of the taxable property in the redevelopment project as shown upon the assessment roll used in connection with the taxation of that property by the taxing agency, last equalized prior to the effective date of the ordinance, shall be allocated to, and when collected shall be paid into, the funds of the respective taxing agencies as taxes by or for those taxing agencies on all other property are paid (for the

purpose of allocating taxes levied by or for any taxing agency or agencies which did not include the territory in a redevelopment project on the effective date of the ordinance but to which that territory has been annexed or otherwise included after the ordinance's effective date, the assessment roll of the county last equalized on the effective date of that ordinance shall be used in determining the assessed valuation of the taxable property in the project on that effective date); and

(b) Except as provided in subdivision (c), that portion of the levied taxes each year in excess of that amount shall be allocated to and when collected shall be paid into a special fund of the redevelopment agency to pay the principal of and interest on loans, moneys advanced to, or indebtedness (whether funded, refunded, assumed or otherwise) incurred by the redevelopment agency to finance or refinance, in whole or in part, the redevelopment project. Unless and until the total assessed valuation of the taxable property in a redevelopment project exceeds the total assessed value of the taxable property in the project as shown by the last equalized assessment roll referred to in subdivision (a), all of the taxes levied and collected upon the taxable property in the redevelopment project shall be paid into the funds of the respective taxing agencies. When the loans, advances, and indebtedness, if any, and interest thereon, have been paid, then all moneys thereafter received from taxes upon the taxable property in the redevelopment project shall be paid into the funds of the respective taxing agencies as taxes on all other property are paid.

(c) That portion of the taxes identified in subdivision (b) which are attributable to a tax rate levied by a taxing agency for the purpose of producing revenues in an amount sufficient to make annual repayments of the principal of, and the interest on, any bonded indebtedness for the acquisition or improvement of real property shall be allocated to, and when collected shall be paid into, the fund of that taxing agency. This paragraph shall only apply to taxes levied to repay bonded indebtedness approved by the voters of the taxing agency on or after January 1, 1989.

The Legislature may also provide that in any redevelopment plan or in the proceedings for the advance of moneys, or making of loans, or the incurring of any indebtedness (whether funded, refunded, assumed, or otherwise) by the redevelopment agency to finance or refinance, in whole or in part, the redevelopment project, the portion of taxes identified in subdivision (b), exclusive of that portion identified in subdivision (c), may be irrevocably pledged for the payment of the principal of and interest on those loans, advances, or indebtedness.

It is intended by this section to empower any redevelopment agency, city, county, or city and county under any law authorized by this section to exercise the provisions hereof separately or in combination with powers granted by the same or any other law relative to redevelopment agencies. This section shall not affect any other law or laws relating to the same or

a similar subject but is intended to authorize an alternative method of procedure governing the subject to which it refers.

The Legislature shall enact those laws as may be necessary to enforce the provisions of this section. [*As amended November 8, 1988.*]

SEC. 16.5. [*Repealed November 6, 1962.*]

[*State's Credit—Investment of Public Pension or Retirement Funds*]

SEC. 17. The State shall not in any manner loan its credit, nor shall it subscribe to, or be interested in the stock of any company, association, or corporation, except that the State and each political subdivision, district, municipality, and public agency thereof is hereby authorized to acquire and hold shares of the capital stock of any mutual water company or corporation when the stock is so acquired or held for the purpose of furnishing a supply of water for public, municipal or governmental purposes; and the holding of the stock shall entitle the holder thereof to all of the rights, powers and privileges, and shall subject the holder to the obligations and liabilities conferred or imposed by law upon other holders of stock in the mutual water company or corporation in which the stock is so held.

Notwithstanding any other provisions of law or this Constitution to the contrary, the retirement board of a public pension or retirement system shall have plenary authority and fiduciary responsibility for investment of moneys and administration of the system, subject to all of the following:

(a) The retirement board of a public pension or retirement system shall have the sole and exclusive fiduciary responsibility over the assets of the public pension or retirement system. The retirement board shall also have sole and exclusive responsibility to administer the system in a manner that will assure prompt delivery of benefits and related services to the participants and their beneficiaries. The assets of a public pension or retirement system are trust funds and shall be held for the exclusive purposes of providing benefits to participants in the pension or retirement system and their beneficiaries and defraying reasonable expenses of administering the system.

(b) The members of the retirement board of a public pension or retirement system shall discharge their duties with respect to the system solely in the interest of, and for the exclusive purposes of providing benefits to, participants and their beneficiaries, minimizing employer contributions thereto, and defraying reasonable expenses of administering the system. A retirement board's duty to its participants and their beneficiaries shall take precedence over any other duty.

(c) The members of the retirement board of a public pension or retirement system shall discharge their duties with respect to the system with the care, skill, prudence, and diligence under the circumstances then pre-

vailing that a prudent person acting in a like capacity and familiar with these matters would use in the conduct of an enterprise of a like character and with like aims.

(d) The members of the retirement board of a public pension or retirement system shall diversify the investments of the system so as to minimize the risk of loss and to maximize the rate of return, unless under the circumstances it is clearly not prudent to do so.

(e) The retirement board of a public pension or retirement system, consistent with the exclusive fiduciary responsibilities vested in it, shall have the sole and exclusive power to provide for actuarial services in order to assure the competency of the assets of the public pension or retirement system.

(f) With regard to the retirement board of a public pension or retirement system which includes in its composition elected employee members, the number, terms, and method of selection or removal of members of the retirement board which were required by law or otherwise in effect on July 1, 1991, shall not be changed, amended, or modified by the Legislature unless the change, amendment, or modification enacted by the Legislature is ratified by a majority vote of the electors of the jurisdiction in which the participants of the system are or were, prior to retirement, employed.

(g) The Legislature may by statute continue to prohibit certain investments by a retirement board where it is in the public interest to do so, and provided that the prohibition satisfies the standards of fiduciary care and loyalty required of a retirement board pursuant to this section.

(h) As used in this section, the term ''retirement board'' shall mean the board of administration, board of trustees, board of directors, or other governing body or board of a public employees' pension or retirement system; provided, however, that the term ''retirement board'' shall not be interpreted to mean or include a governing body or board created after July 1, 1991 which does not administer pension or retirement benefits, or the elected legislative body of a jurisdiction which employs participants in a public employees' pension or retirement system. [*As amended November 3, 1992. Initiative measure.*]

[*Municipal Debt Exceeding Income*]

SEC. 18. No county, city, town, township, board of education, or school district, shall incur any indebtedness or liability in any manner or for any purpose exceeding in any year the income and revenue provided for such year, without the assent of two-thirds of the qualified electors thereof, voting at an election to be held for that purpose, except that with respect to any such public entity which is authorized to incur indebtedness for public school purposes, any proposition for the incurrence of indebtedness in the form of general obligation bonds for the purpose of repairing, reconstructing or replacing public school buildings determined, in the

manner prescribed by law, to be structurally unsafe for school use, shall be adopted upon the approval of a majority of the qualified electors of the public entity voting on the proposition at such election; nor unless before or at the time of incurring such indebtedness provision shall be made for the collection of an annual tax sufficient to pay the interest on such indebtedness as it falls due, and also provision to constitute a sinking fund for the payment of the principal thereof, on or before maturity, which shall not exceed forty years from the time of contracting the same; provided, however, anything to the contrary herein notwithstanding, when two or more propositions for incurring any indebtedness or liability are submitted at the same election, the votes cast for and against each proposition shall be counted separately, and when two-thirds or a majority of the qualified electors, as the case may be, voting on any one of such propositions, vote in favor thereof, such proposition shall be deemed adopted. [*New section adopted November 5, 1974.*]

[*Public Improvement Proceedings by Chartered City or County*]

SEC. 19. All proceedings undertaken by any chartered city, or by any chartered county or by any chartered city and county for the construction of any public improvement, or the acquisition of any property for public use, or both, where the cost thereof is to be paid in whole or in part by special assessment or other special assessment taxes upon property, whether the special assessment will be specific or a special assessment tax upon property wholly or partially according to the assessed value of such property, shall be undertaken only in accordance with the provisions of law governing: (a) limitations of costs of such proceedings or assessments for such proceedings, or both, in relation to the value of any property assessed therefor; (b) determination of a basis for the valuation of any such property; (c) payment of the cost in excess of such limitations; (d) avoidance of such limitations; (e) postponement or abandonment, or both, of such proceedings in whole or in part upon majority protest, and particularly in accordance with such provisions as contained in Sections 10, 11 and 13a of the Special Assessment Investigation, Limitation and Majority Protest Act of 1931 or any amendments, codification, reenactment or restatement thereof.

Notwithstanding any provisions for debt limitation or majority protest as in this section provided, if, after the giving of such reasonable notice by publication and posting and the holding of such public hearing as the legislative body of any such chartered county, chartered city or chartered city and county shall have prescribed, such legislative body by no less than a four-fifths vote of all members thereof, finds and determines that the public convenience and necessity require such improvements or acquisitions, such debt limitation and majority protest provisions shall not apply.

Nothing contained in this section shall require the legislative body of any such city, county, or city and county to prepare or to cause to be prepared, hear, notice for hearing or report the hearing of any report as to any such proposed construction or acquisition or both. [*New section adopted November 5, 1974.*]

SEC. 19.5. [*Repealed November 6, 1962.*]

SEC. 20. [*Repealed November 6, 1962.*]

SEC. 21. [*Repealed November 6, 1962.*]

ARTICLE XVII. [*Repealed June 8, 1976.*]

ARTICLE XVIII. [*Repealed November 3, 1970. See Article XVIII, below.*]

ARTICLE XVIII*

AMENDING AND REVISING THE CONSTITUTION

SECTION 1. [*Repealed November 3, 1970. See Section 1, below.*]

[*By Legislature*]

SEC. 1. The Legislature by rollcall vote entered in the journal, two-thirds of the membership of each house concurring, may propose an amendment or revision of the Constitution and in the same manner may amend or withdraw its proposal. Each amendment shall be so prepared and submitted that it can be voted on separately. [*New section adopted November 3, 1970.*]

SEC. 2. [*Repealed November 3, 1970. See Section 2, below.*]

[*Constitutional Convention*]

SEC. 2. The Legislature by rollcall vote entered in the journal, two-thirds of the membership of each house concurring, may submit at a general election the question whether to call a convention to revise the Constitution. If the majority vote yes on that question, within 6 months the Legislature shall provide for the convention. Delegates to a constitutional convention shall be voters elected from districts as nearly equal in population as may be practicable. [*New section adopted November 3, 1970.*]

[*Initiatives*]

SEC. 3. The electors may amend the Constitution by initiative. [*New section adopted November 3, 1970.*]

* New Article XVIII adopted November 3, 1970.

[*Effective Date: Conflict*]

SEC. 4. A proposed amendment or revision shall be submitted to the electors and if approved by a majority of votes thereon takes effect the day after the election unless the measure provides otherwise. If provisions of 2 or more measures approved at the same election conflict, those of the measure receiving the highest affirmative vote shall prevail. [*New section adopted November 3, 1970.*]

ARTICLE XIX*

MOTOR VEHICLE REVENUES

SECTION 1. [*Repealed June 4, 1974. See Section 1, below.*]

[*Use of Fuel Taxes*]

SECTION 1. Revenues from taxes imposed by the State on motor vehicle fuels for use in motor vehicles upon public streets and highways, over and above the costs of collection and any refunds authorized by law, shall be used for the following purposes:

(a) The research, planning, construction, improvement, maintenance, and operation of public streets and highways (and their related public facilities for nonmotorized traffic), including the mitigation of their environmental effects, the payment for property taken or damaged for such purposes, and the adminstrative costs necessarily incurred in the foregoing purposes.

(b) The research, planning, construction, and improvement of exclusive public mass transit guideways (and their related fixed facilities), including the mitigation of their environmental effects, the payment for property taken or damaged for such purposes, the administrative costs necessarily incurred in the foregoing purposes, and the maintenance of the structures and the immediate right-of-way for the public mass transit guideways, but excluding the maintenance and operating costs for mass transit power systems and mass transit passenger facilities, vehicles, equipment, and services. [*New section adopted June 4, 1974.*]

SEC. 2. [*Repealed June 4, 1974. See Section 2, below.*]

[*Use of Motor Vehicle Fees and Taxes*]

SEC. 2. Revenues from fees and taxes imposed by the State upon vehicles or their use or operation, over and above the costs of collection and any refunds authorized by law, shall be used for the following purposes:

(a) The state administration and enforcement of laws regulating the use, operation, or registration of vehicles used upon the public streets and highways of this State, including the enforcement of traffic and vehicle

* Former Article XXVI, as renumbered June 8, 1976.

laws by state agencies and the mitigation of the environmental effects of motor vehicle operation due to air and sound emissions.

(b) The purposes specified in Section 1 of this article. [*New section adopted June 4, 1974.*]

SEC. 3. [*Repealed June 4, 1974. See Section 3, below.*]

[*Appropriations by the Legislature—Regulation of Expenditures, Etc.*]

SEC. 3. The Legislature shall provide for the allocation of the revenues to be used for the purposes specified in Section 1 of this article in a manner which ensures the continuance of existing statutory allocation formulas for cities, counties, and areas of the State, until it determines that another basis for an equitable, geographical, and jurisdictional distribution exists; provided that, until such determination is made, any use of such revenues for purposes specified in subdivision (b) of Section 1 of this article by or in a city, county, or area of the State shall be included within the existing statutory allocations to, or for expenditure in, that city, county, or area. Any future statutory revisions shall provide for the allocation of these revenues, together with other similar revenues, in a manner which gives equal consideration to the transportation needs of all areas of the State and all segments of the population consistent with the orderly achievement of the adopted local, regional, and statewide goals for ground transportation in local general plans, regional transportation plans, and the California Transportation Plan. [*New section adopted June 4, 1974.*]

SEC. 4. [*Repealed June 4, 1974. See Section 4, below.*]

[*Authorization and Approval for Expenditures*]

SEC. 4. Revenues allocated pursuant to Section 3 may not be expended for the purposes specified in subdivision (b) of Section 1, except for research and planning, until such use is approved by a majority of the votes cast on the proposition authorizing such use of such revenues in an election held throughout the county or counties, or a specified area of a county or counties, within which the revenues are to be expended. The Legislature may authorize the revenues approved for allocation or expenditure under this section to be pledged or used for the payment of principal and interest on voter-approved bonds issued for the purposes specified in subdivision (b) of Section 1. [*New section adopted June 4, 1974.*]

[*Expenditures for Payment of Bonds*]

SEC. 5. The Legislature may authorize up to 25 percent of the revenues available for expenditure by any city or county, or by the State, for the purposes specified in subdivision (a) of Section 1 of this article to be pledged or used for the payment of principal and interest on voter-approved bonds issued for such purposes. [*New section adopted June 4, 1974.*]

SEC. 6. [*Repealed November 3, 1998. See Section 6, below.*]

[*Loans to State General Fund*]

SEC. 6. The tax revenues designated under this article may be loaned to the General Fund only if one of the following conditions is imposed:

(a) That any amount loaned is to be repaid in full to the fund from which it was borrowed during the same fiscal year in which the loan was made, except that repayment may be delayed until a date not more than 30 days after the date of enactment of the budget bill for the subsequent fiscal year.

(b) That any amount loaned is to be repaid in full to the fund from which it was borrowed within three fiscal years from the date on which the loan was made and one of the following has occurred:

(1) The Governor has proclaimed a state of emergency and declares that the emergency will result in a significant negative fiscal impact to the General Fund.

(2) The aggregate amount of General Fund revenues for the current fiscal year, as projected by the Governor in a report to the Legislature in May of the current fiscal year, is less than the aggregate amount of General Fund revenues for the previous fiscal year, adjusted for the change in the cost of living and the change in population, as specified in the budget submitted by the Governor pursuant to Section 12 of Article IV in the current fiscal year.

(c) Nothing in this section prohibits the Legislature from authorizing, by statute, loans to local transportation agencies, cities, counties, or cities and counties, from funds that are subject to this article, for the purposes authorized under this article. Any loan authorized as described by this subdivision shall be repaid, with interest at the rate paid on money in the Pooled Money Investment Account, or any successor to that account, during the period of time that the money is loaned, to the fund from which it was borrowed, not later than four years after the date on which the loan was made. [*New section adopted November 3, 1998.*]

[*Scope of Article*]

SEC. 7. This article shall not affect or apply to fees or taxes imposed pursuant to the Sales and Use Tax Law or the Vehicle License Fee Law, and all amendments and additions now or hereafter made to such statutes. [*New section adopted June 4, 1974.*]

[*Use of Excess Lands for Parks and Recreation*]

SEC. 8. Notwithstanding Sections 1 and 2 of this article, any real property acquired by the expenditure of the designated tax revenues by an entity other than the State for the purposes authorized in those sections,

but no longer required for such purposes, may be used for local public park and recreational purposes. [*New section adopted June 8, 1976.*]

[*Transfer of Surplus State Property Located in Coastal Zone*]

SEC. 9. Notwithstanding any other provision of this Constitution, the Legislature, by statute, with respect to surplus state property acquired by the expenditure of tax revenues designated in Sections 1 and 2 and located in the coastal zone, may authorize the transfer of such property, for a consideration at least equal to the acquisition cost paid by the state to acquire the property, to the Department of Parks and Recreation for state park purposes, or to the Department of Fish and Game for the protection and preservation of fish and wildlife habitat, or to the Wildlife Conservation Board for purposes of the Wildlife Conservation Law of 1947, or to the State Coastal Conservancy for the preservation of agricultural lands.

As used in this section, ''coastal zone'' means ''coastal zone'' as defined by Section 30103 of the Public Resources Code as such zone is described on January 1, 1977. [*New section adopted November 7, 1978.*]

ARTICLE XIX A *

LOANS FROM THE PUBLIC TRANSPORTATION ACCOUNT OR LOCAL TRANSPORTATION FUNDS

[*Loans to State General Fund*]

SECTION 1. The funds in the Public Transportation Account in the State Transportation Fund, or any successor to that account, may be loaned to the General Fund only if one of the following conditions is imposed:

(a) That any amount loaned is to be repaid in full to the account during the same fiscal year in which the loan was made, except that repayment may be delayed until a date not more than 30 days after the date of enactment of the budget bill for the subsequent fiscal year.

(b) That any amount loaned is to be repaid in full to the account within three fiscal years from the date on which the loan was made and one of the following has occurred:

(1) The Governor has proclaimed a state of emergency and declares that the emergency will result in a significant negative fiscal impact to the General Fund.

(2) The aggregate amount of General Fund revenues for the current fiscal year, as projected by the Governor in a report to the Legislature in May of the current fiscal year, is less than the aggregate amount of General Fund revenues for the previous fiscal year, as specified in the budget submitted by the Governor pursuant to Section 12 of Article IV in the current fiscal year. [*New section adopted November 3, 1998.*]

* New Article XIX A adopted November 3, 1998.

[*"Local Transportation Fund"*]

SEC. 2. (a) As used in this section, a "local transportation fund" is a fund created under Section 29530 of the Government Code, or any successor to that statute.

(b) All local transportation funds are hereby designated trust funds.

(c) A local transportation fund that has been created pursuant to law may not be abolished.

(d) Money in a local transportation fund shall be allocated only for the purposes authorized under Article 11 (commencing with Section 29530) of Chapter 2 of Division 3 of Title 3 of the Government Code and Chapter 4 (commencing with Section 99200) of Part 11 of Division 10 of the Public Utilities Code, as those provisions existed on October 1, 1997. Neither the county nor the Legislature may authorize the expenditure of money in a local transportation fund for purposes other than those specified in this subdivision. [*New section adopted November 3, 1998.*]

ARTICLE XX

MISCELLANEOUS SUBJECTS

[*Sacramento County Consolidation With City or Cities*]

SEC. 1. Notwithstanding the provisions of Section 6 of Article XI, the County of Sacramento and all or any of the cities within the County of Sacramento may be consolidated as a charter city and county as provided by statute, with the approval of a majority of the electors of the county voting on the question of such consolidation and upon such other vote as the Legislature may prescribe in such statute. The charter City and County of Sacramento shall be a charter city and a charter county. Its charter city powers supersede conflicting charter county powers. [*New section adopted June 4, 1974.*]

[*Protection of Homesteads*]

SEC. 1.5. The Legislature shall protect, by law, from forced sale a certain portion of the homestead and other property of all heads of families. [*New section adopted June 8, 1976.*]

[*Leland Stanford Junior University—Henry E. Huntington Library and Art Gallery*]

SEC. 2. Except for tax exemptions provided in Article XIII, the rights, powers, privileges, and confirmations conferred by Sections 10† and 15† of Article IX in effect on January 1, 1973, relating to Stanford University and the Huntington Library and Art Gallery, are continued in effect. [*Former Section 6, as renumbered June 8, 1976.*]

† Sections 10 and 15 of Article IX repealed November 5, 1974.

[*Oath of Office*]

SEC. 3. Members of the Legislature, and all public officers and employees, executive, legislative, and judicial, except such inferior officers and employees as may be by law exempted, shall, before they enter upon the duties of their respective offices, take and subscribe the following oath or affirmation:

''I, _____, do solemnly swear (or affirm) that I will support and defend the Constitution of the United States and the Constitution of the State of California against all enemies, foreign and domestic; that I will bear true faith and allegiance to the Constitution of the United States and the Constitution of the State of California; that I take this obligation freely, without any mental reservation or purpose of evasion; and that I will well and faithfully discharge the duties upon which I am about to enter.

''And I do further swear (or affirm) that I do not advocate, nor am I a member of any party or organization, political or otherwise, that now advocates the overthrow of the Government of the United States or of the State of California by force or violence or other unlawful means; that within the five years immediately preceding the taking of this oath (or affirmation) I have not been a member of any party or organization, political or otherwise, that advocated the overthrow of the Government of the United States or of the State of California by force or violence or other unlawful means except as follows:

_____

(If no affiliations, write in the words ''No Exceptions'')

and that during such time as I hold the office of_____

(name of office)

I will not advocate nor become a member of any party or organization, political or otherwise, that advocates the overthrow of the Government of the United States or of the State of California by force or violence or other unlawful means.''

And no other oath, declaration, or test, shall be required as a qualification for any public office or employment.

''Public officer and employee'' includes every officer and employee of the State, including the University of California, every county, city, city and county, district, and authority, including any department, division, bureau, board, commission, agency, or instrumentality of any of the foregoing. [*As amended November 4, 1952.*]

SEC. 3.5. [*Repealed November 3, 1970.*]

[*Franchises*]

SEC. 4. The Legislature shall not pass any laws permitting the leasing or alienation of any franchise, so as to relieve the franchise or property held thereunder from the liabilities of the lessor or grantor, lessee, or

grantee, contracted or incurred in the operation, use, or enjoyment of such franchise, or any of its privileges. [*Former Section 7, as renumbered June 8, 1976.*]

SEC. 5. [*Repealed June 8, 1976. See Section 5, below.*]

[*Laws Concerning Corporations*]

SEC. 5. All laws now in force in this State concerning corporations and all laws that may be hereafter passed pursuant to this section may be altered from time to time or repealed. [*Former Section 24, as renumbered June 8, 1976.*]

SEC. 6. [*Renumbered Section 2 June 8, 1976. See Section 6, below.*]

[*Reduction in Legislator's Term of Office—Retirement Benefits, Etc.*]

SEC. 6. Any legislator whose term of office is reduced by operation of the amendment to subdivision (a) of Section 2 of Article IV adopted by the people in 1972 shall, notwithstanding any other provision of this Constitution, be entitled to retirement benefits and compensation as if the term of office had not been so reduced. [*Former Section 25, as renumbered June 8, 1976.*]

[*Constitutional Officers—Number of Terms*]

SEC. 7. The limitations on the number of terms prescribed by Section 2 of Article IV, Sections 2 and 11 of Article V, Section 2 of Article IX, and Section 17 of Article XIII apply only to terms to which persons are elected or appointed on or after November 6, 1990, except that an incumbent Senator whose office is not on the ballot for the general election on that date may serve only one additional term. Those limitations shall not apply to any unexpired term to which a person is elected or appointed if the remainder of the term is less than half of the full term. [*New section adopted November 6, 1990. Initiative measure.*]

SEC. 8. [*Renumbered Section 21 of Article I and amended November 5, 1974.*]

SEC. 9. [*Repealed November 3, 1970.*]

SEC. 10. [*Repealed June 8, 1976.*]

SEC. 11. [*Repealed June 8, 1976.*]

SEC. 12. [*Repealed November 3, 1970.*]

SEC. 13. [*Repealed November 3, 1970.*]

SEC. 14. [*Repealed November 3, 1970.*]

SEC. 15. [*Repealed June 8, 1976.*]

SEC. 16. [*Repealed November 7, 1972.*]

SEC. 17. [*Repealed June 8, 1976.*]

SEC. 17½. [*Repealed June 8, 1976.*]

SEC. 18. [*Renumbered Section 8 of Article I and amended November 5, 1974.*]

SEC. 19. [*Repealed June 8, 1976.*]

SEC. 20. [*Repealed June 8, 1976.*]

SEC. 21. [*Repealed June 8, 1976.*]

[*Liquor Control*]

SEC. 22. The State of California, subject to the internal revenue laws of the United States, shall have the exclusive right and power to license and regulate the manufacture, sale, purchase, possession and transportation of alcoholic beverages within the State, and subject to the laws of the United States regulating commerce between foreign nations and among the states shall have the exclusive right and power to regulate the importation into and exportation from the State, of alcoholic beverages. In the exercise of these rights and powers, the Legislature shall not constitute the State or any agency thereof a manufacturer or seller of alcoholic beverages.

[*Licensed Premises—Types of Licenses*]

All alcoholic beverages may be bought, sold, served, consumed and otherwise disposed of in premises which shall be licensed as provided by the Legislature. In providing for the licensing of premises, the Legislature may provide for the issuance of, among other licenses, licenses for the following types of premises where the alcoholic beverages specified in the licenses may be sold and served for consumption upon the premises:

(a) For bona fide public eating places, as defined by the Legislature.

(b) For public premises in which food shall not be sold or served as in a bona fide public eating place, but upon which premises the Legislature may permit the sale or service of food products incidental to the sale and service of alcoholic beverages. No person under the age of 21 years shall be permitted to enter and remain in any such premises without lawful business therein.

(c) For public premises for the sale and service of beers alone.

(d) Under such conditions as the Legislature may impose, for railroad dining or club cars, passenger ships, common carriers by air, and bona fide clubs after such clubs have been lawfully operated for not less than one year.

[*Service or Sale to Minors*]

The sale, furnishing, giving, or causing to be sold, furnished, or giving away of any alcoholic beverage to any person under the age of 21 years is hereby prohibited, and no person shall sell, furnish, give, or cause to be

sold, furnished, or given away any alcoholic beverage to any person under the age of 21 years, and no person under the age of 21 years shall purchase any alcoholic beverage.

[*Director of Alcoholic Beverage Control*]

The Director of Alcoholic Beverage Control shall be the head of the Department of Alcoholic Beverage Control, shall be appointed by the Governor subject to confirmation by a majority vote of all of the members elected to the Senate, and shall serve at the pleasure of the Governor. The director may be removed from office by the Governor, and the Legislature shall have the power, by a majority vote of all members elected to each house, to remove the director from office for dereliction of duty or corruption or incompetency. The director may appoint three persons who shall be exempt from civil service, in addition to the person he is authorized to appoint by Section 4 of Article XXIV.

[*Department of Alcoholic Beverage Control—Powers—Duties*]

The Department of Alcoholic Beverage Control shall have the exclusive power, except as herein provided and in accordance with laws enacted by the Legislature, to license the manufacture, importation and sale of alcoholic beverages in this State, and to collect license fees or occupation taxes on account thereof. The department shall have the power, in its discretion, to deny, suspend or revoke any specific alcoholic beverages license if it shall determine for good cause that the granting or continuance of such license would be contrary to public welfare or morals, or that a person seeking or holding a license has violated any law prohibiting conduct involving moral turpitude. It shall be unlawful for any person other than a licensee of said department to manufacture, import or sell alcoholic beverages in this State.

[*Alcoholic Beverage Control Appeals Board*]

The Alcoholic Beverage Control Appeals Board shall consist of three members appointed by the Governor, subject to confirmation by a majority vote of all of the members elected to the Senate. Each member, at the time of his initial appointment, shall be a resident of a different county from the one in which either of the other members resides. The members of the board may be removed from office by the Governor, and the Legislature shall have the power, by a majority vote of all members elected to each house, to remove any member from office for dereliction of duty or corruption or incompetency.

[*Appeals—Reviews—Reversals*]

When any person aggrieved thereby appeals from a decision of the department ordering any penalty assessment, issuing, denying, transferring, suspending or revoking any license for the manufacture, importation, or

sale of alcoholic beverages, the board shall review the decision subject to such limitations as may be imposed by the Legislature. In such cases, the board shall not receive evidence in addition to that considered by the department. Review by the board of a decision of the department shall be limited to the questions whether the department has proceeded without or in excess of its jurisdiction, whether the department has proceeded in the manner required by law, whether the decision is supported by the findings, and whether the findings are supported by substantial evidence in the light of the whole record. In appeals where the board finds that there is relevant evidence which, in the exercise of reasonable diligence, could not have been produced or which was improperly excluded at the hearing before the department it may enter an order remanding the matter to the department for reconsideration in the light of such evidence. In all other appeals the board shall enter an order either affirming or reversing the decision of the department. When the order reverses the decision of the department, the board may direct the reconsideration of the matter in the light of its order and may direct the department to take such further action as is specially enjoined upon it by law, but the order shall not limit or control in any way the discretion vested by law in the department. Orders of the board shall be subject to judicial review upon petition of the director or any party aggrieved by such order.

[*Removal of Director or Board Members*]

A concurrent resolution for the removal of either the director or any member of the board may be introduced in the Legislature only if five Members of the Senate, or 10 Members of the Assembly, join as authors.

[*Licenses—Regulation—Fees*]

Until the Legislature shall otherwise provide, the privilege of keeping, buying, selling, serving, and otherwise disposing of alcoholic beverages in bona fide hotels, restaurants, cafes, cafeterias, railroad dining or club cars, passenger ships, and other public eating places, and in bona fide clubs after such clubs have been lawfully operated for not less than one year, and the privilege of keeping, buying, selling, serving, and otherwise disposing of beers on any premises open to the general public shall be licensed and regulated under the applicable provisions of the Alcoholic Beverage Control Act, insofar as the same are not inconsistent with the provisions hereof, and excepting that the license fee to be charged bona fide hotels, restaurants, cafes, cafeterias, railroad dining or club cars, passenger ships, and other public eating places, and any bona fide clubs after such clubs have been lawfully operated for not less than one year, for the privilege of keeping, buying, selling, or otherwise disposing of alcoholic beverages, shall be the amounts prescribed as of the operative date hereof, subject to the power of the Legislature to change such fees.

The State Board of Equalization shall assess and collect such excise taxes as are or may be imposed by the Legislature on account of the manufacture, importation and sale of alcoholic beverages in this State.

The Legislature may authorize, subject to reasonable restrictions, the sale in retail stores of alcoholic beverages contained in the original packages, where such alcoholic beverages are not to be consumed on the premises where sold; and may provide for the issuance of all types of licenses necessary to carry on the activities referred to in the first paragraph of this section, including, but not limited to, licenses necessary for the manufacture, production, processing, importation, exportation, transportation, wholesaling, distribution, and sale of any and all kinds of alcoholic beverages.

The Legislature shall provide for apportioning the amounts collected for license fees or occupation taxes under the provisions hereof between the State and the cities, counties and cities and counties of the State, in such manner as the Legislature may deem proper.

All constitutional provisions and laws inconsistent with the provisions hereof are hereby repealed.

The provisions of this section shall be self-executing, but nothing herein shall prohibit the Legislature from enacting laws implementing and not inconsistent with such provisions.

This amendment shall become operative on January 1, 1957. [*As amended November 6, 1956. Operative January 1, 1957.*]

[*State Colleges—Speaker, Member of Governing Body*]

SEC. 23. Notwithstanding any other provision of this Constitution, the Speaker of the Assembly shall be an ex officio member, having equal rights and duties with the nonlegislative members, of any state agency created by the Legislature in the field of public higher education which is charged with the management, administration, and control of the State College System of California. [*New section adopted November 3, 1970.*]

SEC. 24. [*Renumbered Section 5 June 8, 1976.*]

SEC. 25. [*Renumbered Section 6 June 8, 1976.*]

ARTICLE XXI*

REAPPORTIONMENT OF SENATE, ASSEMBLY, CONGRESSIONAL, AND BOARD OF EQUALIZATION DISTRICTS

[*Reapportionment Following National Census*]

SECTION 1. In the year following the year in which the national census is taken under the direction of Congress at the beginning of each decade, the Legislature shall adjust the boundary lines of the Senatorial, Assembly, Congressional, and Board of Equalization districts in conformance with the following standards:

[*Standards*]

(a) Each member of the Senate, Assembly, Congress, and the Board of Equalization shall be elected from a single-member district.

(b) The population of all districts of a particular type shall be reasonably equal.

(c) Every district shall be contiguous.

(d) Districts of each type shall be numbered consecutively commencing at the northern boundary of the State and ending at the southern boundary.

(e) The geographical integrity of any city, county, or city and county, or of any geographical region shall be respected to the extent possible without violating the requirements of any other subdivision of this section. [*New section adopted June 3, 1980.*]

ARTICLE XXII. [*Repealed June 6, 1972.*]

ARTICLE XXIII. [*Repealed June 8, 1976.*]

ARTICLE XXIV. [*Repealed June 8, 1976.*]

ARTICLE XXV. [*Repealed November 8, 1949. Initiative measure.*]

ARTICLE XXVI. [*Renumbered Article XIX June 8, 1976.*]

ARTICLE XXVII. [*Repealed November 3, 1970.*]

ARTICLE XXVIII. [*Repealed November 5, 1974.*]

* New Article XXI adopted June 3, 1980.

ARTICLE XXXIV*

PUBLIC HOUSING PROJECT LAW

[*Approval of Low Rent Housing Projects by Electors*]

SECTION 1. No low rent housing project shall hereafter be developed, constructed, or acquired in any manner by any state public body until, a majority of the qualified electors of the city, town or county, as the case may be, in which it is proposed to develop, construct, or acquire the same, voting upon such issue, approve such project by voting in favor thereof at an election to be held for that purpose, or at any general or special election.

[*''Low Rent Housing Project''*]

For the purposes of this article the term ''low rent housing project'' shall mean any development composed of urban or rural dwellings, apartments or other living accommodations for persons of low income, financed in whole or in part by the Federal Government or a state public body or to which the Federal Government or a state public body extends assistance by supplying all or part of the labor, by guaranteeing the payment of liens, or otherwise. For the purposes of this Article only there shall be excluded from the term ''low rent housing project'' any such project where there shall be in existence on the effective date hereof, a contract for financial assistance between any state public body and the Federal Government in respect to such project.

[*''Persons of Low Income''*]

For the purposes of this Article only ''persons of low income'' shall mean persons or families who lack the amount of income which is necessary (as determined by the state public body developing, constructing, or acquiring the housing project) to enable them, without financial assistance, to live in decent, safe and sanitary dwellings, without overcrowding.

[*''State Public Body''*]

For the purposes of this Article the term ''state public body'' shall mean this State, or any city, city and county, county, district, authority, agency, or any other subdivision or public body of this State.

[*''Federal Government''*]

For the purposes of this Article the term ''Federal Government'' shall mean the United States of America, or any agency or instrumentality, corporate or otherwise, of the United States of America. [*New section adopted November 7, 1950. Initiative measure.*]

* New article adopted November 7, 1950. Initiative measure.

[*Self-executing Provisions*]

SECTION 2. The provisions of this Article shall be self-executing but legislation not in conflict herewith may be enacted to facilitate its operation. [*New section adopted November 7, 1950. Initiative measure.*]

[*Constitutionality of Article*]

SECTION 3. If any portion, section or clause of this Article, or the application thereof to any person or circumstance, shall for any reason be declared unconstitutional or held invalid, the remainder of this Article, or the application of such portion, section or clause to other persons or circumstances, shall not be affected thereby. [*New section adopted November 7, 1950. Initiative measure.*]

[*Scope of Article*]

SECTION 4. The provisions of this Article shall supersede all provisions of this Constitution and laws enacted thereunder in conflict therewith. [*New section adopted November 7, 1950. Initiative measure.*]

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LIST OF OFFICERS

LIST OF OFFICERS

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STATE CAPITOL AND OTHER BUILDINGS

Sacramento 95814

Name	Office	Residence
Gray Davis	Governor	Los Angeles
Cruz Bustamante	Lieutenant Governor	Fresno
Bill Jones	Secretary of State	Fresno
Kathleen Connell	Controller	Los Angeles
Philip Angelides	Treasurer	Sacramento
Bill Lockyer	Attorney General	Hayward
Chuck Quackenbush	Insurance Commissioner	Rio Linda
Delaine Eastin	Superintendent of Public Instruction	Fremont
Bion M. Gregory	Legislative Counsel	Sacramento

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Michael Bustamante ..... Press Secretary
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Phil Trounstine ..... Director of Communications and Public Affairs
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Ed Emerson ..... Director of Advance
Trish Fontana ..... Director of Special Projects

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Dean F. Andal	Board Member, Second District	Stockton
Claude Parrish	Board Member, Third District	Torrance
John Chiang	Board Member, Fourth District	Van Nuys
Kathleen Connell (Controller)	Ex-Officio Member	Sacramento

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Barbara Boxer (D)..... 112 Hart Senate Office Building
Washington, D.C. 20510
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REPRESENTATIVES IN CONGRESS

Name	Party	District	Counties	Main District Office*
Becerra, Xavier	D	30	Los Angeles.....	1910 Sunset Blvd., #560 Los Angeles 90026
Berman, Howard L.	D	26	Los Angeles.....	10200 Sepulveda Blvd., #300 Mission Hills 91345
Bilbray, Brian	R	49	San Diego.....	1011 Camino Del Rio South, #330 San Diego 92108
Bono, Mary	R	44	Riverside	1555 S. Palm Canyon Dr., #G101 Palm Springs 92264
Brown, George E. Jr. ...	D	42	Riverside	657 N. La Cadena Dr. Colton 92324
Calvert, Ken	R	43	Riverside	3400 Central Ave., #200 Riverside 92506
Campbell, Tom	R	15	Santa Clara, Santa Cruz	910 Campisi Way, Suite 1C Campbell 95008
Capps, Lois	D	22	Los Angeles.....	1428 Chapal St. Santa Barbara 93101
Condit, Gary	D	18	Fresno, Madera, Merced, San Joaquin, Stanislaus.....	920 16th St., Suite C Modesto 95354
Cox, C. Christopher	R	47	Orange.....	One Newport Pl., #420 Newport Beach 92660
Cunningham, Randy	R	51	San Diego.....	613 West Valley Parkway, #320 Escondido 92025
Dixon, Julian	D	32	Los Angeles.....	5100 W. Goldleaf Cir., #208 Los Angeles 90056
Dooley, Calvin M.	D	20	Fresno, Kern, Kings, Tulare ...	224 West Lacey Blvd. Hanford 93230
Doolittle, John T.	R	4	Alpine, Amador, Calaveras, El Dorado, Mono, Placer, Sacramento, Tuolumne	2130 Professional Dr., #190 Roseville 95661
Dreier, David	R	28	Los Angeles.....	112 N. Second Ave. Covina 91723
Eshoo, Anna G.	D	14	San Mateo, Santa Clara.....	698 Emerson St. Palo Alto 94301
Farr, Sam	D	17	Monterey, San Benito, Santa Cruz.....	380 Alvarado Street Monterey 93940
Filner, Bob	D	50	San Diego.....	333 F St., Suite A Chula Vista 91910
Gallegly, Elton	R	23	Santa Barbara, Ventura.....	300 Esplanade Dr., #1800 Oxnard 93030
Herger, Wally	R	2	Butte, Lassen, Modoc, Nevada, Plumas, Shasta, Sierra, Siskiyou, Trinity, Yuba	55 Independence Circle, #104 Chico 95973
Horn, Steve	R	38	Los Angeles.....	4010 Watson Plaza Drive, #160 Lakewood 90712
Hunter, Duncan	R	52	Imperial, San Diego	366 South Pierce St. El Cajon 92020
Kuykendall, Steven T. ..	R	36	Los Angeles.....	21311 Hawthorne Blvd. Torrance 90503
Lantos, Tom	D	12	San Francisco, San Mateo.....	400 El Camino Real, #820 San Mateo 94402
Lee, Barbara	D	9	Alameda, Contra Costa	1301 Clay St., #1000N Oakland 94612

REPRESENTATIVES IN CONGRESS—Continued

Name	Party	District	Counties	Main District Office*
Lewis, Jerry	R	40	Inyo, San Bernardino	1150 Brookside Ave., #J-5 Redlands 92373
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Martinez, Matthew G.	D	31	Los Angeles	320 S. Garfield Ave., #214 Alhambra 91801
Matsui, Robert T.	D	5	Sacramento	501 I St., #12-600 Sacramento 95814
McKeon, Howard P.	R	25	Los Angeles	23929 West Valencia Blvd., #410 Santa Clarita 91355
Millender-McDonald, Juanita	D	37	Los Angeles	970 W. 190th St., #900 Torrance 90502
Miller, Gary G.	D	41	San Bernardino, Orange	18200 Yorba Linda Blvd., #203A Yorba Linda 92886
Miller, George	D	7	Contra Costa, Solano	1333 Willow Pass Road, #203 Concord 94520
Napolitano, Grace F.	D	34	Los Angeles	1712 W Beverly Blvd., #201 Montebello 90640
Ose, Doug	R	3	Butte, Colusa, Glenn, Sacramento, Solano, Sutter, Tehama, Yolo	722B Main Street Woodland 95695
Packard, Ron	R	48	Orange, Riverside, San Diego	221 E. Vista Way, #205 Vista 92084
Pelosi, Nancy	D	8	San Francisco	450 Golden Gate Ave., 14th Floor San Francisco 94102
Pombo, Richard	R	11	Sacramento, San Joaquin	2495 March Lane, #104 Stockton 95207
Radanovich, George	R	19	Fresno, Madera, Mariposa, Tulare	2377 W. Shaw, #105 Fresno 93711
Rogan, James E.	R	27	Los Angeles	199 S. Los Robles Ave., #560 Pasadena 91101
Rohrabacher, Dana	R	45	Orange	101 Main St., #3C Huntington Beach 92648
Roybal-Allard, Lucille	D	33	Los Angeles	255 E. Temple St., #1860 Los Angeles 90012
Royce, Edward	R	39	Los Angeles, Orange	305 N. Harbor Blvd., #300 Fullerton 92832
Sanchez, Loretta	D	46	Orange	12397 Lewis St., #10 Garden Grove 92640
Sherman, Brad	D	24	Los Angeles, Ventura	21031 Ventura Blvd., #1010 Woodland Hills 91364
Stark, Fortney P.	D	13	Alameda, Santa Clara	39300 Civic Center Drive, #220 Fremont 94538
Tauscher, Ellen O.	D	10	Alameda, Contra Costa	1801 N. California Blvd., #103 Walnut Creek 94596
Thomas, William M.	R	21	Kern, Tulare	4100 Truxtun Ave., #220 Bakersfield 93309
Thompson, Mike	D	1	Del Norte, Humboldt, Lake, Mendocino, Napa, Solano, Sonora	1040 Main Street, #101 Napa 94559
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* During Sessions of Congress, mail for Members of the Senate may be addressed: Senate Office Building, Washington, D.C. 20510, and Members of the House of Representatives: House Office Building, Washington, D.C. 20515.

THE STATE LEGISLATURE

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President of Senate.....	Cruz Bustamante.....	1114 State Capitol
President pro Tempore	John Burton.....	205 State Capitol
Secretary of Senate	Gregory Schmidt.....	3044 State Capitol
Sergeant at Arms	Tony Beard.....	3030 State Capitol
Chaplain	Rev. Deacon Walter J. Little III.....	3044 State Capitol
Chief Assistant Secretary	John W. Rovane IV	3044 State Capitol
Minute Clerk	Walter J. Little III.....	3044 State Capitol
History Clerk.....	David H. Kneale.....	3044 State Capitol
Assistant Secretary.....	Steve Hummelt.....	3044 State Capitol
File Clerk	Marlissa Hernandez	3044 State Capitol
Engrossing and Enrolling Clerk.....	Marie Harlan	B30 State Capitol

MEMBERS OF THE ASSEMBLY

Name	Occupation	Party	Dist.	Capitol Office	Counties	District Office Mailing Address
Aanestad, Sam	Oral Surgeon	R	3	4144	Butte, Lassen, Modoc, Nevada, Plumas, Sierra, Yuba	350 Crown Pt. Circ., Suite 150, Grass Valley 95945
Ackerman, Dick ..	Business Lawyer.....	R	72	4167	Orange.....	305 N. Harbor Blvd., Suite 303, Fullerton 92832
Alquist, Elaine	Businesswoman/ Educator	D	22	3120	Santa Clara	275 Saratoga Avenue, Suite 205, Santa Clara 95050
Aroner, Dion	State Social Services Specialist	D	14	2163	Alameda, Contra Costa.....	918 Parker Street, Suite A-13, Berkeley 94710
Ashburn, Roy	Legislator	R	32	4158	Kern, Tulare	1200 Truxtun Avenue, #120, Bakersfield 93301
Baldwin, Steve	Property Management.....	R	77	4162	San Diego.....	8419 La Mesa Boulevard, Suite B, La Mesa 91941
Bates, Patricia	Full-time Legislator.....	R	73	4009	Orange, San Diego ..	27782 El Lazo Road, Laguna Nigel 92677
Battin, Jim	Businessman	R	80	5126	Imperial, Riverside..	73-710 Fred Waring Drive, Suite 112, Palm Desert 92260
Baugh, Scott	Corporate Counsel.....	R	67	3104	Orange.....	16052 Beach Blvd., Suite 160-N, Huntington Beach 92647
Bock, Audie	Educator	G	16	5144	Alameda	1515 Clay St., Suite 2204, Oakland 94612
Brewer, Marilyn C.	Manufacturing Businesswoman	R	70	6031	Orange.....	18952 MacArthur Boulevard, Suite 220, Irvine 92612
Briggs, Mike	Full-time Legislator.....	R	29	2111	Fresno, Tulare	83 E. Shaw Suite 202, Fresno 93710
Calderon, Tom	Full-time Legislator.....	D	58	2148	Los Angeles.....	280 N. Montebello Blvd., Suite 102, Montebello 90640
Campbell, Bill	Businessman/ Legislator.....	R	71	3098	Orange.....	1940 N. Tustin Street, Suite 102, Orange 92865
Cardenas, Tony ...	Businessman/ Engineer	D	39	4005	Los Angeles.....	9140 Van Nuys Blvd., Suite 109, Panorama City 91402
Cardoza, Dennis .	Businessman	D	26	2141	Merced, San Joaquin, Stanislaus	384 East Olive, Suite 2, Turlock 95340
Cedillo, Gil	Community Organization Director	D	46	5016	Los Angeles.....	617 S. Olive St., Suite 700, Los Angeles 90014
Corbett, Ellen	Attorney	D	18	4126	Alameda	22310 Foothill Blvd., Suite 130, Hayward 94541
Correa, Lou	Businessman/ Teacher	D	69	2137	Orange.....	930 W. 17th Street, Suite C, Santa Ana 92706
Cox, Dave	Businessman	R	5	2002	Sacramento.....	4811 Chippendale Drive, Suite 501, Sacramento 95841
Cunneen, Jim	Legislator/ Small Businessman.....	R	24	2174	Santa Clara	901 Campisi Way, Suite 300, Campbell 95008
Davis, Susan	Full-time Legislator.....	D	76	2013	San Diego.....	1010 University Avenue, Suite C-207, San Diego 92103
Dickerson, Richard	Full-time Legislator.....	R	2	3147	Butte, Colusa, Glenn, Shasta, Siskiyou, Sutter, Tehama, Trinity, Yolo	100 E. Cypress Ave., Suite 100, Redding 96002

MEMBERS OF THE ASSEMBLY—Continued

Name	Occupation	Party	Dist.	Capitol Office	Counties	District Office Mailing Address
Ducheny, Denise Moreno	Attorney	D	79	6026	San Diego	2414 Hoover Avenue, Suite A, National City 91950
Dutra, John	Businessman/Real Estate/Finance	D	20	6011	Alameda, Santa Clara	39510 Paseo Padre Parkway, Suite 360, Fremont 94538
Firebaugh, Marco	Municipal Law Advocate	D	50	3126	Los Angeles	2650 Zoe Ave., 2nd Floor, Huntington Park 90255
Florez, Dean	Investment Banker	D	30	5135	Fresno, Kern, Kings, Madera	230 Truxtun Avenue, Bakersfield 93301
Floyd, Richard	Legislator	D	55	4016	Los Angeles	One Civic Plaza, Suite 320, Carson 90745
Frusetta, Peter	Rancher	R	28	5175	Monterey, San Benito, Santa Clara, Santa Cruz	321 First Street, Suite A, Hollister 95023
Gallegos, Martin	Doctor of Chiropractic	D	57	6005	Los Angeles	15625 Stafford St., Suite 200, City of Industry 91744
Granlund, Brett	Businessman	R	65	4164	Riverside, San Bernardino	34932 Yucaipa Boulevard, Yucaipa 92399
Havice, Sally	Legislator	D	56	5150	Los Angeles	16600 Civic Center Drive, 2nd Floor, Bellflower 90706
Hertzberg, Robert M.	Attorney/Small Businessman	D	40	319	Los Angeles	6150 Van Nuys Blvd., Suite 305, Van Nuys 91401
Honda, Mike	Legislator	D	23	5155	Santa Clara	100 Paseo de San Antonio, Suite 300, San Jose 95113
House, George	Farmer	R	25	3141	Fresno, Madera, Mariposa, Stanislaus, Tuolumne	3600 Sisk Road, Suite 5-D3, Modesto 95356
Jackson, Hannah-Beth	Attorney	D	35	4098	Santa Barbara, Ventura	101 W. Anapamu St., Suite A, Santa Barbara 93101
Kaloogian, Howard	Tax/Trust Attorney	R	74	4130	San Diego	701 Palomar Airport Road, Suite 160, Carlsbad 92009
Keeley, Fred	Legislator	D	27	3152	Monterey, Santa Cruz	701 Ocean Street, Suite 318 B, Santa Cruz 95060
Knox, Wally	Attorney	D	42	6025	Los Angeles	5757 Wilshire Boulevard, Suite 645, Los Angeles 90036
Kuehl, Sheila James	Full-time Legislator	D	41	3013	Los Angeles	16130 Ventura Boulevard, Suite 230, Encino 91436
Leach, Lynne C.	Small Business Owner	R	15	3132	Alameda, Contra Costa	800 South Broadway, Suite 304, Walnut Creek 94596
Lempert, Ted	Full-time Legislator	D	21	2188	San Mateo, Santa Clara	4149 El Camino Way, Suite B, Palo Alto 94306
Leonard, Bill	Legislator/ Businessman	R	63	2175	San Bernardino	10535 Foothill Boulevard, Suite 276, Rancho Cucamonga 91730
Longville, John	Full-time Legislator	D	62	2196	San Bernardino	201 North E Street, Suite 205, San Bernardino 92401
Lowenthal, Alan	University Professor	D	54	4139	Los Angeles	444 W. Ocean Blvd., Suite 707, Long Beach 90802

MEMBERS OF THE ASSEMBLY—Continued

Name	Occupation	Party	Dist.	Capitol Office	Counties	District Office Mailing Address
Machado, Mike ...	Farmer/ Businessman.....	D	17	5136	San Joaquin	31 East Channel Street, Suite 306, Stockton 95202
Maddox, Ken	Full-time Legislator.....	R	68	4102	Orange.....	12865 Main Street, Suite 100, Garden Grove 92840
Maldonado, Abel	Farmer/Business Owner.....	R	33	4015	San Luis Obispo, Santa Barbara, Los Angeles.....	1302 Marsh Street, San Luis Obispo 93401
Margett, Bob	Businessman	R	59	5160	Los Angeles.....	55 East Huntington Drive, Suite 120, Arcadia 91006
Mazzoni, Kerry ...	Legislator/ Businesswoman	D	6	3123	Marin, Sonoma.....	3501 Civic Center Drive, Room 412, San Rafael 94903
McClintock, Tom	Budget Reduction Analyst	R	38	4153	Los Angeles, Ventura	10727 White Oak Avenue, Suite 124, Granada Hills 91344
Migden, Carole ...	Full-time Legislator.....	D	13	2114	San Francisco.....	1388 Sutter Street, Suite 710, San Francisco 94104
Nakano, George ..	Educator	D	53	2158	Los Angeles.....	1217 El Prado Avenue, Torrance 90501
Olberg, Keith	Businessman	R	34	4117	Inyo, Kern, San Bernardino.....	14011 Park Avenue, Suite 470, Victorville 92392
Oller, Thomas 'Rico'	Business Owner ..	R	4	4208	Alpine, Amador, Calaveras, El Dorado, Mono, Placer.....	2999 Douglas Boulevard, Suite 120, Roseville 95661
Pacheco, Robert ..	Attorney/ Manufacturer	R	60	4177	Los Angeles.....	17870 Castleton St., Suite 205, City of Industry 91748
Pacheco, Rod	Sr. Deputy District Attorney.....	R	64	4116	Riverside	3740 Mission Inn Avenue, Suite N-6, Riverside 92501
Papan, Louis J.	Entrepreneur/ Legislator.....	D	19	3173	San Mateo	660 El Camino Real, Suite 214, Millbrae 94030
Pescetti, Anthony	Business Owner ..	R	10	2130	Sacramento, San Joaquin	9845 Horn Road, Suite 150, Sacramento 95827
Reyes, Sarah	College Administrator ...	D	31	5128	Fresno, Tulare	2550 Mariposa Mall, Suite 5006, Fresno 93721
Romero, Gloria ...	University Professor.....	D	49	2117	Los Angeles.....	1255 Corporate Center Dr., Suite P409, Monterey Park 91754
Runner, George ...	Businessman/ Educator/ Legislator.....	R	36	6027	Los Angeles.....	709 W. Lancaster Boulevard, Lancaster 93534
Scott, Jack	Legislator/ Professor.....	D	44	4146	Los Angeles.....	215 N. Marengo Avenue, Suite 185, Pasadena 91101
Shelley, Kevin	Legislator	D	12	3160	San Francisco, San Mateo	711 Van Ness Avenue, Suite 310, San Francisco 94102
Soto, Nell	Public Affairs Representative ..	D	61	5164	Los Angeles, San Bernardino.....	304 West F Street, Ontario 91762
Steinberg, Darrell	Attorney/ Legislator.....	D	9	2176	Sacramento.....	1215 15th Street, Sacramento 95814
Strickland, Tony ..	Full-time Legislator.....	R	37	2016	Ventura	221 E Daily Dr., Suite 7, Camarillo 93010
Strom-Martin, Virginia	Legislator	D	1	3146	Del Norte, Humboldt, Lake, Mendocino, Sonoma.....	50 D Street, Suite 450, Santa Rosa 95404

MEMBERS OF THE ASSEMBLY—Continued

Name	Occupation	Party	Dist.	Capitol Office	Counties	District Office Mailing Address
Thompson, Bruce	International Businessman	R	66	2160	Riverside, San Diego	27555 Ynez Road, Suite 205, Temecula 92591
Thomson, Helen	Legislator/Nurse	D	8	4140	Sacramento, Solano, Yolo	555 Mason Street, Suite 275, Vacaville 95688
Torlakson, Tom	Educator	D	11	2003	Contra Costa	815 Estudillo Street, Martinez 94553
Villaraigosa, Antonio R.	Union Representative	D	45	219	Los Angeles	1910 Sunset Boulevard, Suite 500, Los Angeles 90026
Vincent, Edward	Legislator	D	51	5119	Los Angeles	1 Manchester Blvd., P.O. Box 6500, Inglewood 90306
Washington, Carl	Legislator	D	52	2136	Los Angeles	145 E. Compton Boulevard, Compton 90220
Wayne, Howard	Prosecutor	D	78	2170	San Diego	1350 Front Street, Suite 6013, San Diego 92101
Wesson, Herb	County Supervisor Deputy Chief	D	47	2179	Los Angeles	5100 Goldleaf Circle, Suite 203, Los Angeles 90056
Wiggins, Patricia	Computer System Analyst	D	7	4112	Napa, Solano, Sonoma	50 D Street, Suite 301, Santa Rosa 95404
Wildman, Scott	Legislator	D	43	4158	Los Angeles	109 East Harvard Avenue, Suite 305, Glendale 91205
Wright, Roderick	Legislator	D	48	6012	Los Angeles	700 State Drive, Suite 103, Los Angeles 90037
Zettel, Charlene	Full-time Legislator	R	75	5158	San Diego	15708 Pomerado Rd., Suite N-110, Poway 92604

OFFICERS OF THE ASSEMBLY

Name	Title	Mailing Address
Villaraigosa, Antonio R.	Speaker	1910 Sunset Boulevard, Suite 500, Los Angeles 90026
Keeley, Fred	Speaker pro Tempore	701 Ocean Street, Suite 318B, Santa Cruz 95060
Shelley, Kevin	Majority Floor Leader	711 Van Ness Avenue, Suite 310, San Francisco 94102
Pacheco, Rod	Minority Floor Leader	3740 Mission Inn Ave., Suite N-6, Riverside 92501
Wilson, E. Dotson	Chief Clerk	State Capitol, Room 3196, Sacramento 95814
Pane, Ronald E.	Sergeant-at-Arms	State Capitol, Room 3171, Sacramento 95814

STATE JUDICIAL DEPARTMENT

SUPREME COURT JUSTICES AND OFFICERS

Terms of Court

Sessions of Court are held at San Francisco, Los Angeles and Sacramento

JUSTICES

Hon. Ronald M. George ..... Chief Justice
Hon. Stanley Mosk ..... Associate Justice
Hon. Kathryn M. Werdegar ..... Associate Justice
Hon. Joyce L. Kennard ..... Associate Justice
Hon. Ming W. Chin ..... Associate Justice
Hon. Marvin R. Baxter ..... Associate Justice
Hon. Janice Rogers Brown ..... Associate Justice
Robert F. Wandruff ..... Clerk/Administrator

COURTS OF APPEAL

FIRST APPELLATE DISTRICT

DIVISION ONE

Hon. Gary E. Strankman ..... Admin. Presiding Justice
Hon. Douglas E. Swager ..... Associate Justice
Hon. James J. Marciano ..... Associate Justice
Hon. William D. Stein ..... Associate Justice

DIVISION TWO

Hon. J. Anthony Kline ..... Presiding Justice
Hon. James R. Lambden ..... Associate Justice
Hon. Paul R. Hearle ..... Associate Justice
Hon. Ignazio J. Ruvolo ..... Associate Justice

DIVISION THREE

Hon. William R. McGuiness ..... Presiding Justice
Hon. Joanne C. Parrilli ..... Associate Justice
Hon. Herbert W. Walker ..... Associate Justice
Hon. Carol A. Corrigan ..... Associate Justice

DIVISION FOUR

Hon. Daniel M. (Mike) Hanlon ..... Admin. Presiding Justice
Hon. Marcel B. Poche ..... Associate Justice
Hon. Timothy A. Reardon ..... Associate Justice
Hon. Patricia K. Sepulveda ..... Associate Justice

DIVISION FIVE

Hon. Barbara J.R. Jones ..... Presiding Justice
Hon. Lawrence T. Stevens ..... Associate Justice
Hon. Zerne P. Haning ..... Associate Justice
Ron D. Barrow ..... Clerk/Executive Officer

303 Second Street, Suite 600, Marathon Plaza—South Tower, San Francisco 94107

SECOND APPELLATE DISTRICT

DIVISION ONE

Hon. Vaino Spencer ..... Presiding Justice
Hon. Miriam Vogel ..... Associate Justice
Hon. William A. Masterson ..... Associate Justice
Hon. Reuben A. Ortega ..... Associate Justice

300 So. Spring St., 2nd Floor, Los Angeles 90013

DIVISION TWO

Hon. Roger Boren ..... Presiding Justice
Hon. Michael G. Nott ..... Associate Justice
Hon. John Zebrowski ..... Associate Justice
Hon. Morio L. Fukuto ..... Associate Justice

300 So. Spring St., 2nd Floor, Los Angeles 90013

DIVISION THREE

Hon. Joan Dempsey Klein ..... Presiding Justice
Hon. Richard D. Aldrich ..... Associate Justice
Hon. H. Walter Crosbey ..... Associate Justice
Hon. Patti S. Kitching ..... Associate Justice

300 So. Spring St., 2nd Floor, Los Angeles 90013

DIVISION FOUR

Hon. Charles Vogel ..... Presiding Justice
Hon. Norman Epstein ..... Associate Justice
Hon. J. Gary Hastings ..... Associate Justice
Hon. Daniel A. Curry ..... Associate Justice

300 So. Spring St., 2nd Floor, Los Angeles 90013

DIVISION FIVE

Hon. Paul Turner ..... Presiding Justice
Hon. Orville A. Armstrong ..... Associate Justice
Hon. Margaret Grignon ..... Associate Justice
Hon. Ramona Godoy Perez ..... Associate Justice

300 So. Spring St., 2nd Floor, Los Angeles 90013

DIVISION SIX

Hon. Steven J. Stone ..... Presiding Justice
Hon. Arthur Gilbert ..... Associate Justice
Hon. Kenneth R. Yegan ..... Associate Justice
Hon. Paul H. Coffee ..... Associate Justice

200 East Santa Clara St., Ventura 93001

DIVISION SEVEN

Hon. Mildred L. Lillie ..... Presiding Justice
Hon. Earl Johnson ..... Associate Justice
Hon. Fred Woods ..... Associate Justice
Hon. Richard C. Neal ..... Associate Justice
Joseph Lane ..... Clerk

300 So. Spring St., 2nd Floor, Los Angeles 90013

THIRD APPELLATE DISTRICT

Hon. Arthur G. Scotland ..... Presiding Justice
Hon. Coleman A. Blease ..... Associate Justice
Hon. Connie M. Callahan ..... Associate Justice
Hon. Richard M. Sims III ..... Associate Justice
Hon. Rodney Davis ..... Associate Justice
Hon. Harry Hull ..... Associate Justice
Hon. George Nicholson ..... Associate Justice
Hon. Vance W. Raye ..... Associate Justice
Hon. Fred K. Morrison ..... Associate Justice
Hon. Daniel M. Kolkey ..... Associate Justice
Robert L. Liston ..... Clerk

914 Capitol Mall, Room 119, Sacramento 95814

FOURTH APPELLATE DISTRICT

DIVISION ONE

Hon. Daniel J. Kremer ..... Presiding Justice
Hon. Judith L. Haller ..... Associate Justice
Hon. Don R. Work ..... Associate Justice
Hon. Alex C. McDonald ..... Associate Justice
Hon. Patricia D. Benke ..... Associate Justice
Hon. Richard D. Huffman ..... Associate Justice
Hon. James A. McIntyre ..... Associate Justice
Hon. Gilbert Nares ..... Associate Justice
Hon. Terry B. O'Rourke ..... Associate Justice
Stephen M. Kelly ..... Clerk

750 B St., Suite 300, San Diego 92101

DIVISION TWO

Hon. Manuel A. Ramirez ..... Presiding Justice
Hon. Barton C. Gaut ..... Senior Justice
Hon. Thomas E. Hollenhorst ..... Associate Justice
Hon. Betty Ann Richli ..... Associate Justice
Hon. Art W. McKinster ..... Associate Justice
Hon. James Ward ..... Associate Justice
Henry Espinoza ..... Assistant Clerk Administrator

303 W. Fifth St., San Bernardino 92401

DIVISION THREE

Hon. David G. Sills ..... Presiding Justice
Hon. Thomas F. Crosby, Jr. ..... Associate Justice
Hon. Edward J. Wallin ..... Associate Justice
Hon. Sheila Prell Sonenshine ..... Associate Justice
Hon. William F. Rylaarsdam ..... Associate Justice
Hon. William W. Bedsworth ..... Associate Justice
Joyce A. Nohavec ..... Assistant Clerk Administrator

925 No. Spurgeon St., Santa Ana 92701

FIFTH APPELLATE DISTRICT

Hon. James A. Ardaiz ..... Presiding Justice
Hon. Bert Levy ..... Justice
Hon. William A. Stone ..... Justice
Hon. Nikolas J. Dibiaso ..... Justice
Hon. Steven M. Vartabedian ..... Justice
Hon. James F. Thaxter ..... Justice
Hon. Thomas A. Harris ..... Justice
Hon. Timothy S. Buckley ..... Justice
Hon. Rebecca A. Wiseman ..... Justice
Eve Sproule ..... Administrator/Clerk

2525 Capitol Street, Fresno 93721

SIXTH APPELLATE DISTRICT

Hon. Christopher C. Cottle ..... Presiding Justice
Hon. Patricia Bamattre-Manoukian ..... Associate Justice
Hon. Franklin D. Elia ..... Associate Justice
Hon. Eugene M. Premo ..... Associate Justice
Hon. William M. Wunderlich ..... Associate Justice
Hon. Nathan D. Mihara ..... Associate Justice
Michael J. Yerly ..... Clerk

333 West Santa Clara Street, Suite 1060, San Jose 95113

PUBLIC UTILITIES COMMISSION

Richard A. Bilas ..... President
Joel Hyatt ..... Commissioner
Carl Wood ..... Commissioner
Henry M. Duque ..... Commissioner
Josiah L. Neeper ..... Commissioner
Wesley M. Franklin ..... Executive Director

WORKERS' COMPENSATION APPEALS BOARD

Vacancy ..... Chairperson
Robert N. Ruggles ..... Member
Robert Burton ..... Member
Colleen Casey ..... Member

TABLE OF LAWS ENACTED

TABLE OF RESOLUTIONS AND PROPOSED CONSTITUTIONAL AMENDMENTS ADOPTED BY THE LEGISLATURE

1999

1999–2000 REGULAR SESSION
1999–2000 FIRST EXTRAORDINARY SESSION

TABLE OF LAWS ENACTED

1999

1999–2000 Regular Session

Ch. No.	A.B. No.	S.B. No.	Author
1	—	1	Sher and Assembly Member Villaraigosa (Coauthors: Senators Burton, Chesbro, and Johnson) (Coauthor: Assembly Member Kuehl)
2	—	49	Johnson and Assembly Member Longville (Coauthor: Senator Costa) (Coauthors: Assembly Members Granlund, Leonard, Nakano, Olberg, and Soto)
3	—	138	O'Connell
4	—	412	Burton
5	—	609	Burton
6	22	—	Longville and Senator Johnson (Coauthors: Assembly Members Granlund, Leonard, Nakano, Olberg, and Soto) (Coauthor: Senator Costa)
7	288	—	Wesson
8	—	93	Chesbro
9	—	1303	Solis
10	—	104	Brulte (Coauthors: Assembly Members Cardenas, Granlund, Hertzberg, and Longville)
11	—	108	Ortiz (Coauthor: Senator Baca) (Coauthor: Assembly Member Steinberg)
12	—	1257	Burton
13	—	1273	Burton
14	839	—	Maldonado
15	—	264	Schiff (Principal coauthor: Assembly Member Keeley) (Coauthor: Senator McPherson) (Coauthors: Assembly Members Ashburn, Correa, Davis, Florez, Granlund, Jackson, Kuehl, Lempert, Longville, Maldonado, Margett, Nakano, Papan, Reyes, Romero, Runner, Shelley, Soto, Steinberg, Wayne, Wesson, Wildman, and Zettel)
16	—	279	Dunn (Coauthors: Senators Escutia, McPherson, Monteith, Polanco, and Rainey)
17	—	307	Rainey (Coauthor: Assembly Member Torlakson)
18	—	100	Burton and Peace
19	—	231	Committee on Local Government (Senators Rainey (Chair), Baca, Johannessen, Monteith, Perata, Polanco, and Schiff)
20	—	301	Committee on Rules (Senators Burton (Chair), Baca, Hughes, Knight, and Lewis)
21	—	1240	Burton (Coauthor: Senator Costa)
22	—	24	Committee on Public Safety (Senators Vasconcellos (chair), Burton, Johnston, McPherson, Polanco, and Rainey)
23	—	47	Sher (Principal coauthor: Assembly Member Wayne)
24	—	133	Kelley
25	—	463	Committee on Appropriations (Senators Johnston (Chair), Alpert, Bowen, Escutia, Karnette, McPherson, Perata, and Vasconcellos)
26	—	1205	Escutia
27	266	—	Longville
28	270	—	Floyd
29	1261	—	Committee on Agriculture (Cardoza (Chair), Maldonado (Vice Chair), Florez, Reyes, and Wiggins)
30	—	16	Burton and Assembly Member Villaraigosa (Principal coauthor: Senator Solis) (Principal coauthor: Assembly Member Granlund) (Coauthors: Senators Baca, Chesbro, Karnette, Murray, Perata, and Sher) (Coauthors: Assembly Members Alquist, Aroner, Calderon, Dutra, Floyd, Havice, Keeley, Knox, Lempert, Longville, Pescetti, Romero, Steinberg, Washington, Wildman, Wiggins, and Wright)
31	234	—	Lowenthal
32	323	—	Baldwin
33	468	—	Baugh
34	223	—	Wiggins (Coauthor: Assembly Member Leach) (Coauthor: Senator Rainey)
35	542	—	Reyes
36	—	98	Alarcon (Coauthor: Senator Kelley)
37	—	55	O'Connell (Principal coauthor: Assembly Member Shelley) (Coauthor: Senator McPherson)
38	264	—	Mazzoni (Coauthor: Senator Burton)
39	316	—	Machado
40	335	—	Mazzoni
41	432	—	Leach
42	455	—	Ashburn
43	1132	—	Ackerman
44	1209	—	Committee on Health (Gallegos (Chair), Baugh (Vice Chair), Aanestad, Bates, Corbett, Firebaugh, Kuehl, Steinberg, Strickland, Vincent, Wayne, Wildman, and Zettel)
45	—	166	Baca (Coauthor: Senator Johannessen) (Coauthors: Assembly Members Granlund, Longville, and Soto)
46	—	314	Kelley
47	—	364	Perata
48	—	447	Dunn
49	—	1165	Sher and Ortiz (Coauthor: Senator Rainey)
50	—	160	Peace (Coauthor: Assembly Member Ducheny)
51	1113	—	Florez, Havice, Nakano, Correa, Reyes, Soto, Leonard, Rod Pacheco, Scott, Machado, and Torlakson and Senators Alpert, Karnette, Ortiz, Costa, McPherson, and Rainey
52	1114	—	Steinberg, Florez, and Reyes and Senators Rainey, Dunn, and Costa
53	1117	—	Calderon, Scott, Cunneen, and Torlakson and Senators O'Connell, Brulte, and McPherson
54	1535	—	Florez (Principal coauthor: Assembly Member Leonard) (Principal coauthor: Senator Costa)
55	616	—	Oller
56	262	—	Runner
57	1536	—	Robert Pacheco
58	—	113	Kelley
59	—	223	Kelley
60	—	328	Alpert
61	—	485	Rainey
62	—	629	Kelley
63	—	901	Knight (Principal coauthor: Assembly Member Runner)
64	10	—	Correa, Florez, Havice, Rod Pacheco, Jackson, Nakano, Reyes, Soto, Wayne, and Maddox and Senators Johnson, Brulte, Ortiz, Karnette, and Speier
65	1102	—	Jackson, Nakano, Correa, and Reyes and Senator Sher
66	1103	—	Lempert and Reyes and Senator Sher
67	1105	—	Jackson and Reyes and Senators Dunn and Solis (Coauthor: Senator Polanco)
68	1109	—	Committee on Budget (Ducheny (Chair), Cardenas, Cedillo, Correa, Firebaugh, Florez, Keeley, Nakano, Papan, Reyes, Scott, Strom-Martin, Torlakson, Wildman, and Wright)
69	1120	—	Havice, Baugh, Correa, Florez, Jackson, Nakano, Reyes, Soto, Pescetti, and Rod Pacheco and Senators Peace, Baca, Ortiz, Poochigian, and Karnette

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70	—	585	Chesbro
71	1116	—	Ducheny and Senator Alarcon
72	1118	—	Reyes, Ducheny, Machado, Jackson, Correa, Florez, Havice, Zettel, and Rod Pacheco and Senators Brulte, McPherson, Rainey, Schiff, Baca, Haynes, Johannessen, Johnson, Kelley, Knight, Leslie, Lewis, Monteith, Morrow, Mountjoy, Ortiz, and Poochigian
73	—	838	Figueroa
74	1121	—	Nakano, Machado, Granlund, Strickland, and Rod Pacheco and Senators Knight, Haynes, Costa, Ortiz, and Schiff
75	1428	—	Kaloogian
76	—	688	Burton and Assembly Member Granlund (Coauthor: Senator Murray) (Coauthors: Assembly Members Oller, Maldonado, Strickland, Maddox, Robert Pacheco, and Pescetti)
77	—	705	Sher and Assembly Members Cunneen, Nakano, and Alquist (Coauthors: Senators Vasconcellos and Figueroa) (Coauthors: Assembly Members Wayne, Jackson, Honda, Lempert, Davis, Correa, Havice, Lowenthal, Maldonado, Strickland, Maddox, Robert Pacheco, and Pescetti)
78	1115	—	Strom-Martin, Soto, Florez, Jackson, Nakano, Correa, Reyes, Ducheny, Scott, Machado, and Torlakson and Senators O'Connell, Alpert, Karnette, Schiff, and Costa
79	1662	—	Leonard, Florez, and Granlund and Senators Brulte, Kelley, Monteith, Costa, McPherson, and Ortiz
80	1135	—	Ashburn
81	1482	—	Alquist (Coauthors: Assembly Members Cardoza, Cunneen, Honda, Keeley, Lempert, Longville, Olberg, and Oller) (Coauthors: Senators Chesbro, McPherson, Sher, and Vasconcellos)
82	—	132	Brulte
83	—	966	Committee on Judiciary (Senators Schiff (Chair), Burton, Escutia, Haynes, Morrow, O'Connell, Peace, Sher, and Wright)
84	1661	—	Torlakson, Nakano, Jackson, Florez, Longville, and Reyes and Senators Peace, Dunn, Karnette, Rainey, Chesbro, Schiff, Costa, McPherson, and Ortiz
85	1660	—	Shelley and Senators Murray and Hayden
86	—	711	Burton and Assembly Member Shelley
87	532	—	Lempert
88	1049	—	Aanestad
89	—	626	Chesbro
90	1682	—	Honda, Villaraigosa, and Shelley and Senators Peace and Burton
91	—	710	Burton
92	1104	—	Migden and Senators Hayden and Bowen
93	—	709	Committee on Budget and Fiscal Review
94	676	—	Brewer
95	—	27	Burton
96	—	198	Kelley
97	—	290	Kelley
98	—	469	Poochigian
99	—	557	Peace and O'Connell
100	—	594	Morrow
101	—	601	Karnette
102	—	634	Kelley
103	—	886	McPherson
104	—	923	Johnston
105	—	1286	Mountjoy
106	289	—	Leonard and Leach (Coauthors: Senators Johannessen and Knight)
107	411	—	Davis
108	566	—	Havice
109	904	—	Alquist
110	1371	—	Granlund
111	—	359	Knight (Coauthor: Senator Johannessen) (Coauthors: Assembly Members Cox, House, Leach, and Oller)
112	—	1163	Ortiz
113	1469	—	Committee on Public Safety (Honda (Chair), Cunneen (Vice Chair), Keeley, Oller, Romero, and Washington)
114	—	1248	Johannessen (Coauthors: Senators Knight and Rainey) (Coauthors: Assembly Members Alquist, Kuehl, Longville, Margett, Robert Pacheco, and Runner)
115	177	—	Papan
116	947	—	Lempert
117	1289	—	Baugh, Romero, Runner, and Davis (Coauthors: Assembly Members Wayne, Maldonado, Strickland, Maddox, Robert Pacheco, Pescetti, Florez, Reyes, Nakano, Jackson, Havice, Soto, Correa, and Lowenthal)
118	—	357	Ortiz
119	594	—	Cardenas
120	—	674	Ortiz
121	—	1250	Escutia
122	1311	—	Romero and Ashburn (Coauthors: Assembly Members Campbell and Keeley)
123	671	—	Campbell (Coauthor: Assembly Member Shelley)
124	775	—	Calderon (Coauthor: Senator Speier)
125	1341	—	Granlund
126	1576	—	Committee on Health (Gallegos (Chair), Baugh (Vice Chair), Bates, Firebaugh, Kuehl, Steinberg, Thomson, Vincent and Wildman)
127	618	—	Margett
128	202	—	Knox (Principal coauthors: Assembly Members Hertzberg and Steinberg) (Coauthors: Assembly Members Kuehl, Longville, Romero, Shelley, Wesson, and Wiggins)
129	—	23	Perata, Alpert, Bowen, and Ortiz, and Assembly Member Villaraigosa (Principal coauthor: Assembly Member Scott) (Coauthor: Senators Karnette and O'Connell) (Coauthors: Assembly Members Alquist, Aroner, Bock, Dutra, Floyd, Gallegos, Honda, Keeley, Knox, Kuehl, Machado, Mazzoni, Migden, Romero, Shelley, Steinberg, Torlakson, Thomson, Washington, and Wildman)
130	459	—	Ackerman
131	1119	—	Committee on Budget (Ducheny (Chair), Cardenas, Cedillo, Correa, Firebaugh, Florez, Keeley, Nakano, Papan, Reyes, Scott, Strom-Martin, Torlakson, Wildman, and Wright)
132	1484	—	Maldonado (Coauthor: Senator O'Connell)
133	1633	—	Committee on Veterans Affairs (Floyd (Chair), Dickerson (Vice Chair), Correa, Havice, Nakano, and Thompson) (Coauthor: Senator Dunn)
134	60	—	Knox (Coauthor: Senator Burton)
135	584	—	Aroner
136	—	11	Schiff, Costa, and Rainey (Coauthors: Senators Karnette, Leslie, McPherson, O'Connell, Polanco, and Solis) (Coauthors: Assembly Members Alquist, Campbell, Cunneen, Dickerson, Dutra, Granlund, Havice, House, Leach, Longville, Machado, Margett, Oller, Pescetti, and Scott)
137	—	84	Costa and Poochigian (Coauthors: Assembly Members Briggs, Florez, and Reyes)
138	—	309	Baca (Coauthor: Senator Johannessen) (Coauthors: Assembly Members Granlund, Longville, Olberg, and Soto)

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139	—	407	Alpert
140	—	186	Costa
141	1240	—	Ashburn (Coauthors: Assembly Members Briggs , Calderon, Campbell, Florez, Mazzoni, Pescetti, Reyes, and Wright) (Coauthors: Senators Costa and Poochigian)
142	1322	—	Oller, Campbell, Cox, House, Robert Pacheco, and Zettel (Coauthors: Senators Haynes and Johannessen)
143	1459	—	Wiggins
144	1634	—	Committee on Revenue and Taxation (Knox (Chair), Kaloogian (Vice Chair), Aroner, Briggs, Ducheny, Honda, and Romero)
145	846	—	Ackerman
146	1107	—	Cedillo, Villaraigosa, and Gallegos and Senators Solis, Escutia, Figueroa, Johnston, Speier, and Vasconcellos (Coauthor: Assembly Member Ducheny)
147	1111	—	Aroner and Senators Chesbro and Speier
148	—	708	Committee on Budget and Fiscal Review
149	—	308	Escutia
150	—	35	Baca (Coauthor: Assembly Member Longville)
151	—	819	Sher
152	—	196	Brulte
153	—	544	Karnette
154	—	1068	Escutia
155	—	97	Burton (Coauthor: Assembly Member Scott)
156	1412	—	Wildman (Coauthor: Senator Hughes)
157	1483	—	Granlund
158	—	50	Johnson, Kelley, Knight, and Rainey (Coauthors: Assembly Members Ackerman, Alquist, Cox, Dickerson, Leach, Margett, Mazzoni, Robert Pacheco, and Zettel)
159	—	380	Haynes
160	—	558	Baca
161	—	670	Rainey
162	—	434	Johnston
163	—	911	Figueroa (Principal coauthor: Assembly Member Oller) (Coauthors: Senators Alarcon, Morrow, Peace, Perata, Rainey, Schiff, Sher, and Solis) (Coauthors: Assembly Members Baugh, Cardoza, Davis, Havice, Maddox, Romero, Torlakson, Washington, Wildman, and Zettel)
164	109	—	Knox
165	114	—	Florez and Briggs, and Senator Costa
166	332	—	Oller
167	744	—	McClintock (Coauthor: Assembly Member Migden)
168	—	63	Solis (Coauthors: Senators Baca and Polanco) (Coauthors: Assembly Members Firebaugh, Margett, Romero, and Soto)
169	—	155	Knight and Assembly Member Frusetta (Principal coauthor: Senator McPherson) (Principal coauthor: Assembly Member Wiggins) (Coauthor: Senator O'Connell) (Coauthors: Assembly Members Maldonado, Runner, and Thomson)
170	—	517	Johnson
171	—	545	Dunn
172	—	803	Karnette (Coauthor: Senator Ortiz) (Coauthor: Assembly Member Steinberg)
173	—	855	Haynes
174	—	431	Alarcon (Principal coauthor: Assembly Member Cardenas)
175	239	—	Kaloogian
176	540	—	Machado
177	552	—	Thompson (Principal coauthor: Senator Speier)
178	562	—	Cardenas
179	861	—	Campbell (Coauthors: Senators Johnson, Lewis, and Morrow)
180	1258	—	Strom-Martin
181	1489	—	Maldonado
182	—	333	Schiff (Coauthor: Assembly Member Wildman)
183	—	363	Figueroa (Principal coauthor: Assembly Member Wayne) (Coauthors: Senators Chesbro, Hughes, and Murray) (Coauthors: Assembly Members Cardoza, Cunneen, Knox, Kuehl, Romero, and Washington)
184	—	392	Chesbro
185	—	394	McPherson
186	—	439	Poochigian
187	—	641	Lewis
188	—	770	McPherson
189	—	1266	Knight (Coauthors: Senators Costa and Figueroa) (Coauthors: Assembly Members Alquist, Briggs, Cunneen, and Robert Pacheco)
190	—	651	Burton
191	1	—	Aanestad (Coauthor: Senator Leslie)
192	263	—	Gallegos (Coauthor: Assembly Member Baugh)
193	268	—	Cedillo and Nakano (Coauthors: Assembly Members Aroner, Calderon, Florez, Hertzberg, Honda, Knox, Kuehl, Longville, Mazzoni, Robert Pacheco, Pescetti, Shelley, Strom-Martin, Wayne, Wesson, Wright, and Zettel) (Coauthors: Senators Baca, Burton, Costa, Polanco, and Solis)
194	699	—	Wiggins (Coauthors: Senators Baca, Chesbro, and Johannessen)
195	1019	—	Strickland (Coauthors: Assembly Members Cox, Leach, Longville, Oller, and Robert Pacheco)
196	1140	—	Villaraigosa (Coauthors: Assembly Members Aanestad, Aroner, Bock, Calderon, Campbell, Cox, Firebaugh, Havice, Hertzberg, Honda, Keeley, Kuehl, Leach, Lempert, Romero, Scott, Shelley, Washington, Wildman, and Zettel)
197	1238	—	Committee on Agriculture (Cardoza (Chair), Maldonado (Vice Chair), Brewer, Florez, Reyes, Thomson, and Wiggins)
198	1249	—	Committee on Agriculture (Cardoza (Chair), Maldonado (Vice Chair), Brewer, Florez, Reyes, Thomson, and Wiggins)
199	1582	—	Florez (Principal coauthor: Assembly Member Cardoza) (Coauthor: Senator Costa)
200	1694	—	Committee on Revenue and Taxation (Knox (Chair), Ducheny, Honda, and Romero)
201	—	36	Baca (Coauthor: Senator Solis) (Coauthors: Assembly Members Alquist, Honda, Knox, and Washington)
202	—	219	Peace
203	—	603	Speier
204	—	826	Sher
205	—	830	Karnette
206	—	946	Vasconcellos
207	—	954	Karnette
208	—	1024	Johnson
209	—	1056	Johannessen
210	—	1062	Poochigian
211	—	1089	Bowen
212	—	1092	O'Connell
213	—	1124	Vasconcellos (Coauthors: Assembly Members Alquist, Aroner, Cunneen, Honda, Lempert, Longville, and Scott)
214	—	1159	Sher
215	—	1230	Burton (Principal coauthors: Assembly Members Migden and Torlakson)
216	—	1245	Hayden and Assembly Member Rod Pacheco (Coauthors: Senators Polanco and Vasconcellos) (Coauthors: Assembly

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			Members Honda, Knox, Kuehl, Lempert, Longville, Lowenthal, Romero, and Steinberg)
217	343	—	Campbell
218	1486	—	Maldonado
219	—	263	Perata
220	302	—	Floyd
221	—	143	Burton
222	—	26	Escutia (Principal coauthors: Senators Schiff and Vasconcellos) (Coauthors: Senators Alpert, Dunn, O'Connell, Perata, Polanco, and Speier) (Coauthors: Assembly Members Alquist, Aroner, Gallegos, Honda, Jackson, Knox, Kuehl, Lempert, Mazzoni, Scott, Shelley, Washington, Wayne, and Wildman)
223	1598	—	Battin (Coauthor: Assembly Member Strom-Martin)
224	787	—	Dickerson
225	1414	—	Papan
226	761	—	Briggs (Coauthor: Assembly Member Cardoza) (Coauthor: Senator Costa)
227	1161	—	Soto
228	1697	—	Committee on Aging and Long-Term Care (Alquist (Chair), Leach (Vice Chair), Battin, Dutra, and Soto)
229	128	—	Granlund
230	159	—	Floyd
231	182	—	Ackerman and Rod Pacheco (Principal coauthor: Senator Alpert) (Coauthors: Assembly Members Baldwin, Bates, Brewer, Campbell, Cox, House, Leach, Maddox, Robert Pacheco, Runner, and Zettel) (Coauthors: Senators Morrow, Polanco, and Solis)
232	183	—	Washington
233	191	—	Dickerson
234	246	—	Cunneen and Honda (Coauthors: Assembly Members Alquist, Jackson, Lempert, Longville, Mazzoni, Migden, Steinberg, and Wildman)
235	713	—	Firebaugh (Coauthor: Assembly Member Romero) (Coauthors: Senators Polanco and Solis)
236	739	—	Pescetti (Coauthors: Assembly Members Alquist, Bates, Battin, Cunneen, Kuehl, Leach, Margett, Oller, Soto, and Strickland) (Coauthors: Senators Ortiz and Rainey)
237	1011	—	Dickerson
238	509	—	Calderon
239	706	—	Torlakson
240	1130	—	Ashburn
241	1379	—	Granlund
242	1617	—	Havice
243	1622	—	Thomson
244	—	313	Figueroa (Principal coauthor: Senator Leslie) (Coauthors: Senators Alpert, Chesbro, Escutia, Johannessen, Karnette, Ortiz, Perata, Rainey, and Solis) (Coauthors: Assembly Members Alquist, Aroner, Briggs, Campbell, Cunneen, Davis, Dutra, Havice, Honda, Jackson, Knox, Longville, Margett, Romero, Villaraigosa, and Washington)
245	—	130	Hayden (Principal coauthors: Assembly Members Scott and Aroner)
246	106	—	Scott and Aroner and Senator Hayden (Principal coauthor: Assembly Member Villaraigosa) (Coauthors: Assembly Members Corbett, Davis, Dutra, Havice, Hertzberg, Jackson, Keeley, Knox, Kuehl, Lempert, Longville, Romero, Shelley, Steinberg, Washington, Wesson, and Wildman) (Coauthors: Senators Alpert, Figueroa, McPherson, Perata, Polanco, Solis, and Vasconcellos)
247	295	—	Corbett and Wright (Principal coauthors: Assembly Members Romero and Villaraigosa) (Principal coauthor: Senator Baca) (Coauthors: Assembly Members Aroner, Ducheny, Knox, Kuehl, Machado, Scott, Shelley, Steinberg, and Vincent) (Coauthors: Senators Hughes, Peace, Perata, Rainey, and Solis)
248	—	15	Polanco
249	189	—	Ackerman
250	197	—	Ackerman
251	213	—	Romero (Coauthors: Assembly Members Calderon, Cardoza, Corbett, Firebaugh, Havice, Keeley, Longville, Mazzoni, Shelley, Steinberg, and Washington) (Coauthors: Senators Polanco, Solis, and Vasconcellos)
252	352	—	Migden
253	410	—	Lempert and Papan
254	451	—	Maddox (Coauthors: Senators Alpert and Polanco)
255	478	—	Cox
256	617	—	Campbell
257	693	—	Machado
258	755	—	Corbett
259	799	—	Keeley
260	845	—	Maddox
261	951	—	Wiggins
262	1018	—	Cox
263	1051	—	Kaloogian
264	1404	—	Dutra
265	—	103	Johannessen and Assembly Member Hertzberg (Coauthors: Senators Karnette and Ortiz) (Coauthors: Assembly Members Alquist, Dickerson, Longville, and Margett)
266	—	232	Committee on Local Government (Senators Rainey (Chair), Baca, Johannessen, Monteith, Perata, Polanco, and Schiff)
267	—	233	Committee on Local Government (Senators Rainey (Chair), Baca, Johannessen, Monteith, Perata, Polanco, and Schiff)
268	—	287	Baca (Coauthor: Senator Figueroa) (Coauthor: Assembly Member Alquist)
269	—	614	Morrow
270	224	—	Knox
271	814	—	Committee on Public Employees, Retirement and Social Security (Correa (Chair), Firebaugh, Honda, Knox, and Pescetti)
272	1528	—	Strom-Martin
273	—	1301	Kelley
274	—	943	Dunn
275	65	—	Ducheny (Coauthors: Assembly Members Cardenas, Firebaugh, Gallegos, Granlund, Honda, Longville, Mazzoni, Reyes, Soto, and Strom-Martin) (Coauthor: Senator Alarcon)
276	116	—	Mazzoni (Coauthors: Assembly Members Alquist, Aroner, Thomson, and Washington)
277	134	—	Thomson (Coauthor: Senator Perata)
278	168	—	Ackerman
279	292	—	Davis
280	396	—	Havice
281	457	—	Scott
282	467	—	Torlakson
283	712	—	Firebaugh
284	808	—	Strom-Martin (Coauthors: Assembly Members Aroner, Cox, Keeley, and Leach) (Coauthors: Senators Alpert and Solis)
285	968	—	Ducheny (Principal coauthor: Assembly Member Scott)
286	1137	—	Strom-Martin
287	1668	—	Knox

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Ch. No.	A.B. No.	S.B. No.	Author
288	—	791	Perata, Chesbro, Johannessen, and Monteith (Coauthors: Assembly Members Cardoza and Strom-Martin)
289	—	963	Monteith (Coauthors: Senators Haynes and Morrow) (Coauthors: Assembly Members Aanestad, Battin, Leach, Oller, and Robert Pacheco)
290	—	979	McPherson
291	—	1014	Poochigian (Coauthor: Senator Costa) (Coauthors: Assembly Members Machado and Strickland)
292	—	1055	Bowen
293	—	1093	Johnston
294	—	1122	Alarcon
295	—	1260	Hayden
296	1323	—	Floyd
297	—	813	Murray
298	381	—	Cardoza
299	613	—	Wildman (Principal coauthor: Senator Solis) (Coauthors: Assembly Members Gallegos, Knox, Margett, Migden, Oller, Romero, Scott, and Steinberg)
300	847	—	Campbell (Coauthors: Assembly Members Aroner, Longville, Robert Pacheco, and Washington)
301	1336	—	Washington
302	1395	—	Correa
303	1540	—	Vincent
304	—	142	Baca (Coauthor: Assembly Member Soto)
305	—	258	Ortiz
306	—	319	Burton
307	—	522	Wright
308	—	805	McPherson
309	—	1022	Johnston
310	—	1073	Committee on Public Employment and Retirement (Senators Ortiz (Chair), Baca, Karnette, and Lewis)
311	—	1185	Johnston
312	—	1208	Committee on Elections and Reapportionment (Senators Murray (Chair), Lewis, Polanco, and Poochigian)
313	—	1296	Polanco
314	—	1297	Schiff
315	160	—	Alquist
316	342	—	Cox
317	1465	—	Machado
318	341	—	Cox
319	969	—	Papan
320	1413	—	Shelley
321	1578	—	Cunneen
322	—	282	Kelley (Principal coauthor: Assembly Member Machado) (Coauthors: Senators Alpert, Baca, Brulte, Burton, Chesbro, Hayden, Haynes, Johannessen, Johnson, Karnette, Knight, Leslie, Lewis, McPherson, Monteith, Morrow, Murray, O'Connell, Ortiz, Peace, Polanco, Poochigian, Rainey, Schiff, Sher, and Solis) (Coauthors: Assembly Members Alquist, Ashburn, Briggs, Calderon, Cardoza, Dickerson, Dutra, Firebaugh, Florez, Frusetta, Gallegos, House, Kuehl, Lempert, Longville, Lowenthal, Maddox, Margett, Mazzoni, Papan, Pescetti, Reyes, Romero, Soto, Steinberg, Strom-Martin, Thompson, Thomson, Torlakson, Vincent, Washington, Wesson, Wildman, and Wright)
323	—	351	Figueroa (Coauthors: Assembly Members Corbett, Dutra, Havice, Kuehl, Longville, Romero, and Washington)
324	—	382	Haynes (Principal coauthor: Senator Morrow) (Principal coauthor: Assembly Member Bates) (Coauthors: Assembly Members House and Robert Pacheco)
325	—	459	Johnson
326	—	476	Chesbro
327	—	531	Baca
328	—	665	Sher
329	—	1274	Costa
330	71	—	Cunneen and Margett (Principal coauthor: Assembly Member Knox) (Coauthors: Assembly Members Leach, Leonard, and Scott)
331	89	—	Cedillo
332	588	—	Cardenas
333	637	—	Migden
334	704	—	Honda
335	972	—	Ducheny
336	1079	—	Robert Pacheco
337	1279	—	Scott (Coauthor: Assembly Member Ducheny)
338	1586	—	Florez
339	1692	—	Committee on Consumer Protection, Governmental Efficiency and Economic Development (Davis (Chair), Leach (Vice Chair), Floyd, Lempert, Machado, and Wesson)
340	—	56	Solis (Coauthor: Senator Chesbro)
341	—	105	Burton (Principal coauthors: Assembly Members Shelley and Villaraigosa) (Coauthors: Senators Dunn and Hayden) (Coauthor: Assembly Member Migden)
342	—	144	Schiff and Assembly Member Hertzberg
343	—	185	Peace
344	—	210	Committee on Judiciary (Senators Schiff (Chair), Burton, Escutia, Morrow, O'Connell, Peace, Sher, and Wright)
345	—	248	Lewis
346	—	518	Schiff
347	—	579	Dunn
348	—	685	Monteith (Principal coauthor: Senator Poochigian) (Coauthor: Senator Johannessen) (Coauthors: Assembly Members Battin, Campbell, House, Leach, McClintock, Oller, Robert Pacheco, Strickland, and Zettel)
349	—	689	Johnston
350	—	786	Schiff
351	—	829	Figueroa
352	—	933	Poochigian (Coauthors: Senators Costa, Johannessen, and Leslie) (Coauthor: Assembly Members House, Leach, and Oller)
353	—	1161	Committee on Judiciary (Senators Schiff (Chair), Burton, Escutia, Peace, and Sher)
354	—	1171	Johnson
355	—	1288	Murray
356	880	—	Dutra
357	1399	—	Wayne
358	—	77	Murray (Coauthors: Senators Costa and Solis) (Coauthors: Assembly Members Aroner and Calderon)
359	—	286	Wright
360	—	742	Brulte
361	563	—	Honda (Coauthors: Assembly Members Alquist, Cunneen, Havice, Keeley, Leach, Lempert, Longville, Strom-Martin, Washington, and Wayne) (Coauthors: Senators Bowen and O'Connell)
362	—	497	Rainey (Coauthor: Assembly Members House and Lowenthal)
363	154	—	Cunneen (Principal coauthor: Senator Vasconcellos)
364	376	—	Floyd
365	—	342	McPherson
366	184	—	Davis
367	207	—	Thomson (Coauthors: Assembly Members Alquist, Campbell, Rod Pacheco, and Wayne)
368	669	—	Vincent
369	1106	—	Committee on Human Services (Aroner (Chair), Ashburn (Vice-Chair), Ducheny, and Strom-Martin)

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370	1170	—	Frusetta (Coauthor: Assembly Member Kaloogian)
371	—	1247	Escutia (Principal coauthor: Senator Chesbro)
372	—	1304	Committee on Environmental Quality (Senators Sher (Chair), Alarcon, Alpert, Chesbro, Hayden, McPherson, O'Connell, Rainey, Solis, and Wright)
373	74	—	Strom-Martin (Principal coauthor: Senator Chesbro) (Coauthor: Assembly Member Wiggins)
374	117	—	Mazzoni (Coauthors: Assembly Members Alquist, Aroner, and Washington)
375	261	—	Lempert
376	327	—	Gallegos
377	339	—	Runner (Coauthor: Senator Knight)
378	405	—	Knox and Torlakson
379	422	—	Steinberg (Coauthors: Assembly Members Aroner, Corbett, Kuehl, and Thomson)
380	423	—	Dutra
381	471	—	Scott and Senator O'Connell (Coauthors: Assembly Members Cunneen, Honda, Keeley, Mazzoni, Soto, and Wildman) (Coauthor: Senator Solis)
382	501	—	Nakano (Coauthors: Assembly Members Calderon and Havice)
383	526	—	Zettel (Coauthors: Assembly Members Calderon, Cox, Cunneen, Margett, Oller, and Strickland) (Coauthor: Senator Alpert)
384	535	—	Reyes
385	577	—	Honda (Coauthors: Assembly Members Alquist, Calderon, and Campbell) (Coauthors: Senators Ortiz and Polanco)
386	685	—	Thomson, Aroner, and Wesson
387	762	—	Briggs
388	802	—	Dutra
389	810	—	Thomson
390	939	—	Brewer (Coauthor: Senator Rainey)
391	942	—	Dutra
392	1062	—	Margett (Coauthors: Assembly Members Cardenas, Havice, Leach, Longville, Robert Pacheco, Steinberg, and Washington) (Coauthors: Senators Alpert and Vasconcellos)
393	1234	—	Shelley (Coauthor: Assembly Member Alquist)
394	1546	—	Granlund
395	—	120	Ortiz (Coauthor: Assembly Member Steinberg)
396	—	139	Johnson (Coauthor: Senator Morrow)
397	—	176	Knight (Coauthors: Assembly Members Cox, House, Margett, McClintock, Robert Pacheco, Runner, and Strickland)
398	—	493	Figueroa (Coauthors: Senators Escutia and Perata) (Coauthors: Assembly Members Cardoza, Cunneen, Davis, Honda, Knox, Leach, Romero, Thomson, Washington, Wayne, and Zettel)
399	—	1226	Johannessen
400	—	1309	Baca
401	241	—	Cunneen
402	734	—	Romero
403	791	—	Thomson and Migden (Coauthor: Assembly Member Aroner) (Coauthors: Senators O'Connell and Solis)
404	—	637	Baca (Coauthors: Senators Johannessen and Solis) (Coauthors: Assembly Members Alquist, Briggs, Havice, Honda, Knox, Kuehl, Leach, Oller, Romero, Washington, and Zettel)
405	187	—	Hertzberg
406	253	—	Thomson
407	653	—	Hertzberg (Principal coauthors: Assembly Members Dutra and Washington) (Coauthor: Assembly Member Papan)
408	811	—	Keeley
409	925	—	Hertzberg and Rod Pacheco
410	1108	—	Committee on Human Services (Aroner (Chair), Ashburn (Vice Chair), Ducheny, and Strom-Martin)
411	1433	—	Granlund
412	1454	—	Committee on Insurance (Scott (Chair), Calderon, Floyd, Gallegos, Havice, Keeley, and Wayne)
413	1456	—	Scott (Coauthors: Assembly Members Havice, Kuehl, Knox, and Romero) (Coauthor: Senator Figueroa)
414	1499	—	Lowenthal and Shelley (Coauthors: Assembly Members Aroner, Calderon, Correa, Firebaugh, Jackson, Keeley, Knox, Kuehl, Machado, Romero, Strom-Martin, Washington, and Wildman) (Coauthors: Senators Escutia, Hughes, Polanco, Solis, and Vasconcellos)
415	—	60	Hayden
416	—	134	Kelley
417	—	208	Polanco (Principal coauthor: Assembly Member Washington)
418	—	490	Kelley
419	—	526	Kelley
420	—	636	Sher
421	—	681	Speier
422	—	750	Johnston
423	—	930	Hughes (Coauthor: Senator Solis) (Coauthor: Assembly Member Thomson)
424	—	1090	Schiff
425	—	1099	Knight, Baca, Chesbro, Costa, Dunn, Haynes, Johannessen, Kelley, O'Connell, and Perata (Coauthors: Assembly Members Aanestad, Baldwin, Battin, Davis, House, Leach, Nakano, Robert Pacheco, Runner, Strickland, Wayne, Wiggins, and Zettel)
426	243	—	Wildman
427	—	157	Johnston
428	—	820	Sher and Bowen (Coauthors: Assembly Members Alquist and Wayne)
429	186	—	Hertzberg
430	893	—	Alquist (Coauthors: Assembly Members Havice, Honda, Jackson, Keeley, Knox, Lempert, Mazzoni, Romero, Shelley, and Washington) (Coauthors: Senators Baca and Speier)
431	1616	—	Havice
432	—	437	Rainey
433	—	658	Karnette
434	—	737	Committee on Insurance (Senators Speier (Chair), Escutia, Figueroa, Johnson, Leslie, Lewis, and Sher)
435	560	—	Oller and Machado (Coauthors: Assembly Members Aanestad, Campbell, Cardoza, Cox, Dickerson, Leonard, Robert Pacheco, Thomson, and Torlakson) (Coauthors: Senators Alpert, Johannessen, Johnston, Knight, and Leslie)
436	124	—	Ackerman (Principal coauthor: Assembly Member Machado) (Coauthors: Assembly Members Alquist, Aroner, Honda, Kuehl, and Scott)
437	198	—	Ackerman
438	221	—	Wildman (Coauthors: Assembly Members Florez, Havice, and Pescetti) (Coauthor: Senator O'Connell)
439	514	—	Thomson (Coauthors: Assembly Members Aanestad, Dickerson, Jackson, and Robert Pacheco)
440	545	—	Robert Pacheco
441	583	—	Papan
442	634	—	Wildman
443	790	—	Honda
444	794	—	Corbett
445	840	—	Kuehl (Principal coauthor: Senator Rainey) (Coauthors: Assembly Members Havice, Keeley, Mazzoni, McClintock, Thomson,

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			and Washington) (Coauthors: Senators Alpert, Chesbro, Karnette, Morrow, Perata, and Solis)
446	1013	—	Scott
447	1251	—	Committee on Agriculture (Cardoza (Chair), Maldonado (Vice Chair), Brewer, Florez, Reyes, Thomson, and Wiggins)
448	1290	—	Davis
449	1471	—	Havice and Washington
450	1477	—	Committee on Agriculture (Cardoza (Chair), Florez, Reyes, Thomson, and Wiggins)
451	1487	—	Maldonado
452	1512	—	Briggs
453	1687	—	Committee on Banking and Finance (Papan (Chair), Cox (Vice Chair), Alquist, Campbell, Florez, Frusetta, Gallegos, Machado, Mazzoni, Pescetti, and Washington)
454	—	72	Murray
455	—	331	Wright (Coauthor: Assembly Member Lempert)
456	—	378	Kelley
457	—	401	Karnette
458	—	804	Perata
459	—	809	O'Connell
460	—	1200	Poochigian
461	18	—	Villaraigosa and Keeley (Principal coauthors: Senators Hayden, Chesbro, and Murray) (Principal coauthor: Assembly Member Shelley) (Coauthors: Assembly Members Aanestad, Alquist, Aroner, Battin, Bock, Briggs, Calderon, Cardoza, Cedillo, Correa, Cunneen, Dickerson, Dutra, Firebaugh, Frusetta, Gallegos, Havice, Hertzberg, Honda, Jackson, Kuehl, Lempert, Longville, Lowenthal, Machado, Maldonado, Mazzoni, Migden, Pescetti, Reyes, Romero, Scott, Soto, Steinberg, Strom-Martin, Thomson, Torlakson, Wesson, Wiggins, and Wildman) (Coauthors: Senators Alarcon, McPherson, Rainey, Schiff, Sher, and Solis)
462	178	—	Torlakson and Runner
463	41	—	Wesson (Coauthors: Assembly Members Calderon, Soto, Washington, and Zettel) (Coauthor: Senator Solis)
464	417	—	Floyd
465	819	—	Committee on Public Employees, Retirement and Social Security (Correa (Chair), Firebaugh, Honda, Knox, and Pescetti)
466	1148	—	Dickerson (Coauthor: Senator Chesbro)
467	1364	—	Migden
468	1506	—	Florez (Coauthor: Assembly Member Papan)
469	1655	—	Hertzberg
470	1688	—	Papan
471	—	164	Johnston (Principal coauthor: Assembly Member Honda) (Coauthors: Senators Baca, Bowen, Costa, Escutia, Figueroa, Hughes, Sher, Solis, Speier, and Vasconcellos) (Coauthors: Assembly Members Alquist, Aroner, Kuehl, Nakano, and Steinberg)
472	—	249	Johannessen
473	—	574	Dunn, McPherson, and Sher (Coauthors: Assembly Members Dutra, Granlund, Honda, Machado, and Washington)
474	—	583	Baca
475	—	654	Schiff
476	—	965	Leslie
477	—	1195	Hayden
478	196	—	Kuehl (Principal coauthors: Assembly Members Aroner and Villaraigosa) (Principal coauthors: Senators Burton and Schiff) (Coauthors: Assembly Members Alquist, Calderon, Jackson, Longville, Mazzoni, Romero, Shelley, and Washington) (Coauthors: Senators Hayden and Ortiz)
479	150	—	Aroner, Cunneen, Kuehl, and Villaraigosa (Coauthors: Senators Bowen, Escutia, and Speier)
480	—	542	Burton and Schiff (Principal coauthor: Assembly Member Kuehl)
481	—	252	Kelley (Coauthor: Assembly Member Zettel)
482	1218	—	Keeley (Coauthors: Assembly Members Bock, Correa, and Honda) (Coauthors: Senators Dunn, McPherson, and Sher)
483	76	—	Keeley
484	384	—	Jackson (Coauthors: Assembly Members Aanestad, Calderon, Honda, Kuehl, Leach, Longville, Machado, Wildman, and Zettel) (Coauthors: Senators Baca, O'Connell, Rainey, and Solis)
485	404	—	Kuehl
486	517	—	Maldonado
487	528	—	Papan
488	538	—	Wayne
489	771	—	Briggs (Principal coauthor: Senator Peace) (Coauthors: Assembly Members Aanestad, Battin, Campbell, Dickerson, House, Leach, Oller, Robert Pacheco, Runner, and Zettel) (Coauthors: Senators Johannessen and Knight)
490	831	—	Leach (Coauthors: Assembly Members Ackerman, Campbell, Cox, Cunneen, and Zettel) (Coauthors: Senators Knight and Morrow)
491	848	—	Kuehl
492	855	—	Cardenas (Principal coauthor: Assembly Member Runner) (Coauthors: Senators Escutia, Hughes, and Solis)
493	873	—	Committee on Human Services
494	963	—	Gallegos
495	982	—	Ducheny
496	992	—	Wayne
497	1047	—	Firebaugh
498	1081	—	Calderon (Principal coauthor: Senator Johnston)
499	1092	—	Lowenthal, Aroner, Calderon, Cox, Havice, House, Jackson, Knox, and Longville (Coauthors: Senators Karnette, O'Connell, and Perata)
500	1151	—	Leach (Coauthors: Assembly Members Campbell, Cox, House, Robert Pacheco, and Wiggins) (Coauthors: Senators Leslie and Rainey)
501	1164	—	Aanestad
502	1210	—	Strom-Martin (Coauthor: Assembly Member Oller)
503	1229	—	Committee on Agriculture (Cardoza (Chair), Florez, Reyes, Thomson, and Wiggins)
504	1291	—	Corbett (Coauthors: Assembly Members Alquist, Aroner, Briggs, Calderon, Cunneen, Kuehl, Longville, Shelley, Washington, and Zettel) (Coauthors: Senators Alarcon, Figueroa, Johannessen, and Solis)
505	1357	—	Wesson
506	1403	—	Soto
507	1435	—	Briggs
508	1676	—	Committee on Judiciary (Kuehl (Chair), Aroner, Corbett, Hertzberg, Jackson, Longville, Shelley, and Steinberg)
509	—	33	Peace
510	—	96	Peace and Baca (Coauthors: Assembly Members House, Leach, Leonard, and Longville)
511	—	152	Johannessen
512	—	187	Hughes

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513	—	317	Leslie (Principal coauthor: Assembly Member Dutra) (Coauthors: Assembly Members Bates, House, Robert Pacheco, and Zettel)
514	—	367	Dunn
515	—	481	Baca (Coauthors: Assembly Members Leonard, Longville, and Soto)
516	—	482	Baca (Coauthors: Senators Costa, Johannessen, Leslie, Murray, Ortiz, and Solis) (Coauthors: Assembly Members Cardoza, Cox, Dickerson, Granlund, House, Kuehl, Leach, Longville, Maldonado, Margett, Oller, Romero, Strom-Martin, and Washington)
517	—	534	Dunn
518	—	555	Karnette
519	—	653	Karnette (Principal coauthor: Assembly Member Margett) (Coauthors: Assembly Members Firebaugh, Lowenthal, and Romero)
520	—	700	O'Connell, Alarcon, Chesbro, Dunn, McPherson, Morrow, Ortiz, and Solis (Coauthors: Assembly Members Alquist, Honda, Keeley, Lempert, Machado, Soto, Washington, and Wiggins)
521	—	981	Polanco
522	—	997	Brulte
523	—	1178	Figueroa
524	—	520	Johnson
525	78	—	Gallegos (Principal coauthors: Assembly Members Shelley and Villaraigosa) (Coauthor: Assembly Member Soto)
526	—	19	Figueroa and Assembly Member Davis (Coauthors: Assembly Members Gallegos, Kuehl, and Machado)
527	416	—	Machado
528	892	—	Alquist (Coauthors: Assembly Members Honda, Jackson, Knox, Kuehl, Longville, Romero, Shelley, Thomson, and Washington) (Coauthors: Senators Baca, Hughes, Solis, and Vasconcellos)
529	—	260	Speier (Principal coauthor: Assembly Member Corbett)
530	215	—	Soto
531	12	—	Davis (Coauthor: Assembly Member Correa)
532	39	—	Hertzberg (Principal coauthor: Senator Speier) (Coauthors: Assembly Members Alquist, Aroner, Calderon, Davis, Firebaugh, Honda, Jackson, Keeley, Knox, Kuehl, Lempert, Longville, Mazzoni, Shelley, Steinberg, Strom-Martin, Villaraigosa, Washington, and Wildman) (Coauthors: Senators Alpert, Bowen, Chesbro, Costa, Figueroa, Hayden, Karnette, Murray, Ortiz, Perata, and Solis)
533	55	—	Migden and Thomson and Senator Schiff (Principal coauthors: Assembly Member Strom-Martin and Senator Speier) (Coauthors: Assembly Members Soto and Wayne)
534	88	—	Thomson (Principal coauthor: Senator Perata) (Coauthors: Assembly Members Alquist, Aroner, Cardoza, Corbett, Davis, Dickerson, Dutra, Frusetta, Granlund, Hertzberg, Jackson, Knox, Kuehl, Lempert, Longville, Lowenthal, Machado, Mazzoni, Migden, Papan, Romero, Scott, Shelley, Steinberg, Strom-Martin, Villaraigosa, Washington, Wayne, and Wright) (Coauthors: Senators Alpert, Chesbro, Escutia, Ortiz, Rainey, Solis, and Vasconcellos)
535	285	—	Corbett
536	—	21	Figueroa and Assembly Member Kuehl (Coauthor: Senator Escutia)
537	—	5	Rainey
538	—	41	Speier (Principal coauthor: Assembly Member Hertzberg) (Coauthors: Senators Alpert, Bowen, Chesbro, Costa, Figueroa, Hayden, Karnette, Murray, Ortiz, Perata, and Solis) (Coauthors: Assembly Members Alquist, Aroner, Calderon, Davis, Firebaugh, Honda, Jackson, Keeley, Knox, Kuehl, Lempert, Longville, Mazzoni, Shelley, Steinberg, Strom-Martin, Villaraigosa, Washington, and Wildman)
539	—	59	Perata and Ortiz (Principal coauthor: Senator Figueroa) (Principal coauthors: Assembly Members Gallegos, Soto, and Thomson) (Coauthor: Assembly Member Alquist)
540	—	64	Solis and Sher (Coauthors: Senators Baca, Bowen, Dunn, Escutia, Figueroa, Hughes, Ortiz, Perata, Polanco, and Rainey) (Coauthors: Assembly Members Alquist, Aroner, Cardoza, Correa, Davis, Dutra, Firebaugh, Floyd, Gallegos, Honda, Jackson, Knox, Kuehl, Lempert, Machado, Margett, Romero, Soto, Steinberg, Strom-Martin, Washington, Wayne, and Wildman)
541	—	148	Alpert (Coauthor: Senator Bowen)
542	—	189	Schiff and Assembly Member Migden (Coauthors: Senators Chesbro, Karnette, Perata, and Rainey) (Coauthors: Assembly Members Alquist, Havice, Longville, Romero, and Washington)
543	—	205	Perata (Coauthor: Assembly Member Wesson)
544	—	349	Figueroa (Coauthors: Assembly Members Corbett and Dutra)
545	—	559	Brulte
546	283	—	Longville
547	390	—	Scott
548	1052	—	Jackson (Coauthors: Assembly Members Aroner, Davis, Knox, Kuehl, Leach, Machado, Romero, and Wayne) (Coauthors: Senators Alpert, Baca, Escutia, Figueroa, Solis, and Vasconcellos)
549	1215	—	Thomson
550	—	275	Committee on Local Government (Senators Rainey (Chair), Baca, Johannessen, Johnston, Monteith, Perata, and Polanco
551	—	516	Haynes
552	—	543	Bowen
553	279	—	Wayne
554	633	—	Steinberg (Principal coauthor: Senator Hayden)
555	—	400	Ortiz (Principal coauthor: Senator Burton) (Principal coauthor: Assembly Member Correa) (Coauthors: Assembly Members Pescetti and Steinberg)
556	555	—	Reyes (Coauthors: Assembly Members Alquist, Cedillo, Ducheny, Firebaugh, Honda, Jackson, Knox, Kuehl, Machado, Mazzoni, Robert Pacheco, Soto, Steinberg, Thomson, and Wildman) (Coauthors: Senators Baca, Escutia, Ortiz, Solis, and Vasconcellos)
557	1165	—	Florez and Frusetta (Principal coauthors: Assembly Members Briggs, Cardoza, Machado, and Reyes) (Principal coauthors: Senators Costa and Johnston) (Coauthors: Assembly Members Alquist, Bock, Cardenas, Cedillo, Gallegos, Honda, Knox, Kuehl, Margett, Mazzoni, Pacheco, Romero, Strom-Martin, Thomson, and Wiggins) (Coauthors: Senators Alarcon, Baca, Chesbro, Escutia, Hayden, Murray, Ortiz, Polanco, Speier, and Vasconcellos)
558	—	1011	Polanco (Coauthors: Senators Baca, Ortiz, Solis, and Speier) (Coauthors: Assembly

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			Members Aroner, Cardenas, Ducheny, Firebaugh, Havice, Jackson, Machado, Mazzoni, Romero, Strom-Martin, Thomson, Vincent, and Washington)
559	—	798	Burton
560	—	227	Alpert
561	59	—	Cedillo
562	72	—	Florez and Ashburn (Principal coauthors: Senators Costa and Poochigian)
563	140	—	Hertzberg (Principal coauthor: Senator Alarcon) (Coauthors: Assembly Members Battin, Cunneen, Oller, and Zettel) (Coauthor: Senator Polanco)
564	157	—	Reyes, Ashburn, Briggs, Cardoza, Florez, and Machado (Coauthors: Senators Costa and Poochigian)
565	180	—	Havice
566	208	—	Knox (Coauthors: Assembly Members Jackson, Kuehl, Romero, Shelley, Villaraigosa, and Zettel) (Coauthor: Senator Johnston)
567	236	—	Honda and Cunneen (Principal coauthor: Assembly Member Jackson) (Principal coauthor: Senator O'Connell) (Coauthors: Assembly Members Alquist, Dutra, Frusetta, and Lempert) (Coauthors: Senators Figueroa, McPherson, and Sher)
568	301	—	Wright
569	313	—	Zettel
570	476	—	Ackerman and Baugh
571	491	—	Scott (Coauthors: Assembly Members Aroner, Corbett, Cunneen, Dutra, Jackson, Keeley, Knox, Kuehl, Lempert, Longville, Reyes, Steinberg, and Wildman) (Coauthors: Senators Bowen, Chesbro, Ortiz, Schiff, and Speier)
572	872	—	Alquist (Coauthors: Assembly Members House, Knox, Kuehl, and Leach) (Coauthors: Senators Figueroa and Rainey)
573	926	—	Cedillo
574	1110	—	Committee on Budget (Ducheny (Chair), Cardenas, Cedillo, Correa, Firebaugh, Florez, Keeley, Nakano, Papan, Reyes, Scott, Strom-Martin, Torlakson, Wildman, and Wright)
575	1163	—	Steinberg, Hertzberg, Knox, Mazzoni, Migden, Shelley, and Villaraigosa and Senator Ortiz
576	1193	—	Leonard (Coauthors: Assembly Members Campbell, Cox, Cunneen, Dickerson, Havice, House, Kuehl, Leach, Longville, Maldonado, Margett, Robert Pacheco, Runner, and Zettel) (Coauthors: Senators Costa, Knight, Polanco, and Rainey)
577	1274	—	Frusetta
578	1587	—	Scott and Aroner
579	—	6	Rainey (Coauthors: Senators Knight and McPherson) (Coauthors: Assembly Members Cunneen, Dickerson, House, Knox, Kuehl, Leach, Longville, Margett, Robert Pacheco, Torlakson, Washington, and Zettel)
580	—	69	Murray (Coauthors: Assembly Members Calderon, Havice, Kuehl, Longville, Romero and Scott)
581	—	110	Peace
582	—	621	Sher
583	531	—	Soto (Coauthor: Assembly Member Correa)
584	606	—	Jackson
585	850	—	Torlakson (Principal coauthor: Assembly Member Correa) (Coauthors: Assembly Members Knox, Leach, and Romero) (Coauthor: Senator Speier)
586	—	926	Speier
587	537	—	Kuehl, Aroner, Hertzberg, Migden, and Villaraigosa (Coauthors: Assembly Members Alquist, Bock, Calderon, Davis, Dutra, Firebaugh, Gallegos, Honda, Jackson, Keeley, Knox, Longville, Lowenthal, Mazzoni, Romero, Shelley, Steinberg, Strom-Martin, Thomson, Torlakson, Vincent, Wayne, Wesson, Wiggins, and Wildman) (Coauthors: Senators Bowen, Figueroa, Hayden, Johnston, Murray, Solis, Speier, and Vasconcellos)
588	26	—	Migden, Kuehl, and Villaraigosa (Principal coauthor: Assembly Member Knox) (Coauthors: Assembly Members Alquist, Aroner, Calderon, Firebaugh, Keeley, Lempert, Longville, Mazzoni, Romero, and Steinberg) (Coauthors: Senators Bowen, Johnston, Murray, Solis, Speier, and Vasconcellos)
589	—	1148	Burton and Assembly Member Rod Pacheco
590	—	1098	Burton
591	1670	—	Committee on Judiciary (Kuehl (Chair), Aroner, Bock, Corbett, Jackson, Knox, Longville, Shelley, Steinberg, and Wiggins)
592	1001	—	Villaraigosa, Hertzberg, Keeley, Kuehl, Migden, and Shelley (Principal coauthor: Senator Vasconcellos) (Coauthors: Assembly Members Aroner, Corbett, Firebaugh, Honda, Jackson, Knox, Mazzoni, Romero, Steinberg, Strom-Martin, and Thomson) (Coauthors: Senators Hayden, Solis, and Speier)
593	—	733	Poochigian (Coauthors: Senators Alarcon, Alpert, Baca, Bowen, Brulte, Burton, Chesbro, Costa, Dunn, Escutia, Figueroa, Hayden, Haynes, Hughes, Johannessen, Johnson, Johnston, Karnette, Kelley, Knight, Leslie, Lewis, McPherson, Monteith, Morrow, Mountjoy, Murray, O'Connell, Ortiz, Peace, Perata, Polanco, Rainey, Schiff, Sher, Solis, Speier, Vasconcellos, and Wright) (Coauthors: Assembly Members Aanestad, Ackerman, Alquist, Aroner, Ashburn, Baldwin, Bates, Battin, Baugh, Bock, Brewer, Briggs, Calderon, Campbell, Cardenas, Cardoza, Cedillo, Corbett, Correa, Cox, Cunneen, Davis, Dickerson, Ducheny, Dutra, Firebaugh, Florez, Floyd, Frusetta, Gallegos, Granlund, Havice, Hertzberg, Honda, House, Jackson, Keeley, Knox, Kuehl, Leach, Lempert, Leonard, Longville, Lowenthal, Machado, Maddox, Maldonado, Margett, Mazzoni, Migden, Nakano, Olberg, Oller, Robert Pacheco, Rod Pacheco, Papan, Pescetti, Reyes, Romero, Runner, Scott, Shelley, Soto, Steinberg, Strickland, Strom-Martin, Thompson, Thomson, Torlakson, Villaraigosa, Vincent, Washington, Wayne, Wesson, Wiggins, Wildman, and Wright)
594	1041	—	Strickland (Coauthors: Assembly Members Ackerman, Ashburn, Baldwin, Bates, Battin, Baugh, Briggs, Campbell, Cox, Dickerson, House, Kaloogian, Leach, Maldonado, Oller, Robert Pacheco, Pescetti, Runner, Thompson, and Zettel) (Coauthors: Senators Brulte, Haynes, and Leslie)
595	539	—	Papan (Coauthor: Assembly Member Lempert)
596	1564	—	Strom-Martin and Machado (Coauthors: Assembly Members Dickerson, Keeley, and Longville) (Coauthors: Senators Chesbro and Costa)
597	1464	—	Florez and Cardoza (Principal coauthor: Assembly Member Strom-Martin)

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598	61	—	Cardoza, Alquist, Briggs, Calderon, Florez, Maldonado, and Strom-Martin (Coauthors: Senators Costa, Johannessen, Leslie, Monteith, and Poochigian)
599	—	1269	Alpert
600	—	515	Chesbro and Assembly Member Florez
601	—	274	Johannessen
602	—	154	Polanco
603	—	42	Johnson
604	—	4	Johannessen
605	1635	—	Committee on Revenue and Taxation (Knox (Chair), Kaloogian (Vice Chair), Aroner, Briggs, Ducheny, Honda, and Romero)
606	1473	—	Hertzberg, Corbett, and Torlakson (Coauthor: Senator Peace)
607	1383	—	Thompson (Coauthors: Assembly Members Maldonado, Robert Pacheco, and Strom-Martin) (Coauthors: Senators Chesbro and O'Connell)
608	1342	—	Granlund
609	1243	—	Committee on Agriculture (Cardoza (Chair), Maldonado (Vice Chair), Brewer, Florez, Reyes, Thomson, and Wiggins)
610	975	—	Ducheny
611	971	—	Olberg (Coauthor: Assembly Member Longville)
612	640	—	Bates (Principal coauthors: Assembly Members Briggs and Florez) (Coauthors: Assembly Members Campbell, House, Kaloogian, Leach, Oller, Robert Pacheco, and Strickland)
613	503	—	Pescetti (Coauthors: Assembly Members Machado and Thomson) (Coauthors: Senators Johannessen and Johnston)
614	414	—	Havice
615	1127	—	Steinberg
616	1268	—	Kuehl
617	34	—	Steinberg and Baugh (Principal coauthor: Senator Burton) (Coauthors: Assembly Members Alquist, Calderon, Cedillo, Gallegos, Hertzberg, Honda, Jackson, Keeley, Kuehl, Lowenthal, Mazzoni, Pescetti, Romero, Strom-Martin, Thomson, and Washington) (Coauthors: Senators Alpert, Baca, Chesbro, Johnston, Perata, and Solis)
618	62	—	Papan (Principal coauthor: Senator Hughes)
619	110	—	Baugh
620	118	—	Washington (Coauthor: Assembly Member Migden)
621	293	—	Wesson (Principal coauthor: Assembly Member Washington) (Coauthor: Assembly Member Havice) (Coauthors: Senators Baca, O'Connell, and Solis)
622	300	—	Corbett (Principal coauthor: Assembly Member Alquist) (Coauthors: Assembly Members Honda, Keeley, Knox, and Scott) (Coauthors: Senators Alarcon, Baca, Sher, and Solis)
623	466	—	Mazzoni
624	670	—	Papan
625	883	—	Committee on Rules (Hertzberg (Chair), Calderon, Corbett, Granlund, Washington, and Wiggins) (Coauthor: Assembly Member Steinberg)
626	884	—	Kuehl
627	1232	—	Committee on Agriculture (Cardoza (Chair), Maldonado (Vice Chair), Brewer, Reyes, Thomson, and Wiggins)
628	1318	—	Bates (Coauthors: Assembly Members Ackerman, Baldwin, Baugh, Campbell, Correa, Ducheny, Kaloogian, Maddox, and Wayne) (Coauthors: Senators Alpert, Dunn, Johnson, Kelley, Lewis, and Morrow)
629	1332	—	Lowenthal
630	—	399	Ortiz
631	—	450	Speier
632	—	713	Burton
633	—	800	Dunn
634	—	955	Escutia
635	—	1019	Vasconcellos
636	—	1031	Hughes
637	—	1121	Alarcon (Coauthor: Assembly Member Lowenthal)
638	—	1147	Leslie
639	—	1156	Sher
640	—	1186	Ortiz (Coauthor: Assembly Member Steinberg)
641	—	1196	Morrow (Coauthors: Senators Johnson, Kelley, Knight, Monteith, and Polanco) (Coauthors: Assembly Members Correa, Dickerson, and Robert Pacheco)
642	—	1207	Polanco
643	1679	—	Committee on Local Government (Longville (Chair), Maddox (Vice Chair), Thompson, Thomson, and Torlakson)
644	530	—	Papan
645	658	—	Washington
646	1600	—	Committee on Education (Mazzoni (Chair), Campbell (Vice Chair), Baldwin, Calderon, Correa, Cunneen, Davis, Honda, Nakano, Robert Pacheco, Scott, Strom-Martin, Washington, and Zettel) (Coauthors: Assembly Members Alquist and Leach)
647	1573	—	Strom-Martin (Principal coauthors: Senators Monteith and Morrow) (Coauthors: Senators Alpert and Johnston)
648	15	—	Gallegos (Coauthors: Assembly Members Calderon, Cunneen, Knox, Kuehl, Lempert, Romero, Shelley, and Washington) (Coauthor: Senator Speier)
649	838	—	Longville (Principal coauthor: Assembly Member Strom-Martin)
650	31	—	Reyes (Coauthors: Assembly Members Cardoza, Florez, and Lempert) (Coauthors: Senators Chesbro and Monteith)
651	—	131	Baca (Coauthor: Senators Hayden and O'Connell) (Coauthors: Assembly Members Jackson, Romero, and Washington)
652	—	240	Speier
653	380	—	Wright
654	370	—	Wright
655	—	1308	Committee on Business and Professions (Senators Figueroa (Chair), Johannessen, Murray, O'Connell, Polanco, and Speier)
656	—	1306	Committee on Business and Professions (Senators Figueroa (Chair), Johannessen, Murray, O'Connell, Polanco, and Speier)
657	1677	—	Committee on Consumer Protection, Governmental Efficiency and Economic Development (Davis (Chair), Leach (Vice Chair), Cox, Lempert, Machado, and Wesson)
658	891	—	Alquist
659	—	355	Hughes
660	—	563	Speier (Coauthors: Senators Alpert, Figueroa, and McPherson) (Coauthor: Assembly Members Lempert and Shelley)
661	825	—	Keeley
662	—	218	Solis (Principal coauthors: Assembly Members Jackson and Kuehl) (Coauthors: Assembly Members Aroner, Bock, Corbett, Knox, Shelley, Steinberg, and Wiggins)
663	1475	—	Soto (Principal coauthor: Assembly Member Villaraigosa) (Coauthors: Assembly Members Aroner, Correa, Davis, Dutra, Kuehl, Lempert, Longville, Scott,

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			Strom-Martin, and Wiggins) (Coauthor: Senator Johnston)
664	—	1262	O'Connell and Assembly Member Lempert (Coauthors: Assembly Members Aroner, Davis, Jackson, Kuehl, Lowenthal, Maldonado, Romero, and Scott)
665	—	1252	Peace
666	—	1233	Chesbro (Principal coauthor: Assembly Member Wiggins)
667	—	1118	Alarcon (Coauthor: Senator O'Connell)
668	—	1115	Chesbro, Solis, and Speier (Coauthors: Assembly Members Alquist, Mazzoni, Strom-Martin, and Wildman)
669	—	475	Dunn
670	—	1003	Vasconcellos
671	—	976	Perata
672	—	974	Speier
673	—	951	Hayden and Johnston
674	—	939	Monteith
675	—	934	Burton (Principal coauthor: Assembly Member Papan) (Coauthors: Senators Alpert, Brulte, Chesbro, Costa, Karnette, O'Connell, Ortiz, Perata, Polanco, and Speier) (Coauthors: Assembly Members Baugh, Campbell, Honda, Leach, Leonard, and Mazzoni)
676	—	678	Polanco (Coauthor: Assembly Member Alquist)
677	—	669	Polanco
678	—	638	Alpert (Principal coauthor: Assembly Member Mazzoni) (Coauthors: Assembly Members Alquist, Correa, Honda, and Soto)
679	—	623	Speier (Coauthor: Senator Perata)
680	—	586	Costa and Assembly Member Alquist (Coauthor: Senator Johnston) (Coauthors: Assembly Members Reyes, Scott, and Torlakson)
681	—	430	Alarcon
682	—	419	Speier
683	—	418	Polanco
684	—	397	Ortiz
685	—	395	Hughes (Coauthor: Senator McPherson) (Coauthors: Assembly Members Calderon and Cunneen)
686	—	390	Alpert (Coauthors: Senators Bowen and Solis) (Coauthors: Assembly Members Honda, Knox, Kuehl, Lempert, Machado, Romero, Shelley, and Strom-Martin)
687	—	387	Alpert and Karnette
688	—	361	Dunn
689	—	251	Knight and Alpert
690	—	115	Solis (Principal coauthor: Assembly Member Romero) (Coauthors: Senators Alarcon, Baca, Bowen, Chesbro, Hayden, Ortiz, and Sher) (Coauthors: Assembly Members Aroner, Firebaugh, Honda, Jackson, Keeley, Knox, Strom-Martin, and Washington)
691	1693	—	Cardoza
692	1689	—	Floyd (Coauthors: Assembly Members Migden, Soto, Villaraigosa, and Washington) (Coauthor: Senator Hughes)
693	1595	—	Migden
694	1574	—	Corbett
695	1557	—	Migden (Principal coauthor: Assembly Member Bock) (Coauthors: Assembly Members Aroner and Shelley)
696	1549	—	Torlakson
697	1530	—	Longville
698	1476	—	Dutra
699	1407	—	Introduced by Assembly Member Wesson (Principal coauthor: Assembly Member Granlund)
700	1393	—	Wright
701	1353	—	Committee on Health (Gallegos (Chair), Baugh (Vice Chair), Aanestad, Bates, Corbett, Firebaugh, Kuehl, Steinberg, Strickland, Vincent, Wayne, Wildman, and Zettel)
702	1334	—	Lowenthal
703	1284	—	Jackson
704	1282	—	Jackson
705	1259	—	Strom-Martin
706	1236	—	Battin
707	1222	—	Kuehl (Coauthors: Assembly Members Aroner, Bock, Jackson, Keeley, Leach, Longville, Romero, and Strom-Martin) (Coauthor: Senator Bowen)
708	1206	—	Wesson
709	1136	—	Strom-Martin (Coauthors: Assembly Members Davis, Havice, Hertzberg, Jackson, Knox, Kuehl, Leach, Lempert, Mazzoni, Robert Pacheco, Washington, Wildman, and Zettel) (Coauthors: Senators Alpert, Baca, Costa, McPherson, Ortiz, and Solis)
710	1067	—	Margett
711	1059	—	Ducheny
712	1055	—	Villaraigosa
713	1014	—	Cardoza (Coauthor: Assembly Members Aroner and Reyes) (Coauthor: Senator Polanco)
714	991	—	Papan (Principal coauthor: Senator Bowen)
715	964	—	Aroner (Coauthor: Assembly Member Torlakson)
716	936	—	Reyes (Coauthors: Assembly Members Alquist, Calderon, Correa, Firebaugh, Havice, Knox, Kuehl, Leach, Longville, Mazzoni, Romero, Shelley, and Washington) (Coauthors: Senators Costa, Solis, and Vasconcellos)
717	930	—	Calderon (Coauthor: Assembly Member Cardoza)
718	636	—	Migden, Corbett, and Thomson
719	656	—	Scott
720	—	1237	Escutia
721	1309	—	Scott (Coauthor: Senator Speier)
722	—	441	Chesbro (Coauthors: Assembly Members Strom-Martin and Wiggins)
723	194	—	Longville
724	1650	—	Committee on Transportation (Torlakson (Chair), Baldwin, Bates, Correa, Davis, Dutra, Havice, House, Leach, Longville, Maldonado, Margett, Nakano, Scott, Strom-Martin, and Zettel)
725	1584	—	Machado and Senator Costa (Principal coauthors: Assembly Members Cardoza and Florez) (Coauthors: Assembly Members Calderon, Kuehl, Strom-Martin, and Thomson) (Coauthor: Senator Ortiz)
726	—	3	Rainey, Burton, and Alpert and Assembly Members Havice and Torlakson (Principal coauthors: Senators McPherson and Schiff) (Principal coauthors: Assembly Members Cunneen, Longville, Soto, Thomson, and Villaraigosa) (Coauthors: Senators Chesbro, Costa, Johnston, Karnette, Kelley, O'Connell, Perata, Solis, and Speier) (Coauthors: Assembly Members Aroner, Bock, Calderon, Cardenas, Correa, Davis, Florez, Jackson, Kuehl, Leach, Lempert, Lowenthal, Mazzoni, Romero, Scott, Washington, and Wildman)
727	1391	—	Hertzberg and Senator Polanco (Principal coauthors: Assembly Members Davis, Romero, and Villaraigosa) (Coauthor: Assembly Member Washington)
728	—	630	Dunn (Principal coauthors: Senators Baca, Chesbro, Johannessen, and Knight)

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			(Principal coauthor: Assembly Member Machado) (Coauthors: Senators Costa and Speier) (Coauthors: Assembly Members Alquist, Bock, Cardoza, Correa, Dickerson, Ducheny, Havice, Honda, Knox, Longville, Lowenthal, Mazzoni, Nakano, Romero, Scott, Soto, Strom-Martin, Wayne, Wildman, Davis, Kuehl, and Wiggins)
729	—	664	Alpert
730	—	1275	Schiff
731	—	25	Escutia (Principal coauthors: Assembly Members Kuehl and Villaraigosa) (Coauthors: Senators Alarcon, Figueroa, Ortiz, Perata, Polanco, Sher, Solis, and Speier) (Coauthors: Assembly Members Alquist, Aroner, Firebaugh, Honda, Jackson, Knox, Lempert, Mazzoni, Romero, Shelley, Steinberg, Thomson, Vincent, Washington, and Wildman)
732	—	1091	Ortiz, Brulte, Chesbro, Costa, Escutia, Johnson, Johnston, Knight, Polanco, Solis, and Speier (Coauthors: Assembly Members Campbell, Cox, Firebaugh, Hertzberg, Knox, Leach, Leonard, Mazzoni, Steinberg, and Wiggins)
733	290	—	Steinberg and Hertzberg and Senator Ortiz
734	33	—	Soto (Coauthors: Assembly Members Alquist, Calderon, Cardenas, Cedillo, Ducheny, Firebaugh, Florez, Havice, Honda, Longville, Reyes, Romero, Shelley, Strom-Martin, Thomson, Torlakson, Vincent, Washington, Wesson, and Wright) (Coauthors: Senators Baca, Hayden, Hughes, and Vasconcellos)
735	—	366	Alpert (Coauthor: Senator Poochigian)
736	—	267	Lewis
737	1242	—	Lempert
738	420	—	Wildman (Coauthors: Assembly Members Havice, Honda, Kuehl, and Washington) (Principal coauthors: Senators Alpert and Vasconcellos)
739	—	117	Murray (Principal coauthor: Assembly Member Villaraigosa) (Coauthors: Senators Chesbro and O'Connell)
740	—	159	Johnston (Principal coauthor: Assembly Member Honda) (Coauthor: Assembly Member Alquist)
741	—	429	Monteith
742	—	491	Johnston
743	—	514	Chesbro
744	—	584	Chesbro and Assembly Member Gallegos
745	—	606	O'Connell
746	—	717	Peace
747	—	741	Alpert (Principal coauthor: Assembly Member Honda) (Coauthors: Senators Baca, Costa, Escutia, Hughes, Karnette, Ortiz, Sher, Solis, Speier, and Vasconcellos) (Coauthors: Assembly Members Alquist, Aroner, Cunneen, Firebaugh, Havice, Kuehl, Romero, and Steinberg)
748	—	765	Schiff
749	—	816	Escutia
750	—	847	Vasconcellos, Figueroa, Hayden, Johnston, and McPherson (Coauthors: Assembly Members Aroner, Keeley, Longville, Mazzoni, Migden, and Strom-Martin)
751	—	1009	Ortiz and Perata
752	—	1048	Murray
753	—	1077	Burton
754	—	1105	Chesbro
755	—	1107	Sher (Principal coauthor: Senator Solis)
756	—	1119	Alarcon (Coauthor: Assembly Member Romero)
757	—	1128	Speier (Principal coauthor: Senator Burton) (Principal coauthor: Assembly Member Shelley)
758	—	1210	Baca (Principal coauthors: Senators Chesbro and Poochigian) (Principal coauthor: Assembly Member Machado) (Coauthor: Senator Costa) (Coauthors: Assembly Members Alquist, Briggs, Campbell, Cardoza, Granlund, Honda, Mazzoni, Oller, Reyes, Strom-Martin, Washington, and Zettel)
759	—	1221	Schiff
760	—	1228	Vasconcellos (Coauthor: Assembly Member Alquist)
761	139	—	Havice
762	136	—	Mazzoni (Principal coauthors: Assembly Members Migden and Shelley) (Coauthors: Assembly Members Aroner, Hertzberg, Keeley, Knox, Kuehl, Lempert, Longville, Romero, Steinberg, Washington, Wesson, and Wiggins) (Coauthor: Senator Solis)
763	87	—	Floyd (Coauthor: Assembly Member Cardoza)
764	75	—	Strom-Martin (Coauthors: Senators Chesbro, McPherson, and Sher)
765	63	—	Ducheny, Battin, and Zettel
766	435	—	Corbett (Coauthors: Assembly Members Aanestad, Alquist, Aroner, Cardoza, Knox, Kuehl, Longville, and Washington) (Coauthors: Senators Sher and Solis)
767	409	—	Dickerson and Bates (Coauthors: Assembly Members Maddox and Rod Pacheco) (Coauthor: Senator Johannessen)
768	427	—	Scott
769	496	—	Leach
770	738	—	Davis (Coauthors: Assembly Members Firebaugh and Honda) (Coauthors: Senators Baca and Ortiz)
771	731	—	Wesson
772	705	—	Aroner
773	—	207	Peace
774	—	177	Peace and Burton
775	—	243	McPherson
776	—	339	Burton (Coauthor: Assembly Member Villaraigosa)
777	—	635	Sher
778	—	615	Burton
779	—	807	Committee on Agriculture and Water Resources (Senators Costa (Chair), Johannessen, Kelley, Monteith, Peace, Speier, and Wright)
780	—	822	Escutia
781	931	—	Calderon
782	—	941	Speier
783	1012	—	Torlakson (Coauthor: Senator Burton)
784	724	—	Dutra and Alquist (Principal coauthor: Assembly Member Bates) (Principal coauthor: Senator Vasconcellos) (Coauthors: Assembly Members Calderon, Florez, Havice, Torlakson, and Vincent) (Coauthors: Senators Rainey and Speier)
785	813	—	Committee on Public Employees, Retirement and Social Security (Correa (Chair), Firebaugh, Honda, Knox, and Pescetti)
786	—	340	Baca
787	749	—	Wesson and Thompson
788	1355	—	Havice (Coauthors: Assembly Members Cardenas, Firebaugh, Floyd, Lowenthal, Robert Pacheco, Vincent, and Washington) (Coauthor: Senators Hughes and Karnette)

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789	—	216	Solis (Coauthors: Senators Bowen, Escutia, Hayden, Karnette, and Murray) (Coauthors: Assembly Members Ackerman, Calderon, Cedillo, Floyd, Gallegos, Lowenthal, Margett, and Romero)
790	547	—	Longville
791	—	350	Murray
792	743	—	Keeley
793	612	—	Jackson and Senator Burton (Principal coauthor: Senator O'Connell) (Coauthor: Assembly Member Wiggins)
794	—	171	Escutia, Speier, and Brulte, and Assembly Members Villaraigosa, Scott, and Cedillo (Coauthors: Senators Figueroa and Solis) (Coauthors: Assembly Members Firebaugh, Gallegos, Longville, Romero, and Washington)
795	—	914	Sher
796	1453	—	Committee on Insurance (Scott (Chair), Oller (Vice Chair), Calderon, Cox, Floyd, Gallegos, Havice, Keeley, Leonard, and Wayne)
797	—	211	Solis (Coauthors: Assembly Members Kuehl and Romero)
798	64	—	Ducheny (Coauthors: Assembly Members Bates, Baugh, Campbell, Jackson, Knox, Kuehl, Romero, and Washington) (Coauthors: Senators Alpert, McPherson, Morrow, and O'Connell)
799	—	330	Wright (Coauthor: Assembly Member Lempert)
800	232	—	Alquist
801	99	—	Cedillo
802	—	738	Committee on Insurance (Senators Speier (Chair), Escutia, Figueroa, Johnson, Lewis, and Sher)
803	472	—	Aroner
804	515	—	Wright
805	740	—	Steinberg
806	—	377	Polanco
807	—	527	Speier, Escutia, and Brulte and Assembly Members Villaraigosa and Cedillo (Coauthor: Assembly Member Scott)
808	1432	—	Oller, Maddox, Villaraigosa, Scott, and Cedillo, and Senators Brulte, Escutia, and Speier
809	406	—	Knox and Villaraigosa (Coauthors: Assembly Members Alquist, Briggs, Calderon, Cox, Kuehl, Longville, Romero, and Washington)
810	193	—	Cardoza (Coauthors: Assembly Members Briggs, Florez, Machado, and Steinberg) (Coauthor: Senator McPherson)
811	756	—	Keeley, Dickerson, Papan, and Strickland (Principal coauthors: Senators Baca, Brulte, and McPherson)
812	—	989	Sher (Principal coauthor: Senator Hayden) (Coauthors: Senators Figueroa, McPherson, Ortiz, and Solis) (Coauthors: Assembly Members Aroner, Davis, Keeley, Longville, Romero, Steinberg, and Strom-Martin)
813	—	529	Bowen
814	—	1001	Burton
815	—	332	Sher (Principal coauthor: Senator Burton) (Principal Coauthors: Assembly Members Olberg and Wayne)
816	—	827	Sher
817	1244	—	Olberg (Principal coauthor: Assembly Member Machado)
818	170	—	Firebaugh
819	161	—	Alquist (Principal coauthor: Senator Solis) (Coauthors: Assembly Members Havice, Honda, Jackson, Knox, Kuehl, Leach, Mazzoni, Romero, Scott, Strom-Martin, Thomson, and Wildman) (Coauthor: Senator Alpert)
820	155	—	Migden (Coauthors: Assembly Members Aroner, Calderon, Cardoza, Cedillo, Corbett, Gallegos, Honda, Keeley, Knox, Kuehl, Longville, Mazzoni, Romero, Shelley, Steinberg, Thomson, Washington, and Wildman) (Coauthors: Senators Burton, Perata, Solis, and Vasconcellos)
821	145	—	Vincent
822	492	—	Wayne
823	458	—	Zettel
824	494	—	Davis
825	549	—	Gallegos
826	510	—	Wright
827	600	—	Knox and Villaraigosa (Coauthors: Assembly Committee on Appropriations and Assembly Members Ashburn, Brewer, Calderon, Campbell, Cedillo, Davis, Frusetta, Granlund, Havice, Hertzberg, Honda, Jackson, Kuehl, Lempert, Maldonado, Migden, Papan, Romero, Runner, Scott, Shelley, Steinberg, Thompson, Thomson, Wesson, Wiggins, Wildman, Wright, and Zettel) (Coauthors: Senators Baca, Burton, Hayden, Solis, Speier, and Vasconcellos)
828	631	—	Migden (Principal coauthor: Senator Hughes)
829	643	—	Wesson (Coauthors: Assembly Members Davis, Havice, Jackson, Keeley, Longville, and Washington) (Coauthors: Senators Hayden, Ortiz, and Solis)
830	598	—	Soto and Lempert
831	689	—	Gallegos
832	646	—	Bates
833	593	—	Strom-Martin and Thomson (Principal coauthor: Assembly Member Cardoza) (Coauthors: Assembly Members Maldonado and Wiggins) (Coauthor: Senator O'Connell)
834	596	—	Honda (Coauthors: Assembly Members Knox, Kuehl, Romero, and Thomson) (Coauthors: Senators Chesbro and Solis)
835	777	—	Cardenas (Coauthor: Senator O'Connell)
836	758	—	Thomson (Coauthors: Assembly Members Alquist, Cardoza, Havice, Honda, House, Jackson, Longville, Reyes, Romero, Shelley, Strom-Martin, and Washington) (Coauthors: Senators Figueroa, Hughes, Ortiz, and Solis)
837	747	—	Dutra
838	857	—	Rod Pacheco
839	879	—	Havice
840	900	—	Alquist (Coauthor: Senator Alarcon)
841	923	—	Hertzberg
842	844	—	Thomson (Coauthor: Assembly Member Strom-Martin) (Coauthors: Senators Escutia and Solis)
843	1099	—	Shelley
844	1149	—	Aroner
845	359	—	Aroner
846	391	—	Jackson
847	319	—	Thomson
848	282	—	Torlakson
849	703	—	Lempert (Coauthors: Assembly Members Aroner and Corbett) (Coauthor: Senator Alpert)
850	254	—	Cedillo (Coauthors: Assembly Members Honda and Romero)
851	181	—	Zettel (Coauthor: Senator Alpert)
852	—	747	Burton
853	—	832	Committee on Public Safety (Senators Vasconcellos (Chair), Burton, Johnston, McPherson, Polanco, and Rainey)

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854	—	1282	Lewis (Coauthor: Assembly Member Maddox)
855	—	1025	Johnson
856	—	836	Figueroa (Coauthor: Senator Speier) (Coauthors: Assembly Members Aroner, Corbett, Steinberg, and Strom-Martin)
857	1627	—	Machado
858	695	—	Mazzoni
859	582	—	Firebaugh, Ducheny, Keeley, Kuehl, Romero, and Washington (Coauthors: Senators Baca, Escutia, and Solis)
860	—	587	Burton
861	—	569	Alarcon
862	—	928	Burton
863	—	661	Alarcon
864	—	703	Poochigian and Peace (Principal coauthors: Senators Brulte, Chesbro, Dunn, Hayden, Haynes, Ortiz, O'Connell, Polanco, Schiff, Sher, Solis, and Wright) (Principal coauthors: Assembly Members Cardoza and Papan) (Coauthors: Senators Baca, Costa, Kelley, Knight, Lewis, McPherson, Monteith, Morrow, and Rainey) (Coauthors: Assembly Members Alquist, Ashburn, Battin, Brewer, Campbell, Cedillo, Cox, Davis, Dickerson, Florez, Havice, Hertzberg, House, Keeley, Knox, Kuehl, Leach, Lowenthal, Machado, Maddox, Maldonado, Migden, Nakano, Olberg, Oller, Rod Pacheco, Pescetti, Romero, Runner, Steinberg, Strickland, Strom-Martin, Thomson, Villaraigosa, Washington, Wesson, Wiggins, Wildman, Wright, and Zettel)
865	—	1302	Committee on Revenue and Taxation (Senators Chesbro (Chair), Alpert, Burton, McPherson, and Poochigian)
866	1152	—	Ackerman
867	—	668	Sher
868	—	374	Lewis
869	297	—	Thomson
870	1695	—	Committee on Consumer Protection, Governmental Efficiency and Economic Development (Davis (Chair), Leach (Vice Chair), Cox, Floyd, Lempert, Machado, and Wesson)
871	1381	—	Steinberg (Coauthor: Assembly Member Cox)
872	1154	—	Torlakson (Coauthor: Assembly Member Steinberg) (Coauthor: Senator Ortiz)
873	1686	—	Committee on Information Technology (Dutra (Chair), Bates (Vice Chair), Alquist, Briggs, and Ducheny)
874	1385	—	Battin, Cardenas, and Villaraigosa, and Senator Burton (Principal coauthors: Assembly Members Ducheny, Havice, and Soto) (Principal coauthors: Senators Brulte and Polanco) (Coauthors: Assembly Members Ashburn, Bates, Baugh, Brewer, Briggs, Campbell, Cox, Cunneen, Dickerson, Granlund, Kaloogian, Leonard, Maddox, Maldonado, Margett, McClintock, Olberg, Oller, Robert Pacheco, Rod Pacheco, Pescetti, Runner, Strickland, and Zettel) (Coauthors: Senators Alarcon, Escutia, McPherson, Rainey, and Wright)
875	1314	—	Pescetti
876	248	—	Torlakson
877	402	—	Romero and Ashburn (Coauthors: Assembly Members Campbell and Keeley)
878	344	—	Knox
879	635	—	Campbell (Coauthor: Senator Kelley)
880	—	652	Speier, Escutia, and Brulte and Assembly Members Villaraigosa and Cedillo (Coauthors: Senators Alarcon and Alpert) (Coauthors: Assembly Members Knox, Lempert, and Scott)
881	1659	—	Committee on Human Services (Aroner (Chair), Ashburn (Vice Chair), Ducheny, Shelley, and Strom-Martin)
882	—	938	Solis (Coauthors: Senators Alarcon and Speier) (Coauthors: Assembly Members Firebaugh, Kuehl, Strom-Martin, and Washington)
883	329	—	Scott
884	—	940	Speier
885	1050	—	Wright
886	—	874	Escutia (Principal coauthor: Senator Leslie)
887	—	1270	Committee on Health and Human Services (Senators Escutia (Chair), Figueroa, Hughes, Polanco, Solis, and Vasconcellos)
888	—	1126	Costa
889	—	828	McPherson
890	1228	—	Committee on Agriculture (Cardoza (Chair), Maldonado (Vice Chair), Brewer, Florez, Reyes, Thomson, and Wiggins)
891	1673	—	Committee on Judiciary (Kuehl (Chair), Ackerman (Vice Chair), Aroner, Baugh, Corbett, Hertzberg, House, Jackson, Knox, Shelley, and Steinberg)
892	1672	—	Committee on Judiciary (Kuehl (Chair), Ackerman (Vice Chair), Aroner, Baugh, Corbett, Hertzberg, House, Jackson, Knox, Shelley, and Steinberg)
893	97	—	Torlakson (Coauthors: Assembly Members Calderon, Honda, Kuehl, Leach, Romero, Steinberg, Wayne, and Wildman) (Coauthors: Senators Alpert, Costa, and Figueroa)
894	92	—	Floyd
895	452	—	Mazzoni (Coauthors: Assembly Members Alquist, Bock, Nakano, and Zettel)
896	—	662	Figueroa
897	817	—	Committee on Public Employees, Retirement and Social Security (Correa (Chair), Firebaugh, Honda, Knox, and Pescetti)
898	1048	—	Firebaugh
899	—	538	O'Connell
900	—	188	Leslie (Coauthor: Senator Johannessen) (Coauthor: Assembly Member Aanestad)
901	—	341	Figueroa (Principal coauthor: Assembly Member Dutra) (Coauthors: Senators Costa, Leslie, Rainey, Schiff, and Solis) (Coauthors: Assembly Members Cox, Havice, Scott, and Zettel)
902	—	281	Chesbro and Johannessen (Coauthor: Assembly Member Wiggins)
903	921	—	Keeley
904	1187	—	Rod Pacheco and Dutra
905	1225	—	Ashburn (Coauthor: Senator Alpert)
906	—	858	Hughes
907	1231	—	Machado
908	990	—	Floyd
909	1421	—	Wright
910	1497	—	Floyd and Oller (Coauthors: Assembly Members Ashburn, Bock, Briggs, Cox, Dickerson, Kuehl, Longville, Maldonado, Mazzoni, and Robert Pacheco) (Coauthor: Senator Burton)
911	1474	—	Cardoza (Principal coauthors: Assembly Members Machado, Strom-Martin, and Torlakson)
912	1488	—	Machado and Honda (Coauthors: Assembly Members Mazzoni and Pescetti)
913	1541	—	Keeley (Coauthor: Assembly Member Romero)
914	1545	—	Correa (Coauthor: Assembly Member Honda)

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915	1548	—	Cardoza (Coauthor: Assembly Members Florez, Reyes, Thomson, and Wiggins)
916	1570	—	Villaraigosa and Romero
917	1502	—	Washington
918	—	868	Wright
919	1518	—	Soto (Coauthors: Assembly Members Aroner, Bock, and Longville)
920	1520	—	Leach, Cunneen, Robert Pacheco, and Zettel
921	1555	—	Longville
922	1558	—	Wildman
923	1571	—	Villaraigosa and Senator Brulte
924	1630	—	Lowenthal and Villaraigosa (Principal coauthor: Assembly Member Baugh) (Coauthors: Senators Bowen and Karnette)
925	1620	—	Torlakson
926	1639	—	Committee on Public Employees, Retirement and Social Security (Correa (Chair), Firebaugh, Honda, Knox, and Pescetti)
927	1559	—	Wiggins (Coauthor: Senator Chesbro)
928	1636	—	Mazzoni
929	1638	—	Committee on Revenue and Taxation (Knox (Chair), Kaloogian (Vice Chair), Aroner, Briggs, Ducheny, Honda, and Romero)
930	1637	—	Committee on Revenue and Taxation (Knox (Chair), Kaloogian (Vice Chair), Aroner, Briggs, Ducheny, Honda, and Romero)
931	—	94	Chesbro
932	—	433	Johnson
933	—	465	Committee on Appropriations (Senators Johnston (Chair), Alpert, Bowen, Escutia, Karnette, McPherson, Perata, and Vasconcellos)
934	—	618	Chesbro (Coauthor: Senator Speier)
935	—	702	Peace
936	—	808	Peace
937	—	810	Costa (Principal coauthor: Assembly Member Longville)
938	—	970	Costa
939	—	1074	Committee on Public Employment and Retirement (Senators Ortiz (Chair), Baca, Karnette, and Lewis)
940	—	1162	Burton (Coauthors: Senators Costa, Solis, and Speier) (Coauthors: Assembly Members Havice, Kuehl, Washington, and Wildman)
941	—	1231	Committee on Revenue and Taxation (Senators Chesbro (Chair), Alpert, Bowen, Burton, Johnston, McPherson, and Poochigian)
942	—	1234	Schiff
943	868	—	Cardoza
944	271	—	Gallegos
945	394	—	Kuehl (Coauthors: Assembly Members Calderon, Dutra, Gallegos, and Villaraigosa) (Coauthors: Senators Burton, Escutia, and Perata)
946	—	393	Speier (Principal coauthor: Senator Leslie) (Coauthor: Assembly Member Jackson)
947	—	870	Vasconcellos
948	—	910	Vasconcellos, Costa, Hughes, Ortiz, and Solis (Principal coauthor: Assembly Member Alquist) (Coauthors: Assembly Members Cardoza, Dutra, Honda, Jackson, Keeley, Knox, Leach, Longville, Romero, Scott, Soto, Strom-Martin, and Washington)
949	—	1082	Ortiz
950	27	—	Nakano
951	—	565	Costa (Principal coauthor: Assembly Member Reyes)
952	—	645	Burton and Assembly Member Villaraigosa (Coauthors: Senators Bowen, Dunn, Hayden, Karnette, O'Connell, Sher, and Solis) (Coauthors: Assembly Members Aroner, Calderon, Cardenas, Cardoza, Ducheny, Havice, Keeley, Knox, Migden, Romero, Steinberg, Strom-Martin, Thomson, Vincent, Washington, Wesson, and Wright)
953	—	391	Chesbro (Principal coauthor: Assembly Member Strom-Martin) (Coauthors: Assembly Members House, Kuehl, and Longville)
954	655	—	Scott (Coauthors: Assembly Members Jackson and Romero)
955	1319	—	Correa
956	—	1131	Burton (Principal coauthors: Senators Bowen and Karnette) (Principal coauthors: Assembly Members Machado and Villaraigosa) (Coauthors: Assembly Members Shelley and Wiggins)
957	—	1199	Costa (Coauthors: Senators Baca, Johannessen, Karnette, Morrow, Polanco, Poochigian, and Rainey) (Coauthors: Assembly Members Briggs, Campbell, Cox, Florez, Havice, House, Kuehl, Leach, Oller, Robert Pacheco, Reyes, Scott, and Zettel)
958	1498	—	Ducheny (Coauthors: Assembly Members Cedillo, and Honda)
959	—	213	Polanco (Principal coauthor: Assembly Member Ducheny)
960	1675	—	Committee on Judiciary (Kuehl (Chair), Aroner, Corbett, Hertzberg, Jackson, Longville, Shelley, and Steinberg)
961	1168	—	Frusetta, Cardoza, House, Maldonado, Oller, and Thomson (Coauthor: Senator Monteith)
962	910	—	Washington (Principal coauthors: Senators Hughes and Johnston)
963	807	—	Keeley
964	519	—	Aroner
965	1645	—	Committee on Agriculture (Cardoza (Chair), Maldonado (Vice Chair), Brewer, Florez, Frusetta, House, Reyes, Thomson, and Wiggins)
966	919	—	Dutra
967	1505	—	Ducheny (Coauthors: Assembly Members Ashburn, Cardoza, Florez, Reyes, and Soto) (Coauthor: Senator Polanco)
968	—	948	Alarcon (Principal coauthor: Senator Burton) (Principal coauthor: Assembly Member Dutra)
969	—	1006	Costa
970	1387	—	Florez (Coauthors: Senators Costa and O'Connell)
971	—	1279	Polanco (Coauthor: Assembly Member Ducheny)
972	574	—	Hertzberg
973	—	656	Solis
974	431	—	Dutra
975	924	—	Committee on Public Safety (Honda (Chair), Cunneen (Vice Chair), Battin, Cedillo, Keeley, Oller, Romero, and Washington)
976	1188	—	Runner
977	1252	—	Wildman
978	162	—	Runner (Coauthors: Assembly Members Battin and Cedillo) (Coauthor: Senator Polanco)
979	1202	—	Firebaugh
980	1671	—	Committee on Judiciary (Kuehl (Chair), Aroner, Corbett, Hertzberg, Jackson, Knox, Shelley, and Steinberg)
981	1551	—	Pescetti
982	1678	—	Committee on Consumer Protection, Governmental Efficiency and Economic Development (Davis (Chair), Leach (Vice Chair), Cox, Lempert, Machado, and Wesson)
983	—	1307	Committee on Business and Professions (Senators Figueroa (Chair), Johannessen, Murray, O'Connell, Polanco, and Speier)
984	—	199	Polanco

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985	—	792	Ortiz (Coauthor: Senator Solis)
986	—	1108	Perata, Burton, Figueroa, and Rainey (Coauthors: Assembly Members Aroner, Bock, Corbett, Dutra, Leach, and Torlakson)
987	—	1229	Committee on Revenue and Taxation (Senators Chesbro (Chair), Alpert, Bowen, Burton, Johnston, McPherson, and Poochigian)
988	—	246	Solis
989	—	1064	Perata
990	—	480	Solis (Coauthor: Senator Hayden) (Coauthors: Assembly Members Bock, Keeley, Knox, Romero, and Steinberg)
991	—	45	Sher
992	387	—	Wildman
993	784	—	Romero (Coauthors: Assembly Members Aroner, Davis, Firebaugh, Honda, Jackson, Knox, Longville, and Mazzoni) (Coauthor: Senator Speier)
994	—	831	Baca
995	—	746	Schiff, Costa, and Rainey
996	—	334	Alpert and Assembly Member Rod Pacheco (Principal coauthors: Assembly Members Florez and Kuehl) (Coauthors: Senators Baca, Hughes, McPherson, and Rainey) (Coauthors: Assembly Members Aanestad, Battin, Brewer, Cox, Cunneen, Dickerson, Leach, Olberg, Oller, Robert Pacheco, Pescetti, Torlakson, Washington, and Zettel)
997	575	—	Aroner
998	—	209	Burton and Assembly Member Battin (Coauthors: Senators Hayden, O'Connell, and Solis) (Coauthors: Assembly Members Alquist, Cardoza, Cunneen, House, Knox, Kuehl, Scott, and Vincent)
999	—	408	Alpert
1000	—	284	Kelley
1001	—	1039	Johnson (Coauthor: Assembly Member Brewer)
1002	—	162	Escutia
1003	—	767	Committee on Budget and Fiscal Review
1004	673	—	Honda (Coauthors: Assembly Members Alquist, Aroner, Ducheny, Keeley, Kuehl, Lempert, Mazzoni, Romero, and Washington) (Coauthors: Senators Ortiz, Perata, and Solis)
1005	1658	—	Committee on Utilities and Commerce (Wright (Chair), Pescetti (Vice Chair), Calderon, Campbell, Cardenas, Frusetta, Mazzoni, Reyes, Vincent, and Wesson)
1006	957	—	Scott
1007	—	532	Committee on Transportation (Senators Karnette (Chair), Dunn, Figueroa, Kelley, Monteith, Polanco, and Rainey) (Coauthors: Senators Costa and Murray)
1008	—	533	Committee on Transportation (Senators Karnette (Chair), Dunn, Figueroa, Kelley, Monteith, Polanco, and Rainey) (Coauthors: Senators Costa and Murray)
1009	56	—	Mazzoni
1010	—	204	Lewis (Principal coauthors: Assembly Members Brewer, Campbell, and Correa) (Coauthors: Senators Dunn, Johannessen, Johnson, Knight, McPherson, Monteith, Morrow, and Poochigian) (Coauthors: Assembly Members Ackerman, Bates, Battin, Baugh, Cardoza, Davis, Florez, Gallegos, Havice, House, Longville, Maddox, Maldonado, Margett, Nakano, Robert Pacheco, Reyes, Romero, Scott, Soto, Wildman, and Zettel)
1011	—	428	Perata
1012	—	525	Polanco
1013	—	570	Alarcon (Principal coauthor: Senator O'Connell)
1014	1685	—	Committee on Information Technology (Dutra (Chair), Bates (Vice Chair), Alquist, Briggs, and Ducheny)
1015	993	—	Shelley
1016	—	496	Sher (Coauthors: Senators Alpert, Bowen, Chesbro, and Johnston) (Coauthors: Assembly Members Keeley, Kuehl, Migden, and Wayne)
1017	1593	—	Villaraigosa (Coauthor: Senator Sher)
1018	—	985	Johnston (Coauthors: Assembly Members Cardoza, Jackson, Reyes, Wayne, and Wiggins)
1019	—	649	Costa
1020	—	679	Johnston (Principal coauthor: Assembly Member Machado) (Coauthor: Senator Monteith) (Coauthors: Assembly Members Cardoza and House)
1021	—	735	Committee on Budget and Fiscal Review
1022	403	—	Romero (Coauthors: Assembly Members Davis, Honda, Keeley, Knox, Kuehl, Pescetti, Scott, Steinberg, Strom-Martin, and Thomson) (Coauthors: Senators Bowen, Chesbro, Hayden, and Solis)
1023	1492	—	Thomson and Aroner (Coauthor: Senator Figueroa)
1024	648	—	Strickland (Coauthors: Assembly Members Campbell, Cox, and McClintock)
1025	1253	—	Nakano

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1	ACR	3	Wesson (Principal coauthors: Assembly Members Villaraigosa, Vincent, Washington, and Wright) (Principal coauthors: Senators Hughes and Murray) (Coauthors: Assembly Members Aanestad, Ackerman, Alquist, Aroner, Ashburn, Bates, Baugh, Briggs, Calderon, Cardenas, Corbett, Correa, Cox, Cunneen, Davis, Dickerson, Ducheny, Firebaugh, Frusetta, Granlund, Havice, Hertzberg, Honda, House, Jackson, Keeley, Leach, Lempert, Leonard, Longville, Lowenthal, Maddox, Maldonado, Margett, Mazzoni, Migden, Nakano, Oller, Robert Pacheco, Papan, Pescetti, Reyes, Romero, Scott, Shelley, Soto, Steinberg, Strickland, Strom-Martin, Thompson, Thomson, Wayne, Wiggins, Wildman, and Zettel)
2	AJR	1	Florez (Principal coauthors: Assembly Members Ashburn, Briggs, Cardoza, and Reyes) (Coauthors: Assembly Members Aanestad, Ackerman, Alquist, Aroner, Bates, Battin, Baugh, Calderon, Campbell, Cardenas, Cedillo, Corbett, Correa, Cox, Cunneen, Davis, Dickerson, Ducheny, Dutra, Firebaugh, Frusetta, Gallegos, Granlund, Havice, Hertzberg, Honda, House, Jackson, Kaloogian, Keeley, Knox, Kuehl, Leach, Lempert, Leonard, Longville, Lowenthal, Machado, Maddox, Maldonado, Margett, Mazzoni, Migden, Nakano, Olberg, Oller, Papan, Pescetti, Robert Pacheco, Rod Pacheco, Romero, Runner, Scott, Shelley, Soto, Steinberg, Strickland, Strom-Martin, Thompson, Thomson, Torlakson, Villaraigosa, Vincent, Washington, Wayne, Wesson, Wiggins, Wildman, Wright, and Zettel) (Coauthors: Senators Alarcon, Alpert, Baca, Bowen, Brulte, Chesbro, Dunn, Hayden, Haynes, Johannessen, Johnson, Johnston, Karnette, Kelley, Knight, Leslie, Lewis, McPherson, Monteith, Murray, O'Connell, Ortiz, Peace, Perata, Polanco, Poochigian, Rainey, Schiff, and Wright)
3	ACR	12	Steinberg (Coauthors: Assembly Members Aanestad, Ackerman, Alquist, Aroner, Ashburn, Bates, Battin, Baugh, Cardenas, Corbett, Correa, Cox, Davis, Dickerson, Ducheny, Dutra, Florez, Frusetta, Gallegos, Granlund, Havice, Hertzberg, Honda, House, Jackson, Kaloogian, Keeley, Knox, Kuehl, Lempert, Leonard, Longville, Lowenthal, Machado, Maddox, Maldonado, Margett, Mazzoni, Oller, Robert Pacheco, Rod Pacheco, Papan, Pescetti, Reyes, Romero, Scott, Shelley, Soto, Strickland, Strom-Martin, Thompson, Thomson, Torlakson, Villaraigosa, Wayne, Wesson, Wiggins, and Wildman) (Coauthors: Senators Alarcon, Alpert, Baca, Brulte, Burton, Chesbro, Dunn, Figueroa, Haynes, Hughes, Johannessen, Johnson, Johnston, Karnette, Kelley, Knight, Lewis, McPherson, Monteith, O'Connell, Ortiz, Perata, Polanco, Poochigian, Rainey, Sher, Solis, and Wright)
4	SCR	10	Dunn (Principal coauthors: Assembly Members Correa and Maddox) (Coauthors: Senators Johnson, Lewis, and Morrow) (Coauthors: Assembly Members Ackerman, Bates, Baugh, Brewer, Campbell, Aanestad, Alquist, Aroner, Ashburn, Baldwin, Battin, Calderon, Cardenas, Corbett, Cox, Cunneen, Davis, Ducheny, Dutra, Firebaugh, Floyd, Frusetta, Gallegos, Havice, Hertzberg, Honda, House, Jackson, Kaloogian, Keeley, Knox, Kuehl, Leach, Lempert, Leonard, Longville, Lowenthal, Machado, Maldonado, Mazzoni, McClintock, Nakano, Oller, Robert Pacheco, Pescetti, Reyes, Romero, Runner, Scott, Shelley, Soto, Steinberg, Strickland, Strom-Martin, Thompson, Torlakson, Villaraigosa, Vincent, Washington, Wayne, Wesson, Wiggins, Wildman, and Zettel)
5	SCR	3	Solis, Hayden, Hughes, Perata, and Sher (Coauthors: Senators Alpert, Baca, Chesbro, Costa, Karnette, O'Connell, Polanco, Rainey, Speier, and Vasconcellos) (Coauthors: Assembly Members Alquist, Aroner, Briggs, Campbell, Cunneen, Davis, Ducheny, Dutra, Gallegos, Keeley, Knox, Kuehl, Leach, Machado, Mazzoni, Robert Pacheco, Reyes, Romero, Scott, Shelley, Washington, and Zettel)
6	ACR	9	Campbell and Cardenas (Coauthors: Assembly Members Aanestad, Ackerman, Alquist, Ashburn, Bates, Battin, Baugh, Briggs, Corbett, Correa, Cox, Davis, Dickerson, Ducheny, Dutra, Frusetta, Granlund, Havice, Hertzberg, Honda, House, Jackson, Kaloogian, Keeley, Knox, Kuehl, Leach, Lempert, Leonard, Longville, Lowenthal, Maddox, Maldonado, Margett, Mazzoni, McClintock, Nakano, Olberg, Robert Pacheco, Papan, Pescetti, Reyes, Romero, Scott, Soto, Steinberg, Strickland, Strom-Martin, Thompson, Thomson, Torlakson, Villaraigosa, Washington, Wayne, Wesson, Wiggins, Wildman, Wright, and Zettel) (Coauthors: Senators Alarcon, Alpert, Baca, Bowen, Brulte, Chesbro, Costa, Dunn, Escutia, Figueroa, Hayden, Hughes, Johannessen, Johnson, Johnston, Karnette, Kelley, Knight, Leslie, Lewis, McPherson, Monteith, Morrow, Mountjoy, Murray, O'Connell, Ortiz, Peace, Polanco, Poochigian, Rainey, Schiff, Sher, Solis, Speier, Vasconcellos, and Wright)
7	ACR	15	Honda, Nakano, and Villaraigosa (Coauthors: Assembly Members Ackerman, Alquist, Aroner, Ashburn, Bates, Battin, Baugh, Brewer, Briggs, Calderon, Cardenas, Cardoza, Cedillo, Correa, Cox, Davis, Dickerson, Dutra, Firebaugh, Florez, Frusetta, Granlund, Havice, Hertzberg, House, Jackson, Kaloogian, Keeley, Kuehl, Leach, Lowenthal, Machado, Maldonado, Mazzoni, Olberg, Oller, Robert Pacheco, Rod Pacheco, Papan, Pescetti, Reyes, Romero, Shelley, Soto, Steinberg, Strickland, Strom-Martin, Thomson, Torlakson, Vincent, Wayne, Wesson, and Wiggins) (Coauthors: Senators Alarcon, Alpert, Baca, Bowen, Brulte, Chesbro,

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			Dunn, Escutia, Figueroa, Hayden, Hughes, Johannessen, Johnson, Johnston, Karnette, Kelley, Knight, Leslie, Lewis, McPherson, Monteith, Morrow, Mountjoy, Murray, O'Connell, Ortiz, Polanco, Poochigian, Rainey, Schiff, Sher, Solis, Speier, and Wright)
8	SCR	20	Chesbro, Alarcon, Alpert, Baca, Bowen, Brulte, Burton, Costa, Dunn, Escutia, Hayden, Haynes, Hughes, Johannessen, Johnson, Johnston, Karnette, Knight, Leslie, Lewis, McPherson, Monteith, Morrow, Mountjoy, Murray, O'Connell, Ortiz, Peace, Perata, Polanco, Poochigian, Rainey, Sher, Solis, Speier, Vasconcellos, and Wright (Coauthors: Assembly Members Aanestad, Ackerman, Alquist, Aroner, Ashburn, Bates, Battin, Baugh, Brewer, Briggs, Calderon, Campbell, Cardenas, Cardoza, Cedillo, Correa, Cox, Davis, Dickerson, Ducheny, Dutra, Firebaugh, Florez, Frusetta, Gallegos, Havice, Hertzberg, Honda, House, Jackson, Keeley, Knox, Kuehl, Leach, Lempert, Leonard, Longville, Lowenthal, Maddox, Maldonado, Mazzoni, Migden, Nakano, Olberg, Oller, Robert Pacheco, Rod Pacheco, Papan, Pescetti, Reyes, Romero, Runner, Scott, Shelley, Soto, Steinberg, Strickland, Strom-Martin, Thomson, Torlakson, Villaraigosa, Washington, Wesson, Wiggins, Wildman, and Zettel)
9	ACR	6	Reyes (Principal coauthor: Senator Poochigian) (Coauthors: Assembly Members Ashburn, Briggs, Cardoza, Firebaugh, Florez, House, Kuehl, Machado, Ackerman, Alquist, Aroner, Bates, Battin, Baugh, Brewer, Calderon, Campbell, Cardenas, Corbett, Correa, Cox, Cunneen, Davis, Dickerson, Dutra, Frusetta, Gallegos, Havice, Hertzberg, Honda, Jackson, Keeley, Knox, Leach, Lempert, Leonard, Longville, Lowenthal, Maddox, Maldonado, Mazzoni, Nakano, Oller, Papan, Pescetti, Romero, Runner, Scott, Shelley, Soto, Steinberg, Strickland, Strom-Martin, Thompson, Thomson, Torlakson, Villaraigosa, Vincent, Washington, Wayne, Wesson, Wiggins, Wildman, Wright, and Zettel)
10	SCR	23	O'Connell and Assembly Member Wright (Coauthors: Senators Alarcon, Alpert, Baca, Bowen, Brulte, Burton, Chesbro, Costa, Dunn, Escutia, Hayden, Haynes, Hughes, Johannessen, Johnson, Johnston, Karnette, Knight, Leslie, Lewis, McPherson, Monteith, Morrow, Mountjoy, Murray, Ortiz, Peace, Perata, Polanco, Poochigian, Rainey, Sher, Solis, Speier, Vasconcellos, and Wright) (Coauthors: Assembly Members Ackerman, Alquist, Ashburn, Bates, Battin, Baugh, Brewer, Briggs, Calderon, Cardenas, Cardoza, Cedillo, Corbett, Correa, Cox, Cunneen, Dickerson, Ducheny, Dutra, Firebaugh, Florez, Frusetta, Gallegos, Granlund, Havice, Hertzberg, Honda, House, Jackson, Kaloogian, Keeley, Knox, Kuehl, Leach, Lempert, Leonard, Longville, Lowenthal, Machado, Maddox, Maldonado, Margett, Mazzoni, McClintock, Migden, Nakano, Olberg, Oller, Robert Pacheco, Rod Pacheco, Papan, Pescetti, Reyes, Romero, Runner, Scott, Shelley, Soto, Steinberg, Strickland, Strom-Martin, Thompson, Thomson, Torlakson, Villaraigosa, Vincent, Washington, Wayne, Wesson, Wildman, and Zettel)
11	AJR	11	Romero (Principal coauthor: Senator Solis) (Coauthors: Assembly Members Aanestad, Ackerman, Alquist, Ashburn, Baldwin, Bates, Battin, Baugh, Brewer, Briggs, Cardenas, Cardoza, Cedillo, Corbett, Correa, Cox, Cunneen, Dickerson, Ducheny, Dutra, Firebaugh, Florez, Frusetta, Gallegos, Havice, Hertzberg, Honda, House, Jackson, Kaloogian, Keeley, Knox, Kuehl, Leach, Lempert, Leonard, Longville, Lowenthal, Machado, Maddox, Maldonado, Margett, Mazzoni, McClintock, Migden, Nakano, Olberg, Oller, Robert Pacheco, Rod Pacheco, Papan, Pescetti, Reyes, Runner, Scott, Shelley, Soto, Steinberg, Strickland, Strom-Martin, Thompson, Thomson, Torlakson, Villaraigosa, Vincent, Washington, Wayne, Wesson, Wiggins, Wildman, Wright, and Zettel) (Coauthors: Senators Alarcon, Alpert, Baca, Bowen, Brulte, Burton, Chesbro, Costa, Dunn, Escutia, Figueroa, Hayden, Johannessen, Karnette, Kelley, Knight, Leslie, Lewis, Monteith, Morrow, Mountjoy, O'Connell, Ortiz, Perata, Polanco, Poochigian, Rainey, Schiff, Sher, Speier, Vasconcellos, and Wright)
12	SJR	11	Solis (Principal coauthor: Assembly Member Romero) (Coauthors: Senators Alarcon, Alpert, Baca, Bowen, Brulte, Burton, Chesbro, Costa, Dunn, Escutia, Figueroa, Hayden, Johannessen, Karnette, Kelley, Knight, Leslie, Lewis, Monteith, Morrow, Mountjoy, O'Connell, Ortiz, Perata, Polanco, Poochigian, Rainey, Schiff, Sher, Speier, Vasconcellos, and Wright)
13	ACR	7	Battin (Coauthors: Assembly Members Aanestad, Ackerman, Alquist, Aroner, Ashburn, Bates, Baugh, Brewer, Briggs, Calderon, Cardenas, Cardoza, Cedillo, Corbett, Correa, Cox, Cunneen, Dickerson, Ducheny, Dutra, Firebaugh, Florez, Frusetta, Gallegos, Granlund, Havice, Hertzberg, Honda, House, Jackson, Kaloogian, Keeley, Kuehl, Leach, Lempert, Leonard, Longville, Lowenthal, Machado, Maddox, Maldonado, Margett, Mazzoni, McClintock, Migden, Nakano, Olberg, Oller, Robert Pacheco, Rod Pacheco, Papan, Pescetti, Reyes, Romero, Runner, Scott, Shelley, Soto, Steinberg, Strickland, Strom-Martin, Thompson, Thomson, Torlakson, Villaraigosa, Vincent, Washington, Wayne, Wesson, Wiggins, Wildman, Wright, and Zettel) (Coauthors: Senators Alpert, Baca, Bowen, Brulte, Burton, Chesbro, Dunn, Escutia, Johannessen, Karnette, Kelley, Knight, Leslie, Monteith, Morrow, Mountjoy, O'Connell, Perata, Polanco, Poochigian, Rainey, Schiff, Sher, Solis, Speier, Vasconcellos, and Wright)
14	ACR	10	Machado (Coauthor: Senator Karnette)
15	ACR	21	Davis (Principal coauthor: Assembly Member Kuehl) (Coauthors: Assembly Members Aanestad, Ackerman, Alquist, Aroner, Ashburn, Baldwin, Bates, Battin, Baugh, Bock, Brewer, Briggs, Calderon, Campbell, Cardenas, Cardoza, Cedillo,

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			Corbett, Correa, Cox, Cunneen, Dickerson, Ducheny, Dutra, Firebaugh, Floyd, Frusetta, Gallegos, Granlund, Havice, Honda, House, Jackson, Kaloogian, Keeley, Knox, Leach, Lempert, Leonard, Longville, Lowenthal, Machado, Maddox, Maldonado, Margett, Mazzoni, McClintock, Migden, Nakano, Olberg, Oller, Robert Pacheco, Rod Pacheco, Papan, Pescetti, Reyes, Romero, Runner, Scott, Shelley, Soto, Steinberg, Strickland, Strom-Martin, Thompson, Thomson, Torlakson, Villaraigosa, Wayne, Wesson, Wiggins, Wildman, Wright, and Zettel) (Coauthors: Senators Alarcon, Alpert, Baca, Bowen, Brulte, Burton, Chesbro, Costa, Dunn, Escutia, Figueroa, Hayden, Haynes, Hughes, Johannessen, Johnson, Johnston, Karnette, Kelley, Knight, Lewis, McPherson, Monteith, Morrow, Mountjoy, O'Connell, Ortiz, Peace, Perata, Polanco, Poochigian, Rainey, Schiff, Sher, Solis, Speier, Vasconcellos, and Wright)
16	SCR	30	Rainey, Alarcon, Alpert, Baca, Bowen, Brulte, Burton, Chesbro, Costa, Dunn, Escutia, Figueroa, Johannessen, Karnette, Kelley, Knight, Leslie, Lewis, Monteith, Morrow, Mountjoy, O'Connell, Perata, Polanco, Poochigian, Schiff, Sher, Solis, Speier, and Vasconcellos (Coauthors: Assembly Members Aanestad, Ackerman, Alquist, Ashburn, Baldwin, Bates, Battin, Baugh, Bock, Brewer, Briggs, Calderon, Campbell, Cardenas, Cardoza, Cedillo, Corbett, Correa, Cox, Cunneen, Davis, Dickerson, Ducheny, Dutra, Firebaugh, Florez, Frusetta, Gallegos, Granlund, Havice, Hertzberg, Honda, House, Jackson, Kaloogian, Keeley, Knox, Kuehl, Leach, Lempert, Leonard, Longville, Lowenthal, Machado, Maddox, Maldonado, Margett, Mazzoni, McClintock, Migden, Nakano, Olberg, Oller, Robert Pacheco, Rod Pacheco, Papan, Pescetti, Reyes, Romero, Runner, Scott, Shelley, Soto, Steinberg, Strickland, Strom-Martin, Thompson, Thomson, Torlakson, Villaraigosa, Vincent, Wayne, Wesson, Wiggins, Wildman, Wright, and Zettel)
17	ACR	36	Wayne (Coauthors: Assembly Members Aanestad, Ackerman, Alquist, Ashburn, Baldwin, Bates, Battin, Baugh, Bock, Brewer, Briggs, Campbell, Cardenas, Cardoza, Cedillo, Corbett, Correa, Cox, Cunneen, Davis, Dickerson, Ducheny, Dutra, Florez, Frusetta, Granlund, Havice, Honda, House, Jackson, Kaloogian, Keeley, Kuehl, Leach, Lempert, Leonard, Longville, Lowenthal, Machado, Maddox, Maldonado, Margett, McClintock, Migden, Nakano, Olberg, Oller, Robert Pacheco, Rod Pacheco, Papan, Pescetti, Reyes, Romero, Runner, Scott, Shelley, Soto, Steinberg, Strickland, Strom-Martin, Thomson, Torlakson, Villaraigosa, Washington, Wesson, Wiggins, and Wildman)
18	ACR	34	Cedillo (Coauthors: Assembly Members Gallegos, Aanestad, Ackerman, Alquist, Ashburn, Baldwin, Bates, Battin, Baugh, Brewer, Briggs, Calderon, Campbell, Cardenas, Cardoza, Corbett, Correa, Cox, Cunneen, Davis, Dickerson, Ducheny, Dutra, Firebaugh, Florez, Floyd, Frusetta, Granlund, Havice, Hertzberg, Honda, House, Jackson, Kaloogian, Keeley, Knox, Kuehl, Leach, Lempert, Leonard, Longville, Lowenthal, Machado, Maddox, Maldonado, Margett, Mazzoni, McClintock, Migden, Nakano, Olberg, Oller, Robert Pacheco, Rod Pacheco, Papan, Pescetti, Reyes, Romero, Runner, Scott, Shelley, Soto, Strickland, Strom-Martin, Thompson, Thomson, Torlakson, Villaraigosa, Vincent, Wayne, Wesson, Wiggins, Wildman, Wright, and Zettel)
19	ACR	32	Honda, Migden, and Shelley (Principal coauthor: Assembly Member Nakano) (Coauthors: Assembly Members Machado, Aanestad, Ackerman, Alquist, Aroner, Baldwin, Bates, Battin, Baugh, Bock, Brewer, Briggs, Calderon, Campbell, Cardenas, Cardoza, Cedillo, Corbett, Correa, Cox, Cunneen, Davis, Dickerson, Ducheny, Dutra, Firebaugh, Florez, Frusetta, Gallegos, Granlund, Havice, Hertzberg, House, Jackson, Kaloogian, Keeley, Knox, Kuehl, Leach, Lempert, Leonard, Longville, Lowenthal, Maddox, Maldonado, Margett, Mazzoni, McClintock, Olberg, Oller, Robert Pacheco, Rod Pacheco, Pescetti, Reyes, Romero, Runner, Scott, Soto, Steinberg, Strickland, Thompson, Thomson, Torlakson, Vincent, Washington, Wayne, Wesson, Wiggins, Wildman, and Zettel) (Coauthor: Senator Johnston)
20	ACR	30	Gallegos (Coauthors: Assembly Members Aanestad, Ackerman, Alquist, Aroner, Ashburn, Baldwin, Bates, Battin, Baugh, Briggs, Calderon, Campbell, Cardenas, Cardoza, Cedillo, Corbett, Correa, Cox, Cunneen, Davis, Dickerson, Ducheny, Dutra, Firebaugh, Florez, Frusetta, Granlund, Havice, Hertzberg, Honda, House, Jackson, Kaloogian, Keeley, Knox, Kuehl, Leach, Lempert, Leonard, Longville, Lowenthal, Machado, Maddox, Maldonado, Margett, Mazzoni, McClintock, Migden, Nakano, Olberg, Oller, Robert Pacheco, Rod Pacheco, Papan, Pescetti, Reyes, Romero, Runner, Scott, Shelley, Soto, Steinberg, Strickland, Strom-Martin, Thomson, Torlakson, Villaraigosa, Vincent, Wayne, Wesson, Wiggins, Wildman, Wright, and Zettel)
21	ACR	20	Kaloogian and Senator Poochigian and Assembly Members Wildman, Papan, and Alquist (Principal coauthors: Assembly Members Villaraigosa and Hertzberg) (Coauthors: Assembly Members Aanestad, Ackerman, Aroner, Ashburn, Baldwin, Bates, Battin, Baugh, Bock, Brewer, Briggs, Calderon, Campbell, Cardenas, Cardoza, Cedillo, Corbett, Correa, Cox, Cunneen, Davis, Dickerson, Ducheny, Dutra, Firebaugh, Florez, Floyd, Frusetta, Gallegos, Granlund, Havice, Honda, House, Jackson, Keeley, Knox, Kuehl, Leach, Lempert, Leonard, Longville, Lowenthal, Machado, Maddox, Maldonado, Margett, Mazzoni, McClintock, Migden, Nakano, Olberg, Oller, Robert Pacheco, Rod Pacheco, Pescetti, Reyes, Romero, Runner, Scott, Shelley, Soto, Steinberg, Strickland, Strom-Martin, Thomson, Torlakson,

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Res. Ch.	Res.	No.	Author
			Vincent, Wayne, Wesson, Wiggins, Wright, and Zettel)
22	ACR	19	Knox
23	ACR	11	Papan (Coauthors: Assembly Members Aanestad, Ackerman, Alquist, Ashburn, Baldwin, Bates, Battin, Baugh, Brewer, Briggs, Cardenas, Cardoza, Cedillo, Corbett, Correa, Cox, Cunneen, Dickerson, Ducheny, Dutra, Firebaugh, Florez, Frusetta, Granlund, Havice, Hertzberg, House, Jackson, Kaloogian, Keeley, Kuehl, Leach, Lempert, Leonard, Lowenthal, Maddox, Maldonado, Margett, Mazzoni, McClintock, Migden, Nakano, Olberg, Oller, Robert Pacheco, Rod Pacheco, Pescetti, Reyes, Romero, Runner, Scott, Shelley, Soto, Steinberg, Strickland, Strom-Martin, Thompson, Thomson, Torlakson, Villaraigosa, Vincent, Washington, Wayne, Wesson, Wiggins, Wildman, and Zettel)
24	SCR	6	Baca (Principal coauthors: Senators Polanco, Alarcon, Escutia, Figueroa, Ortiz, and Solis) (Principal coauthors: Assembly Members Villaraigosa, Ducheny, Calderon, Cardenas, Cedillo, Correa, Firebaugh, Florez, Gallegos, Havice, Reyes, Romero, and Soto) (Coauthors: Senators Burton, Chesbro, Costa, Dunn, Hughes, Karnette, Kelley, McPherson, O'Connell, Peace, Perata, Sher, and Vasconcellos) (Coauthors: Assembly Members Alquist, Aroner, Briggs, Cunneen, Davis, Dickerson, Dutra, Honda, Keeley, Knox, Kuehl, Longville, Machado, Margett, Mazzoni, McClintock, Migden, Robert Pacheco, Papan, Scott, Shelley, Steinberg, Strom-Martin, Washington, Wesson, Wildman, Wright, and Zettel)
25	ACR	46	Gallegos (Coauthors: Assembly Members Aanestad, Ackerman, Alquist, Aroner, Bates, Battin, Baugh, Bock, Brewer, Briggs, Campbell, Cardenas, Cardoza, Cedillo, Corbett, Correa, Cox, Cunneen, Davis, Dickerson, Ducheny, Dutra, Firebaugh, Florez, Frusetta, Havice, Hertzberg, Honda, House, Jackson, Keeley, Kuehl, Leach, Lempert, Leonard, Longville, Lowenthal, Machado, Maddox, Maldonado, Margett, McClintock, Migden, Olberg, Oller, Robert Pacheco, Rod Pacheco, Papan, Pescetti, Reyes, Romero, Runner, Scott, Shelley, Steinberg, Thompson, Thomson, Torlakson, Vincent, Wayne, Wesson, Wiggins, Wildman, and Zettel)
26	ACR	1	Thomson (Coauthors: Assembly Members Ackerman, Alquist, Aroner, Ashburn, Battin, Baugh, Briggs, Calderon, Campbell, Cardenas, Cardoza, Corbett, Correa, Cox, Davis, Dickerson, Ducheny, Dutra, Florez, Frusetta, Gallegos, Granlund, Havice, Hertzberg, Honda, House, Jackson, Kaloogian, Keeley, Knox, Kuehl, Leach, Lempert, Leonard, Longville, Lowenthal, Machado, Maddox, Maldonado, Margett, Mazzoni, Migden, Nakano, Oller, Robert Pacheco, Rod Pacheco, Papan, Pescetti, Reyes, Romero, Runner, Scott, Shelley, Soto, Steinberg, Strickland, Strom-Martin, Torlakson, Villaraigosa, Vincent, Washington, Wayne, Wesson, Wiggins, Wildman, Wright, and Zettel) (Coauthor: Senator Johnston)
27	ACR	26	Wayne (Coauthors: Assembly Members Aanestad, Ackerman, Alquist, Aroner, Baldwin, Bates, Battin, Baugh, Bock, Brewer, Calderon, Campbell, Cardenas, Cardoza, Corbett, Correa, Cox, Cunneen, Davis, Ducheny, Dutra, Firebaugh, Florez, Frusetta, Gallegos, Granlund, Havice, Hertzberg, Honda, Jackson, Kaloogian, Keeley, Knox, Kuehl, Lempert, Lowenthal, Machado, Maddox, Maldonado, Mazzoni, McClintock, Migden, Olberg, Oller, Robert Pacheco, Rod Pacheco, Pescetti, Reyes, Romero, Scott, Shelley, Soto, Steinberg, Strickland, Strom-Martin, Torlakson, Villaraigosa, Vincent, Washington, Wesson, Wildman, and Zettel)
28	ACR	49	Correa, Villaraigosa, Calderon, Cardenas, Cedillo, Ducheny, Firebaugh, Florez, Gallegos, Havice, Reyes, Romero, and Soto (Principal coauthors: Senators Burton, Alarcon, Baca, Escutia, Figueroa, Ortiz, Polanco, and Solis) (Coauthors: Assembly Members Aanestad, Ackerman, Alquist, Aroner, Bates, Battin, Baugh, Bock, Brewer, Briggs, Campbell, Cardoza, Corbett, Cox, Cunneen, Davis, Dickerson, Dutra, Frusetta, Hertzberg, Honda, House, Jackson, Keeley, Kuehl, Leach, Lempert, Leonard, Longville, Lowenthal, Machado, Maddox, Maldonado, Margett, McClintock, Migden, Olberg, Oller, Robert Pacheco, Rod Pacheco, Papan, Pescetti, Runner, Scott, Shelley, Steinberg, Thompson, Thomson, Torlakson, Vincent, Washington, Wayne, Wesson, Wiggins, Wildman, and Zettel) (Coauthors: Senators Bowen, Brulte, Chesbro, Dunn, Hayden, Haynes, Hughes, Johannessen, Johnson, Kelley, Knight, Leslie, Lewis, McPherson, Monteith, Morrow, Peace, Perata, Poochigian, Rainey, Speier, Vasconcellos, and Wright)
29	ACR	50	Baugh (Coauthors: Assembly Members Aanestad, Ackerman, Alquist, Aroner, Ashburn, Baldwin, Bates, Battin, Bock, Brewer, Briggs, Calderon, Campbell, Cardenas, Cardoza, Cedillo, Corbett, Correa, Cox, Cunneen, Davis, Dickerson, Ducheny, Dutra, Firebaugh, Florez, Floyd, Frusetta, Gallegos, Granlund, Havice, Hertzberg, Honda, House, Jackson, Kaloogian, Keeley, Knox, Kuehl, Leach, Lempert, Leonard, Longville, Lowenthal, Machado, Maddox, Maldonado, Margett, Mazzoni, McClintock, Migden, Nakano, Olberg, Oller, Robert Pacheco, Rod Pacheco, Papan, Pescetti, Reyes, Romero, Runner, Scott, Shelley, Soto, Steinberg, Strickland, Strom-Martin, Thompson, Thomson, Torlakson, Villaraigosa, Vincent, Washington, Wayne, Wesson, Wiggins, Wildman, Wright, and Zettel) (Coauthors: Senators Alarcon, Baca, Bowen, Brulte, Burton, Chesbro, Dunn, Escutia, Hayden, Haynes, Hughes, Johannessen, Johnson, Kelley, Knight, Leslie, Lewis, McPherson, Monteith, Morrow, Ortiz, Peace, Perata, Polanco, Poochigian, Rainey, Solis, Speier, Vasconcellos, and Wright)

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30	ACR	56	Wiggins (Principal coauthor: Senator Chesbro) (Coauthors: Assembly Members Ackerman, Alquist, Aroner, Ashburn, Baldwin, Bates, Battin, Baugh, Bock, Brewer, Briggs, Calderon, Campbell, Cardenas, Cardoza, Cedillo, Corbett, Correa, Cox, Cunneen, Davis, Dickerson, Ducheny, Dutra, Florez, Frusetta, Granlund, Havice, Hertzberg, Honda, House, Jackson, Keeley, Knox, Kuehl, Leach, Lempert, Leonard, Longville, Machado, Maddox, Maldonado, Margett, Mazzoni, McClintock, Migden, Nakano, Olberg, Oller, Rod Pacheco, Papan, Pescetti, Reyes, Romero, Runner, Scott, Shelley, Soto, Steinberg, Strickland, Thompson, Thomson, Torlakson, Villaraigosa, Wayne, Wesson, Wildman, Wright, and Zettel) (Coauthors: Senators Alarcon, Alpert, Baca, Bowen, Brulte, Burton, Costa, Dunn, Escutia, Figueroa, Hayden, Haynes, Hughes, Johannessen, Johnson, Johnston, Karnette, Kelley, Knight, Leslie, Lewis, McPherson, Monteith, Morrow, Mountjoy, Murray, O'Connell, Peace, Polanco, Poochigian, Rainey, Schiff, Sher, Solis, Vasconcellos, and Wright)
31	ACR	54	Strom-Martin and Senator Karnette (Principal coauthor: Assembly Member Mazzoni) (Coauthors: Assembly Members Campbell, Correa, Honda, Nakano, Reyes, Romero, Torlakson, Wiggins, Wildman, Ackerman, Alquist, Ashburn, Baldwin, Bates, Battin, Baugh, Bock, Briggs, Calderon, Cardenas, Cardoza, Cedillo, Corbett, Cunneen, Davis, Dickerson, Ducheny, Dutra, Firebaugh, Florez, Floyd, Frusetta, Gallegos, Granlund, Havice, Hertzberg, House, Jackson, Keeley, Knox, Kuehl, Leach, Lempert, Leonard, Longville, Lowenthal, Machado, Maddox, Maldonado, Margett, McClintock, Migden, Olberg, Oller, Robert Pacheco, Rod Pacheco, Papan, Pescetti, Runner, Scott, Shelley, Soto, Steinberg, Strickland, Thompson, Thomson, Washington, Wayne, Wesson, Wright, and Zettel) (Coauthors: Senators Alarcon, Alpert, and Chesbro)
32	SCR	7	Solis (Coauthors: Senators Alpert, Baca, Bowen, Chesbro, Hayden, Hughes, Johnston, Karnette, Ortiz, Polanco, Rainey, and Vasconcellos) (Coauthors: Assembly Members Aroner, Bates, Corbett, Cox, Cunneen, Davis, Firebaugh, Keeley, Knox, Leach, Machado, Mazzoni, Robert Pacheco, Romero, Scott, Steinberg, Thompson, Washington, and Zettel)
33	SCR	27	Johannessen, Alpert, Costa, Rainey, Speier, and Vasconcellos (Coauthors: Assembly Members Robert Pacheco and Villaraigosa)
34	SCR	28	Burton
35	SCR	19	Burton
36	ACR	16	Torlakson
37	ACR	22	Correa and Battin (Coauthors: Assembly Members Calderon, Cedillo, Firebaugh, Havice, Hertzberg, Honda, Romero, Villaraigosa, Aanestad, Ackerman, Alquist, Aroner, Ashburn, Baldwin, Bates, Baugh, Bock, Brewer, Briggs, Campbell, Cardenas, Cardoza, Corbett, Cox, Cunneen, Davis, Dickerson, Ducheny, Dutra, Florez, Frusetta, Gallegos, Granlund, House, Jackson, Kaloogian, Keeley, Knox, Kuehl, Leach, Lempert, Leonard, Longville, Lowenthal, Machado, Maddox, Maldonado, Margett, Mazzoni, McClintock, Migden, Nakano, Olberg, Oller, Robert Pacheco, Rod Pacheco, Papan, Pescetti, Reyes, Runner, Scott, Shelley, Soto, Steinberg, Strickland, Strom-Martin, Thompson, Thomson, Torlakson, Vincent, Washington, Wayne, Wesson, Wiggins, Wildman, Wright, and Zettel) (Coauthor: Senator Ortiz)
38	ACR	38	Wayne
39	ACR	47	Machado
40	AJR	9	Correa and Senator Ortiz (Coauthors: Assembly Members Firebaugh, Honda, Knox, Pescetti, Aanestad, Ackerman, Alquist, Bates, Battin, Baugh, Brewer, Briggs, Calderon, Campbell, Cardenas, Cardoza, Corbett, Cox, Cunneen, Davis, Dickerson, Ducheny, Dutra, Florez, Frusetta, Gallegos, Havice, Hertzberg, House, Jackson, Keeley, Kuehl, Leach, Lempert, Leonard, Longville, Lowenthal, Machado, Maddox, Maldonado, Mazzoni, Nakano, Oller, Robert Pacheco, Rod Pacheco, Papan, Reyes, Romero, Scott, Shelley, Soto, Strickland, Strom-Martin, Thompson, Thomson, Torlakson, Villaraigosa, Vincent, Wesson, Wildman, and Zettel) (Coauthors: Senators Baca, Costa, and Karnette)
41	ACR	39	Wayne
42	ACR	40	Wayne
43	SCR	29	Alpert
44	SCR	32	Baca, Alarcon, Bowen, Brulte, Burton, Chesbro, Dunn, Escutia, Hayden, Haynes, Hughes, Johannessen, Johnson, Kelley, Knight, Leslie, Lewis, McPherson, Monteith, Morrow, Mountjoy, Ortiz, Peace, Perata, Polanco, Poochigian, Rainey, Solis, Speier, Vasconcellos, and Wright
45	SCR	35	Monteith, Alpert, Baca, Bowen, Brulte, Burton, Chesbro, Dunn, Figueroa, Haynes, Hughes, Johannessen, Johnson, Johnston, Karnette, Kelley, Knight, Leslie, Lewis, McPherson, Mountjoy, O'Connell, Ortiz, Peace, Perata, Polanco, Poochigian, Rainey, Sher, Solis, Speier, and Wright (Coauthors: Assembly Members Cardoza, Aanestad, Ackerman, Alquist, Aroner, Ashburn, Bates, Battin, Bock, Briggs, Calderon, Cardenas, Cedillo, Corbett, Correa, Cunneen, Davis, Dickerson, Ducheny, Dutra, Firebaugh, Frusetta, Gallegos, Granlund, Havice, Honda, House, Jackson, Keeley, Knox, Kuehl, Leach, Lempert, Leonard, Longville, Lowenthal, Machado, Maddox, Maldonado, Margett, McClintock, Migden, Nakano, Olberg, Oller, Robert Pacheco, Rod Pacheco, Pescetti, Reyes, Romero, Runner, Scott, Shelley, Steinberg, Strickland, Thompson, Thomson, Torlakson, Villaraigosa, Vincent, Washington, Wayne, Wesson, Wildman, Wright, and Zettel)
46	SCR	5	Kelley (Coauthors: Assembly Members Aanestad, Ackerman, Alquist, Aroner, Baldwin, Bates, Battin, Bock, Brewer, Briggs, Calderon, Cardenas, Cardoza, Cedillo, Corbett, Correa, Cox, Cunneen, Davis, Dickerson, Ducheny, Dutra,

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			Firebaugh, Florez, Frusetta, Gallegos, Granlund, Havice, Hertzberg, Honda, House, Jackson, Kaloogian, Keeley, Knox, Kuehl, Leach, Lempert, Leonard, Longville, Lowenthal, Machado, Maddox, Maldonado, Margett, Mazzoni, McClintock, Migden, Nakano, Olberg, Oller, Robert Pacheco, Rod Pacheco, Pescetti, Reyes, Romero, Runner, Shelley, Steinberg, Strickland, Strom-Martin, Thompson, Thomson, Torlakson, Villaraigosa, Vincent, Washington, Wayne, Wesson, Wiggins, Wildman, and Zettel)
47	SCR	18	Baca (Coauthors: Senators Alpert and Solis) (Coauthors: Assembly Members Briggs, Campbell, Cox, Honda, Knox, Maddox, Margett, Oller, Romero, and Washington)
48	ACR	64	Leonard, Vincent, Washington, Wesson, and Wright (Coauthors: Assembly Members Baugh, Aanestad, Ackerman, Alquist, Aroner, Ashburn, Baldwin, Bates, Battin, Bock, Briggs, Calderon, Campbell, Cardenas, Cardoza, Cedillo, Correa, Cox, Cunneen, Davis, Dickerson, Dutra, Firebaugh, Florez, Frusetta, Gallegos, Granlund, Havice, Hertzberg, House, Jackson, Kaloogian, Keeley, Knox, Kuehl, Leach, Lempert, Longville, Lowenthal, Machado, Maddox, Maldonado, Margett, Mazzoni, McClintock, Nakano, Olberg, Oller, Robert Pacheco, Rod Pacheco, Papan, Pescetti, Reyes, Romero, Runner, Scott, Shelley, Soto, Steinberg, Strickland, Strom-Martin, Thompson, Thomson, Torlakson, Villaraigosa, Wayne, Wiggins, Wildman, and Zettel)
49	ACR	5	Mazzoni (Coauthor: Senator Burton)
50	ACR	71	Steinberg and Villaraigosa (Coauthors: Assembly Members Aanestad, Ackerman, Alquist, Aroner, Ashburn, Baldwin, Bates, Battin, Baugh, Bock, Brewer, Briggs, Calderon, Cardenas, Cardoza, Cedillo, Corbett, Correa, Cox, Cunneen, Davis, Dickerson, Ducheny, Dutra, Firebaugh, Florez, Frusetta, Gallegos, Granlund, Havice, Hertzberg, Honda, House, Jackson, Kaloogian, Keeley, Knox, Kuehl, Leach, Lempert, Leonard, Longville, Lowenthal, Machado, Maddox, Maldonado, Margett, Mazzoni, McClintock, Migden, Nakano, Olberg, Oller, Robert Pacheco, Rod Pacheco, Papan, Pescetti, Reyes, Romero, Runner, Scott, Shelley, Soto, Strickland, Strom-Martin, Thompson, Thomson, Torlakson, Vincent, Washington, Wayne, Wesson, Wiggins, Wildman, Wright, and Zettel) (Principal coauthor: Senator Ortiz) (Coauthors: Senators Alarcon, Alpert, Baca, Bowen, Brulte, Burton, Chesbro, Dunn, Figueroa, Hayden, Haynes, Hughes, Johnston, Karnette, Kelley, Knight, Lewis, McPherson, Monteith, Mountjoy, O'Connell, Perata, Polanco, Poochigian, Rainey, Schiff, Sher, Solis, and Wright)
51	SCR	11	Hughes
52	SCR	16	Perata
53	SJR	12	Escutia (Coauthors: Senators Alarcon, Alpert, Baca, Bowen, Burton, Chesbro, Costa, Dunn, Figueroa, Hayden, Hughes, Johnston, Karnette, Murray, O'Connell, Ortiz, Peace, Perata, Polanco, Schiff, Sher, Solis, Speier, and Vasconcellos) (Coauthor: Assembly Member Lowenthal)
55	SCR	12	Johannessen
56	SJR	3	Burton and Chesbro (Coauthors: Assembly Members Mazzoni, Strom-Martin, and Wiggins)
57	SJR	10	Dunn
58	AJR	6	Briggs (Coauthors: Assembly Members Aanestad, Cox, House, Leach, Leonard, Oller, Robert Pacheco, Runner, and Zettel)
59	ACR	55	Olberg (Coauthors: Assembly Members Aanestad, Ackerman, Alquist, Aroner, Ashburn, Baldwin, Bates, Battin, Baugh, Bock, Brewer, Briggs, Calderon, Cardenas, Cardoza, Corbett, Correa, Cox, Cunneen, Davis, Dickerson, Ducheny, Dutra, Florez, Frusetta, Gallegos, Granlund, Havice, Hertzberg, Honda, House, Jackson, Kaloogian, Keeley, Knox, Kuehl, Leach, Lempert, Leonard, Longville, Lowenthal, Machado, Maddox, Maldonado, Margett, Mazzoni, McClintock, Migden, Nakano, Oller, Robert Pacheco, Rod Pacheco, Pescetti, Reyes, Romero, Runner, Scott, Shelley, Steinberg, Strickland, Strom-Martin, Thompson, Thomson, Torlakson, Villaraigosa, Vincent, Washington, Wayne, Wesson, Wildman, Wright, and Zettel)
60	ACR	72	Ashburn
61	SCR	17	Schiff (Coauthors: Senators Brulte, Costa, Karnette, Lewis, O'Connell, Polanco, Rainey, and Wright) (Coauthors: Assembly Members Alquist, Briggs, Campbell, Cardenas, Honda, House, Kuehl, Leach, Leonard, Longville, Robert Pacheco, Shelley, and Zettel)
62	SCR	33	Dunn
63	SJR	1	Speier (Coauthors: Assembly Members Aanestad, Alquist, Aroner, Bock, Calderon, Cardenas, Cardoza, Cedillo, Corbett, Correa, Cox, Cunneen, Davis, Ducheny, Dutra, Florez, Frusetta, Granlund, Havice, Hertzberg, Honda, Jackson, Keeley, Knox, Kuehl, Lempert, Longville, Lowenthal, Machado, Maldonado, Mazzoni, Migden, Nakano, Papan, Pescetti, Reyes, Romero, Scott, Shelley, Soto, Steinberg, Strom-Martin, Thomson, Torlakson, Vincent, Villaraigosa, Washington, Wayne, Wesson, Wiggins, Wildman, and Zettel)
64	SJR	4	Solis, Alpert, Figueroa, Karnette, and Speier (Coauthors: Senators Baca, Bowen, Costa, Hayden, Peace, Polanco, and Vasconcellos) (Coauthors: Assembly Members Alquist, Davis, Dutra, Gallegos, Havice, Jackson, Knox, Kuehl, Longville, Robert Pacheco, Romero, Scott, Shelley, Strom-Martin, Villaraigosa, Washington, Wildman, Annestad, Ackerman, Aroner, Baldwin, Bates, Battin, Bock, Calderon, Campbell, Cardenas, Cardoza, Corbett, Correa, Cox, Dickerson, Ducheny, Firebaugh, Frusetta, Granlund, Hertzberg, Honda, Keeley, Leach, Lempert, Lowenthal, Machado, Maddox, Maldonado, Margett, Mazzoni, McClintock, Migden, Nakano, Olberg, Oller, Papan, Pescetti, Reyes, Soto, Steinberg, Strickland, Thomson, Torlakson, Vincent, Wayne, Wesson, Wiggins, and Zettel)

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65	SJR	6	Solis (Coauthor: Senator Chesbro)
66	SJR	8	Solis (Principal coauthors: Assembly Members Calderon and Margett) (Coauthor: Senator Escutia) (Coauthors: Assembly Members Gallegos and Scott)
67	SJR	9	Lewis, Dunn, Johnson, and Morrow (Coauthors: Assembly Members Ackerman, Bates, Baugh, Brewer, Campbell, Correa, and Maddox)
68	ACR	4	Machado
69	ACR	65	Machado
70	AJR	4	Maldonado (Coauthors: Assembly Members Frusetta and Oller)
71	AJR	10	Leonard (Coauthors: Assembly Members Cox, Cunneen, Dutra, and House) (Coauthor: Senator Vasconcellos)
72	SCR	25	Morrow (Coauthors: Assembly Members Ackerman and Bates)
73	SCR	31	Polanco
74	SCR	37	Costa
75	SJR	13	Baca
76	AJR	12	Lempert (Coauthors: Assembly Members Campbell, Davis, Havice, Keeley, Kuehl, Leach, Lowenthal, Maldonado, Mazzoni, Scott, Shelley, Soto, Strom-Martin, Washington, and Zettel) (Coauthors: Senators Costa, O'Connell, Poochigian, Rainey, and Vasconcellos)
77	AJR	17	Aroner (Coauthors: Assembly Members Havice, Jackson, Keeley, Kuehl, Longville, Migden, Romero, Shelley, Strom-Martin, and Washington) (Coauthors: Senators Chesbro, Solis, and Vasconcellos)
78	AJR	19	Papan (Principal coauthor: Assembly Member Alquist) (Coauthors: Assembly Members Ackerman, Ashburn, Bates, Battin, Baugh, Brewer, Briggs, Calderon, Campbell, Cardenas, Cardoza, Cedillo, Corbett, Correa, Cox, Cunneen, Davis, Dickerson, Ducheny, Dutra, Firebaugh, Florez, Frusetta, Gallegos, Granlund, Havice, Hertzberg, Honda, House, Jackson, Kaloogian, Keeley, Kuehl, Leach, Lempert, Leonard, Longville, Lowenthal, Machado, Maddox, Maldonado, Margett, Mazzoni, Migden, Nakano, Olberg, Robert Pacheco, Rod Pacheco, Pescetti, Reyes, Romero, Scott, Shelley, Soto, Steinberg, Strickland, Strom-Martin, Thompson, Thomson, Torlakson, Villaraigosa, Vincent, Washington, Wayne, Wesson, Wildman, and Zettel) (Coauthor: Senator Poochigian)
79	ACR	2	Papan (Principal coauthor: Assembly Member Machado) (Principal coauthor: Senator Burton) (Coauthor: Assembly Member Alquist)
80	ACR	14	Gallegos
81	ACR	17	Wayne
82	ACR	35	Steinberg and Senator Johnston
83	ACR	78	McClintock (Principal coauthors: Assembly Members Cardenas, Hertzberg, Knox, and Kuehl) (Principal coauthors: Senators Alarcon, Hayden, and Wright) (Coauthors: Assembly Members Aanestad, Ackerman, Alquist, Aroner, Ashburn, Baldwin, Bates, Battin, Baugh, Bock, Brewer, Briggs, Calderon, Campbell, Cardoza, Cedillo, Corbett, Correa, Cox, Cunneen, Davis, Dickerson, Ducheny, Dutra, Firebaugh, Florez, Floyd, Frusetta, Gallegos, Granlund, Havice, Honda, House, Jackson, Kaloogian, Keeley, Leach, Lempert, Leonard, Longville, Lowenthal, Machado, Maddox, Maldonado, Margett, Mazzoni, Migden, Nakano, Olberg, Oller, Robert Pacheco, Rod Pacheco, Papan, Pescetti, Reyes, Romero, Runner, Scott, Shelley, Soto, Steinberg, Strickland, Strom-Martin, Thompson, Thomson, Torlakson, Villaraigosa, Washington, Wayne, Wesson, Wiggins, Wildman, Wright and Zettel)
84	SCR	9	Baca (Principal coauthor: Assembly Member Oller) (Coauthors: Senators Alpert, Costa, Dunn, Karnette, Leslie, Peace, Rainey, Solis, and Wright) (Coauthors: Assembly Members Aanestad, Ackerman, Alquist, Bates, Briggs, Calderon, Cox, Dickerson, Havice, Knox, Machado, Maldonado, Margett, Romero, Scott, Steinberg, Washington, and Zettel)
85	SCR	15	Ortiz
86	SJR	2	Alpert and O'Connell (Coauthors: Assembly Members Alquist, Aroner, Bock, Cedillo, Corbett, Cunneen, Davis, Dutra, Frusetta, Gallegos, Havice, Hertzberg, Honda, Jackson, Keeley, Knox, Kuehl, Lempert, Longville, Lowenthal, Machado, Maldonado, Mazzoni, Migden, Nakano, Reyes, Romero, Scott, Shelley, Soto, Steinberg, Strom-Martin, Thomson, Torlakson, Villaraigosa, Washington, Wayne, Wiggins, and Wildman)
87	SJR	18	Kelley
88	ACR	53	Zettel (Coauthors: Assembly Members Aanestad, Ackerman, Baldwin, Bates, Battin, Baugh, Calderon, Campbell, Cox, Davis, Dickerson, Ducheny, Firebaugh, Havice, House, Kaloogian, Keeley, Knox, Kuehl, Leach, Maldonado, Oller, Robert Pacheco, Rod Pacheco, Papan, Pescetti, Scott, Strickland, Thompson, Villaraigosa, Washington, Wayne, Wildman, and Wright) (Coauthors: Senators Alpert, Baca, Brulte, Costa, Dunn, Haynes, Morrow, O'Connell, Peace, Polanco, Rainey, Solis, and Vasconcellos)
89	ACR	77	Granlund (Coauthors: Assembly Members Ackerman, Alquist, Aroner, Ashburn, Baldwin, Bates, Battin, Baugh, Bock, Brewer, Briggs Calderon, Campbell, Cardenas, Cardoza, Cedillo, Corbett, Correa, Cox, Cunneen, Davis, Dickerson, Ducheny, Dutra, Firebaugh, Florez, Frusetta, Gallegos, Havice, Hertzberg, Honda, House, Jackson, Kaloogian, Keeley, Knox, Leach, Lempert, Leonard, Longville, Lowenthal, Machado, Maddox, Maldonado, Margett, Mazzoni, McClintock, Migden, Nakano, Olberg, Oller, Robert Pacheco, Rod Pacheco, Papan, Pescetti, Reyes, Romero, Runner, Scott, Shelley, Soto, Steinberg, Strickland, Strom-Martin, Thompson, Torlakson, Villaraigosa, Vincent, Washington, Wayne, Wesson, Wiggins, Wildman, and Zettel)
90	AJR	27	Honda, Cardenas, Cunneen, Firebaugh, Granlund, Strom-Martin, and Wildman (Coauthors: Senators Johnston and Speier)
91	AJR	23	Runner and Knox (Coauthors: Assembly Members Wildman, Aanestad, Ackerman, Alquist, Aroner, Ashburn, Baldwin, Bates, Battin, Baugh, Bock, Brewer, Briggs, Calderon, Campbell, Cardenas, Cardoza, Cedillo, Corbett, Correa, Cox, Cunneen, Davis, Dickerson, Ducheny, Dutra, Firebaugh, Frusetta, Gallegos, Granlund, Havice, Hertzberg, Honda, Jackson,

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92	SCR 8	Costa, Figueroa, Karnette, and Vasconcellos (Coauthors: Assembly Members Brewer, Florez, Machado, Villaraigosa, Ackerman, Alquist, Aroner, Ashburn, Baldwin, Bates, Battin, Baugh, Bock, Briggs, Calderon, Campbell, Cardenas, Cardoza, Cedillo, Corbett, Correa, Cox, Cunneen, Davis, Dickerson, Ducheny, Dutra, Firebaugh, Frusetta, Gallegos, Granlund, Havice, Hertzberg, Honda, House, Jackson, Keeley, Knox, Kuehl, Leach, Lempert, Leonard, Longville, Lowenthal, Maddox, Maldonado, Margett, Mazzoni, McClintock, Nakano, Olberg, Oller, Robert Pacheco, Rod Pacheco, Papan, Pescetti, Reyes, Romero, Runner, Scott, Shelley, Soto, Steinberg, Strickland, Strom-Martin, Thomson, Torlakson, Vincent, Washington, Wayne, Wesson, Wiggins, Wildman, Wright, and Zettel)
93	SCR 26	Costa
94	SCR 34	Peace
95	SJR 15	Sher (Principal coauthor: Assembly Member Oller) (Coauthors: Senators Alpert, Chesbro, Dunn, Hayden, Johannessen, Leslie, Monteith, Mountjoy, Ortiz, Perata, Rainey, Solis, and Speier) (Coauthors: Assembly Members Aroner, Bock, Cox, House, Kuehl, Leach, Lempert, Longville, Machado, Mazzoni, Migden, Strom-Martin, and Thomson)
96	ACR 60	Corbett (Principal coauthor: Assembly Member Alquist) (Coauthors: Assembly Members Bock and Dutra) (Coauthor: Senator Alarcon)
97	ACR 67	Wildman
98	ACR 81	Reyes and Cardoza (Coauthors: Assembly Members Aanestad, Ackerman, Alquist, Aroner, Ashburn, Baldwin, Bates, Battin, Bock, Brewer, Briggs, Campbell, Cardenas, Cedillo, Corbett, Correa, Cox, Cunneen, Davis, Dickerson, Ducheny, Dutra, Firebaugh, Florez, Frusetta, Gallegos, Granlund, Havice, Hertzberg, Honda, House, Jackson, Kaloogian, Keeley, Knox, Kuehl, Leach, Lempert, Leonard, Longville, Lowenthal, Machado, Maddox, Maldonado, Margett, Mazzoni, McClintock, Migden, Nakano, Olberg, Oller, Robert Pacheco, Rod Pacheco, Papan, Pescetti, Romero, Runner, Scott, Shelley, Soto, Steinberg, Strickland, Strom-Martin, Thomson, Torlakson, Villaraigosa, Vincent, Washington, Wayne, Wesson, Wiggins, Wildman, and Zettel) (Coauthor: Senator Costa)
99	ACR 87	Villaraigosa (Principal coauthor: Senator Burton) (Coauthors: Assembly Members Aanestad, Ackerman, Alquist, Aroner, Ashburn, Baldwin, Bates, Battin, Baugh, Bock, Brewer, Calderon, Campbell, Cardenas, Cardoza, Cedillo, Corbett, Correa, Cox, Cunneen, Davis, Dickerson, Ducheny, Dutra, Firebaugh, Florez, Gallegos, Granlund, Havice, Hertzberg, Honda, House, Jackson, Keeley, Knox, Kuehl, Leach, Lempert, Leonard, Longville, Lowenthal, Machado, Maddox, Maldonado, Margett, Mazzoni, McClintock, Migden, Nakano, Olberg, Oller, Robert Pacheco, Rod Pacheco, Papan, Pescetti, Reyes, Romero, Runner, Scott, Soto, Steinberg, Strickland, Strom-Martin, Thompson, Thomson, Torlakson, Vincent, Washington, Wayne, Wesson, Wiggins, Wildman, Wright, and Zettel)
100	AJR 7	Maldonado
101	AJR 15	Robert Pacheco
102	AJR 18	Reyes (Coauthors: Assembly Members Bock, Calderon, Corbett, Firebaugh, Florez, Gallegos, Havice, Keeley, Knox, Kuehl, Romero, Shelley, Strom-Martin, Vincent, Wayne, Wildman, Alquist, Aroner, Cardenas, Cardoza, Cedillo, Correa, Cox, Cunneen, Davis, Dickerson, Dutra, Granlund, Hertzberg, Honda, Jackson, Lempert, Lowenthal, Machado, Maddox, Mazzoni, Migden, Nakano, Olberg, Oller, Robert Pacheco, Papan, Pescetti, Runner, Scott, Soto, Steinberg, Strickland, Thomson, Torlakson, Villaraigosa, Washington, Wesson, Wiggins, and Zettel) (Coauthors: Senators Costa, Solis, and Vasconcellos)
103	AJR 26	Honda, Romero, and Nakano (Coauthors: Assembly Members Aanestad, Ackerman, Alquist, Aroner, Ashburn, Baldwin, Bates, Battin, Baugh, Bock, Brewer, Briggs, Calderon, Corbett, Correa, Cox, Cunneen, Davis, Ducheny, Dutra, Firebaugh, Florez, Frusetta, Gallegos, Granlund, Havice, Hertzberg, Jackson, Keeley, Knox, Kuehl, Leach, Lempert, Leonard, Longville, Lowenthal, Maddox, Maldonado, Margett, Mazzoni, Migden, Olberg, Oller, Robert Pacheco, Rod Pacheco, Pescetti, Reyes, Runner, Scott, Shelley, Steinberg, Strickland, Strom-Martin, Thompson, Thomson, Torlakson, Villaraigosa, Washington, Wayne, Wesson, Wiggins, Wildman, Wright, and Zettel)
104	ACR 57	Hertzberg and Senator Polanco
105	AJR 16	Torlakson
106	ACR 76	Campbell
107	ACR 93	Bock (Principal coauthor: Senator Morrow)
108	ACR 18	Machado and Davis (Coauthors: Assembly Members Cardoza, Longville, and Wayne)
109	ACR 51	Wayne
110	ACR 68	Oller
111	ACR 79	Hertzberg
112	AJR 21	Runner and Romero (Coauthors: Assembly Members Aanestad, Ackerman, Alquist, Aroner, Ashburn, Baldwin, Bates, Battin, Baugh, Bock, Briggs, Calderon, Campbell, Cardenas, Cardoza, Corbett, Correa, Cox, Cunneen, Davis, Dickerson, Ducheny, Dutra, Florez, Frusetta, Gallegos, Granlund, Havice, Hertzberg, Honda, House, Jackson, Keeley, Knox, Kuehl, Leach, Lempert, Leonard, Longville, Lowenthal, Maddox, Maldonado, Margett, Mazzoni, McClintock, Migden, Nakano, Olberg, Oller, Robert Pacheco, Pescetti, Reyes, Scott, Shelley, Soto, Steinberg, Strickland, Strom-Martin, Thompson, Thomson, Torlakson, Villaraigosa,

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113	AJR 32	Strickland and Gallegos
114	ACR 91	Villaraigosa (Coauthors: Assembly Members Alquist, Aroner, Ashburn, Baldwin, Bates, Battin, Baugh, Bock, Brewer, Briggs, Calderon, Campbell, Cardenas, Cardoza, Cedillo, Corbett, Correa, Cox, Cunneen, Davis, Dickerson, Ducheny, Dutra, Firebaugh, Florez, Frusetta, Gallegos, Granlund, Havice, Hertzberg, Honda, Jackson, Kaloogian, Keeley, Knox, Kuehl, Leach, Lempert, Leonard, Longville, Lowenthal, Machado, Maddox, Maldonado, Margett, Mazzoni, Migden, Nakano, Olberg, Oller, Robert Pacheco, Rod Pacheco, Papan, Pescetti, Reyes, Romero, Runner, Scott, Shelley, Soto, Steinberg, Strom-Martin, Thomson, Torlakson, Vincent, Washington, Wayne, Wesson, Wiggins, Wildman, Wright, and Zettel)
115	AJR 33	Nakano, Alquist, Dutra, Longville, Lowenthal, Maldonado, Robert Pacheco, Runner, and Strickland (Coauthors: Senators Alpert, Baca, Figueroa, Karnette, Knight, Monteith, O'Connell, and Solis)
116	ACR 73	Thomson and Wayne (Principal coauthors: Senators Alpert and Rainey) (Coauthors: Assembly Members Aanestad, Alquist, Aroner, Bock, Calderon, Cox, Dutra, Keeley, Knox, Kuehl, Leach, Lempert, Longville, Lowenthal, Mazzoni, Migden, Romero, Soto, Strickland, Strom-Martin, Washington, and Wildman) (Coauthors: Senators Baca, Costa, Karnette, O'Connell, Ortiz, Solis, and Vasconcellos)
117	ACR 80	Thomson (Coauthor: Senator Johannessen)
118	ACR 84	Reyes (Coauthors: Assembly Members Ackerman, Alquist, Aroner, Ashburn, Baldwin, Bates, Battin, Baugh, Bock, Brewer, Briggs, Calderon, Campbell, Cardenas, Cardoza, Cedillo, Corbett, Correa, Cox, Cunneen, Davis, Dickerson, Ducheny, Dutra, Firebaugh, Florez, Floyd, Frusetta, Gallegos, Granlund, Havice, Hertzberg, Honda, House, Jackson, Keeley, Knox, Kuehl, Leach, Lempert, Leonard, Longville, Lowenthal, Machado, Maddox, Maldonado, Margett, Mazzoni, McClintock, Migden, Nakano, Olberg, Oller, Robert Pacheco, Rod Pacheco, Papan, Pescetti, Romero, Runner, Scott, Shelley, Soto, Steinberg, Strickland, Strom-Martin, Thomson, Torlakson, Villaraigosa, Vincent, Washington, Wayne, Wesson, Wiggins, Wildman, and Zettel)
119	ACR 86	Aroner (Coauthor: Assembly Member Kuehl) (Coauthors: Senators Escutia and Schiff)
120	ACR 88	Cox (Coauthors: Assembly Members Ackerman, Alquist, Aroner, Baugh, Cunneen, Florez, House, Leach, Longville, Machado, Robert Pacheco, Reyes, Soto, Steinberg, Strickland, Strom-Martin, Zettel, Ashburn, Baldwin, Bates, Battin, Bock, Brewer, Briggs, Calderon, Campbell, Cardenas, Cardoza, Cedillo, Corbett, Correa, Davis, Dickerson, Ducheny, Dutra, Firebaugh, Frusetta, Gallegos, Granlund, Havice, Hertzberg, Honda, Jackson, Keeley, Knox, Kuehl, Lempert, Leonard, Lowenthal, Maddox, Maldonado, Margett, Mazzoni, McClintock, Migden, Nakano, Olberg, Oller, Rod Pacheco, Papan, Pescetti, Romero, Runner, Scott, Shelley, Thompson, Thomson, Torlakson, Villaraigosa, Vincent, Washington, Wayne, Wesson, Wiggins, and Wildman) (Coauthors: Senators Baca, Bowen, and Rainey)
121	ACR 92	Papan (Principal coauthor: Senator Burton) (Coauthors: Assembly Members Ashburn, Baugh, Calderon, Campbell, Cardenas, Dutra, Granlund, Hertzberg, Keeley, Kuehl, Lempert, Leonard, Machado, Mazzoni, Reyes, Scott, Shelley, Thomson, Torlakson, Villaraigosa, Vincent, and Wesson) (Coauthors: Senators Costa, Johnston, Murray, O'Connell, Perata, Polanco, Sher, and Vasconcellos)
122	AJR 31	Scott (Coauthors: Senators Alarcon, Alpert, Baca, Bowen, Brulte, Burton, Costa, Dunn, Figueroa, Hayden, Hughes, Johannessen, Karnette, Kelley, Knight, Lewis, McPherson, Monteith, Mountjoy, Murray, O'Connell, Ortiz, Perata, Poochigian, Rainey, Schiff, Sher, Solis, Speier, Vasconcellos, and Wright)
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132	SCR 46	Ortiz (Principal coauthor: Senator Perata) (Principal coauthor: Assembly Member Lempert)
133	SCR 49	Rainey and McPherson (Coauthors: Senators Baca, Bowen, Chesbro, Costa, Lewis, Monteith, O'Connell, and Sher) (Coauthors: Assembly Members Ackerman, Battin, Campbell, Correa, Cox, Cunneen, House, Leach, Longville, Machado, Maddox, Mazzoni, Reyes, Scott, Soto, Strom-Martin, and Zettel)
134	SCR 51	Vasconcellos, Alpert, and Polanco
135	SJR 14	Costa
136	SJR 21	Burton, Chesbro, and Escutia (Coauthor: Assembly Member Gallegos)
137	SJR 22	Burton
138	AJR 25	Briggs
139	AJR 36	Havice (Coauthors: Assembly Members Honda, Alquist, Aroner, Bock, Brewer, Calderon, Cardenas, Cardoza, Cedillo, Corbett, Correa, Cox, Cunneen, Dutra, Florez, Gallegos, Granlund, Hertzberg, Jackson, Keeley, Knox, Kuehl, Leach, Lempert, Longville, Lowenthal, Machado, Maldonado, Mazzoni, Migden, Oller, Robert Pacheco, Rod Pacheco, Papan, Pescetti, Reyes, Romero, Runner, Scott, Shelley, Soto, Steinberg, Strom-Martin, Thomson, Torlakson, Villaraigosa, Vincent, Washington, Wildman, and Zettel)
140	ACR 69	Briggs
141	ACR 90	Ducheny
142	SCA 11	Burton and Assembly Member Villaraigosa
143	SCR 45	Karnette, Kelley, and Polanco (Coauthor: Senator Alpert) (Coauthors: Assembly Members Battin, Firebaugh, and Zettel)
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2	2	—	Mazzoni and Cunneen (Principal coauthors: Assembly Members Alquist and Campbell) (Principal coauthors: Senators McPherson and Schiff) (Coauthors: Assembly Members Baldwin, Calderon, Davis, Honda, Jackson, Robert Pacheco, Reyes, Scott, Soto, Washington, Wildman, and Zettel)
3	—	1	Alpert
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STATUTES OF CALIFORNIA

1999–2000

REGULAR SESSION

1999 CHAPTERS

CHAPTER 1

An act to amend Section 14581 of, to add and repeal Section 14585 of, and to repeal, add and repeal, and add Section 14575 of, the Public Resources Code, relating to beverage containers, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor January 28, 1999. Filed with Secretary of State January 28, 1999.]

The people of the State of California do enact as follows:

SECTION 1. Section 14575 of the Public Resources Code, as amended by Section 26 of Chapter 624 of the Statutes of 1995, is repealed.

SEC. 2. Section 14575 is added to the Public Resources Code, to read:

14575. (a) (1) If any type of empty beverage container with a refund value established pursuant to Section 14560 has a scrap value less than the cost of recycling, the department shall establish a processing fee and a processing payment for the container, by the type of the material of the container.

(2) Notwithstanding any other provision of law, including, but not limited to, Section 14575, as amended by Section 26 of Chapter 624 of the Statutes of 1995, the processing fee and processing payment established pursuant to this section shall apply retroactively to each container sold or transferred to a distributor or dealer on and after January 1, 1999, and the processing payment established pursuant to this section shall apply retroactively to each container redeemed on and after January 1, 1999.

(b) Notwithstanding subdivision (a), costs to recycle determined pursuant to paragraph (2) of subdivision (c) and subdivision (d) established by the department on and after the effective date of the act adding this section, shall be adjusted annually to reflect changes in the cost of living, as measured by the Department of Labor or a successor agency of the United States government.

(c) Except for the adjustments made pursuant to subdivision (b), the department shall calculate the processing fee in an amount so that the processing payment will equal sixty-nine dollars and forty-one cents ($69.41) for each ton of glass containers and three hundred ninety-eight dollars and forty-five cents ($398.45) for each ton of bimetal containers, based upon all of the following assumptions:

(1) The estimated average scrap value is thirty dollars ($30) per ton for glass containers and ten dollars and sixty-seven cents ($10.67) per ton for bimetal containers.

(2) The unmodified cost data for certified recycling centers for the January 1, 1992, calculation of the processing fee was ninety-nine dollars and forty-one cents ($99.41) for each ton of glass containers and four hundred nine dollars and twelve cents ($409.12) for each ton of bimetal containers.

(d) If the scrap value surveyed by the department pursuant to paragraph (2) of subdivision (j) for PET containers is less than seven hundred ninety-nine dollars and sixty-eight cents ($799.68) for each ton of PET containers, as adjusted pursuant to subdivision (b), the department shall establish a processing fee and payment for each PET container sold.

(e) Once the annual processing payment has been determined utilizing the calculations made pursuant to subdivisions (a), (b), (c), and (d), the actual processing fee paid by beverage manufacturers, subject to modification pursuant to subdivision (f), shall be the per-container fee multiplied by the sum of the following:

(1) An estimate of the number of containers redeemed by recyclers during the previous calendar year, divided by an estimate of the number of nonrefillable beverage containers sold or transferred to a distributor or dealer during the previous calendar year, based on the latest available data.

(2) Five percentage points, except that whenever a surplus of unexpended money exists in the fund sufficient to equal the estimate of the previous three months, expenditures of processing payments for each material type as determined by the department, then zero percentage points shall be used.

(f) (1) The department shall reduce the processing fee paid by beverage manufacturers pursuant to subdivisions (d) and (e), and the voluntary artificial scrap value paid by a willing purchaser pursuant to Section 14575.1, by expending the funds in the Glass Processing Fee Account, the PET Processing Fee Account, and the Bimetal Processing Fee Account.

(2) The total amount of funds expended in each calendar year to reduce the amount of processing fees or the voluntary artificial scrap value paid by a willing purchaser pursuant to Section 14575.1 paid for each container type shall be equal to the funds available in the Glass Processing Fee Account, the PET Processing Fee Account, or the Bimetal Processing Fee Account, for each container type and shall not exceed an amount equal to 25 percent of the redemption payments projected to be paid by distributors of beverages sold in that container type for the previous calendar year.

(g) (1) Except as provided in paragraphs (2) and (3), every beverage manufacturer shall pay to the department the applicable processing fee for each container sold or transferred to a distributor or dealer within 40 days of the sale in the form and in the manner which the department may prescribe.

(2) (A) Notwithstanding Section 14506, with respect to the payment of processing fees for beer and other malt beverages

manufactured outside the state, the beverage manufacturer shall be deemed to be the person or entity named on the certificate of compliance issued pursuant to Section 23671 of the Business and Professions Code. If the department is unable to collect the processing fee from the person or entity named on the certificate of compliance, the department shall give written notice by certified mail to that person or entity. The notice shall state that the processing fee shall be remitted in full within 30 days of issuance of the notice or the person or entity shall not be permitted to offer that beverage brand for sale within the state. If the person or entity fails to remit the processing fee within 30 days of issuance of the notice, the department shall notify the Department of Alcoholic Beverage Control that the certificate holder has failed to comply, and the Department of Alcoholic Beverage Control shall prohibit the offering or sale of that beverage brand within the state.

(B) The department shall enter into a contract with the Department of Alcoholic Beverage Control, pursuant to Section 14536.5, concerning the implementation of this paragraph, which shall include a provision reimbursing the Department of Alcoholic Beverage Control for its costs incurred in implementing this paragraph.

(3) (A) Notwithstanding paragraph (1), a beverage manufacturer may, upon the approval of the department, elect to make a single annual payment of processing fees, if the beverage manufacturer's projected processing fees for a calendar year total less than one thousand dollars ($1,000).

(B) An annual processing fee payment made pursuant to this paragraph is due and payable on or before February 1 for every beverage container sold or transferred by the beverage manufacturer to a distributor or dealer in the previous calendar year.

(C) A beverage manufacturer shall notify the department of its intent to make an annual processing fee payment pursuant to this paragraph on or before January 31 of the calendar year preceding the year in which the payment will be due.

(4) The department shall pay the processing payments on redeemed containers to processors, in the same manner as it pays refund values pursuant to Sections 14573 and 14573.5. The processor shall pay the recycling center the entire processing payment representing the actual cost and financial return incurred by the recycling center, as specified in subdivision (a).

(h) When assessing processing fees pursuant to subdivision (a), the department shall assess the processing fee on each container sold, as provided in subdivision (e), by the type of material of the container.

(i) The container manufacturer, or a designated agent, shall pay to, or credit, the account of the beverage manufacturer in an amount equal to the processing fee.

(j) (1) The department shall annually, on or before January 1, determine the statewide average scrap values paid by beneficiating and nonbeneficiating processors for glass containers during the 12-month period ending September 30. If the department determines that the statewide average scrap values paid for glass containers is 10 percent or more above or below the scrap value specified in paragraph (1) of subdivision (c), the department shall adjust the processing payment to equal the difference between the cost of recycling, as specified in subdivision (b) and paragraph (2) of subdivision (c), and the new statewide average scrap value.

(2) The department shall make a monthly upward or downward adjustment of a processing fee established pursuant to this section for PET plastic beverage containers if the department determines that the average statewide scrap values paid by processors, for any monthly period, are more or less than the average scrap values used as the basis for the processing fee currently in effect.

(*l*) This section shall remain in effect only until January 1, 2000, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 2000, deletes or extends that date.

SEC. 3. Section 14575 is added to the Public Resources Code, to read:

14575. (a) If any type of empty beverage container with a refund value established pursuant to Section 14560 has a scrap value less than the sum of paragraphs (1) and (2), the department shall establish a processing fee and a processing payment for the container, by the type of the material of the container, at least equal to the difference between the scrap value offered by a statistically significant sample of container manufacturers, beverage manufacturers, processors, or willing purchasers, for each container sold by the beverage manufacturer, and the sum of both of the following:

(1) The actual cost for certified recycling centers, excluding those recycling centers receiving a convenience incentive payment, and certified processors which did not receive convenience incentive payments in the year in which the processing fee is calculated or recalculated, of receiving, handling, processing, storing, transporting, and maintaining equipment for each container sold for recycling or, only if the container is not recyclable, for disposal, calculated pursuant to subdivision (c).

(2) A reasonable financial return for recycling centers and processors, calculated pursuant to subdivision (b).

(b) The department shall annually, on or before January 1, calculate weighted statewide average values for the amounts specified in paragraphs (1) and (2) of subdivision (a) for each type of container material sold and a new processing fee, which shall be effective on that same date.

(c) A processing fee established pursuant to this section shall be based upon all of the following:

(1) The average scrap values paid by willing purchasers during the 1990 calendar year for the initial calculation and the average scrap values paid by willing purchasers during the calendar year directly preceding the year in which the processing fee is calculated for any subsequent calculation.

(2) The latest available data indicating the volumes of beverage containers collected by certified processors and recycling centers.

(3) The actual recycling costs for certified recycling centers and processors, as determined pursuant to paragraph (1) of subdivision (a) for the 1989 calendar year for the initial calculation, and for the second calendar year preceding the year in which the processing fee is calculated for any subsequent calculation.

(d) Every six months, or more frequently as determined to be necessary by the department, the department may adjust a processing fee established pursuant to this section if both of the following occur:

(1) The department determines that the average statewide scrap values paid by willing purchasers are less than the average scrap values used as the basis for the processing fee calculation.

(2) The department determines that adjusting the processing fee is necessary to further the objectives of this division.

(e) The calculations of the statewide weighted average values and processing fee made pursuant to subdivision (b) shall be based on audited surveys of the costs specified in subdivision (a) at existing certified recycling centers, reverse vending machines, and processors, with standardized modifications for transportation distances and factors specific to a particular region, as determined by the department, and, if the container is not recyclable, local disposal fees. The processing fee shall be calculated in a manner which furthers the purposes of this division and the fee shall be sufficient to establish sufficient recycling locations and processors to achieve the goals established pursuant to subdivision (c) of Section 14501 and Section 14571. Except for the first calculation of a processing fee made pursuant to this section, 60 days prior to the annual calculation of the processing fee, the department shall submit a report to the Chairperson of the Assembly Natural Resources Committee and the Chairperson of the Senate Natural Resources and Wildlife Committee. The report shall include a summary of the fluctuations of costs and scrap values necessitating the recalculation. The report shall also highlight changes in markets, new technologies, and other business and economic factors. The report shall include a description of the average per container statewide costs of recycling beverage containers, by each material type, for the following recycling systems, including a description of any assumptions used to allocate undifferentiated costs among material types, and a brief statement of the reason for the adoption of these assumptions:

(1) Automated recycling centers.

(2) Staffed recycling centers.

(3) Recycling centers established since September 29, 1988.
(4) Recycling centers established prior to September 29, 1988.
(5) Recyclers receiving convenience incentive payments, as feasible.
(6) Nonprofit dropoff programs.
(7) Curbside recycling programs.

(f) (1) Except as provided in paragraphs (2) and (3), every beverage manufacturer shall pay to the department the applicable processing fee for each container sold or transferred to a distributor or dealer within 40 days of the sale in the form and in the manner which the department may prescribe.

(2) (A) Notwithstanding Section 14506, with respect to the payment of processing fees for beer and other malt beverages manufactured outside the state, the beverage manufacturer shall be deemed to be the person or entity named on the certificate of compliance issued pursuant to Section 23671 of the Business and Professions Code. If the department is unable to collect the processing fee from the person or entity named on the certificate of compliance, the department shall give written notice by certified mail to that person or entity. The notice shall state that the processing fee shall be remitted in full within 30 days of issuance of the notice or the person or entity shall not be permitted to offer that beverage brand for sale within the state. If the person or entity fails to remit the processing fee within 30 days of issuance of the notice, the department shall notify the Department of Alcoholic Beverage Control that the certificate holder has failed to comply, and the Department of Alcoholic Beverage Control shall prohibit the offering or sale of that beverage brand within the state.

(B) The department shall enter into a contract with the Department of Alcoholic Beverage Control, pursuant to Section 14536.5, concerning the implementation of this paragraph, which shall include a provision reimbursing the Department of Alcoholic Beverage Control for its costs incurred in implementing this paragraph.

(3) (A) Notwithstanding paragraph (1), a beverage manufacturer may, upon the approval of the department, elect to make a single annual payment of processing fees, if the beverage manufacturer's projected processing fees for a calendar year total less than one thousand dollars ($1,000).

(B) An annual processing fee payment made pursuant to this paragraph is due and payable on or before February 1 for every beverage container sold or transferred by the beverage manufacturer to a distributor or dealer in the previous calendar year.

(C) A beverage manufacturer shall notify the department of its intent to make an annual processing fee payment pursuant to this paragraph on or before January 31 of the calendar year preceding the year in which the payment will be due.

(4) The department shall pay the processing payments on redeemed containers to processors, in the same manner as it pays refund values pursuant to Sections 14573 and 14573.5. The department shall pay the processing fees collected on unredeemed containers into the fund. The department shall not use processing fees collected on unredeemed beverage containers to pay all or a portion of the processing costs determined pursuant to subdivision (a). The processor shall pay the recycling center that portion of the processing payment representing the actual cost and financial return incurred by the recycling center, as specified in subdivision (a).

(g) When assessing processing fees pursuant to subdivision (b), the department shall assess the processing fee on each container sold, by the type of material of the container, assuming that every container sold will be redeemed for recycling, whether or not the container is actually recycled. When calculating and assessing processing fees, the department also shall not assume that redemption bonuses will be kept by recycling centers or locations.

(h) The container manufacturer, or a designated agent, shall pay to, or credit, the account of the beverage manufacturer in an amount equal to the processing payment.

(i) This section shall become operative January 1, 2000.

SEC. 4. Section 14581 of the Public Resources Code is amended to read:

14581. (a) Subject to the availability of funds, the department may expend the money set aside in the fund, pursuant to subdivision (c) of Section 14580 for the purposes of this section, in the following order of priority:

(1) Eighteen million five hundred thousand dollars ($18,500,000) may be expended, until January 1, 2000, for the payment of handling fees required pursuant to Section 14585.

(2) Five million dollars ($5,000,000) may be expended, until January 1, 2000, for payments for curbside programs pursuant to Section 14549.6.

(3) (A) Seven million dollars ($7,000,000), plus the proportional share of the cost-of-living adjustment, as provided in subdivision (b), may be expended in the form of grants issued to either of the following:

(i) Certified community conservation corps, that either exist as of September 12, 1996, or that are formed after that date, that are designated by a city or a city and county to perform litter abatement, recycling, and related activities, if the city or the city and county has a population, as determined by the most recent census, of more than 250,000 persons.

(ii) Community conservation corps, that are designated by a county to perform litter abatement, recycling, and related activities, and are certified by the California Conservation Corps as having operated for a minimum of two years and as meeting all other criteria of Section 14507.5.

(B) Any grants provided pursuant to this paragraph shall not comprise more than 75 percent of the annual budget of a community conservation corps.

(4) Two million dollars ($2,000,000), plus the proportional share of the cost-of-living adjustment, as provided in subdivision (b), may be expended, in the form of grants to nonprofit organizations or governmental entities, as determined by the department.

(b) The nine million dollars ($9,000,000) that is set aside pursuant to paragraphs (3) and (4) of subdivision (a), is a base amount that the department shall adjust annually to reflect any increases or decreases in the cost of living, as measured by the Department of Labor, or a successor agency, of the federal government.

(c) (1) Notwithstanding any other provision of law, the payments of handling fees to supermarket sites pursuant to Section 14585 shall apply retroactively to any eligible beverage container redeemed on and after January 1, 1999.

(2) Notwithstanding any other provision of law, the payments to curbside programs pursuant to Section 14549.6 shall apply retroactively to containers collected by curbside programs on and after January 1, 1999.

SEC. 5. Section 14585 is added to the Public Resources Code, to read:

14585. (a) The department shall adopt guidelines and methods for paying handling fees to supermarket sites to provide an incentive for the redemption of empty beverage containers in convenience zones. The guidelines shall include, but not be limited to, all of the following:

(1) Handling fees shall be paid on a monthly basis, in the form and manner adopted by the department. The department shall require that claims for the handling fee be filed with the department not later than the first day of the second month following the month for which the handling fee is claimed as a condition of receiving any handling fee.

(2) To be eligible for any handling fee, a supermarket site recycling center shall redeem not less than 60,000 beverage containers, and, except for operators of certified recycling centers that are nonprofit organizations, not more than 500,000 beverage containers, during the calendar month in which the handling fee is claimed.

(3) A beverage container with a capacity of 24 fluid ounces or more shall be considered as two beverage containers for purposes of determining the eligibility percentage, any handling fee calculations, and payments.

(4) The department shall determine the number of eligible containers per site for which a handling fee will be paid in the following manner:

(A) Each supermarket site's combined monthly volume of glass and plastic beverage containers shall be divided by the site's total monthly volume of all empty beverage container types.

(B) If the quotient determined pursuant to subparagraph (A) is equal to, or more than, 20 percent, the total monthly volume of the site shall be the maximum volume which is eligible for a handling fee for that month.

(C) If the quotient determined pursuant to subparagraph (A) is less than 20 percent, the department shall divide the volume of glass and plastic beverage containers by 20 percent. That quotient shall be maximum volume that is eligible for a handling fee for that month.

(5) The department shall pay a handling fee of 1.7 cents ($0.017) per eligible beverage container, as determined pursuant to paragraph (4).

(6) Notwithstanding paragraph (5), the total handling fee payment to a supermarket site shall not exceed two thousand dollars ($2,000) per month.

(7) If the eligible volume in any given month would result in handling fee payments which exceed the allocation of funds for that month, as provided in subdivision (b), sites with higher eligible monthly volumes shall receive handling fees for their entire eligible monthly volume before sites with lower eligible monthly volumes receive any handling fees.

(8) (A) If a dealer where a supermarket site is located ceases operation for remodeling or for a change of ownership, the operator of that supermarket site shall be eligible to apply for handling fees for that site for a period of three months following the date of the closure of the dealer.

(B) Every supermarket site operator shall promptly notify the department of the closure of the dealer where the supermarket site is located.

(C) Notwithstanding subparagraph (A), any operator who fails to provide notification to the department pursuant to subparagraph (B) shall not be eligible to apply for handling fees.

(b) The department may allocate the eighteen million five hundred thousand dollars ($18,500,000) authorized for expenditure for the payment of handling fees pursuant to paragraph (1) of subdivision (a) of Section 14581 on a monthly basis and may carry over any unexpended monthly allocation to a subsequent month or months. However, unexpended monthly allocations shall not be carried over to a subsequent fiscal year for the purpose of paying handling fees but may be carried over for any other purpose pursuant to Section 14581.

(c) The department shall not make handling fee payments to more than one certified recycling center in a convenience zone. If a dealer is located in more than one convenience zone, the department shall offer a single handling fee payment to a supermarket site located at that dealer. This handling fee payment

shall not be split between the affected zones. The department shall stop making handling fee payments if another recycling center certifies to operate within the convenience zone without receiving payments pursuant to this section, if the department monitors the performance of the other recycling center for 60 days and determines that the recycling center is in compliance with this division. Any recycling center that locates in a convenience zone, thereby causing a preexisting recycling center to become ineligible to receive handling fee payments, is ineligible to receive any handling fee payments in that convenience zone.

(d) The department may require the operator of a supermarket site receiving handling fees to maintain records for each location where beverage containers are redeemed, and may require the supermarket site to take any other action necessary for the department to determine that the supermarket site does not receive an excessive handling fee.

(e) The department may determine and utilize a standard container per pound rate, for each material type, for the purpose of calculating volumes and making handling fee payments.

(f) (1) It is the intent of the Legislature that handling fees paid to supermarket site recycling centers be only used to offset the unique costs of providing convenient recycling opportunities to consumers, and that those fees shall not be expended for the purpose of engaging in unfair and predatory pricing intended to increase the recycling of beverage containers at those centers.

(2) To ensure that handling fees, paid to supermarket site recycling centers, are not used for the purpose of engaging in unfair and predatory pricing and to otherwise further the intent of paragraph (1), the department shall, upon the complaint of any person other than the department, convene an informal hearing before the director or a designee, in accordance with the following:

(A) At the hearing, the complainant shall present evidence that a respondent handling fee recipient has engaged in unfair and predatory pricing and that the complainant has suffered substantial and quantifiable economic damages as a result of that pricing. Upon the director's determination that there is credible evidence of unfair and predatory pricing and of resulting damages, the complainant is entitled to a rebuttable presumption that the respondent has engaged in unfair and predatory pricing.

(B) At the hearing, the respondent shall have the opportunity to respond to the complaint by presenting evidence that the respondent has not engaged in unfair and predatory pricing and has not caused any damage to the complainant.

(C) Based upon the evidence presented at the hearing and any presumption pursuant to subparagraph (A), the director or the director's designee shall determine if there is clear and convincing evidence that a violation of this division has occurred, and, if so, the

respondent shall not be eligible to receive handling fees for three months.

(D) The complainant or respondent may obtain review of the director's action taken pursuant to this subdivision by filing in the superior court a petition for writ of mandate within 30 days following the issuance of the director's decision. Section 1094.5 of the Code of Civil Procedure shall govern judicial proceedings pursuant to this subdivision, except that in every case the court shall exercise its independent judgment. If a petition for a writ of mandate is not filed within the time limits set by this subdivision, the director's action under this subdivision shall not be subject to review by any court or agency.

(E) If either party appeals the director's or designee's decision pursuant to subparagraph (D), and the department prevails, the department may recover any costs associated with its defense of the petition.

(g) This section shall remain in effect only until January 1, 2000, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 2000, deletes or extends that date.

SEC. 6. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to ensure the continuation of the state's beverage container recycling program, which protects the environment and benefits public health and safety, it is necessary that this act take effect immediately.

CHAPTER 2

An act to amend Section 1000 of the Elections Code, relating to elections, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor February 4, 1999. Filed with Secretary of State February 4, 1999.]

The people of the State of California do enact as follows:

SECTION 1. Section 1000 of the Elections Code is amended to read:

1000. The established election dates in each year are as follows:

(a) The second Tuesday of April in each even-numbered year.

(b) The first Tuesday after the first Monday in March of each odd-numbered year.

(c) The first Tuesday in March in each even-numbered year.

(d) The first Tuesday after the first Monday in November of each year.

(e) The first Tuesday after the first Monday in June of each odd-numbered year.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order for local elections scheduled for June 8, 1999, to take place, it is necessary for this act to take effect immediately.

CHAPTER 3

An act to amend Sections 18903, 19170.1, and 21465.5 of, and to add Sections 21362.1, 21573.5, and 22955.1 to, the Government Code, relating to state employees, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor February 17, 1999. Filed with Secretary of State February 18, 1999.]

The people of the State of California do enact as follows:

SECTION 1. The Legislature finds and declares that the purpose of this act is to adopt an agreement pursuant to Section 3517 of the Government Code entered into by the state employer and a recognized employee organization to make any necessary statutory changes in health, retirement, salary, or other benefits.

SEC. 2. (a) The provisions of the memorandum of understanding prepared pursuant to Section 3517.5 of the Government Code and entered into by the state employer and Unit 5—California Association of Highway Patrolmen, dated _____, and requiring the expenditure of funds, are hereby approved for the purposes of Section 3517.6 of the Government Code.

(b) Notwithstanding Section 3517.6 of the Government Code, the provisions of the memorandum of understanding described in subdivision (a) that require the expenditure of funds shall become effective pursuant to the approval by the Legislature contained in this act.

SEC. 3. Section 18903 of the Government Code is amended to read:

18903. (a) (1) For each class there shall be maintained a general reemployment list consisting of the names of all persons who have occupied positions with probationary or permanent status in the class and who have been legally laid off or demoted in lieu of layoff.

(2) Notwithstanding paragraph (1), this paragraph shall apply to state employees in State Bargaining Unit 6, 8, or 16. For each entry

level class there shall be maintained a general reemployment list consisting of the names of all persons who have occupied positions with probationary or permanent status in the class and who have been legally laid off, demoted in lieu of layoff, or transferred in lieu of layoff.

(3) Notwithstanding paragraph (1), this paragraph shall only apply to state employees in State Bargaining Unit 5. For each class there shall be maintained a general reemployment list consisting of the names of all persons who have occupied positions with probationary or permanent status in the class and who have been legally laid off, demoted in lieu of layoff, or transferred in lieu of layoff.

(b) Within one year from the date of his or her resignation in good standing, or his or her voluntary demotion, the name of an employee who had probationary or permanent status may be placed on the general reemployment list with the consent of the appointing power and the board. The general reemployment list may also contain the names of persons placed thereon by the board in accordance with other provisions of this part.

SEC. 4. Section 19170.1 of the Government Code is amended to read:

19170.1. (a) Notwithstanding Section 19170 for state employees in State Bargaining Unit 5, 6, 8, or 16, the board shall establish for each class the length of the probationary period. The probationary period that shall be served upon appointment shall be not less than six months nor more than two years.

(b) The board may provide by rule: (1) for increasing the length of an individual probationary period by adding thereto periods of time during which an employee, while serving as a probationer, is absent from his or her position; or (2) for requiring an additional period not to exceed the length of the original probationary period when a probationary employee returns after an extended period of absence and the remainder of the probationary period is insufficient to evaluate his or her current performance.

SEC. 5. Section 21362.1 is added to the Government Code, to read:

21362.1. Notwithstanding Section 21362, the limitation on the service retirement benefit shall be 85 percent for state patrol members who retire on and after January 1, 1999. This provision may also be applied to state patrol members in related supervisory or confidential positions, provided that the Department of Personnel Administration has approved this inclusion in writing to the board.

SEC. 6. Section 21465.5 of the Government Code is amended to read:

21465.5. Section 21465 shall also apply to state patrol members in State Bargaining Unit 5 and state peace officer/firefighter members in State Bargaining Unit 8 who retire on and after January 1, 1999, provided that a memorandum of understanding has been agreed

upon by the state and the recognized employee organization to become subject to that section. That section shall also apply to state patrol members and state peace officer/firefighter members in related supervisory and confidential positions, provided that the Department of Personnel Administration has approved their inclusion.

SEC. 7. Section 21573.5 is added to the Government Code, to read:

21573.5. (a) In lieu of benefits provided in Section 21571, 21572, or 21573, if the death benefit provided by Section 21532 is payable on account of a state member's death that occurs under circumstances other than those described in subparagraph (F) of paragraph (1) of subdivision (a) of Section 21530, or if an allowance under Section 21546 is payable, the payment pursuant to subdivision (b) shall be made in the following order of priority:

(1) The surviving spouse of the member who has the care of unmarried children, including stepchildren, of the member who are under age 22 years of age, or are incapacitated because of disability that began before and has continued without interruption after the attainment of that age.

(2) The guardian of surviving unmarried children, including stepchildren, of the member who are 22 years of age or are so incapacitated.

(3) The surviving spouse of the member, who does not qualify under paragraph (1).

(4) Each surviving parent of the member.

(b) Regardless of the benefit provided by Section 21532 and of the beneficiary designated by the member under that section, or regardless of the allowance provided under Section 21546, the following applicable 1959 survivor allowance, under the conditions stated and from contributions of the employer, shall be paid:

(1) A surviving spouse who was either continuously married to the member for at least one year prior to death, or was married to the member prior to the occurrence of the injury or onset of the illness that resulted in death, and has the care of unmarried children, including stepchildren, of the deceased member who are under 22 years of age or are so incapacitated, shall be paid one thousand five hundred dollars ($1,500) per month is there is one child or one thousand eight hundred dollars ($1,800) per month if there are two or more children. If there also are children who are not in the care of the surviving spouse, the portion of the allowance payable under this paragraph, assuming that these children were in the care of the surviving spouse, that is in excess of seven hundred fifty dollars ($750) per month, shall be divided equally among all those children and payments made to the spouse and other children, as the case may be.

(2) If there is no surviving spouse, or if the surviving spouse dies, and if there are unmarried children, including stepchildren of the

deceased member who are under age 22 years of age or are so incapacitated, or if there are children not in the care of the spouse, the children shall be paid an allowance as follows:

(A) If there is only one child, the child shall be paid seven hundred fifty dollars ($750) per month.

(B) If there are two children, the children shall be paid one thousand five hundred dollars ($1,500) per month divided equally between them.

(C) If there are three or more children, the children shall be paid one thousand eight hundred dollars ($1,800) per month divided equally among them.

(3) A surviving spouse who has attained or attains the age of 62 years, and who was either continuously married to the member for at least one year prior to death, or was married to the member prior to the occurrence of the injury or onset of the illness that resulted in death, shall be paid seven hundred fifty dollars ($750) per month. No allowance shall be paid under paragraph (1), or while an allowance is being paid under subparagraph (C). No allowance shall be paid of paragraph (2). The allowance paid under this paragraph shall be three hundred dollars ($300) per month while an allowance is being paid under subparagraph (B) of paragraph (2).

(4) If there is no surviving spouse or surviving child who qualifies for the 1959 survivor allowance, or if the surviving spouse dies and there is no surviving child, or if the surviving spouse dies and the children die or marry or, if not incapacitated, reach 22 years of age, each of the member's dependent parents who has attained or attains the age of 62 years, and who received at least one-half of his or her support from the member at the time of the member's death shall be paid seven hundred fifty dollars ($750) per month.

(c) "Stepchildren" for purposes of this section shall include only stepchildren of the member living with the member in a regular parent-child relationship at the time of the death of the member.

(d) This section shall apply to beneficiaries of state members whose death occurred before January 1, 1999, as well as to a surviving spouse who has attained age 62 prior to January 1, 1999. All assets and liabilities of all state agencies and their employees on account of benefits provided to beneficiaries specified in the subdivision shall be pooled into a single account. The board shall transfer from the reserve for 1959 survivor contributions retained in the retirement fund, an amount sufficient to pay the cost of the increased benefits provided by this subdivision for beneficiaries of members who died on or before December 31, 1998.

(e) This section shall not apply to beneficiaries with respect to the death of a state member occurring on or after January 1, 1999, unless provided for in a memorandum of understanding reached pursuant to Section 3517.5, or authorized by the Director of Personnel Administration for classifications of state employees that are excluded from, or not subject to, collective bargaining. The

memorandum of understanding adopting this section shall be controlling without further legislation, except that if those provisions of a memorandum of understanding require the expenditure of funds, those provisions shall not become effective unless approved by the Legislature as provided by law.

(f) The rate of contribution for the state employer shall be calculated using a method determined by the board. Surplus assets shall be applied to reduce the rate of the employer contribution. Once the surplus assets have been fully utilized, under a uniform amortization schedule to be established by the board, and the total required amount exceeds a monthly premium of four dollars ($4), including the amount required of the member under Section 21581, the member and employer shall thereafter evenly share the required monthly premium.

SEC. 8. Section 22955.1 is added to the Government Code, to read:

22955.1. (a) Notwithstanding Sections 22953 and 22954, an employee in State Bargaining Unit 5 who becomes a state member of the Public Employees' Retirement System after January 1, 1999, and who is included in the definition of state employee in subdivision (c) of Section 3513 shall not receive any portion of the employer's contribution payable for annuitants, pursuant to Sections 22953 and 22954, unless the employee is credited with 10 years or more of state service, as defined by this section, at the time of retirement. This subdivision shall have retroactive application to state employees in State Bargaining Unit 5 who become a state member of the Public Employees' Retirement System after January 1, 1999, but prior to the effective date of this section.

(b) The percentage of employer's contribution amount payable for post retirement dental care benefits for an employee subject to this section shall be based on the funding provision of the plan and the member's completed years of state service at retirement as shown in the following table:

Credited Years of Service	Percentage of Employer Contribution
10	50
11	55
12	60
13	65
14	70
15	75
16	80
17	85
18	90

19	95
20	100

(c) This section shall only apply to state employees who retire for service.

(d) Benefits provided to an employee subject to this section shall be applicable to all future state service.

(e) For purposes of this section, "state service" means service rendered as an employee or an appointed or elected officer of the state for compensation. In those cases where the state assumes or has assumed from a public agency a function and the related personnel, service rendered by that personnel for compensation as employees or appointed or elected officers of that local public agency shall not be credited, at retirement, as state service for the purposes of this section, unless the former employer has paid or agreed to pay the state agency the amount actuarially determined to equal the cost for any employee dental benefits that were vested at the time that the function and the related personnel were assumed by the state. For noncontracting local public agencies the state department shall certify the completed years of local agency service to be credited to the employee to the Public Employees' Retirement System at the time of separation for retirement.

(f) Whenever the state contracts to assume a local public agency function, completed years of service rendered by the personnel for compensation as employees or appointed or elected officers of the local public agency shall be credited as state service only upon a finding by the Department of Finance that the contract contains a benefit factor sufficient to reimburse the state for the amount necessary to compensate the state fully for post retirement dental benefit costs for those personnel.

(g) This section shall not apply to employees of the California State University or the Legislature.

SEC. 9. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order for the provisions of this act to be applicable as soon as possible in the 1998–99 fiscal year, and so facilitate the orderly administration of state government at the earliest possible time, it is necessary that this act take effect immediately.

CHAPTER 4

An act relating to state employees, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 15, 1999. Filed with
Secretary of State March 15, 1999.]

The people of the State of California do enact as follows:

SECTION 1. The provisions of the memorandum of understanding prepared pursuant to Section 3517.5 of the Government Code and entered into by the state employer and State Bargaining Unit 7, the California Union of Safety Employees, dated _____, and requiring the expenditure of funds, is hereby approved for the purposes of Section 3517.6 of the Government Code.

SEC. 2. Notwithstanding Section 3517.6 of the Government Code, the provisions of any memorandum of understanding that require the expenditure of funds shall become effective even if the provisions of the memorandum of understanding are approved by the Legislature in legislation other than the annual Budget Act.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order for the provisions of this act to be applicable as soon as possible in the 1999–2000 fiscal year, and so facilitate the orderly administration of state government at the earliest possible time, it is necessary that this act take effect immediately.

CHAPTER 5

An act relating to state employees, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 15, 1999. Filed with
Secretary of State March 15, 1999.]

The people of the State of California do enact as follows:

SECTION 1. The provisions of the following memoranda of understanding prepared pursuant to Section 3517.5 of the Government Code and entered into by the state employer and the following employee organizations, which requires the expenditure of funds, are hereby approved for the purposes of Section 3517.6 of the Government Code:

(a) Unit 12, International Union of Operating Engineer Employees.

(b) Unit 13, International Union of Operating Engineer Employees.

SEC. 2. Notwithstanding Section 3517.6 of the Government Code, the provisions of any memorandum of understanding that

require the expenditure of funds shall become effective even if the provisions of the memorandum of understanding are approved by the Legislature in legislation other than the annual Budget Act.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order for the provisions of this act to be applicable as soon as possible in the 1998–99 fiscal year, and so facilitate the orderly administration of state government at the earliest possible time, it is necessary that this act take effect immediately.

CHAPTER 6

An act to amend Section 1000 of the Elections Code, relating to elections, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 24, 1999. Filed with Secretary of State March 24, 1999.]

The people of the State of California do enact as follows:

SECTION 1. Section 1000 of the Elections Code is amended to read:

1000. The established election dates in each year are as follows:

(a) The second Tuesday of April in each even-numbered year.

(b) The first Tuesday after the first Monday in March of each odd-numbered year.

(c) The first Tuesday in March in each even-numbered year.

(d) The first Tuesday after the first Monday in June of each odd-numbered year.

(e) The first Tuesday after the first Monday in November of each year.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order that local elections scheduled for June of 1999 may take place, it is necessary for this act to take effect immediately.

CHAPTER 7

An act to add Section 31461.4 to, the Government Code, relating to county employee retirement, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 24, 1999. Filed with Secretary of State March 24, 1999.]

The people of the State of California do enact as follows:

SECTION 1. Section 31461.4 is added to the Government Code, to read:

31461.4. (a) This section applies only to a county of the first class, as defined by Section 28020, as amended by Chapter 1204 of the Statutes of 1971, and Section 28022, as amended by Chapter 43 of the Statutes of 1961.

(b) Notwithstanding Sections 31460 and 31461, neither "compensation" nor "compensation earnable" shall include any increase, made on or after January 1, 1996, in cafeteria or flexible benefit plan contributions for any member represented by a certified employee organization, nor shall they include any increase in cafeteria or flexible benefit plan contributions made on or after January 1, 1995, for any member not represented by a certified employee organization, provided that the nonrepresented member waives the applicability of Sections 31460 and 31461 in writing prior to receiving any cash payment based on the increase.

(c) This section shall not be operative in the county until the time as the board of supervisors shall, by resolution adopted by a majority vote, make the provisions of this section applicable in the county.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order for negotiated benefit increases to be received in the current fiscal year, the act will take effect immediately.

CHAPTER 8

An act to amend Section 17507.6 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

[Approved by Governor April 12, 1999. Filed with Secretary of State April 12, 1999.]

The people of the State of California do enact as follows:

SECTION 1. Section 17507.6 of the Revenue and Taxation Code is amended to read:

17507.6. Section 408A of the Internal Revenue Code, relating to Roth IRAs, is modified to additionally provide all of the following:

(a) Section 408A(c)(3) of the Internal Revenue Code is modified as follows:

(1) By substituting the phrase "shall not exceed an amount equal to the amount determined under paragraph (2)(A) for such taxable year, reduced" in lieu of the phrase "shall be reduced" in Section 408A(c)(3)(A) of the Internal Revenue Code.

(2) By substituting the phrase "in the case of a joint return or a married individual filing a separate return" in lieu of the phrase "in the case of a joint return" in Section 408A(c)(3)(A)(ii) of the Internal Revenue Code.

(3) By substituting the phrase "taxable year if, for the taxable year of the distribution to which such contribution relates" in lieu of the phrase "taxable year if" in Section 408A(c)(3)(B) of the Internal Revenue Code.

(4) By substituting the phrase "adjusted gross income exceeds" in lieu of the phrase "adjusted gross income for such taxable year exceeds" in Section 408A(c)(3)(B)(i) of the Internal Revenue Code.

(5) By substituting the phrase "any amount included in gross income under subsection (d)(3) shall not be taken into account" in lieu of the phrase "any amount included in gross income under subsection (d)(3) shall not be taken into account and the deduction under Section 219 shall be taken into account" in Section 408A(c)(3)(C)(i) of the Internal Revenue Code.

(b) (1) Section 408A(d)(1) of the Internal Revenue Code shall not apply and in lieu thereof any qualified distribution from a Roth IRA shall not be includable in gross income.

(2) Section 408A(d)(2)(B) of the Internal Revenue Code shall not apply and in lieu thereof:

(A) A payment or distribution from a Roth IRA shall not be treated as a qualified distribution under Section 408A(d)(2)(A) of the Internal Revenue Code if the payment or distribution is made within the five-taxable year period beginning with the first taxable year for which the individual made a contribution to a Roth IRA (or the individual's spouse made a contribution to a Roth IRA) established for that individual.

(B) The term "qualified distribution" shall not include any distribution of any contribution described in subdivision (g) and any net income allocable to the contribution.

(c) (1) If a taxpayer has made an election for federal purposes under Section 408A(d)(3)(A)(iii) of the Internal Revenue Code, as amended by Public Law 105-206, to not have Section 408A(d)(3)(A)(iii) of the Internal Revenue Code, as amended by

Public Law 105-206, apply to any distributions during the 1998 taxable year, that election shall be treated as an election to include in gross income for purposes of this part all amounts required to be included in gross income for the taxable year by reason of Section 408A(d)(3) of the Internal Revenue Code. A separate election for state purposes may not be made under paragraph (3) of subdivision (e) of Section 17024.5 and the federal election shall be binding for purposes of this part.

(2) If a taxpayer fails to make an election for federal purposes under Section 408A(d)(3)(A)(iii) of the Internal Revenue Code, as amended by Public Law 105-206, to not have Section 408A(d)(3)(A)(iii) of the Internal Revenue Code, as amended by Public Law 105-206, apply to any distributions during a taxable year, Section 408A(d)(3)(A)(iii) of the Internal Revenue Code shall apply to those distributions for state purposes, no election under Section 408A(d)(3)(A)(iii) of the Internal Revenue Code, as amended by Public Law 105-206, shall be allowed for state purposes, and a separate election for state purposes shall not be allowed under paragraph (3) of subdivision (e) of Section 17024.5.

(d) In the case of a qualified rollover contribution to a Roth IRA of a distribution to which Section 408A(d)(3)(A)(iii) of the Internal Revenue Code, as amended by Public Law 105-206, applied, the following rules shall apply:

(1) (A) The amount required to be included in gross income for each of the first three taxable years in the four-year period under Section 408A(d)(3)(A)(iii) of the Internal Revenue Code shall be increased by the aggregate distributions from Roth IRAs for the taxable year which are allocable under Section 408A(d)(4) of the Internal Revenue Code to the portion of the qualified rollover contribution required to be included in gross income under Section 408A(d)(3)(A)(i) of the Internal Revenue Code.

(B) The amount required to be included in gross income for any taxable year under Section 408A(d)(3)(A)(iii) of the Internal Revenue Code shall not exceed the aggregate amount required to be included in gross income under Section 408A(d)(3)(A)(iii) of the Internal Revenue Code for all taxable years in the four-year period (without regard to subparagraph (A)) reduced by amounts included for all preceding taxable years.

(2) (A) If the individual required to include amounts in gross income under Section 408A(d)(3)(A)(iii) of the Internal Revenue Code dies before all the amounts are included, all remaining amounts shall be included in gross income for the taxable year which includes the date of death.

(B) (i) If the spouse of the individual described in subparagraph (A) acquires the individual's entire interest in any Roth IRA to which the qualified rollover contribution is properly allocable and makes an election for federal purposes under Section 408A(d)(3)(E) of the Internal Revenue Code, as amended by Public Law 105-206, to treat

the remaining amounts described in subparagraph (A) as includable in the spouse's gross income in the taxable years of the spouse ending with or within the taxable years of the individual in which the amounts would otherwise have been includable, subparagraph (A) shall not apply for state purposes, a separate election for state purposes shall not be allowed under paragraph (3) of subdivision (e) of Section 17024.5, the federal election shall be binding for purposes of this part and that election shall be treated as an election to treat the remaining amounts described in subparagraph (A) as includable in the spouse's gross income for state purposes in the taxable years of the spouse ending with or within the taxable years of the individual in which the amounts would otherwise have been includable.

(ii) If the spouse of the individual described in subparagraph (A) acquires the individual's entire interest in any Roth IRA to which the qualified rollover contribution is properly allocable and fails to make an election for federal purposes under Section 408A(d)(3)(E) of the Internal Revenue Code, as amended by Public Law 105-206, or revokes an election previously made for federal purposes under Section 408A(d)(3)(E) of the Internal Revenue Code, as amended by Public Law 105-206, to treat the remaining amounts described in subparagraph (A) as includable in the spouse's gross income in the taxable years of the spouse ending with or within the taxable years of the individual in which the amounts would otherwise have been includable, no election under this paragraph shall be allowed for state purposes, subparagraph (A) shall apply for state purposes, and a separate election for state purposes shall not be allowed under paragraph (3) of subdivision (e) of Section 17024.5.

(e) (1) If any portion of a distribution from a Roth IRA is properly allocable to a qualified rollover contribution described in Section 408A(d)(3) of the Internal Revenue Code, and the distribution is made within the five-taxable year period beginning with the taxable year in which the contributions were made, then Section 72(t) of the Internal Revenue Code shall be applied as if that portion were includable in gross income.

(2) Paragraph (1) shall apply only to the extent of the amount of the qualified rollover contribution includable in gross income under Section 408A(d)(3)(A)(i) of the Internal Revenue Code.

(f) Section 408A(d)(3)(D) of the Internal Revenue Code shall not apply.

(g) Section 408A(d)(4) of the Internal Revenue Code shall not apply and in lieu thereof:

(1) (A) Section 408(d)(2) of the Internal Revenue Code shall be applied separately with respect to Roth IRAs and other individual retirement plans.

(B) For purposes of applying Section 408A of the Internal Revenue Code, as amended by Public Law 105-206, this section and Section 72 of the Internal Revenue Code to any distribution from a Roth IRA, the distribution shall be treated as made—

(i) From contributions to the extent that the amount of the distribution, when added to all previous distributions from the Roth IRA, does not exceed the aggregate contributions to the Roth IRA, and

(ii) From the contributions in the following order:

(I) Contributions other than qualified rollover contributions to which Section 408A(d)(3) of the Internal Revenue Code, as amended by Public Law 105-206, applies.

(II) Qualified rollover contributions to which Section 408A(d)(3) of the Internal Revenue Code, as amended by Public Law 105-206, applies on a first-in, first-out basis. Any distribution allocated to a qualified rollover contribution under this clause shall be allocated first to the portion of the contribution required to be included in gross income.

(h) (1) Except as provided by the Secretary of the Treasury (unless the Franchise Tax Board provides otherwise), if, on or before the due date for any taxable year, a taxpayer transfers in a trustee-to-trustee transfer any contribution to an individual retirement plan made during the taxable year from that plan to any other individual retirement plan, then, for purposes of this part, the contribution shall be treated as having been made to the transferee plan (and not the transferor plan).

(2) (A) Paragraph (1) shall not apply to the transfer of any contribution unless the transfer is accompanied by any net income allocable to that contribution.

(B) Paragraph (1) shall apply to the transfer of any contribution only to the extent no deduction was allowed with respect to the contribution to the transferor plan.

(i) For purposes of Section 408A(d) of the Internal Revenue Code, the due date for any taxable year is the date prescribed by law (including extensions of time) for filing the taxpayer's return for that taxable year.

(j) For purposes of Section 408A of the Internal Revenue Code—

(1) A simplified employee pension or a simple retirement account may not be designated as a Roth IRA, and

(2) Contributions to that pension or account shall not be taken into account for purposes of Section 408A(c)(2)(B) of the Internal Revenue Code.

SEC. 2 The amendments made to Section 17507.6 of the Revenue and Taxation Code by this act shall be operative for taxable years beginning on or after January 1, 1998.

SEC. 3. This act provides for a tax levy within the meaning of Article IV of the Constitution and shall go into immediate effect.

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CHAPTER 9

An act to add Sections 1252.3 and 1279.1 to the Unemployment Insurance Code, relating to unemployment compensation, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 12, 1999. Filed with Secretary of State April 12, 1999.]

The people of the State of California do enact as follows:

SECTION 1. Section 1252.3 is added to the Unemployment Insurance Code, to read:

1252.3. (a) Notwithstanding Section 1252, an individual is also "unemployed," as determined by the director, if (1) the individual has been laid off from work or is unable to commence work as a direct result of freezing weather conditions that occurred in this state from December 20, 1998, to December 28, 1998, inclusive, at the individual's most recent workplace or regular seasonal workplace, (2) the individual's continuing unemployment is a direct result of the freezing weather, (3) the wages payable to the individual for any week of less than full-time work, when reduced by two hundred dollars ($200), do not equal or exceed the individual's weekly benefit amount, (4) the individual resides in a county that has an unemployment rate in excess of 13 percent and that is covered under the terms of Order 1267-DR of the Federal Emergency Management Agency relative to the freezing weather of December 1998, and (5) the individual is otherwise eligible to receive benefits under this part.

(b) This section shall become inoperative and shall be repealed on August 7, 1999.

SEC. 2. Section 1279.1 is added to the Unemployment Insurance Code, to read:

1279.1. (a) Notwithstanding Section 1279, an individual who is unemployed for any week pursuant to Section 1252.3 shall be paid with respect to that week an unemployment compensation benefit in an amount equal to his or her weekly benefit amount less the amount of wages in excess of two hundred dollars ($200) payable to him or her for work performed during that week. Benefits shall be payable for weeks of unemployment after allowing for the waiting period required by subdivision (d) of Section 1253. The benefit payment, if not a multiple of one dollar ($1), shall be computed to the next higher multiple of one dollar ($1).

(b) For the purposes of this section, "wages" includes any and all compensation for personal services whether performed as an employee, an independent contractor, or a juror or witness, but does not include any payments, regardless of their designation, made by a city in this state to an elected official of the city as an incident to that

public office, or any payment made to a member of the National Guard or reserve component of the armed forces for inactive duty training, annual training, or emergency state active duty.

(c) This section shall become inoperative and shall be repealed on August 7, 1999.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

Because workers of low and moderate income are in need of financial support as soon as possible as a result of an unforeseen natural disaster, it is necessary for this act to take effect immediately.

CHAPTER 10

An act to amend Section 87406 of the Government Code, relating to the Political Reform Act of 1974, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 15, 1999. Filed with Secretary of State April 15, 1999.]

The people of the State of California do enact as follows:

SECTION 1. Section 87406 of the Government Code is amended to read:

87406. (a) This section shall be known, and may be cited, as the Milton Marks Postgovernment Employment Restrictions Act of 1990.

(b) No Member of the Legislature, for a period of one year after leaving office, shall, for compensation, act as agent or attorney for, or otherwise represent, any other person by making any formal or informal appearance, or by making any oral or written communication, before the Legislature, any committee or subcommittee thereof, any present Member of the Legislature, or any officer or employee thereof, if the appearance or communication is made for the purpose of influencing legislative action.

(c) No elected state officer, other than a Member of the Legislature, for a period of one year after leaving office, shall, for compensation, act as agent or attorney for, or otherwise represent, any other person by making any formal or informal appearance, or by making any oral or written communication, before any state administrative agency, or any officer or employee thereof, if the appearance or communication is for the purpose of influencing administrative action, or influencing any action or proceeding involving the issuance, amendment, awarding, or revocation of a permit, license, grant, or contract, or the sale or purchase of goods or property. For purposes of this subdivision, an appearance before a

"state administrative agency" does not include an appearance in a court of law, before an administrative law judge, or before the Workers' Compensation Appeals Board.

(d) (1) No designated employee of a state administrative agency, any officer, employee, or consultant of a state administrative agency who holds a position which entails the making, or participation in the making, of decisions which may foreseeably have a material effect on any financial interest, and no member of a state administrative agency, for a period of one year after leaving office or employment, shall, for compensation, act as agent or attorney for, or otherwise represent, any other person, by making any formal or informal appearance, or by making any oral or written communication, before any state administrative agency, or officer or employee thereof, for which he or she worked or represented during the 12 months before leaving office or employment, if the appearance or communication is made for the purpose of influencing administrative or legislative action, or influencing any action or proceeding involving the issuance, amendment, awarding, or revocation of a permit, license, grant, or contract, or the sale or purchase of goods or property. For purposes of this paragraph, an appearance before a state administrative agency does not include an appearance in a court of law, before an administrative law judge, or before the Workers' Compensation Appeals Board. The prohibition of this paragraph shall only apply to designated employees employed by a state administrative agency on or after January 7, 1991.

(2) For purposes of paragraph (1), a state administrative agency of a designated employee of the Governor's office includes any state administrative agency subject to the direction and control of the Governor.

(e) The prohibitions contained in subdivisions (b), (c), and (d) shall not apply to any individual subject to this section who is or becomes any of the following:

(1) An officer or employee of another state agency, board, or commission if the appearance or communication is for the purpose of influencing legislative or administrative action on behalf of the state agency, board, or commission.

(2) An official holding an elective office of a local government agency if the appearance or communication is for the purpose of influencing legislative or administrative action on behalf of the local government agency.

(f) This section shall become operative on January 1, 1991, but only if Senate Constitutional Amendment No. 32 of the 1989–90 Regular Session is approved by the voters. With respect to Members of the Legislature whose current term of office on January 1, 1991, began in December 1988, this section shall not apply until January 1, 1993.

SEC. 2. The Legislature finds and declares that the provisions of this act further the purposes of the Political Reform Act of 1974 within

the meaning of subdivision (a) of Section 81012 of the Government Code.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order for the exemption contained in Section 1 of this act to apply to officials holding elective office of local government agencies at the earliest possible time, it is essential that this act take effect immediately.

CHAPTER 11

An act relating to state employees, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 15, 1999. Filed with Secretary of State April 15, 1999.]

The people of the State of California do enact as follows:

SECTION 1. The provisions of the following memoranda of understanding prepared pursuant to Section 3517.5 of the Government Code and entered into by the state employer and the following employee organizations, which require the expenditure of funds, are hereby approved for the purposes of Section 3517.5 of the Government Code:

(a) State Bargaining Unit 1—California State Employees Association.

(b) State Bargaining Unit 3—California State Employees Association.

(c) State Bargaining Unit 4—California State Employees Association.

(d) State Bargaining Unit 10—California Association of Professional Scientists.

(e) State Bargaining Unit 11—California State Employees Association.

(f) State Bargaining Unit 14—California State Employees Association.

(g) State Bargaining Unit 15—California State Employees Association.

(h) State Bargaining Unit 17—California State Employees Association.

(i) State Bargaining Unit 20—California State Employees Association.

(j) State Bargaining Unit 21—California State Employees Association.

SEC. 2. Notwithstanding Section 3517.6 of the Government Code, the provisions of any memorandum of understanding that require the expenditure of funds shall become effective even if the provisions of the memorandum of understanding are approved by the Legislature in legislation other than the annual Budget Act.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order for the provisions of this act to be applicable as soon as possible in the 1998–99 fiscal year, and so facilitate the orderly administration of state government at the earliest possible time, it is necessary that this act take effect immediately.

CHAPTER 12

An act to make an appropriation in augmentation of Items 9800-001-0001, 9800-002-0494, and 9800-011-0001 of Section 2.00 of the Budget Act of 1998, relating to state employees, to take effect immediately as an appropriation for the usual and current expenses of the state.

[Approved by Governor April 15, 1999. Filed with Secretary of State April 15, 1999.]

The people of the State of California do enact as follows:

SECTION 1. (a) The sum of thirty-five million eight hundred twenty-four thousand dollars ($35,824,000) is hereby appropriated for expenditure in the 1998–99 fiscal year in augmentation and for the purposes of state employee compensation and the state employer's health benefit costs as provided in Items 9800-001-0001, 9800-002-0494, and 9800-011-0001 of Section 2.00 of the Budget Act of 1998 (Chapter 324 of the Statutes of 1998), in accordance with the following schedule:

(a) Thirty-four million four hundred seventy-six thousand dollars ($34,476,000) payable from the General Fund in augmentation of state employee compensation as provided in Item 9800-001-0001.

(b) One million dollars ($1,000,000) payable from unallocated special funds in augmentation of state employer's health benefit costs as provided in Item 9800-002-0494.

(c) Three hundred forty-eight thousand dollars ($348,000) payable from the General Fund (Proposition 98) in augmentation of state employee compensation as provided in Item 9800-011-0001.

(d) For the purposes of making computations required by Section 8 of Article XVI of the California Constitution, the appropriation made by subdivision (c) shall be deemed to be General Fund

revenues appropriated to school districts and community college districts, as defined in subdivisions (c) and (d) of Section 41202 of the Education Code, for the 1998–99 fiscal year, and be included within the "total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B," as defined in subdivision (e) of Section 41202 of the Education Code for the 1998–99 fiscal year.

SEC. 2. This act makes an appropriation for the usual and current expenses of the state within the meaning of Article IV of the California Constitution and shall go into immediate effect.

CHAPTER 13

An act relating to state employees, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 15, 1999. Filed with Secretary of State April 15, 1999.]

The people of the State of California do enact as follows:

SECTION 1. The Legislature finds and declares that the purpose of this act is to adopt agreements pursuant to Section 3517 of the Government Code entered into by the state employer and recognized employee organizations to make any necessary statutory changes in health, retirement, salary, or other benefits.

SEC. 2. The provisions of the following memoranda of understanding prepared pursuant to Section 3517.5 of the Government Code and entered into by the state employer and the following employees organizations, and that require the expenditure of funds, are hereby approved for the purposes of Section 3517.5 of the Government Code:

(a) State Bargaining Unit 2, Association of California State Attorneys.

(b) State Bargaining Unit 9, Professional Engineers in California Government.

SEC. 3. Notwithstanding Section 3517.6 of the Government Code, the provisions of any memorandum of understanding that require the expenditure of funds shall become effective even if the provisions of the memorandum of understanding are approved by the Legislature in legislation other than the annual Budget Act.

SEC. 4. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order for the provisions of this act to be applicable as soon as possible in the 1998–99 fiscal year, and so facilitate the orderly

administration of state government at the earliest possible time, it is necessary that this act take effect immediately.

CHAPTER 14

An act relating to state employees, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 15, 1999. Filed with Secretary of State April 15, 1999.]

The people of the State of California do enact as follows:

SECTION 1. The provisions of the memorandum of understanding prepared pursuant to Section 3517.5 of the Government Code and entered into by the state employer and State Bargaining Unit 18, the California Association of Psychiatric Technicians Employees, and that require the expenditure of funds, are hereby approved for the purposes of Section 3517.6 of the Government Code.

SEC. 2. Notwithstanding Section 3517.6 of the Government Code, the provisions of any memorandum of understanding that require the expenditure of funds shall become effective even if the provisions of the memorandum of understanding are approved by the Legislature in legislation other than the annual Budget Act.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order for the provisions of this act to be applicable as soon as possible in the 1999–2000 fiscal year, and so facilitate the orderly administration of state government at the earliest possible time, it is necessary that this act take effect immediately.

CHAPTER 15

An act to amend Section 60451 of the Education Code, relating to instructional materials, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 22, 1999. Filed with Secretary of State April 22, 1999.]

The people of the State of California do enact as follows:

SECTION 1. Section 60451 of the Education Code is amended to read:

60451. Each school district shall expend funds received pursuant to this chapter for the sole purpose of purchasing instructional materials in the core curriculum that are aligned to content standards for pupils in kindergarten and grades 1 to 12, inclusive, that meet all of the following requirements:

(a) The instructional materials are aligned with content standards adopted by the State Board of Education in 1997 or 1998.

(b) The instructional materials for pupils in kindergarten and grades 1 to 8, inclusive, have been adopted by the State Board of Education pursuant to Chapter 2 (commencing with Section 60200) of Part 33, using criteria aligned to the adopted content standards.

(c) The instructional materials for pupils in grades 9 to 12, inclusive, are basic instructional materials, as defined in subdivision (a) of Section 60010, that have been reviewed and approved, through a resolution adopted by the local governing board, as being aligned with the content standards adopted by the State Board of Education in 1997 or 1998.

SEC. 2. (a) Notwithstanding any other provision of law, funding for instructional materials appropriated by Item 6110-150-0001 of Section 2.00 of the Budget Act of 1998 shall be expended for the purposes of, and by the distribution method established in, Chapter 3.5 (commencing with Section 60450) of Part 33 of the Education Code.

(b) Notwithstanding Provision 1 of Item 6110-150-0001 of Section 2.00 of the Budget Act of 1998, funds appropriated by that item shall be allocated to school districts and county offices of education on the basis of an equal amount per pupil enrolled in public elementary schools and high schools, excluding the enrollment of summer school, adult education programs, and regional occupation centers and programs, in the prior fiscal year, as certified by the Superintendent of Public Instruction, based on California Basic Education Data System data, as required by Sections 60452.5 and 60450.5 of the Education Code.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order for funding for instructional materials appropriated in the Budget Act of 1998 to be allocated in accordance with Chapter 3.5 (commencing with Section 60450) of Part 33 of the Education Code, as added by Chapter 312 of the Statutes of 1998, it is necessary that this act take effect immediately.

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CHAPTER 16

An act to amend Section 2962 of the Penal Code, relating to prisons, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 22, 1999. Filed with Secretary of State April 22, 1999.]

The people of the State of California do enact as follows:

SECTION 1. Section 2962 of the Penal Code is amended to read:

2962. As a condition of parole, a prisoner who meets the following criteria shall be required to be treated by the State Department of Mental Health, and the State Department of Mental Health shall provide the necessary treatment:

(a) The prisoner has a severe mental disorder that is not in remission or cannot be kept in remission without treatment.

The term "severe mental disorder" means an illness or disease or condition that substantially impairs the person's thought, perception of reality, emotional process, or judgment; or which grossly impairs behavior; or that demonstrates evidence of an acute brain syndrome for which prompt remission, in the absence of treatment, is unlikely. The term "severe mental disorder" as used in this section does not include a personality or adjustment disorder, epilepsy, mental retardation or other developmental disabilities, or addiction to or abuse of intoxicating substances.

The term "remission" means a finding that the overt signs and symptoms of the severe mental disorder are controlled either by psychotropic medication or psychosocial support. A person "cannot be kept in remission without treatment" if during the year prior to the question being before the Board of Prison Terms or a trial court, he or she has been in remission and he or she has been physically violent, except in self-defense, or he or she has made a serious threat of substantial physical harm upon the person of another so as to cause the target of the threat to reasonably fear for his or her safety or the safety of his or her immediate family, or he or she has intentionally caused property damage, or he or she has not voluntarily followed the treatment plan. In determining if a person has voluntarily followed the treatment plan, the standard shall be whether the person has acted as a reasonable person would in following the treatment plan.

(b) The severe mental disorder was one of the causes of or was an aggravating factor in the commission of a crime for which the prisoner was sentenced to prison.

(c) The prisoner has been in treatment for the severe mental disorder for 90 days or more within the year prior to the prisoner's parole or release.

(d) (1) Prior to release on parole, the person in charge of treating the prisoner and a practicing psychiatrist or psychologist from the

State Department of Mental Health have evaluated the prisoner at a facility of the Department of Corrections, and a chief psychiatrist of the Department of Corrections has certified to the Board of Prison Terms that the prisoner has a severe mental disorder, that the disorder is not in remission, or cannot be kept in remission without treatment, that the severe mental disorder was one of the causes or was an aggravating factor in the prisoner's criminal behavior, that the prisoner has been in treatment for the severe mental disorder for 90 days or more within the year prior to his or her parole release day, and that by reason of his or her severe mental disorder the prisoner represents a substantial danger of physical harm to others. For prisoners being treated by the State Department of Mental Health pursuant to Section 2684, the certification shall be by a chief psychiatrist of the Department of Corrections, and the evaluation shall be done at a state hospital by the person at the state hospital in charge of treating the prisoner and a practicing psychiatrist or psychologist from the Department of Corrections.

(2) If the professionals doing the evaluation pursuant to paragraph (1) do not concur that (A) the prisoner has a severe mental disorder, (B) that the disorder is not in remission or cannot be kept in remission without treatment, or (C) that the severe mental disorder was a cause of, or aggravated, the prisoner's criminal behavior, and a chief psychiatrist has certified the prisoner to the Board of Prison Terms pursuant to this paragraph, then the Board of Prison Terms shall order a further examination by two independent professionals, as provided for in Section 2978.

(3) Only if both independent professionals who evaluate the prisoner pursuant to paragraph (2) concur with the chief psychiatrist's certification of the issues described in paragraph (2), shall this subdivision be applicable to the prisoner. The professionals appointed pursuant to Section 2978 shall inform the prisoner that the purpose of their examination is not treatment but to determine if the prisoner meets certain criteria to be involuntarily treated as a mentally disordered offender. It is not required that the prisoner appreciate or understand that information.

(e) The crime referred to in subdivision (b) meets both of the following criteria:

(1) The defendant received a determinate sentence pursuant to Section 1170 for the crime.

(2) The crime is one of the following:

(A) Voluntary manslaughter.

(B) Mayhem.

(C) Kidnapping in violation of Section 207.

(D) Any robbery wherein it was charged and proved that the defendant personally used a deadly or dangerous weapon, as provided in subdivision (b) of Section 12022, in the commission of that robbery.

(E) Carjacking, as defined in subdivision (a) of Section 215, if it is charged and proved that the defendant personally used a deadly or dangerous weapon, as provided in subdivision (b) of Section 12022, in the commission of the carjacking.

(F) Rape, as defined in paragraph (2) or (6) of subdivision (a) of Section 261 or paragraph (1) or (4) of subdivision (a) of Section 262.

(G) Sodomy by force, violence, duress, menace, or fear of immediate and unlawful bodily injury on the victim or another person.

(H) Oral copulation by force, violence, duress, menace, or fear of immediate and unlawful bodily injury on the victim or another person.

(I) Lewd acts on a child under the age of 14 years in violation of Section 288.

(J) Continuous sexual abuse in violation of Section 288.5.

(K) The offense described in subdivision (a) of Section 289 where the act was accomplished against the victim's will by force, violence, duress, menace, or fear of immediate and unlawful bodily injury on the victim or another person.

(L) Arson in violation of subdivision (a) of Section 451, or arson in violation of any other provision of Section 451 or in violation of Section 455 where the act posed a substantial danger of physical harm to others.

(M) Any felony in which the defendant used a firearm which use was charged and proved as provided in Section 12022.5, 12022.53, or 12022.55.

(N) A violation of Section 12308.

(O) Attempted murder.

(P) A crime not enumerated in subparagraph (A) to (O), inclusive, in which the prisoner used force or violence, or caused serious bodily injury as defined in paragraph (4) of subdivision (f) of Section 243.

(Q) A crime in which the perpetrator expressly or impliedly threatened another with the use of force or violence likely to produce substantial physical harm in such a manner that a reasonable person would believe and expect that the force or violence would be used. For purposes of this subparagraph, substantial physical harm shall not require proof that the threatened act was likely to cause great or serious bodily injury.

(f) As used in this chapter, "substantial danger of physical harm" does not require proof of a recent overt act.

SEC. 2. The provisions of this act shall apply to any person committed pursuant to Article 4 (commencing with Section 2960) of Chapter 7 of Title 1 of Part 3 of the Penal Code on or after July 1, 1986.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to prevent the immediate release, and to guarantee the mental health treatment of severely mentally ill offenders who are affected by the holding of People v. Anzalone (1999) 19 Cal.4th 1074, it is necessary that this act take effect immediately.

CHAPTER 17

An act to amend Section 33333.6 of the Health and Safety Code, relating to redevelopment, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 22, 1999. Filed with Secretary of State April 22, 1999.]

The people of the State of California do enact as follows:

SECTION 1. Section 33333.6 of the Health and Safety Code is amended to read:

33333.6. The limitations of this section shall apply to every redevelopment plan adopted on or before December 31, 1993.

(a) (1) The time limit on the establishing of loans, advances, and indebtedness adopted pursuant to paragraph (2) of subdivision (a) of Section 33333.2 or paragraph (2) of subdivision (a) of Section 33333.4 shall not exceed 20 years from the adoption of the redevelopment plan or January 1, 2004, whichever is later. This limit, however, shall not prevent agencies from incurring debt to be paid from the Low and Moderate Income Housing Fund or establishing more debt in order to fulfill the agency's housing obligations under Section 33413. This limit shall not prevent agencies from refinancing, refunding, or restructuring indebtedness after the time limit if the indebtedness is not increased and the time during which the indebtedness is to be repaid does not exceed the date on which the indebtedness would have been paid.

(2) The time limitation established by this subdivision may be extended, only by amendment of the redevelopment plan, after the agency finds, based on substantial evidence that: (A) significant blight remains within the project area; and (B) this blight cannot be eliminated without the establishment of additional debt. However, this amended time limitation may not exceed 10 years from the time limit established pursuant to this subdivision or the time limit on the effectiveness of the plan established pursuant to subdivision (b), whichever is earlier.

(b) The effectiveness of every redevelopment plan to which this section applies shall terminate at a date which shall not exceed 40 years from the adoption of the redevelopment plan or January 1, 2009, whichever is later. After the time limit on the effectiveness of the redevelopment plan, the agency shall have no authority to act

pursuant to the redevelopment plan except to pay previously incurred indebtedness and to enforce existing covenants, contracts, or other obligations.

(c) Except as provided in subdivisions (g) and (h), a redevelopment agency shall not pay indebtedness or receive property taxes pursuant to Section 33670 after 10 years from the termination of the effectiveness of the redevelopment plan pursuant to subdivision (b).

(d) (1) If plans that had different dates of adoption were merged on or before December 31, 1993, the time limitations required by this section shall be counted individually for each merged plan from the date of the adoption of each plan. If an amendment to a redevelopment plan added territory to the project area on or before December 31, 1993, the time limitations required by this section shall commence, with respect to the redevelopment plan, from the date of the adoption of the redevelopment plan, and, with respect to the added territory, from the date of the adoption of the amendment.

(2) If plans that had different dates of adoption are merged on or after January 1, 1994, the time limitations required by this section shall be counted individually for each merged plan from the date of the adoption of each plan.

(e) (1) Unless a redevelopment plan adopted prior to January 1, 1994, contains all of the limitations required by this section and each of these limitations does not exceed the applicable time limits established by this section, the legislative body, acting by ordinance on or before December 31, 1994, shall amend every redevelopment plan adopted prior to January 1, 1994, either to amend an existing time limit that exceeds the applicable time limit established by this section or to establish time limits that do not exceed the provisions of subdivision (a), (b), or (c).

(2) The limitations established in the ordinance adopted pursuant to this section shall apply to the redevelopment plan as if the redevelopment plan had been amended to include those limitations. However, in adopting the ordinance required by this section, neither the legislative body nor the agency is required to comply with Article 12 (commencing with Section 33450) or any other provision of this part relating to the amendment of redevelopment plans.

(f) (1) If a redevelopment plan adopted prior to January 1, 1994, contains one or more limitations required by this section, and the limitation does not exceed the applicable time limit required by this section, this section shall not be construed to require an amendment of this limitation.

(2) A redevelopment plan adopted prior to January 1, 1994, that has a limitation shorter than the terms provided in this section may be amended by a legislative body by adoption of an ordinance on or after January 1, 1999, but on or before December 31, 1999, to extend the limitation, provided that the plan as so amended does not exceed the terms provided in this section. The ordinance authorized by this

subdivision shall not be used to extend a limitation pursuant to the authority in paragraph (2) of subdivision (a). In adopting this ordinance, neither the legislative body nor the agency is required to comply with Section 33354.6 or Article 12 (commencing with Section 33450) or any other provision of this part relating to the amendment of redevelopment plans.

(g) The limitations established in the ordinance adopted pursuant to this section shall not be applied to limit allocation of taxes to an agency to the extent required to eliminate project deficits created under subdivision (e) of Section 33320.5, subdivision (g) of Section 33334.6, or subdivision (d) of Section 33487, in accordance with the plan adopted pursuant thereto for the purpose of eliminating the deficits or to implement a replacement housing program pursuant to Section 33413. In the event of a conflict between these limitations and the obligations under Section 33334.6 or to implement a replacement housing program pursuant to Section 33413, the legislative body shall amend the ordinance adopted pursuant to this section to modify the limitations to the extent necessary to permit compliance with the plan adopted pursuant to subdivision (g) of Section 33334.6 and to allow full expenditure of moneys in the agency's Low and Moderate Income Housing Fund in accordance with Section 33334.3 or to permit implementation of the replacement housing program pursuant to Section 33413. The procedure for amending the ordinance pursuant to this subdivision shall be the same as for adopting the ordinance under subdivision (e).

(h) This section shall not be construed to affect the validity of any bond, indebtedness, or other obligation, including any mitigation agreement entered into pursuant to Section 33401, authorized by the legislative body, or the agency pursuant to this part, prior to January 1, 1994. This section shall not be construed to affect the right of an agency to receive property taxes, pursuant to Section 33670, to pay the bond , indebtedness, or other obligation.

(i) A redevelopment agency shall not pay indebtedness or receive property taxes pursuant to Section 33670, with respect to a redevelopment plan adopted prior to January 1, 1994, after the date identified in subdivision (c) or the date identified in the redevelopment plan, whichever is earlier, except as provided in paragraph (2) of subdivision (f) or in subdivision (h).

(j) The Legislature finds and declares that the amendments made to this section by the act that adds this subdivision are intended to add limitations to the law on and after January 1, 1994, and are not intended to change or express legislative intent with respect to the law prior to that date. It is not the intent of the Legislature to affect the merits of any litigation regarding the ability of a redevelopment agency to sell bonds for a term that exceeds the limit of a redevelopment plan pursuant to law that existed prior to January 1, 1994.

(k) If a redevelopment plan is amended to add territory, the amendment shall contain the time limits required by Section 33333.2.

SEC. 2. The Legislature finds and declares that the amendment of Section 33333.6 of the Health and Safety Code made by this act does not constitute a change in, but is declaratory of, existing law.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to prevent the time limit in adopted redevelopment plans on the establishment of loans, advances, and indebtedness from being extended for an additional 10 years pursuant to an expedited process and without notice, hearing, and a demonstration of significant blight, it is necessary that this act take effect immediately.

CHAPTER 18

An act to amend Sections 15151, 15375, and 15500 of the Elections Code, relating to presidential primaries, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 3, 1999. Filed with Secretary of State May 4, 1999.]

The people of the State of California do enact as follows:

SECTION 1. Section 15151 of the Elections Code is amended to read:

15151. (a) The elections official shall transmit the semifinal official results to the Secretary of State in the manner and according to the schedule prescribed by the Secretary of State prior to each election, for the following:

(1) All candidates voted for statewide office.

(2) All candidates voted for the following offices:

(A) State Assembly.

(B) State Senate.

(C) Member of the United States House of Representatives.

(D) Member of the State Board of Equalization.

(E) Justice of the Court of Appeals.

(3) All persons voted for at the presidential primary or for electors of President and Vice President of the United States. The results at the presidential primary for candidates for President to whom delegates of a political party are pledged shall be reported according to the number of votes each candidate received from all voters and separately according to the number of votes each candidate received from voters affiliated with each political party qualified to participate in the presidential primary election, and from voters who have

declined to affiliate with a qualified political party. The elections official shall adopt procedures required to tabulate the ballots separately by party affiliation.

(4) Statewide ballot measures.

(b) The elections official shall transmit the results to the Secretary of State at intervals no greater than two hours, following commencement of the semifinal official canvass.

SEC. 2. Section 15375 of the Elections Code is amended to read:

15375. The elections official shall send to the Secretary of State within 35 days of the election in the manner requested one complete copy of all results as to all of the following:

(a) All candidates voted for statewide office.

(b) All candidates voted for the following offices:

(1) Member of the Assembly.

(2) Member of the Senate.

(3) Member of the United States House of Representatives.

(4) Member of the State Board of Equalization.

(5) Justice of the Courts of Appeal.

(6) Judge of the Superior Court.

(7) Judge of the Municipal Court.

(c) All persons voted for at the presidential primary. The results for all persons voted for at the presidential primary for delegates to national conventions shall be canvassed and shall be sent within 20 days after the election. The results at the presidential primary for candidates for President to whom delegates of a political party are pledged shall be reported according to the number of votes each candidate received from all voters and separately according to the number of votes each candidate received from voters affiliated with each political party qualified to participate in the presidential primary election, and from voters who have declined to affiliate with a qualified political party.

(d) The vote given for persons for electors of President and Vice President of the United States. The results for presidential electors shall be endorsed "Presidential Election Returns," and sent so that they are received by the Secretary of State not later than the first Monday in the month following the election.

(e) All statewide measures.

SEC. 3. Section 15500 of the Elections Code is amended to read:

15500. The Secretary of State, commencing with the first results from the semifinal official canvass received from the elections officials, shall compile the results for the offices and measures listed in Section 15151, which compilation shall be continued without adjournment until completed. The Secretary of State shall immediately make public the results of the compilation as to those offices and measures. The Secretary of State also shall compile and make those results reported pursuant to subdivision (c) of Section 15375 available to any person or organization upon request.

SEC. 4. (a) The validity of any provision of this act only may be challenged by the filing with the California Supreme Court of a writ within 30 calendar days after this act is enacted and becomes effective.

(b) The California Supreme Court shall issue its decision on the writ no later than 45 calendar days after it is filed with the court.

(c) The provisions of this act are severable. If any provisions of this act or its application is held invalid, that invalidity shall not affect other provisions or applications that can be given effect without the invalid provisions or application.

SEC. 5. No reimbursement shall be made from the State Mandates Claims Fund pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code for costs mandated by the state pursuant to this act. It is recognized, however, that a local agency or school district may pursue any remedies to obtain reimbursement available to it under Part 7 (commencing with Section 17500) and any other provisions of law.

SEC. 6. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to permit elections officials and the Secretary of State to organize the ballot tabulation changes required under this bill for the 2000 presidential primary, it is necessary that this act take effect immediately.

CHAPTER 19

An act to validate the organization, boundaries, acts, proceedings, and bonds of public bodies, and to provide limitations of time wherein actions may be commenced, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 3, 1999. Filed with Secretary of State May 4, 1999.]

The people of the State of California do enact as follows:

SECTION 1. This act may be cited as the First Validating Act of 1999.

SEC. 2. As used in this act:

(a) "Public body" means the state and all departments, agencies, boards, commissions, and authorities of the state. "Public body" also means all counties, cities and counties, cities, districts, authorities, agencies, boards, commissions, and other entities, whether created by a general statute or a special act, including, but not limited to, the following:

Agencies, boards, commissions, or entities constituted or provided for under or pursuant to Chapter 5 (commencing with Section 6500) of Division 7 of Title 1 of the Government Code.

Air pollution control districts of any kind.

Air quality management districts.

Airport districts.

Assessment districts, benefit assessment districts, and special assessment districts of any public body.

Bridge and highway districts.

California water districts.

Citrus pest control districts.

City maintenance districts.

Community college districts.

Community development commissions.

Community facilities districts.

Community redevelopment agencies.

Community rehabilitation districts.

Community services districts.

Conservancy districts.

Cotton pest abatement districts.

County boards of education.

County drainage districts.

County flood control and water districts.

County free library systems.

County maintenance districts.

County sanitation districts.

County service areas.

County transportation commissions.

County water agencies.

County water authorities.

County water districts.

County waterworks districts.

Department of Water Resources and other agencies acting pursuant to Part 3 (commencing with Section 11100) of Division 6 of the Water Code.

Distribution districts of any public body.

Drainage districts.

Fire protection districts.

Flood control and water conservation districts.

Flood control districts.

Garbage and refuse disposal districts.

Garbage disposal districts.

Geologic hazard abatement districts.

Harbor districts.

Harbor improvement districts.

Harbor, recreation, and conservation districts.

Health care authorities.

Highway districts.

Highway interchange districts.
Highway lighting districts.
Housing authorities.
Improvement districts or improvement areas of any public body.
Industrial development authorities.
Infrastructure financing districts.
Integrated financing districts.
Irrigation districts.
Joint highway districts.
Levee districts.
Library districts.
Library districts in unincorporated towns and villages.
Local agency formation commissions.
Local health care districts.
Local health districts.
Local hospital districts.
Local transportation authorities or commissions.
Maintenance districts.
Memorial districts.
Metropolitan transportation commissions.
Metropolitan water districts.
Mosquito abatement or vector control districts.
Municipal improvement districts.
Municipal utility districts.
Municipal water districts.
Nonprofit corporations.
Nonprofit public benefit corporations.
Open-space maintenance districts.
Parking authorities.
Parking districts.
Permanent road divisions.
Pest abatement districts.
Police protection districts.
Port districts.
Project areas of community redevelopment agencies.
Protection districts.
Public cemetery districts.
Public utility districts.
Rapid transit districts.
Reclamation districts.
Recreation and park districts.
Regional justice facility financing agencies.
Regional park and open-space districts.
Regional planning districts.
Regional transportation commissions.
Resort improvement districts.
Resource conservation districts.
River port districts.

Road maintenance districts.
Sanitary districts.
School districts of any kind or class.
Separation of grade districts.
Service authorities for freeway emergencies.
Sewer districts.
Sewer maintenance districts.
Small craft harbor districts.
Stone and pome fruit pest control districts.
Storm drain maintenance districts.
Storm drainage districts.
Storm drainage maintenance districts.
Storm water districts.
Toll tunnel authorities.
Traffic authorities.
Transit development boards.
Transit districts.
Unified and union school districts' public libraries.
Vehicle parking districts.
Water agencies.
Water authorities.
Water conservation districts.
Water districts.
Water replenishment districts.
Water storage districts.
Wine grape pest and disease control districts.
Zones, improvement zones, or service zones of any public body.

(b) "Bonds" means all instruments evidencing an indebtedness of a public body incurred or to be incurred for any public purpose, all leases, installment purchase agreements, or similar agreements wherein the obligor is one or more public bodies, all instruments evidencing the borrowing of money in anticipation of taxes, revenues, or other income of that body, all instruments payable from revenues or special funds of those public bodies, all certificates of participation evidencing interests in the leases, installment purchase agreements, or similar agreements, and all instruments funding, refunding, replacing, or amending any thereof or any indebtedness.

(c) "Hereafter" means any time subsequent to the effective date of this act.

(d) "Heretofore" means any time prior to the effective date of this act.

(e) "Now" means the effective date of this act.

SEC. 3. All public bodies heretofore organized or existing under, or under color of, any law, are hereby declared to have been legally organized and to be legally functioning as those public bodies. Every public body, heretofore described, shall have all the rights, powers, and privileges, and be subject to all the duties and obligations, of those public bodies regularly formed pursuant to law.

SEC. 4. The boundaries of every public body as heretofore established, defined, or recorded, or as heretofore actually shown on maps or plats used by the assessor, are hereby confirmed, validated, and declared legally established.

SEC. 5. All acts and proceedings heretofore taken by any public body or bodies under any law, or under color of any law, for the annexation or inclusion of territory into those public bodies or for the annexation of those public bodies to any other public body or for the detachment, withdrawal, or exclusion of territory from any public body or for the consolidation, merger, or dissolution of any public bodies are hereby confirmed, validated, and declared legally effective. This shall include all acts and proceedings of the governing board of any public body and of any person, public officer, board, or agency heretofore done or taken upon the question of the annexation or inclusion or of the withdrawal or exclusion of territory or the consolidation, merger, or dissolution of those public bodies.

SEC. 6. All acts and proceedings heretofore taken by or on behalf of any public body under any law, or under color of any law, for, or in connection with, the authorization, issuance, sale, execution, delivery, or exchange of bonds of any public body for any public purpose are hereby authorized, confirmed, validated, and declared legally effective. This shall include all acts and proceedings of the governing board of public bodies and of any person, public officer, board, or agency heretofore done or taken upon the question of the authorization, issuance, sale, execution, delivery, or exchange of bonds.

All bonds of, or relating to, any public body heretofore issued shall be, in the form and manner issued and delivered, the legal, valid, and binding obligations of the public body. All bonds of, or relating to, any public body heretofore awarded and sold to a purchaser and hereafter issued and delivered in accordance with the contract of sale and other proceedings for the award and sale shall be the legal, valid, and binding obligations of the public body. All bonds of, or relating to, any public body heretofore authorized to be issued by ordinance, resolution, order, or other action adopted or taken by or on behalf of the public body and hereafter issued and delivered in accordance with that authorization shall be the legal, valid, and binding obligations of the public body. All bonds of, or relating to, any public body heretofore authorized to be issued at an election and hereafter issued and delivered in accordance with that authorization shall be the legal, valid, and binding obligations of the public body. Whenever an election has heretofore been called for the purpose of submitting to the voters of any public body the question of issuing bonds for any public purpose, those bonds, if hereafter authorized by the required vote and in accordance with the proceedings heretofore taken, and issued and delivered in accordance with that authorization, shall be the legal, valid, and binding obligations of the public body.

SEC. 7. (a) This act shall operate to supply legislative authorization as may be necessary to authorize, confirm, and validate any acts and proceedings heretofore taken pursuant to authority the Legislature could have supplied or provided for in the law under which those acts or proceedings were taken.

(b) This act shall be limited to the validation of acts and proceedings to the extent that the same can be effectuated under the state and federal Constitutions.

(c) This act shall not operate to authorize, confirm, validate, or legalize any act, proceeding, or other matter being legally contested or inquired into in any legal proceeding now pending and undetermined or that is pending and undetermined during the period of 30 days from and after the effective date of this act, and shall not operate to authorize, confirm, validate, or legalize any act, proceeding, or other matter that has heretofore been determined in any legal proceeding to be illegal, void, or ineffective.

(d) This act shall not operate to authorize, confirm, validate, or legalize a contract between any public body and the United States.

SEC. 8. Any action or proceeding contesting the validity of any action or proceeding heretofore taken under any law, or under color of any law, for the formation, organization, or incorporation of any public body, or for any annexation thereto, detachment or exclusion therefrom, or other change of boundaries thereof, or for the consolidation, merger, or dissolution of any public bodies, or for, or in connection with, the authorization, issuance, sale, execution, delivery, or exchange of bonds thereof upon any ground involving any alleged defect or illegality not effectively validated by the prior provisions of this act and not otherwise barred by any statute of limitations or by laches shall be commenced within six months of the effective date of this act; otherwise each and all of those matters shall be held to be valid and in every respect legal and incontestable. This act shall not extend the period allowed for legal action beyond the period that it would be barred by any presently existing valid statute of limitations.

SEC. 9. Nothing contained in this act shall be construed to render the creation of any public body, or any change in the boundaries of any public body, effective for purposes of assessment or taxation unless the statement, together with the map or plat, required to be filed pursuant to Chapter 8 (commencing with Section 54900) of Part 1 of Division 2 of Title 5 of the Government Code, is filed within the time and substantially in the manner required by those sections.

SEC. 10. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to validate the organization, boundaries, acts, proceedings, and bonds of public bodies as soon as possible, it is necessary that this act take immediate effect.

CHAPTER 20

An act to amend Sections 1180 and 1181 of the Civil Code and to amend Section 9191.5 of the Government Code, relating to acknowledgments.

[Approved by Governor May 3, 1999. Filed with Secretary of State May 4, 1999.]

The people of the State of California do enact as follows:

SECTION 1. Section 1180 of the Civil Code is amended to read:

1180. The proof or acknowledgment of an instrument may be made at any place within this state before a justice, retired justice, or clerk of the Supreme Court, a justice, retired justice, or clerk of any court of appeal or judge or retired judge of a superior court, or the Secretary of the Senate or Chief Clerk of the Assembly.

SEC. 2. Section 1181 of the Civil Code is amended to read:

1181. The proof or acknowledgment of an instrument may be made before a notary public at any place within this state, or within the county or city and county in this state in which the officer specified below was elected or appointed, before either:

(a) A clerk of a superior or municipal court.
(b) A county clerk.
(c) A court commissioner.
(d) A judge or retired judge of a municipal or justice court.
(e) A district attorney.
(f) A clerk of a board of supervisors.
(g) A city clerk.
(h) A county counsel.
(i) A city attorney.
(j) Secretary of the Senate.
(k) Chief Clerk of the Assembly.

SEC. 3. Section 9191.5 of the Government Code is amended to read:

9191.5. The Secretary of the Senate and Chief Clerk of the Assembly may administer and certify oaths and may provide the proof or acknowledgment of an instrument in accordance with Article 3 (commencing with Section 1180) of Chapter 4 of Part 4 of Division 2 of the Civil Code.

CHAPTER 21

An act to amend Sections 123280, 123310, and 123315 of the Health and Safety Code, relating to health, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 3, 1999. Filed with Secretary of State May 4, 1999.]

The people of the State of California do enact as follows:

SECTION 1. Section 123280 of the Health and Safety Code is amended to read:

123280. (a) The department may conduct a statewide program for providing nutritional food supplements to low-income pregnant women, low-income postpartum and lactating women, and low-income infants and children under five years of age, who have been determined to be at nutritional risk by a health professional, based on criteria established by the department. Any program established pursuant to this section shall do all of the following:

(1) Comply with all the requirements of this article.

(2) Be conducted only if a special project is authorized by inclusion in the Budget Act or notification is provided to the Legislature pursuant to Section 28 of the Budget Act, and federal funds are appropriated therefor.

(3) Be known as the California Special Supplemental Food Program for Women, Infants, and Children.

(b) The department shall administer this article and shall adopt minimum standards and regulations as necessary.

SEC. 2. Section 123310 of the Health and Safety Code is amended to read:

123310. The department, under any program established pursuant to this article, shall authorize retail food vendors, by written agreement, to accept nutrition coupons and reimbursement according to the system developed by the department. The department shall authorize an appropriate number and distribution of food vendors in order to assure adequate participant convenience and access and to assure that state or local officials can effectively manage review of authorized food vendors in their jurisdictions. The department shall establish criteria to limit the number of retail food vendors with which the department enters into agreements. The criteria, at a minimum, shall include:

(a) The prices the vendor charges for foods in relation to other vendors in its peer group. For purposes of this subdivision, "peer group" means a group of vendors with similar characteristics that may include, but shall not be limited to, any or all of the following:

(1) Geographic location of the store.

(2) Store size.

(3) Type of store.
(4) Number of cash registers.
(5) Sales volume relating to any program established pursuant to this article.
(6) Gross sales volume.
(7) Inventory.
(8) Other vendor characteristics established by the department.
(b) The ability of the department to ensure that authorized supplemental foods will be provided through in-store compliance purchases.
(c) The adequacy of the shelf stock of the authorized supplemental foods.
(d) Past performance of the vendor in compliance with this article and with the Food Stamp Program.
SEC. 3. Section 123315 of the Health and Safety Code is amended to read:
123315. (a) The department, under any program established pursuant to this article, shall ensure that, at a minimum, the authorized vendor shall do all of the following:
(1) Redeem nutrition coupons only from persons bearing appropriate identification provided by the department.
(2) Redeem nutrition coupons for only those foods specified thereon.
(3) Redeem nutrition coupons at an amount that is the same as, or lesser than, that charged other customers for identical foods.
(4) Redeem and deposit nutrition coupons during specified valid periods.
(5) Deposit the nutrition coupons directly in the vendor's bank account and not transfer them for cash payment, credit, or any other benefit to any party other than the vendor's bank or the state.
(6) Maintain for a period of at least three years records that shall include, but not be limited to, all of the following:
(A) Inventory records showing all purchases, both wholesale and retail, in the form of invoices that identify the quantity and prices of specified authorized supplemental foods.
(B) Sales and use tax returns.
(C) Books of account.
(D) Other pertinent records that the department determines are necessary to substantiate the volume and prices charged to the state department through the nutrition coupons redeemed by the vendor.
(7) Accept up to the maximum allowable department reimbursement as payment in full for the maximum allowable quantity of food listed on the food instrument.
(8) Comply with department rules of vendor authorization, reimbursement, and monitoring that control program food costs, maximize participant access, and ensure program integrity.
(b) The department shall adopt regulations to implement this section and Section 123310 in accordance with the rulemaking

provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code). The adoption of any emergency regulations on or after January 1, 2000, shall be deemed to be an emergency and necessary for the immediate preservation of the public peace, health and safety, or general welfare. Emergency regulations adopted pursuant to this section shall remain in effect for no more than 180 days.

SEC. 4. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to provide for the implementation of provisions designed to ensure the integrity of the Special Supplemental Food Program for Women, Infants, and Children as soon as possible, it is necessary that this act take effect immediately.

CHAPTER 22

An act to amend Sections 11837 and 11837.1 of the Health and Safety Code, to amend Section 1861.025 of the Insurance Code, to amend Section 193.7 of the Penal Code, and to amend Sections 1661, 1803, 1803.4, 9553, 12802.5, 13106, 13350, 13350.5, 13352, 13352.4, 13352.5, 13353.2, 14601.2, 14601.3, 21200.5, 22651, 23247, 23546, 23550, 23550.5, 23552, 23566, 23568, 23572, 23577, 23600, 23602, 23640, 23650, 23655, and 23665 of, to repeal Sections 23198, 23522, 23524, and 23590 of, to amend and renumber Sections 23157, 23160, 23161, 23166, 23186, 23203, 23204, 23235, 23246, 23249.52, 23249.53, 23249.54, and 23249.55 of, to add and repeal Section 23198 of, to repeal and add Section 23596 of, and to repeal the heading of Article 4.5 (commencing with Section 23246) of Chapter 12 of Division 11 of, the Vehicle Code, relating to vehicles, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 26, 1999. Filed with Secretary of State May 26, 1999.]

The people of the State of California do enact as follows:

SECTION 1. Section 11837 of the Health and Safety Code, as amended by Section 2.5 of Chapter 756 of the Statutes of 1998, is amended to read:

11837. (a) Pursuant to the provisions of law relating to suspension of a person's privilege to operate a motor vehicle upon conviction for driving while under the influence of any alcoholic beverage or drug, or under the combined influence of any alcoholic beverage and any drug, as set forth in paragraph (3) of subdivision

(a) of Section 13352 of the Vehicle Code, the Department of Motor Vehicles shall restrict the driving privilege pursuant to Section 13352.5 of the Vehicle Code, if the court has notified the department pursuant to Section 13352 of the Vehicle Code that the person convicted of that offense has consented to participate for at least 18 months in a program designed to offer alcohol and other drug education and counseling services that is licensed pursuant to this chapter.

(b) In determining whether to refer a person, who is ordered to participate in a program pursuant to Section 668 of the Harbors and Navigation Code, in a licensed alcohol and other drug education and counseling services program pursuant to Section 23538 of the Vehicle Code, or, pursuant to Section 23542, 23548, 23552, 23556, 23562, or 23568 of the Vehicle Code, in a licensed 18-month or 30-month program, the court may consider any relevant information about the person made available pursuant to a presentence investigation, that is permitted but not required under Section 23655 of the Vehicle Code, or other screening procedure. That information shall not be furnished, however, by any person who also provides services in a privately operated, licensed program or who has any direct interest in a privately operated, licensed program. In addition, the court shall obtain from the Department of Motor Vehicles a copy of the person's driving record to determine whether the person is eligible to participate in a licensed 18-month or 30-month program pursuant to this chapter. When preparing a presentence report for the court, the probation department may consider the suitability of placing the defendant in a treatment program that includes the administration of nonscheduled nonaddicting medications to ameliorate an alcohol or controlled substance problem. If the probation department recommends that this type of program is a suitable option for the defendant, the defendant who would like the court to consider this option shall obtain from his or her physician a prescription for the medication, and a finding that the treatment is medically suitable for the defendant, prior to consideration of this alternative by the court.

(c) (1) The court shall, as a condition of probation pursuant to Section 23538 or 23556 of the Vehicle Code, refer a first offender whose concentration of alcohol in his or her blood was less than 0.20 percent, by weight, to participate for at least three months or longer, as ordered by the court, in a licensed program that consists of at least 30 hours of program activities, including those education, group counseling, and individual interview sessions described in this chapter.

(2) Notwithstanding any other provision of law, in granting probation to a first offender described in this subdivision whose concentration of alcohol in the person's blood was 0.20 percent or more, by weight, or the person refused to take a chemical test, the court shall order the person to participate, for at least six months or longer, as ordered by the court, in a licensed program that consists

of at least 45 hours of program activities, including those education, group counseling, and individual interview sessions described in this chapter.

(d) (1) The State Department of Alcohol and Drug Programs shall specify in regulations the activities required to be provided in the treatment of participants receiving six months of licensed program services under Section 23538 or 23556 of the Vehicle Code.

(2) Any program licensed pursuant to this chapter may provide treatment services to participants receiving at least six months of licensed program services under Section 23538 or 23556 of the Vehicle Code.

(e) The court may, subject to Section 11837.2, and as a condition of probation, refer a person to a licensed program, even though the person's privilege to operate a motor vehicle is restricted, suspended, or revoked. An 18-month program described in Section 23542 or 23562 of the Vehicle Code or a 30-month program described in Section 23548, 23552, or 23568 of the Vehicle Code may include treatment of family members and significant other persons related to the convicted person with the consent of those family members and others as described in this chapter, if there is no increase in the costs of the program to the convicted person.

(f) The clerk of the court shall indicate the duration of the program in which the judge has ordered the person to participate in the abstract of the record of the court that is forwarded to the department.

SEC. 2. Section 11837.1 of the Health and Safety Code, as amended by Section 3 of Chapter 756 of the Statutes of 1998, is amended to read:

11837.1. (a) In utilizing any program described in Section 11837, the court may require periodic reports concerning the performance of each person referred to and participating in a program. The program shall provide the court, the Department of Motor Vehicles, and the person participating in a program with an immediate report of any failure of the person to comply with the program's rules and policies.

(b) If, at any time after entry into or while participating in a program, a participant who is referred to an 18-month program described in Section 23542 of the Vehicle Code or a 30-month program described in Section 23548, 23552, or 23568 of the Vehicle Code, fails to comply with the rules and policies of the program, and that fact is reported, the Department of Motor Vehicles shall suspend the privilege of that person to operate a motor vehicle for the period prescribed by law in accordance with Section 13352.5 of the Vehicle Code, except as otherwise provided in this section. The Department of Motor Vehicles shall notify the person of its action.

(c) If the department withdraws the license of a program, the department shall immediately notify the Department of Motor Vehicles of those persons who do not commence participation in a

licensed program within 21 days from the date of the withdrawal of the license of the program in which the persons were previously participating. The Department of Motor Vehicles shall suspend or revoke, for the period prescribed by law, the privilege to operate a motor vehicle of each of those persons referred to an 18-month program pursuant to Section 23542 or 23562 of the Vehicle Code or to a 30-month program pursuant to Section 23548, 23552, or 23568 of the Vehicle Code.

SEC. 2.5. Section 1861.025 of the Insurance Code is amended to read:

1861.025. A person is qualified to purchase a Good Driver Discount policy if he or she meets all of the following criteria:

(a) He or she has been licensed to drive a motor vehicle for the previous three years.

(b) During the previous three years, he or she has not done any of the following:

(1) Had more than one violation point count determined as provided by subdivision (a), (b), (c), (d), (e), (g), or (h) of Section 12810 of the Vehicle Code, but subject to the following modifications:

For the purposes of this section, the driver of a motor vehicle involved in an accident for which he or she was principally at fault that resulted only in damage to property shall receive one violation point count, in addition to any other violation points which may be imposed for this accident.

If, under Section 488 or 488.5, an insurer is prohibited from increasing the premium on a policy on account of a violation, that violation shall not be included in determining the point count of the person.

If a violation is required to be reported under Section 1816 of the Vehicle Code, or under Section 784 of the Welfare and Institutions Code, or any other provision requiring the reporting of a violation by a minor, the violation shall be included for the purposes of this section in determining the point count in the same manner as is applicable to adult violations.

(2) Had more than one dismissal pursuant to Section 1803.5 of the Vehicle Code that was not made confidential pursuant to Section 1808.7 of the Vehicle Code, in the 36-month period for violations that would have resulted in the imposition of more than one violation point count under paragraph (1) if the complaint had not been dismissed.

(3) Was the driver of a motor vehicle involved in an accident that resulted in bodily injury or in the death of any person and was principally at fault. The commissioner shall adopt regulations setting guidelines to be used by insurers for the their determination of fault for the purposes of this paragraph and paragraph (1).

(c) During the previous seven years, he or she has not been convicted of a violation of Section 23140, 23152, or 23153 of the Vehicle Code, a felony violation of Section 23550 or 23566, or former

Section 23175 or, as those sections read on January 1, 1999, of the Vehicle Code, or a violation of Section 191.5 or paragraph (3) of subdivision (c) of Section 192 of the Penal Code.

(d) Any person who claims that he or she meets the criteria of subdivisions (a), (b), and (c) based entirely or partially on a driver's license and driving experience acquired anywhere other than in the United States or Canada is rebuttably presumed to be qualified to purchase a Good Driver Discount policy if he or she has been licensed to drive in the United States or Canada for at least the previous 18 months and meets the criteria of subdivisions (a), (b), and (c) for that period.

SEC. 3. Section 193.7 of the Penal Code is amended to read:

193.7. Any person convicted of a violation of paragraph (3) of subdivision (c) of Section 192 which occurred within seven years of two or more separate violations of Section 23103, as specified in Section 23103.5, of, or Section 23152 or 23153 of, the Vehicle Code, or any combination thereof, which resulted in convictions, shall be designated as an habitual traffic offender subject to paragraph (3) of subdivision (e) of Section 14601.3 of the Vehicle Code, for a period of three years, subsequent to the conviction. The person shall be advised of this designation pursuant to subdivision (b) of Section 13350 of the Vehicle Code.

SEC. 4. Section 1661 of the Vehicle Code is amended to read:

1661. (a) The department shall notify the registered owner of each vehicle of the date that the registration renewal fee of the vehicle is due, at least 60 days prior to that due date.

(b) The department shall include in any final notice of delinquent registration provided to the registered owner of a vehicle whose registration has not been properly renewed as required under this code, information relating to the potential removal and impoundment of that vehicle under subdivision (o) of Section 22651.

SEC. 5. Section 1803 of the Vehicle Code, as amended by Section 4 of Chapter 756 of the Statutes of 1998, is amended to read:

1803. (a) Every clerk of a court in which a person was convicted of any violation of this code, was convicted of any violation of subdivision (a), (b), (c), (d), (e), or (f) of Section 655 of the Harbors and Navigation Code pertaining to a mechanically propelled vessel but not to manipulating any water skis, an aquaplane, or similar device, was convicted of any violation of Section 655.2, 655.6, 658, or 658.5 of the Harbors and Navigation Code, or any violation of Section 191.5 of the Penal Code when the conviction resulted from the operation of a vessel, was convicted of any offense involving use or possession of controlled substances under Division 10 (commencing with Section 11000) of the Health and Safety Code, was convicted of any felony offense when a commercial motor vehicle, as defined in subdivision (b) of Section 15210, was involved in or incidental to the commission of the offense, or was convicted of any violation of any other statute relating to the safe operation of vehicles, shall prepare

within 10 days after conviction and immediately forward to the department at its office at Sacramento an abstract of the record of the court covering the case in which the person was so convicted. If sentencing is not pronounced in conjunction with the conviction, the abstract shall be forwarded to the department within 10 days after sentencing and the abstract shall be certified by the person so required to prepare it to be true and correct.

For the purposes of this section, a forfeiture of bail shall be equivalent to a conviction.

(b) The following violations are not required to be reported under subdivision (a):

(1) Division 3.5 (commencing with Section 9840).

(2) Section 21113, with respect to parking violations.

(3) Chapter 9 (commencing with Section 22500) of Division 11, except Section 22526.

(4) Division 12 (commencing with Section 24000), except Sections 24002, 24004, 24250, 24409, 24604, 24800, 25103, 26707, 27151, 27315, 27360, 27800, and 27801 and Chapter 3 (commencing with Section 26301).

(5) Division 15 (commencing with Section 35000), except Chapter 5 (commencing with Section 35550).

(6) Violations for which a person was cited as a pedestrian or while operating a bicycle.

(7) Division 16.5 (commencing with Section 38000).

(8) Sections 23221, 23223, 23225, and 23226.

(c) If the court impounds a license, or orders a person to limit his or her driving pursuant to paragraph (2) of subdivision (a) of Section 23538, subdivision (b) of Section 23542, subdivision (b) of Section 23562, or subdivision (d) of Section 40508, the court shall notify the department concerning the impoundment or limitation on an abstract prepared pursuant to subdivision (a) of this section or on a separate abstract, which shall be prepared within 10 days after the impoundment or limitation was ordered and immediately forwarded to the department at its office in Sacramento.

(d) If the court determines that a prior judgment of conviction of a violation of Section 23152 or 23153 is valid or is invalid on constitutional grounds pursuant to Section 41403, the clerk of the court in which the determination is made shall prepare an abstract of that determination and forward it to the department in the same manner as an abstract of record pursuant to subdivision (a).

(e) Within 10 days of an order terminating or revoking probation under Section 23602, the clerk of the court in which the order terminating or revoking probation was entered shall prepare and immediately forward to the department at its office in Sacramento an abstract of the record of the court order terminating or revoking probation and any other order of the court to the department required by law.

SEC. 6. Section 1803.4 of the Vehicle Code is amended to read:

1803.4. Any record regarding the providing of information pursuant to Section 13106, or record of persons personally given notice by the department or a court, by a peace officer pursuant to Section 13382 or 13388, or otherwise pursuant to this code regarding the suspension or revocation of a person's privilege to operate a motor vehicle shall, upon request, be provided as follows:

(a) Immediately to any peace officer, as defined in Chapter 4.5 (commencing with Section 830) of Title 3 of Part 2 of the Penal Code, acting within the scope of his or her duties.

(b) Clearly stated on the record provided to any court of this state.

SEC. 6.2. Section 9553 of the Vehicle Code is amended to read:

9553. (a) A penalty shall be added upon any application for renewal of registration or any application for renewal of special license plates made after midnight of the expiration date of the registration or special plates, except as provided in Section 4604 or 9706, or in subdivision (b).

(b) Except as provided in subdivision (c), when renewal fee penalties have not accrued with respect to a vehicle and the vehicle is transferred, the transferee has 20 days from the date of the transfer to pay the registration fees which become due without payment of any penalties that otherwise would be required under subdivision (a) or to file a certification pursuant to subdivision (a) of Section 4604 if the vehicle will not be operated, moved, or left standing upon any highway during the subsequent registration year without first making application for registration of the vehicle, including full payment of all fees.

(c) (1) A dealer or lessor-retailer submitting an application for registration or transfer of a used vehicle shall have 30 days from the date of sale to submit the fees, without the penalty that otherwise would be required under subdivision (a).

(2) This subdivision does not apply to penalties due or accrued prior to the date of sale by the dealer or lessor-retailer.

(d) If the fee specified in Sections 9255 and 9257 is not paid within 20 days after it becomes delinquent, a penalty shall be added thereto.

(e) In addition to the imposition of monetary fines or fees as specified in this section, delinquent registration may result in impoundment of the vehicle pursuant to Section 22651.

SEC. 7. Section 12802.5 of the Vehicle Code is amended to read:

12802.5. Before issuing a driver's license or permit to any person under 21 years of age, both of the following shall occur:

(a) The department shall inform the applicant of the following:

(1) It is unlawful to drive with a blood-alcohol concentration of 0.01 percent or greater, as measured by a preliminary alcohol screening test or other chemical test.

(2) The penalty for so driving is a one-year suspension of the driving privilege.

(3) A refusal to take, or a failure to complete, a preliminary alcohol screening test or other chemical test for the purpose of determining

the level of alcohol pursuant to Section 13388 shall result in a one-year suspension of the driving privilege.

(4) The fee for reissuance of a driver's license after suspension for a violation of Section 23136 is one hundred dollars ($100). This fee is in addition to any other fees that may be imposed by the department in connection with reissuance of a driver's license.

(b) The applicant shall sign a statement that acknowledges that he or she has been notified of the information specified in subdivision (a).

SEC. 8. Section 13106 of the Vehicle Code is amended to read:

13106. (a) When the privilege of a person to operate a motor vehicle is suspended or revoked, the department shall notify the person by certified mail, return receipt requested, of the action taken and of the effective date thereof, except for those persons personally given notice by the department or a court, by a peace officer pursuant to Section 13388 or 13382, or otherwise pursuant to this code. It shall be conclusively presumed that a person has knowledge of the suspension or revocation if notice has been sent by certified mail by the department pursuant to this section to the most recent address reported to the department pursuant to Section 14600, and the return receipt has been signed and returned to the department. It is the responsibility of every holder of a driver's license to report changes of address to the department pursuant to Section 14600.

(b) The department may utilize alternative methods for determining the whereabouts of a driver, whose driving privilege has been suspended or revoked under this code, for the purpose of providing the driver with notice of suspension or revocation. Alternative methods may include, but are not limited to, cooperating with other state agencies that maintain more current address information than the department's driver's license files.

(c) At the time of license reinstatement, the department shall recover, through fees authorized pursuant to Section 14906, an amount equal to its total costs of providing notices pursuant to this section.

SEC. 9. Section 13350 of the Vehicle Code is amended to read:

13350. (a) The department immediately shall revoke the privilege of any person to drive a motor vehicle upon receipt of a duly certified abstract of the record of any court showing that the person has been convicted of any of the following crimes or offenses:

(1) Failure of the driver of a vehicle involved in an accident resulting in injury or death to any person to stop or otherwise comply with Section 20001.

(2) Any felony in the commission of which a motor vehicle is used, except as provided in Section 13351, 13352, or 13357.

(3) Reckless driving causing bodily injury.

(b) If a person is convicted of a violation of Section 23152 punishable under Section 23546, 23550, or 23550.5, or a violation of Section 23153 punishable under Section 23566, including a violation

of paragraph (3) of subdivision (c) of Section 192 of the Penal Code as provided in Section 193.7 of that code, the court shall, at the time of surrender of the driver's license or temporary permit, require the defendant to sign an affidavit in a form provided by the department acknowledging his or her understanding of the revocation required by paragraph (5), (6), or (7) of subdivision (a) of Section 13352, and an acknowledgment of his or her designation as an habitual traffic offender. A copy of this affidavit shall be transmitted, with the license or temporary permit, to the department within the prescribed 10 days.

(c) The department shall not reinstate the privilege revoked under subdivision (a) until the expiration of one year after the date of revocation and until the person whose privilege was revoked gives proof of financial responsibility as defined in Section 16430.

SEC. 10. Section 13350.5 of the Vehicle Code is amended to read:

13350.5. Notwithstanding Section 13350, for the purposes of this article, conviction of a violation of paragraph (3) of subdivision (c) of Section 192 of the Penal Code is a conviction of a violation of Section 23153.

SEC. 11. Section 13352 of the Vehicle Code is amended to read:

13352. (a) The department shall immediately suspend or revoke, or record the court-administered suspension or revocation of, the privilege of any person to operate a motor vehicle upon receipt of a duly certified abstract of the record of any court showing that the person has been convicted of a violation of Section 23152 or 23153 or subdivision (a) of Section 23109, or upon receipt of a report of a judge of the juvenile court, a juvenile traffic hearing officer, or a referee of a juvenile court showing that the person has been found to have committed a violation of Section 23152 or 23153 or subdivision (a) of Section 23109. If any offense specified in this section occurs in a vehicle defined in Section 15210, the suspension or revocation specified below shall apply to the noncommercial driving privilege. The commercial driving privilege shall be disqualified as specified in Sections 15300 to 15302, inclusive. For the purposes of this section, suspension or revocation shall be as follows:

(1) Upon a conviction or finding of a violation of Section 23152 punishable under Section 23536, the privilege shall be suspended for a period of six months. The privilege shall not be reinstated until the person gives proof of ability to respond in damages and gives proof satisfactory to the department of successful completion of a program described in subdivision (b) of Section 23538. The department shall issue a restricted license upon receipt of an abstract of record from the court certifying the court has granted probation to the person based on the conditions specified in paragraph (2) of subdivision (a) of, and subdivision (b) of, Section 23538.

(2) Upon a conviction or finding of a violation of Section 23153 punishable under Section 23554, the privilege shall be suspended for a period of one year. The privilege shall not be reinstated until the

person gives proof of ability to respond in damages and gives proof satisfactory to the department of successful completion of a program described in Section 23556.

(3) Except as provided in Section 13352.5, upon a conviction or finding of a violation of Section 23152 punishable under Section 23540, the privilege shall be suspended for two years. The privilege shall not be reinstated until the person gives proof of ability to respond in damages and gives proof satisfactory to the department of successful completion of a program described in Section 23542. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. No credit shall be given to any program activities completed prior to the date of the current violation. The department shall advise the person that after completion of 12 months of the suspension period, the person may apply to the department for a restricted driver's license, subject to the following conditions:

(A) The person has satisfactorily provided, subsequent to the current underlying conviction, either of the following:

(i) Proof of enrollment in a licensed 18-month program pursuant to Section 11836 of the Health and Safety Code.

(ii) Proof of enrollment in a licensed 30-month program, if available in the county of the person's residence or employment, pursuant to Section 11836 of the Health and Safety Code.

(B) The person agrees, as a condition of the restriction, to continue satisfactory participation in the program described in subparagraph (A).

(C) The person submits the "Verification of Installation" form described in paragraph (2) of subdivision (e) of Section 13386.

(D) The person agrees to maintain the ignition interlock device as required under subdivision (g) of Section 23575.

(E) The person provides proof of financial responsibility, as defined in Section 16430.

(F) The person pays all administrative fees or reissue fees and any restriction fee required by the department.

(G) The restriction shall remain in effect for the period required in subdivision (f) of Section 23575.

(4) Except as provided in this paragraph, upon a conviction or finding of a violation of Section 23153 punishable under Section 23560, the privilege shall be revoked for a period of three years. The privilege shall not be reinstated until evidence satisfactory to the department establishes that no grounds exist that would authorize the refusal to issue a license, the person gives proof of ability to respond in damages, and the person gives proof satisfactory to the department of successful completion of a program described in Section 23562. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. No credit shall be

given to any program activities completed prior to the date of the current violation. The department shall advise the person that after the completion of 18 months of the revocation period, the person may apply to the department for a restricted driver's license, subject to the following conditions:

(A) The person has satisfactorily completed, subsequent to the current underlying conviction, either of the following:

(i) A licensed 18-month program pursuant to Section 11836 of the Health and Safety Code.

(ii) The initial 18 months of a licensed 30-month program, if available in the county of the person's residence or employment, pursuant to Section 11836 of the Health and Safety Code, and the person agrees, as a condition of the restriction, to continue satisfactory participation in that 30-month program.

(B) The person submits the "Verification of Installation" form described in paragraph (2) of subdivision (e) of Section 13386.

(C) The person agrees to maintain the ignition interlock device as required under subdivision (g) of Section 23575.

(D) The person provides proof of financial responsibility, as defined in Section 16430.

(E) The person pays all applicable reinstatement or reissue fees and any restriction fee required by the department.

(F) The restriction shall remain in effect for the period required in subdivision (f) of Section 23575.

(5) Except as provided in this paragraph, upon a conviction or finding of a violation of Section 23152 punishable under Section 23546, the privilege shall be revoked for a period of three years. The privilege shall not be reinstated until the person files proof of ability to respond in damages and gives proof satisfactory to the department of successful completion of one of the following programs: an 18-month program or, if available in the county of the person's residence or employment, a 30-month program licensed pursuant to Section 11836 of the Health and Safety Code, or a program specified in Section 8001 of the Penal Code. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. No credit shall be given to any program activities completed prior to the date of the current violation. The department shall advise the person that after completion of 18 months of the revocation period, the person may apply to the department for a restricted driver's license, subject to the following conditions:

(A) The person has satisfactorily completed, subsequent to the current underlying conviction, either of the following:

(i) A licensed 18-month program pursuant to Section 11836 of the Health and Safety Code.

(ii) The initial 18 months of a licensed 30-month program, if available in the county of the person's residence or employment, pursuant to Section 11836 of the Health and Safety Code.

The person agrees, as a condition of the restriction, to continue satisfactory participation in the 30-month program.

(B) The person submits the "Verification of Installation" form described in paragraph (2) of subdivision (e) of Section 13386.

(C) The person agrees to maintain the ignition interlock device as required under subdivision (g) of Section 23575.

(D) The person provides proof of financial responsibility, as defined in Section 16430.

(E) Any individual convicted of a violation of Section 23152 punishable under Section 23546 may also, at any time after sentencing, petition the court for referral to an 18-month program or, if available in the county of the person's residence or employment, a 30-month program licensed pursuant to Section 11836 of the Health and Safety Code. Unless good cause is shown, the court shall order the referral.

(F) The person pays all applicable reinstatement or reissue fees and any restriction fee required by the department.

(G) The restriction shall remain in effect for the period required in subdivision (f) of Section 23575.

(6) Except as provided in this paragraph, upon a conviction or finding of a violation of Section 23153 punishable under Section 23566, the privilege shall be revoked for a period of five years. The privilege shall not be reinstated until evidence satisfactory to the department establishes that no grounds exist that would authorize the refusal to issue a license, and the person gives proof of ability to respond in damages and proof satisfactory to the department of successful completion of one of the following programs: a 30-month program, if available in the county of the person's residence or employment or, if not available, an 18-month program licensed pursuant to Section 11836 of the Health and Safety Code, or a program specified in Section 8001 of the Penal Code. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. No credit shall be given to any program activities completed prior to the date of the current violation. The department shall advise the person that after the completion of 30 months of the revocation period, the person may apply to the department for a restricted driver's license, subject to the following conditions:

(A) The person has satisfactorily completed, subsequent to the current underlying conviction, either of the following:

(i) The initial 18 months of a licensed 30-month program, if available in the county of the person's residence or employment, pursuant to Section 11836 of the Health and Safety Code.

The person agrees, as a condition of the restriction, to continue satisfactory participation in the 30-month program.

(ii) A licensed 18-month program pursuant to Section 11836 of the Health and Safety Code, if a 30-month program is unavailable in the person's county of residence or employment.

(B) The person submits the "Verification of Installation" form described in paragraph (2) of subdivision (e) of Section 13386.

(C) The person agrees to maintain the ignition interlock device as required under subdivision (g) of Section 23575.

(D) The person provides proof of financial responsibility, as defined in Section 16430.

(E) Any individual convicted of a violation of Section 23153 punishable under Section 23566 may also, at any time after sentencing, petition the court for referral to an 18-month program or, if available in the county of the person's residence or employment, a 30-month program licensed pursuant to Section 11836 of the Health and Safety Code. Unless good cause is shown, the court shall order the referral.

(F) The person pays all applicable reinstatement or reissue fees and any restriction fee required by the department.

(G) The restriction shall remain in effect for the period required in subdivision (f) of Section 23575.

(7) Except as provided in this paragraph, upon a conviction or finding of a violation of Section 23152 punishable under Section 23550 or 23550.5, the privilege shall be revoked for a period of four years. The privilege shall not be reinstated until evidence satisfactory to the department establishes that no grounds exist that would authorize the refusal to issue a license, and the person gives proof of ability to respond in damages and proof satisfactory to the department of successful completion of one of the following programs: an 18-month program or, if available in the county of the person's residence or employment, a 30-month program licensed pursuant to Section 11836 of the Health and Safety Code, or a program specified in Section 8001 of the Penal Code. For the purposes of this paragraph, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. No credit shall be given to any program activities completed prior to the date of the current violation. The department shall advise the person that after the completion of 24 months of the revocation period, the person may apply to the department for a restricted driver's license, subject to the following conditions:

(A) The person has satisfactorily completed, subsequent to the current underlying conviction, either of the following:

(i) A licensed 18-month program pursuant to Section 11836 of the Health and Safety Code.

(ii) The initial 18 months of a licensed 30-month program, if available in the county of the person's residence or employment, pursuant to Section 11836 of the Health and Safety Code. The person agrees, as a condition of the restriction, to continue satisfactory participation in the 30-month program.

(B) The person submits the "Verification of Installation" form described in paragraph (2) of subdivision (e) of Section 13386.

(C) The person agrees to maintain the ignition interlock device as required under subdivision (g) of Section 23575.

(D) The person provides proof of financial responsibility, as defined in Section 16430.

(E) Any individual convicted of a violation of Section 23152 punishable under Section 23550 may also, at any time after sentencing, petition the court for referral to an 18-month program or, if available in the county of the person's residence or employment, a 30-month program licensed pursuant to Section 11836 of the Health and Safety Code. Unless good cause is shown, the court shall order the referral.

(F) The person pays all applicable reinstatement or reissue fees and any restriction fee required by the department.

(G) The restriction shall remain in effect for the period required in subdivision (f) of Section 23575.

(8) Upon a conviction or finding of a violation of subdivision (a) of Section 23109 punishable under subdivision (e) of that section, the privilege shall be suspended for a period of 90 days to six months, if and as ordered by the court.

(9) Upon a conviction or finding of a violation of subdivision (a) of Section 23109 punishable under subdivision (f) of that section, the privilege shall be suspended for a period of six months, if the court orders the department to suspend the privilege. The privilege shall not be reinstated until the person gives proof of ability to respond in damages.

(b) For the purpose of paragraphs (2) to (9), inclusive, of subdivision (a), the finding of the juvenile court judge, the juvenile traffic hearing officer, or the referee of a juvenile court of a commission of a violation of Section 23152 or 23153 or subdivision (a) of Section 23109, as specified in subdivision (a) of this section, is a conviction.

(c) Each judge of a juvenile court, juvenile traffic hearing officer, or referee of a juvenile court shall immediately report the findings specified in subdivision (a) to the department.

(d) A conviction of an offense in any state, territory, or possession of the United States, the District of Columbia, the Commonwealth of Puerto Rico, or Canada that, if committed in this state, would be a violation of Section 23152, is a conviction of Section 23152 for purposes of this section, and a conviction of an offense that, if committed in this state, would be a violation of Section 23153, is a conviction of Section 23153 for purposes of this section. The department shall suspend or revoke the privilege to operate a motor vehicle pursuant to this section upon receiving notice of that conviction.

(e) For the purposes of the restriction conditions specified in paragraphs (3) to (7), inclusive, of subdivision (a), the department shall terminate the restriction imposed pursuant to this section and

shall suspend or revoke the person's driving privilege to operate a motor vehicle upon receipt of notification from the program that the person has failed to comply with the program requirements. The person's driving privilege shall remain suspended or revoked for the remaining period of the originating suspension or revocation and until all reinstatement requirements described in this section are met.

SEC. 12. Section 13352.4 of the Vehicle Code, as amended by Chapter 756 of the Statutes of 1998, is amended to read:

13352.4. (a) The department shall require a person upon whom the court has imposed the condition of probation required by subdivision (b) of Section 23538 to submit proof of the satisfactory completion of a program licensed pursuant to Section 11836 of the Health and Safety Code or of a program defined in Section 8001 of the Penal Code, within a time period set by the department, beginning from the date of a conviction or a finding by a court of a violation of Section 23152.

(b) The department shall suspend the privilege to drive of any person who is not in compliance with subdivision (a).

(c) The department may suspend the privilege to drive of any person for failure to file proof of financial responsibility when the person has been ordered by the court to do so. The suspension shall remain in effect until adequate proof of financial responsibility is filed with the department by the person.

(d) The department shall not restore the privilege to operate a motor vehicle after a suspension pursuant to subdivision (b) until the department receives proof of the completion of a program pursuant to subdivision (a) that the department finds satisfactory.

SEC. 13. Section 13352.5 of the Vehicle Code, as added by Section 7 of Chapter 756 of the Statutes of 1998, is amended to read:

13352.5. (a) The department shall issue a restricted driver's license to a person granted probation under the conditions described in subdivision (b) of Section 23542 instead of suspending that person's license, if the person meets all of the following requirements:

(1) Submits proof of enrollment in, or completion of, a drug and alcohol treatment program described in paragraph (4) of subdivision (b) of Section 23542.

(2) Submits proof of financial responsibility, as described in Section 16430.

(3) Pays all applicable reinstatement or reissue fees and any restriction fee required by the department.

(b) The restriction of the driving privilege shall become effective when the department receives all of the documents and fees required under subdivision (a) and shall remain in effect for the duration of the treatment program described in paragraph (4) of subdivision (b) of Section 23542.

(c) The restriction of the driving privilege shall be limited to the hours necessary for driving to and from the place of employment,

driving during the course of employment, and driving to and from activities required in the treatment program.

(d) Whenever the driving privilege is restricted under this section, proof of financial responsibility, as defined in Section 16430, shall be maintained for three years. If the person does not maintain that proof of financial responsibility at any time during the restriction, the driving privilege shall be suspended until proof pursuant to Section 16484 is received by the department.

(e) The restriction imposed under this section may be removed when the person presents evidence satisfactory to the department that the person has completed the drug and alcohol treatment program. For the purposes of this section, enrollment, participation, and completion of an approved program shall be subsequent to the date of the current violation. No credit shall be given to any program activities completed prior to the date of the current violation.

(f) The department shall immediately terminate the restriction imposed pursuant to this section and shall suspend the privilege to drive under paragraph (3) of subdivision (a) of Section 13352 upon receipt of notification from the treatment program that the person has failed to comply with the program requirements.

(g) Twelve months after the date of conviction, the offender may apply to the department for a restricted driver's license, subject to the conditions specified in paragraph (3) of subdivision (a) of Section 13352. Whenever proof of financial responsibility has already been provided in compliance with restrictions described in this section, and the offender subsequently receives an ignition interlock device restriction described in paragraph (3) of subdivision (a) of Section 13352, the proof of financial responsibility period shall not be extended beyond the previously established term.

SEC. 14. Section 13353.2 of the Vehicle Code, as amended by Section 3.12 of Chapter 118 of the Statutes of 1998, is amended to read:

13353.2. (a) The department shall immediately suspend the privilege of any person to operate a motor vehicle for any one of the following reasons:

(1) The person was driving a motor vehicle when the person had 0.08 percent or more, by weight, of alcohol in his or her blood.

(2) The person was under 21 years of age and had a blood-alcohol concentration of 0.01 percent or greater, as measured by a preliminary alcohol screening test, or other chemical test.

(b) The notice of the order of suspension under this section shall be served on the person by a peace officer pursuant to Section 13388 or 13382. The notice of the order of suspension shall be on a form provided by the department. If the notice of the order of suspension has not been served upon the person by the peace officer pursuant to Section 13388 or 13382, upon the receipt of the report of a peace officer submitted pursuant to Section 13380, the department shall mail written notice of the order of the suspension to the person at the last known address shown on the department's records and, if the

address of the person provided by the peace officer's report differs from the address of record, to that address.

(c) The notice of the order of suspension shall clearly specify the reason and statutory grounds for the suspension, the effective date of the suspension, the right of the person to request an administrative hearing, the procedure for requesting an administrative hearing, and the date by which a request for an administrative hearing shall be made in order to receive a determination prior to the effective date of the suspension.

(d) The department shall make a determination of the facts in subdivision (a) on the basis of the report of a peace officer submitted pursuant to Section 13380. The determination of the facts, after administrative review pursuant to Section 13557, by the department is final, unless an administrative hearing is held pursuant to Section 13558 and any judicial review of the administrative determination after the hearing pursuant to Section 13559 is final.

(e) The determination of the facts in subdivision (a) is a civil matter which is independent of the determination of the person's guilt or innocence, shall have no collateral estoppel effect on a subsequent criminal prosecution, and shall not preclude the litigation of the same or similar facts in the criminal proceeding. If a person is acquitted of criminal charges relating to a determination of facts under subdivision (a), or if the person's driver's license was suspended pursuant to Section 13388 and the department finds no basis for a suspension pursuant to that section, the department shall immediately reinstate the person's privilege to operate a motor vehicle if the department has suspended it administratively pursuant to subdivision (a), and the department shall return or reissue for the remaining term any driver's license which has been taken from the person pursuant to Section 13382 or otherwise. Notwithstanding subdivision (b) of Section 13558, if criminal charges under Section 23140, 23152, or 23153 are not filed by the district attorney because of a lack of evidence, or if those charges are filed but are subsequently dismissed by the court because of an insufficiency of evidence, the person has a renewed right to request an administrative hearing before the department. The request for a hearing shall be made within one year from the date of arrest.

(f) The department shall furnish a form that requires a detailed explanation specifying which evidence was defective or lacking and detailing why that evidence was defective or lacking. The form shall be made available to the person to provide to the district attorney. The department shall hold an administrative hearing, and the hearing officer shall consider the reasons for the failure to prosecute given by the district attorney on the form provided by the department. If applicable, the hearing officer shall consider the reasons stated on the record by a judge who dismisses the charges. No fee shall be imposed pursuant to Section 14905 for the return or reissuing of a driver's license pursuant to this subdivision. The

disposition of a suspension action under this section does not affect any action to suspend or revoke the person's privilege to operate a motor vehicle under any other provision of this code, including, but not limited to, Section 13352 or 13353, or Chapter 3 (commencing with Section 13800).

SEC. 15. Section 14601.2 of the Vehicle Code, as amended by Section 10 of Chapter 756 of the Statutes of 1998, is amended to read:

14601.2. (a) No person shall drive a motor vehicle at any time when that person's driving privilege is suspended or revoked for a conviction of a violation of Section 23152 or 23153 if the person so driving has knowledge of the suspension or revocation.

(b) Except in full compliance with the restriction, no person shall drive a motor vehicle at any time when that person's driving privilege is restricted, if the person so driving has knowledge of the restriction.

(c) Knowledge of suspension or revocation of the driving privilege shall be conclusively presumed if mailed notice has been given by the department to the person pursuant to Section 13106. Knowledge of restriction of the driving privilege shall be presumed if notice has been given by the court to the person. The presumption established by this subdivision is a presumption affecting the burden of proof.

(d) Any person convicted of a violation of this section shall be punished as follows:

(1) Upon a first conviction, by imprisonment in the county jail for not less than 10 days or more than six months and by a fine of not less than three hundred dollars ($300) or more than one thousand dollars ($1,000), unless the person has been designated an habitual traffic offender under subdivision (b) of Section 23546, subdivision (b) of Section 23550, or subdivision (b) of Section 23550.5, in which case the person, in addition, shall be sentenced as provided in paragraph (3) of subdivision (e) of Section 14601.3.

(2) If the offense occurred within five years of a prior offense that resulted in a conviction of a violation of this section or Section 14601, 14601.1, or 14601.5, by imprisonment in the county jail for not less than 30 days or more than one year and by a fine of not less than five hundred dollars ($500) or more than two thousand dollars ($2,000), unless the person has been designated an habitual traffic offender under subdivision (b) of Section 23546 or subdivision (b) of Section 23550, in which case the person, in addition, shall be sentenced as provided in paragraph (3) of subdivision (e) of Section 14601.3.

(e) If any person is convicted of a first offense under this section and is granted probation, the court shall impose as a condition of probation that the person be confined in the county jail for at least 10 days.

(f) If the offense occurred within five years of a prior offense that resulted in a conviction of a violation of this section or Section 14601, 14601.1, or 14601.5 and is granted probation, the court shall impose

as a condition of probation that the person be confined in the county jail for at least 30 days.

(g) If any person is convicted of a second or subsequent offense that results in a conviction of this section within seven years, but over five years, of a prior offense that resulted in a conviction of a violation of this section or Section 14601, 14601.1, or 14601.5 and is granted probation, the court shall impose as a condition of probation that the person be confined in the county jail for at least 10 days.

(h) Pursuant to Section 23575, the court shall require any person convicted of a violation of this section to install a certified ignition interlock device on any vehicle the person owns or operates.

(i) Nothing in this section prohibits a person who is participating in, or has completed, an alcohol or drug rehabilitation program from driving a motor vehicle that is owned or utilized by the person's employer, during the course of employment on private property that is owned or utilized by the employer, except an offstreet parking facility as defined in subdivision (c) of Section 12500.

SEC. 16. Section 14601.3 of the Vehicle Code is amended to read:

14601.3. (a) It is unlawful for a person whose driving privilege has been suspended or revoked to accumulate a driving record history which results from driving during the period of suspension or revocation. A person who violates this subdivision is designated an habitual traffic offender.

For purposes of this section, a driving record history means any of the following, if the driving occurred during any period of suspension or revocation:

(1) Two or more convictions within a 12-month period of an offense given a violation point count of two pursuant to Section 12810.

(2) Three or more convictions within a 12-month period of an offense given a violation point count of one pursuant to Section 12810.

(3) Three or more accidents within a 12-month period that are subject to the reporting requirements of Section 16000.

(4) Any combination of convictions or accidents, as specified in paragraphs (1) to (3), inclusive, which results during any 12-month period in a violation point count of three or more pursuant to Section 12810.

(b) Knowledge of suspension or revocation of the driving privilege shall be conclusively presumed if mailed notice has been given by the department to the person pursuant to Section 13106. The presumption established by this subdivision is a presumption affecting the burden of proof.

(c) The department, within 30 days of receipt of a duly certified abstract of the record of any court or accident report which results in a person being designated an habitual traffic offender, may execute and transmit by mail a notice of that designation to the office of the district attorney having jurisdiction over the location of the person's last known address as contained in the department's records.

(d) (1) The district attorney, within 30 days of receiving the notice required in subdivision (c), shall inform the department of whether or not the person will be prosecuted for being an habitual traffic offender.

(2) Notwithstanding any other provision of this section, any habitual traffic offender designated under subdivision (b) of Section 23546, subdivision (b) of Section 23550, or subdivision (b) of Section 23550.5, who is convicted of violating Section 14601.2 shall be sentenced as provided in paragraph (3) of subdivision (e).

(e) Any person convicted under this section of being an habitual traffic offender shall be punished as follows:

(1) Upon a first conviction, by imprisonment in the county jail for 30 days and by a fine of one thousand dollars ($1,000).

(2) Upon a second or any subsequent offense within seven years of a prior conviction under this section, by imprisonment in the county jail for 180 days and by a fine of two thousand dollars ($2,000).

(3) Any habitual traffic offender designated under Section 193.7 of the Penal Code or under subdivision (b) of Section 23546, subdivision (b) of Section 23550, subdivision (b) of Section 23550.5, or subdivision (d) of Section 23566 who is convicted of a violation of Section 14601.2 shall be punished by imprisonment in the county jail for 180 days and by a fine of two thousand dollars ($2,000). The penalty in this paragraph shall be consecutive to that imposed for the violation of any other law.

SEC. 17. Section 21200.5 of the Vehicle Code is amended to read:

21200.5. Notwithstanding Section 21200, it is unlawful for any person to ride a bicycle upon a highway while under the influence of an alcoholic beverage or any drug, or under the combined influence of an alcoholic beverage and any drug. Any person arrested for a violation of this section may request to have a chemical test made of the person's blood, breath, or urine for the purpose of determining the alcoholic or drug content of that person's blood pursuant to Section 23612, and, if so requested, the arresting officer shall have the test performed. A conviction of a violation of this section shall be punished by a fine of not more than two hundred fifty dollars ($250). Violations of this section are subject to Section 13202.5.

SEC. 17.5. Section 22651 of the Vehicle Code, as amended by Section 11.5 of Chapter 118 of the Statutes of 1998, is amended to read:

22651. Any peace officer, as defined in Chapter 4.5 (commencing with Section 830) of Title 3 of Part 2 of the Penal Code, or any regularly employed and salaried employee, who is engaged in directing traffic or enforcing parking laws and regulations, of a city, county, or jurisdiction of a state agency in which a vehicle is located, may remove a vehicle located within the territorial limits in which the officer or employee may act, under any of the following circumstances:

(a) When any vehicle is left unattended upon any bridge, viaduct, or causeway or in any tube or tunnel where the vehicle constitutes an obstruction to traffic.

(b) When any vehicle is parked or left standing upon a highway in a position so as to obstruct the normal movement of traffic or in a condition so as to create a hazard to other traffic upon the highway.

(c) When any vehicle is found upon a highway or any public lands and a report has previously been made that the vehicle has been stolen or a complaint has been filed and a warrant thereon issued charging that the vehicle has been embezzled.

(d) When any vehicle is illegally parked so as to block the entrance to a private driveway and it is impractical to move the vehicle from in front of the driveway to another point on the highway.

(e) When any vehicle is illegally parked so as to prevent access by firefighting equipment to a fire hydrant and it is impracticable to move the vehicle from in front of the fire hydrant to another point on the highway.

(f) When any vehicle, except any highway maintenance or construction equipment, is stopped, parked, or left standing for more than four hours upon the right-of-way of any freeway which has full control of access and no crossings at grade and the driver, if present, cannot move the vehicle under its own power.

(g) When the person or persons in charge of a vehicle upon a highway or any public lands are, by reason of physical injuries or illness, incapacitated to an extent so as to be unable to provide for its custody or removal.

(h) (1) When an officer arrests any person driving or in control of a vehicle for an alleged offense and the officer is, by this code or other law, required or permitted to take, and does take, the person into custody.

(2) When an officer serves a notice of an order of suspension or revocation pursuant to Section 13388.

(i) (1) When any vehicle, other than a rented vehicle, is found upon a highway or any public lands, or is removed pursuant to this code, and it is known that the vehicle has been issued five or more notices of parking violations to which the owner or person in control of the vehicle has not responded within 21 calendar days of notice of citation issuance or citation issuance or 14 calendar days of the mailing of a notice of delinquent parking violation to the agency responsible for processing notices of parking violation or the registered owner of the vehicle is known to have been issued five or more notices for failure to pay or failure to appear in court for traffic violations for which no certificate has been issued by the magistrate or clerk of the court hearing the case showing that the case has been adjudicated or concerning which the registered owner's record has not been cleared pursuant to Chapter 6 (commencing with Section 41500) of Division 17, the vehicle may be impounded until that

person furnishes to the impounding law enforcement agency all of the following:

(A) Evidence of his or her identity.

(B) An address within this state at which he or she can be located.

(C) Satisfactory evidence that all parking penalties due for the vehicle and any other vehicle registered to the registered owner of the impounded vehicle, and all traffic violations of the registered owner, have been cleared.

(2) The requirements in subparagraph (C) of paragraph (1) shall be fully enforced by the impounding law enforcement agency on and after the time that the Department of Motor Vehicles is able to provide access to the necessary records.

(3) A notice of parking violation issued for an unlawfully parked vehicle shall be accompanied by a warning that repeated violations may result in the impounding of the vehicle. In lieu of furnishing satisfactory evidence that the full amount of parking penalties or bail has been deposited, that person may demand to be taken without unnecessary delay before a magistrate, for traffic offenses, or a hearing examiner, for parking offenses, within the county in which the offenses charged are alleged to have been committed and who has jurisdiction of the offenses and is nearest or most accessible with reference to the place where the vehicle is impounded. Evidence of current registration shall be produced after a vehicle has been impounded, or, at the discretion of the impounding law enforcement agency, a notice to appear for violation of subdivision (a) of Section 4000 shall be issued to that person.

(4) A vehicle shall be released to the legal owner, as defined in Section 370, if the legal owner does all of the following:

(A) Pays the cost of towing and storing the vehicle.

(B) Submits evidence of payment of fees as provided in Section 9561.

(C) Completes an affidavit in a form acceptable to the impounding law enforcement agency stating that the vehicle was not in possession of the legal owner at the time of occurrence of the offenses relating to standing or parking. A vehicle released to a legal owner under this subdivision is a repossessed vehicle for purposes of disposition or sale. The impounding agency shall have a lien on any surplus that remains upon sale of the vehicle to which the registered owner is or may be entitled, as security for the full amount of the parking penalties for all notices of parking violations issued for the vehicle and for any local administrative charges imposed pursuant to Section 22850.5. The legal owner shall promptly remit to, and deposit with, the agency responsible for processing notices of parking violations from that surplus, on receipt thereof, full amount of the parking penalties for all notices of parking violations issued for the vehicle and for any local administrative charges imposed pursuant to Section 22850.5.

(5) The impounding agency that has a lien on the surplus that remains upon the sale of a vehicle to which a registered owner is entitled pursuant to paragraph (4) has a deficiency claim against the registered owner for the full amount of the parking penalties for all notices of parking violations issued for the vehicle and for any local administrative charges imposed pursuant to Section 22850.5, less the amount received from the sale of the vehicle.

(j) When any vehicle is found illegally parked and there are no license plates or other evidence of registration displayed, the vehicle may be impounded until the owner or person in control of the vehicle furnishes the impounding law enforcement agency evidence of his or her identity and an address within this state at which he or she can be located.

(k) When any vehicle is parked or left standing upon a highway for 72 or more consecutive hours in violation of a local ordinance authorizing removal.

(*l*) When any vehicle is illegally parked on a highway in violation of any local ordinance forbidding standing or parking and the use of a highway, or a portion thereof, is necessary for the cleaning, repair, or construction of the highway, or for the installation of underground utilities, and signs giving notice that the vehicle may be removed are erected or placed at least 24 hours prior to the removal by local authorities pursuant to the ordinance.

(m) Wherever the use of the highway, or any portion thereof, is authorized by local authorities for a purpose other than the normal flow of traffic or for the movement of equipment, articles, or structures of unusual size, and the parking of any vehicle would prohibit or interfere with that use or movement, and signs giving notice that the vehicle may be removed are erected or placed at least 24 hours prior to the removal by local authorities pursuant to the ordinance.

(n) Whenever any vehicle is parked or left standing where local authorities, by resolution or ordinance, have prohibited parking and have authorized the removal of vehicles. No vehicle may be removed unless signs are posted giving notice of the removal.

(o) (1) When any vehicle is found or operated upon a highway, any public lands, or an offstreet parking facility with a registration expiration date in excess of six months before the date it is found or operated on the highway, public lands, or the offstreet parking facility. However, whenever the vehicle is occupied, only a peace officer, as defined in Chapter 4.5 (commencing with Section 830) of Title 3 of Part 2 of the Penal Code, may remove the vehicle. For the purposes of this subdivision, the vehicle shall be released to the owner or person in control of the vehicle only after the owner or person furnishes the storing law enforcement agency with proof of current registration and a currently valid driver's license to operate the vehicle.

(2) As used in this subdivision, "offstreet parking facility" means any offstreet facility held open for use by the public for parking vehicles and includes any publicly owned facilities for offstreet parking, and privately owned facilities for offstreet parking where no fee is charged for the privilege to park and which are held open for the common public use of retail customers.

(p) When the peace officer issues the driver of a vehicle a notice to appear for a violation of Section 12500, 14601, 14601.1, 14601.2, 14601.3, 14601.4, 14601.5, or 14604 and the vehicle has not been impounded pursuant to Section 22655.5. Any vehicle so removed from the highway or any public lands, or from private property after having been on a highway or public lands, shall not be released to the registered owner or his or her agent, except upon presentation of the registered owner's or his or her agent's currently valid driver's license to operate the vehicle and proof of current vehicle registration, or upon order of a court.

(q) Whenever any vehicle is parked for more than 24 hours on a portion of highway which is located within the boundaries of a common interest development, as defined in subdivision (c) of Section 1351 of the Civil Code, and signs, as required by Section 22658.2, have been posted on that portion of highway providing notice to drivers that vehicles parked thereon for more than 24 hours will be removed at the owner's expense, pursuant to a resolution or ordinance adopted by the local authority.

(r) When any vehicle is illegally parked and blocks the movement of a legally parked vehicle.

(s) (1) When any vehicle, except highway maintenance or construction equipment, an authorized emergency vehicle, or a vehicle which is properly permitted or otherwise authorized by the Department of Transportation, is stopped, parked, or left standing for more than eight hours within a roadside rest area or viewpoint.

(2) For purposes of this subdivision, a roadside rest area or viewpoint is a publicly maintained vehicle parking area, adjacent to a highway, utilized for the convenient, safe stopping of a vehicle to enable motorists to rest or to view the scenery. If two or more roadside rest areas are located on opposite sides of the highway, or upon the center divider, within seven miles of each other, then that combination of rest areas is considered to be the same rest area.

(t) When a peace officer issues a notice to appear for a violation of Section 25279.

SEC. 18. Section 23198 of the Vehicle Code is repealed.

SEC. 18.1. Section 23198 is added to the Vehicle Code, to read:

23198. (a) (1) Upon its own motion or upon motion of the prosecutor in a criminal action for a violation of any of the following offenses, the court with jurisdiction over the offense, notwithstanding Section 86 of the Code of Civil Procedure and any other provision of law otherwise prescribing the jurisdiction of the court based upon the value of the property involved, may declare the

motor vehicle driven by the defendant to be a nuisance if the defendant is the registered owner of the vehicle:

(A) A violation of Section 191.5 of, or paragraph (3) of subdivision (c) of Section 192 of, the Penal Code.

(B) A violation of Section 23152 which occurred within seven years of two or more separate offenses of Section 191.5 of, or paragraph (3) of subdivision (c) of Section 192 of, the Penal Code, or Section 23152 or 23153, or any combination thereof, which resulted in convictions.

(C) A violation of Section 23153 which occurred within seven years of one or more separate offenses of Section 191.5 of, or paragraph (3) of subdivision (c) of Section 192 of, the Penal Code, or Section 23152 or 23153, which resulted in convictions.

(2) The court or the prosecutor shall give notice of the motion to the defendant, and the court shall hold a hearing before a motor vehicle may be declared a nuisance under this section.

(b) Except as provided in subdivision (g), upon the conviction of the defendant and at the time of pronouncement of sentence, the court with jurisdiction over the offense shall order any vehicle declared to be a nuisance pursuant to subdivision (a) to be sold. Any vehicle ordered to be sold pursuant to this subdivision shall be surrendered to the sheriff of the county or the chief of police of the city in which the violation occurred. The officer to whom the vehicle is surrendered shall promptly ascertain from the department the names and addresses of all legal and registered owners of the vehicle and, within five days of receiving that information, shall send by certified mail a notice to all legal and registered owners of the vehicle other than the defendant, at the addresses obtained from the department, informing them that the vehicle has been declared a nuisance and will be sold or otherwise disposed of pursuant to this section and of the approximate date and location of the sale or other disposition. The notice shall also inform any legal owner of its right to conduct the sale pursuant to subdivision (c).

(c) Any legal owner who is a motor vehicle dealer, bank, credit union, acceptance corporation, or other licensed finance institution legally operating in this state, or the agent of that legal owner, may take possession and conduct the sale of the vehicle declared to be a nuisance if it notifies the officer to whom the vehicle is surrendered of its intent to conduct the sale within 15 days of the mailing of the notice pursuant to subdivision (b). Sale of the vehicle pursuant to this subdivision may be conducted at the time, in the manner, and on the notice usually given for the sale of repossessed or surrendered vehicles. The proceeds of any sale conducted by the legal owner shall be disposed of as provided in subdivision (e). A notice pursuant to this subdivision may be presented in person, by certified mail, by facsimile transmission, or by electronic mail. The agent of a legal owner acting pursuant to this subdivision shall be licensed, or exempt

from licensure, pursuant to Chapter 11 (commencing with Section 7500) of Division 3 of the Business and Professions Code.

(d) If the legal owner or the agent of the legal owner does not notify the officer to whom the vehicle is surrendered of its intent to conduct the sale as provided in subdivision (c), the officer shall offer the vehicle for sale at public auction within 60 days of receiving the vehicle. At least 10 days but not more than 20 days prior to the sale, not counting the day of the sale, the officer shall give notice of the sale by advertising once in a newspaper of general circulation published in the city or county, as the case may be, in which the vehicle is located, which notice shall contain a description of the make, year, model, identification number, and license number of the vehicle and the date, time, and location of the sale. For motorcycles, the engine number shall also be included. If there is no newspaper of general circulation published in the county, notice shall be given by posting a notice of sale containing the information required by this subdivision in three of the most public places in the city or county in which the vehicle is located, and at the place where the vehicle is to be sold, for 10 consecutive days prior to and including the day of the sale.

(e) The proceeds of a sale conducted pursuant to this section shall be disposed of in the following priority:

(1) To satisfy the costs of the sale, including costs incurred with respect to the taking and keeping of the vehicle pending sale.

(2) To the legal owner in an amount to satisfy the indebtedness owed to the legal owner remaining as of the date of the sale, including accrued interest or finance charges and delinquency charges.

(3) To the holder of any subordinate lien or encumbrance on the vehicle to satisfy any indebtedness so secured if written notification of demand is received before distribution of the proceeds is completed. The holder of a subordinate lien or encumbrance, if requested, shall reasonably furnish reasonable proof of its interest and, unless it does so on request, is not entitled to distribution pursuant to this paragraph.

(4) To any other person who can establish an interest in the vehicle, including a community property interest, to the extent of his or her provable interest.

(5) If the vehicle was forfeited as a result of a felony violation of Section 191.5 of the Penal Code, or of Section 23153 that resulted in serious bodily injury to any person other than the defendant, the balance, if any, to the city or county in which the violation occurred, to be deposited in its general fund.

(6) Except as provided in paragraph (5), the balance, if any, to the city or county in which the violation occurred, to be expended for community-based adolescent substance abuse treatment services.

The person conducting the sale shall disburse the proceeds of the sale as provided in this subdivision, and provide a written accounting

regarding the disposition to all persons entitled to or claiming a share of the proceeds, within 15 days after the sale is conducted.

(f) If the vehicle to be sold under this section is not of the type that can readily be sold to the public generally, the vehicle shall be destroyed or donated to an eleemosynary institution.

(g) No vehicle shall be sold pursuant to this section in either of the following circumstances:

(1) The vehicle is stolen, unless the identity of the legal and registered owners of the vehicle cannot be reasonably ascertained.

(2) The vehicle is owned by another, or there is a community property interest in the vehicle owned by a person other than the defendant and the vehicle is the only vehicle available to the defendant's immediate family that may be operated on the highway with a class 3 or class 4 driver's license.

(h) The Legislature finds and declares it to be the public policy of this state that no policy of insurance shall afford benefits that would alleviate the financial detriment suffered by any person as a direct or indirect result of a confiscation of a vehicle pursuant to this section.

(i) This section shall remain in effect only until July 1, 1999, and as of that date is repealed.

SEC. 18.4. Section 23157 of the Vehicle Code is amended and renumbered to read:

23612. (a) (1) (A) Any person who drives a motor vehicle is deemed to have given his or her consent to chemical testing of his or her blood or breath for the purpose of determining the alcoholic content of his or her blood, if lawfully arrested for any offense allegedly committed in violation of Section 23140, 23152, or 23153. If a blood or breath test, or both, are unavailable, then paragraph (2) of subdivision (d) applies.

(B) Any person who drives a motor vehicle is deemed to have given his or her consent to chemical testing of his or her blood or urine for the purpose of determining the drug content of his or her blood, if lawfully arrested for any offense allegedly committed in violation of Section 23140, 23152, or 23153.

(C) The testing shall be incidental to a lawful arrest and administered at the direction of a peace officer having reasonable cause to believe the person was driving a motor vehicle in violation of Section 23140, 23152, or 23153.

(D) The person shall be told that his or her failure to submit to, or the failure to complete, the required chemical testing will result in a fine, mandatory imprisonment if the person is convicted of a violation of Section 23152 or 23153, and (i) the suspension of the person's privilege to operate a motor vehicle for a period of one year, (ii) the revocation of the person's privilege to operate a motor vehicle for a period of two years if the refusal occurs within seven years of a separate violation of Section 23103 as specified in Section 23103.5, or of Section 23140, 23152, or 23153, or of Section 191.5 or paragraph (3) of subdivision (c) of Section 192 of the Penal Code

which resulted in a conviction, or if the person's privilege to operate a motor vehicle has been suspended or revoked pursuant to Section 13353, 13353.1, or 13353.2 for an offense which occurred on a separate occasion, or (iii) the revocation of the person's privilege to operate a motor vehicle for a period of three years if the refusal occurs within seven years of two or more separate violations of Section 23103 as specified in Section 23103.5, or of Section 23140, 23152, or 23153, or of Section 191.5 or paragraph (3) of subdivision (c) of Section 192 of the Penal Code, or any combination thereof, which resulted in convictions, or if the person's privilege to operate a motor vehicle has been suspended or revoked two or more times pursuant to Section 13353, 13353.1, or 13353.2 for offenses which occurred on separate occasions, or if there is any combination of those convictions or administrative suspensions or revocations.

(2) (A) If the person is lawfully arrested for driving under the influence of an alcoholic beverage, the person has the choice of whether the test shall be of his or her blood or breath and the officer shall advise the person that he or she has that choice. If the person arrested either is incapable, or states that he or she is incapable, of completing the chosen test, the person shall submit to the remaining test. If a blood or breath test, or both, are unavailable, then paragraph (2) of subdivision (d) applies.

(B) If the person is lawfully arrested for driving under the influence of any drug or the combined influence of an alcoholic beverage and any drug, the person has the choice of whether the test shall be of his or her blood, breath, or urine, and the officer shall advise the person that he or she has that choice.

(C) A person who chooses to submit to a breath test may also be requested to submit to a blood or urine test if the officer has reasonable cause to believe that the person was driving under the influence of any drug or the combined influence of an alcoholic beverage and any drug and if the officer has a clear indication that a blood or urine test will reveal evidence of the person being under the influence. The officer shall state in his or her report the facts upon which that belief and that clear indication are based. The person has the choice of submitting to and completing a blood or urine test, and the officer shall advise the person that he or she is required to submit to an additional test and that he or she may choose a test of either blood or urine. If the person arrested either is incapable, or states that he or she is incapable, of completing either chosen test, the person shall submit to and complete the other remaining test.

(3) If the person is lawfully arrested for an offense allegedly committed in violation of Section 23140, 23152, or 23153, and, because of the need for medical treatment, the person is first transported to a medical facility where it is not feasible to administer a particular test of, or to obtain a particular sample of, the person's blood, breath, or urine, the person has the choice of those tests which are available at the facility to which that person has been transported. In that case,

the officer shall advise the person of those tests which are available at the medical facility and that the person's choice is limited to those tests which are available.

(4) The officer shall also advise the person that he or she does not have the right to have an attorney present before stating whether he or she will submit to a test or tests, before deciding which test or tests to take, or during administration of the test or tests chosen, and that, in the event of refusal to submit to a test or tests, the refusal may be used against him or her in a court of law.

(5) Any person who is unconscious or otherwise in a condition rendering him or her incapable of refusal is deemed not to have withdrawn his or her consent and a test or tests may be administered whether or not the person is told that his or her failure to submit to, or the noncompletion of, the test or tests will result in the suspension or revocation of his or her privilege to operate a motor vehicle. Any person who is dead is deemed not to have withdrawn his or her consent and a test or tests may be administered at the direction of a peace officer.

(b) Any person who is afflicted with hemophilia is exempt from the blood test required by this section.

(c) Any person who is afflicted with a heart condition and is using an anticoagulant under the direction of a licensed physician and surgeon is exempt from the blood test required by this section.

(d) (1) A person lawfully arrested for any offense allegedly committed while the person was driving a motor vehicle in violation of Section 23140, 23152, or 23153 may request the arresting officer to have a chemical test made of the arrested person's blood or breath for the purpose of determining the alcoholic content of that person's blood, and, if so requested, the arresting officer shall have the test performed.

(2) If a blood or breath test is not available under subparagraph (A) of paragraph (1) of subdivision (a), or under subparagraph (A) of paragraph (2) of subdivision (a), or under paragraph (1) of this subdivision, the person shall submit to the remaining test in order to determine the percent, by weight, of alcohol in the person's blood. If both the blood and breath tests are unavailable, the person shall be deemed to have given his or her consent to chemical testing of his or her urine and shall submit to a urine test.

(e) If the person, who has been arrested for a violation of Section 23140, 23152, or 23153, refuses or fails to complete a chemical test or tests, or requests that a blood or urine test be taken, the peace officer, acting on behalf of the department, shall serve the notice of the order of suspension or revocation of the person's privilege to operate a motor vehicle personally on the arrested person. The notice shall be on a form provided by the department.

(f) If the peace officer serves the notice of the order of suspension or revocation of the person's privilege to operate a motor vehicle, the peace officer shall take possession of any driver's license issued by this

state which is held by the person. The temporary driver's license shall be an endorsement on the notice of the order of suspension and shall be valid for 30 days from the date of arrest.

(g) The peace officer shall immediately forward a copy of the completed notice of suspension or revocation form and any driver's license taken into possession under subdivision (f), with the report required by Section 23158.2, to the department. If the person submitted to a blood or urine test, the peace officer shall forward the results immediately to the appropriate forensic laboratory. The forensic laboratory shall forward the results of the chemical tests to the department within 15 calendar days of the date of the arrest.

(h) A preliminary alcohol screening test that indicates the presence or concentration of alcohol based on a breath sample in order to establish reasonable cause to believe the person was driving a vehicle in violation of Section 23140, 23152, or 23153 is a field sobriety test and may be used by an officer as a further investigative tool.

(i) If the officer decides to use a preliminary alcohol screening test, the officer shall advise the person that he or she is requesting that person to take a preliminary alcohol screening test to assist the officer in determining if that person is under the influence of alcohol or drugs, or a combination of alcohol and drugs. The person's obligation to submit to a blood, breath, or urine test, as required by this section, for the purpose of determining the alcohol or drug content of that person's blood, is not satisfied by the person submitting to a preliminary alcohol screening test. The officer shall advise the person of that fact and of the person's right to refuse to take the preliminary alcohol screening test.

SEC. 19. Section 23160 of the Vehicle Code, as amended by Section 11 of Chapter 756 of the Statutes of 1998, is amended and renumbered to read:

23536. (a) If any person is convicted of a first violation of Section 23152, that person shall be punished by imprisonment in the county jail for not less than 96 hours, at least 48 hours of which shall be continuous, nor more than six months and by a fine of not less than three hundred ninety dollars ($390), nor more than one thousand dollars ($1,000).

(b) The court shall order that any person punished under subdivision (a), who is to be punished by imprisonment in the county jail, be imprisoned on days other than days of regular employment of the person, as determined by the court. If the court determines that 48 hours of continuous imprisonment would interfere with the person's work schedule, the court shall allow the person to serve the imprisonment whenever the person is normally scheduled for time off from work. The court may make this determination based upon a representation from the defendant's attorney or upon an affidavit or testimony from the defendant.

(c) Except as provided in paragraph (2) of subdivision (a) of Section 23538, the person's privilege to operate a motor vehicle shall be suspended by the Department of Motor Vehicles pursuant to paragraph (1) of subdivision (a) of Section 13352.

SEC. 20. Section 23161 of the Vehicle Code, as amended by Section 12 of Chapter 756 of the Statutes of 1998, is amended and renumbered to read:

23538. (a) Except as provided in subdivision (d), if the court grants probation to any person punished under Section 23536, in addition to the provisions of Section 23600 and any other terms and conditions imposed by the court, the court shall impose as a condition of probation that the person be subject to one of the following:

(1) Be confined in the county jail for at least 48 hours but not more than six months, and pay a fine of at least three hundred ninety dollars ($390), but not more than one thousand dollars ($1,000). Except as provided in paragraph (2), the person's privilege to operate a motor vehicle shall be suspended by the Department of Motor Vehicles pursuant to paragraph (1) of subdivision (a) of Section 13352.

(2) Pay a fine of at least three hundred ninety dollars ($390) but not more than one thousand dollars ($1,000), and, if the person gives proof of financial responsibility, as defined in Section 16430, to the Department of Motor Vehicles, have the privilege to operate a motor vehicle restricted for 90 days to necessary travel to and from that person's place of employment and to and from participation in a program described in subdivision (b). If driving a motor vehicle is necessary to perform the duties of the person's employment, the restriction also shall allow the person to drive to locations within the person's scope of employment. Whenever the driving privilege is restricted pursuant to this paragraph, the person shall maintain proof of financial responsibility for three years.

(3) If the court elects to order a 90-day restriction as provided for in paragraph (2), the court shall order and advise the person of the following matters:

(A) If the person's privilege to operate a motor vehicle is suspended under Section 13353.2, the court-ordered restriction does not allow the person to operate a motor vehicle unless the suspension under Section 13353.2 has either been served to completion or set aside, and his or her license has been reinstated. The restriction of the driver's license described in paragraph (2) shall commence upon the reinstatement of the privilege to operate a motor vehicle.

(B) If a suspension was not imposed pursuant to Section 13353.2, the person shall be advised by the court that the person's driving privilege may be suspended by the department pursuant to subdivision (c) of Section 13352.4 until proof of financial responsibility is provided.

(b) In any county where the board of supervisors has approved, and the State Department of Alcohol and Drug Programs has licensed, a program or programs described in Section 11837.3 of the

Health and Safety Code, the court shall also impose as a condition of probation that the driver shall enroll and participate in, and successfully complete an alcohol and other drug education and counseling program, licensed pursuant to Section 11836 of the Health and Safety Code, in the driver's county of residence or employment, as designated by the court.

(1) The court shall refer a first offender whose blood-alcohol concentration was less than 0.20 percent, by weight, to participate for at least three months or longer, as ordered by the court, in a licensed program that consists of at least 30 hours of program activities, including those education, group counseling, and individual interview sessions described in Chapter 9 (commencing with Section 11836) of Part 2 of Division 10.5 of the Health and Safety Code.

(2) The court shall refer a first offender whose blood-alcohol concentration was 0.20 percent or more, by weight, or who refused to take a chemical test, to participate for at least six months or longer, as ordered by the court, in a licensed program that consists of at least 45 hours of program activities, including those education, group counseling, and individual interview sessions described in Chapter 9 (commencing with Section 11836) of Part 2 of Division 10.5 of the Health and Safety Code.

(c) (1) The court shall revoke the person's probation pursuant to Section 23602, except for good cause shown, for the failure to enroll in, participate in, or complete a program specified in subdivision (b).

(2) The court, in establishing reporting requirements, shall consult with the county alcohol program administrator. The county alcohol program administrator shall coordinate the reporting requirements with the department and with the State Department of Alcohol and Drug Programs. That reporting shall ensure that all persons who, after being ordered to attend and complete a program, may be identified for either (A) failure to enroll in, or failure to successfully complete, the program, or (B) successful completion of the program as ordered.

(d) Notwithstanding subdivision (a), if the offense occurred in a vehicle requiring a driver with a class A or class B driver's license or with an endorsement specified in Section 15278, the court shall upon conviction order the department to suspend the driver's privilege pursuant to paragraph (1) of subdivision (a) of Section 13352.

SEC. 21. Section 23166 of the Vehicle Code, as amended by Section 13.5 of Chapter 756 of the Statutes of 1998, is amended and renumbered to read:

23542. If the court grants probation to any person punished under Section 23540, in addition to the provisions of Section 23600 and any other terms and conditions imposed by the court, the court shall impose as conditions of probation that the person be subject to either subdivision (a) or (b), as follows:

(a) Be confined in the county jail for at least 10 days but not more than one year, and pay a fine of at least three hundred ninety dollars

($390), but not more than one thousand dollars ($1,000). The person's privilege to operate a motor vehicle shall be suspended by the Department of Motor Vehicles pursuant to paragraph (3) of subdivision (a) of Section 13352.

(b) All of the following:

(1) Be confined in the county jail for at least 96 hours, but not more than one year. A sentence of 96 hours of confinement shall be served in two increments consisting of a continuous 48 hours each. The two 48-hour increments may be served nonconsecutively.

(2) Pay a fine of at least three hundred ninety dollars ($390), but not more than one thousand dollars ($1,000).

(3) Have the privilege to operate a motor vehicle be restricted by the Department of Motor Vehicles pursuant to Section 13352.5. Until all conditions prescribed in this section are met, the person's driving privilege is suspended pursuant to paragraph (3) of subdivision (a) of Section 13352. This paragraph does not apply if the offense occurred in a vehicle requiring a driver with a class A or class B driver's license or with an endorsement prescribed in Section 15278.

(4) Either of the following:

(A) Enroll and participate, for at least 18 months subsequent to the date of the underlying violation and in a manner satisfactory to the court, in a program licensed pursuant to Section 11836 of the Health and Safety Code, as designated by the court. The person shall complete the entire program subsequent to, and shall not be given any credit for any program activities completed prior to, the date of the current violation. The program shall provide for persons who cannot afford the program fee pursuant to paragraph (2) of subdivision (b) of Section 11837.4 of the Health and Safety Code in order to enable those persons to participate.

(B) Enroll and participate, for at least 30 months subsequent to the date of the underlying violation and in a manner satisfactory to the court, in a program licensed pursuant to Section 11836 of the Health and Safety Code. The person shall complete the entire program subsequent to, and shall not be given any credit for any program activities completed prior to, the date of the current violation.

SEC. 22. Section 23186 of the Vehicle Code, as amended by Section 15 of Chapter 756 of the Statutes of 1998, is amended and renumbered to read:

23562 If the court grants probation to any person punished under Section 23560, in addition to the provisions of Section 23600 and any other terms and conditions imposed by the court, the court shall impose as conditions of probation that the person be subject to either subdivision (a) or (b), as follows:

(a) Be confined in the county jail for at least 120 days and pay a fine of at least three hundred ninety dollars ($390), but not more than five thousand dollars ($5,000). The person's privilege to operate a motor vehicle shall be revoked by the Department of Motor Vehicles pursuant to paragraph (4) of subdivision (a) of Section 13352.

(b) All of the following:

(1) Be confined in the county jail for at least 30 days, but not more than one year.

(2) Pay a fine of at least three hundred ninety dollars ($390), but not more than one thousand dollars ($1,000).

(3) Have the privilege to operate a motor vehicle revoked by the Department of Motor Vehicles under paragraph (4) of subdivision (a) of Section 13352.

(4) Either of the following:

(A) Enroll and participate, for at least 18 months subsequent to the date of the underlying violation and in a manner satisfactory to the court, in a program licensed pursuant to Section 11836 of the Health and Safety Code, if available in the county of the person's residence or employment, as designated by the court. The person shall complete the entire program subsequent to, and shall not be given any credit for program activities completed prior to, the date of the current violation. The program shall provide for persons who cannot afford the program fee pursuant to paragraph (2) of subdivision (b) of Section 11837.4 of the Health and Safety Code in order to enable those persons to participate.

(B) Enroll and participate, for at least 30 months subsequent to the date of the underlying violation and in a manner satisfactory to the court, in a program licensed pursuant to Section 11836 of the Health and Safety Code, if available in the county of the person's residence or employment. The person shall complete the entire program subsequent to, and shall not be given any credit for program activities completed prior to, the date of the current violation.

SEC. 23. Section 23203 of the Vehicle Code, as amended by Section 17 of Chapter 756 of the Statutes of 1998, is amended and renumbered to read:

23662. If a person is placed on probation, the court shall promptly notify the Department of Motor Vehicles of the probation and probationary term and conditions in a manner prescribed by the department. The department shall place the fact of probation and the probationary term and conditions on the person's records in the department.

SEC. 24. Section 23204 of the Vehicle Code, as amended by Section 19 of Chapter 756 of the Statutes of 1998, is amended and renumbered to read:

23660. If a person's privilege to operate a motor vehicle is required or ordered to be suspended or revoked by the Department of Motor Vehicles pursuant to other provisions of this code upon the conviction of an offense described in Article 2 (commencing with Section 23152) of Chapter 12 of Division 11, that person shall surrender each and every operator's license of that person to the court upon conviction. The court shall transmit the license or licenses required to be suspended or revoked to the Department of Motor

Vehicles pursuant to Section 13550, and the court shall notify the department.

This section does not apply to an administrative proceeding by the Department of Motor Vehicles to suspend or revoke the driving privilege of any person pursuant to other provisions of law.

SEC. 25. Section 23235 of the Vehicle Code, as amended by Section 19 of Chapter 756 of the Statutes of 1998, is amended and renumbered to read:

13386. (a) The Department of Motor Vehicles shall certify or cause to be certified ignition interlock devices required by Article 5 (commencing with Section 23575) of Chapter 2 of Division 11.5 and publish a list of approved devices.

(b) The department shall utilize information from an independent laboratory to certify ignition interlock devices on or off the premises of the manufacturer or manufacturer's agent, in accordance with the guidelines. The cost of certification shall be borne by the manufacturers of ignition interlock devices. If the certification of a device is suspended or revoked, the manufacturer of the device shall be responsible for, and shall bear the cost of, the removal of the device and the replacement of a certified device of the manufacturer or another manufacturer.

(c) No model of ignition interlock device shall be certified unless it meets the accuracy requirements and specifications provided in the guidelines adopted by the National Highway Traffic Safety Administration.

(d) All manufacturers of ignition interlock devices that meet the requirements of subdivision (c) and are certified in a manner approved by the Department of Motor Vehicles, who intend to market the devices in this state, first shall apply to the Department of Motor Vehicles on forms provided by that department. The application shall be accompanied by a fee in an amount not to exceed the amount necessary to cover the costs incurred by the department in carrying out this section.

(e) The department shall ensure that standard forms and procedures are developed for documenting decisions and compliance and communicating results to relevant agencies. These forms shall include all of the following:

(1) An "Option to Install," to be sent by the Department of Motor Vehicles to repeat offenders along with the mandatory order of suspension or revocation. This shall include the alternatives available for early license reinstatement with the installation of an ignition interlock device and shall be accompanied by a toll-free telephone number for each manufacturer of a certified ignition interlock device. Information regarding approved installation locations shall be provided to drivers by manufacturers with ignition interlock devices that have been certified in accordance with this section.

(2) A "Verification of Installation" to be returned to the department by the reinstating offender upon application for

reinstatement. Copies shall be provided for the manufacturer or the manufacturer's agent.

(3) A "Notice of Noncompliance" and procedures to ensure continued use of the ignition interlock device during the restriction period and to ensure compliance with maintenance requirements. The maintenance period shall be standardized at 60 days to maximize monitoring checks for equipment tampering.

(f) Every manufacturer and manufacturer's agent certified by the department to provide ignition interlock devices shall adopt fee schedules that provide for the payment of the costs of the device by applicants in amounts commensurate with the applicant's ability to pay.

SEC. 26. The heading of Article 4.5 (commencing with Section 23246) of Chapter 12 of Division 11 of the Vehicle Code is repealed.

SEC. 27. Section 23246 of the Vehicle Code, as amended by Section 21 of Chapter 756 of the Statutes of 1998, is amended and renumbered to read:

23575. (a) (1) In addition to any other provisions of law, the court may require that the Department of Motor Vehicles prohibit any person who is convicted of a first offense violation of Section 23152 or Section 23153 from operating a motor vehicle unless that vehicle is equipped with a functioning, certified ignition interlock device. The court shall give heightened consideration to applying this sanction to first offense violators with 0.20 percent or more, by weight, of alcohol in his or her blood at arrest, or with two or more prior moving traffic violations, or of persons who refused the chemical tests at arrest. If the court orders the ignition interlock device restriction, the term shall be determined by the court for a period not to exceed three years.

(2) The court shall require any person who is convicted of a violation of Section 14601.2 to install an ignition interlock device on any vehicle that the person owns or operates for a period not to exceed three years.

(b) The court shall include on the abstract of conviction or violation submitted to the Department of Motor Vehicles under Section 1803 or 1816, the requirement and term for the use of a certified ignition interlock device. The records of the department shall reflect mandatory use of the device for the term ordered by the court.

(c) The court shall advise the person that installation of an ignition interlock device on a vehicle does not allow the person to drive without a valid driver's license.

(d) Any person whose driving privilege is restricted by the court pursuant to this section shall arrange for each vehicle with an ignition interlock device to be serviced by the installer at least once every 60 days in order for the installer to recalibrate and monitor the operation of the device. The installer shall notify the court if the device indicates that the person has attempted to remove, bypass, or

tamper with the device, or if the person fails three or more times to comply with any requirement for the maintenance or calibration of the ignition interlock device. There is no obligation for the installer to notify the court if the person has complied with all of the requirements of this article.

(e) The court shall monitor the installation and maintenance of any ignition interlock device restriction ordered pursuant to subdivision (a) or (*l*). If any person fails to comply with the court order, the court shall give notice of the fact to the department pursuant to Section 40509.1.

(f) (1) Pursuant to Section 13352, if any person is convicted of a violation of Section 23152 or 23153, and the offense occurred within seven years of one or more separate violations of Section 23152 or 23153 that resulted in a conviction, the person may apply to the Department of Motor Vehicles for a restricted driver's license pursuant to Section 13352 that prohibits the person from operating a motor vehicle unless that vehicle is equipped with a functioning ignition interlock device, certified pursuant to Section 13386. The restriction shall remain in effect for at least the remaining period of the original suspension or revocation and until all reinstatement requirements in Section 13352 are met.

(2) Pursuant to subdivision (g), the Department of Motor Vehicles shall immediately terminate the restriction issued pursuant to Section 13352 and shall immediately suspend or revoke the privilege to operate a motor vehicle of any person who attempts to remove, bypass, or tamper with the device, or who fails three or more times to comply with any requirement for the maintenance or calibration of the ignition interlock device ordered pursuant to Section 13352. The privilege shall remain suspended or revoked for the remaining period of the originating suspension or revocation and until all reinstatement requirements in Section 13352 are met.

(g) Any person whose driving privilege is restricted by the Department of Motor Vehicles pursuant to Section 13352 shall arrange for each vehicle with an ignition interlock device to be serviced by the installer at least once every 60 days in order for the installer to recalibrate the device and monitor the operation of the device. The installer shall notify the Department of Motor Vehicles if the device indicates that the person has attempted to remove, bypass, or tamper with the device, or if the person fails three or more times to comply with any requirement for the maintenance or calibration of the ignition interlock device. There is no obligation on the part of the installer to notify the department or the court if the person has complied with all of the requirements of this section.

(h) Nothing in this section permits a person to drive without a valid driver's license.

(i) The Department of Motor Vehicles shall include information along with the order of suspension or revocation for repeat offenders informing them that after a specified period of suspension or

revocation has been completed, the person may either install an ignition interlock device on any vehicle that the person owns or operates or remain with a suspended or revoked driver's license.

(j) Pursuant to this section, out-of-state residents who otherwise would qualify for an ignition interlock device restricted license in California shall be prohibited from operating a motor vehicle in California unless that vehicle is equipped with a functioning ignition interlock device. No ignition interlock device is required to be installed on any vehicle owned by the defendant that is not driven in California.

(k) If a person has a medical problem that does not permit the person to breathe with sufficient strength to activate the device, then that person shall only have the suspension option.

(*l*) This section does not restrict a court from requiring installation of an ignition interlock device for any persons to whom subdivision (a) or (b) does not apply.

(m) For purposes of this section, "vehicle" does not include a motorcycle until the state certifies an ignition interlock device that can be installed on a motorcycle. Any person subject to an ignition interlock device restriction shall not operate a motorcycle for the duration of the ignition interlock device restriction period.

(n) For purposes of this section, "owned" means solely owned or owned in conjunction with another person or legal entity. For purposes of this section, "operates" includes operating vehicles that are not owned by the person subject to this section.

SEC. 28. Section 23247 of the Vehicle Code, as amended by Section 22 of Chapter 756 of the Statutes of 1998, is amended to read:

23247. (a) It is unlawful for a person to knowingly rent, lease, or lend a motor vehicle to another person known to have had his or her driving privilege restricted as provided in Section 13352 or 23575, unless the vehicle is equipped with a functioning, certified ignition interlock device. Any person, whose driving privilege is restricted pursuant to Section 13352 or 23575 shall notify any other person who rents, leases, or loans a motor vehicle to him or her of the driving restriction imposed under that section.

(b) It is unlawful for any person whose driving privilege is restricted pursuant to Section 13352 or 23575 to request or solicit any other person to blow into an ignition interlock device or to start a motor vehicle equipped with the device for the purpose of providing the person so restricted with an operable motor vehicle.

(c) It is unlawful to blow into an ignition interlock device or to start a motor vehicle equipped with the device for the purpose of providing an operable motor vehicle to a person whose driving privilege is restricted pursuant to Section 13352 or 23575.

(d) It is unlawful to remove, bypass, or tamper with, an ignition interlock device.

(e) It is unlawful for any person whose driving privilege is restricted pursuant to Section 13352 or 23575 to operate any vehicle not equipped with a functioning ignition interlock device.

(f) Any person convicted of a violation of this section shall be punished by imprisonment in the county jail for not more than six months or by a fine of not more than five thousand dollars ($5,000), or by both that fine and imprisonment.

(g) (1) If any person whose driving privilege is restricted pursuant to Section 13352 is convicted of a violation of subdivision (e), the court shall notify the Department of Motor Vehicles, which shall immediately terminate the restriction and shall suspend or revoke the person's driving privilege for the remaining period of the originating suspension or revocation and until all reinstatement requirements in Section 13352 are met.

(2) If any person who is restricted pursuant to subdivision (a) or (*l*) of Section 23575 is convicted of a violation of subdivision (e), the department shall suspend the person's driving privilege for one year from the date of the conviction.

(h) Notwithstanding any other provision of law, if a vehicle in which an ignition interlock device has been installed is impounded, the manufacturer or installer of the device shall have the right to remove the device from the vehicle during normal business hours. No charge shall be imposed for the removal of the device nor shall the manufacturer or installer be liable for any removal, towing, impoundment, storage, release, or administrative costs or penalties associated with the impoundment. Upon request, the person seeking to remove the device shall present documentation to justify removal of the device from the vehicle. Any damage to the vehicle resulting from the removal of the device is the responsibility of the person removing it.

SEC. 29. Section 23249.52 of the Vehicle Code is amended and renumbered to read:

23646. (a) Each county shall develop, implement, operate, and administer an alcohol and drug problem assessment program pursuant to this article for each person described in subdivision (b). The alcohol and drug problem assessment program may include a referral and client tracking component.

(b) (1) The court shall order a person to participate in an alcohol and drug problem assessment program pursuant to this section and Sections 23647 to 23649, inclusive, and the related regulations of the State Department of Alcohol and Drug Programs, if the person was convicted of a violation of Section 23152 or 23153 that occurred within seven years of a separate violation of Section 23152 or 23153 and resulted in a conviction, the person was required to attend a licensed program pursuant to a court order, and the person has once failed to comply with the rules and policies of the licensed program, other than a rule relating to the payment of fees, in accordance with the rules and regulations of the state department.

(2) A court may order any person convicted of a violation of Section 23152 or 23153 to attend an alcohol and drug problem assessment program pursuant to this article.

(c) The State Department of Alcohol and Drug Programs shall establish minimum specifications for alcohol and other drug problem assessments and reports not later than September 30, 1999.

SEC. 30. Section 23249.53 of the Vehicle Code is amended and renumbered to read:

23647. (a) Any person convicted of a violation of Section 23152 or 23153 who is required to participate in a county alcohol and drug problem assessment program shall participate in that program.

(b) Any person convicted of a violation of Section 23103, as specified in Section 23103.5, in a judicial district that participates in a county alcohol and drug problem assessment program pursuant to this article, may be ordered to participate in the program.

SEC. 31. Section 23249.54 of the Vehicle Code, as amended by Section 6 of Chapter 656 of the Statutes of 1998, is amended and renumbered to read:

23648. (a) An alcohol and drug problem assessment report shall be made on each person who participates in the program. The report may be used to determine the appropriate sentence for any person convicted of a violation of Section 23103, as specified in Section 23103.5, or Section 23152, or 23153.

(b) This section shall remain in effect only until January 1, 2000, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2000, deletes or extends that date.

SEC. 32. Section 23249.54 of the Vehicle Code, as added by Section 7 of Chapter 656 of the Statutes of 1998, is amended and renumbered to read:

23648. (a) Each county shall prepare, or contract to be prepared, an alcohol and drug problem assessment report on each person described in subdivision (b) of Section 23646.

(b) The assessment report shall include, if applicable, a recommendation for any additional treatment and the duration of the treatment. The treatment shall be in addition to the education and counseling program required under Section 11837 of the Health and Safety Code. The assessment report shall be submitted to the court not more than 14 days after the date the assessment was conducted.

(c) Within 30 days of the receipt of the report, the court shall order the person to complete the recommendations set forth in the report in satisfaction of, and consistent with, the terms and conditions of probation. If the court elects not to order the completion of the recommended plan, the court shall specify on the record its reason for not adopting these recommendations.

(d) This section shall become operative on January 1, 2000.

SEC. 33. Section 23249.55 of the Vehicle Code is amended and renumbered to read:

23649. (a) Notwithstanding any other provision of law, in addition to any other fine or penalty assessment, there shall be levied an assessment of not more than one hundred dollars ($100) upon every fine, penalty, or forfeiture imposed and collected by the courts for a violation of Section 23152 or 23153 in any judicial district that participates in a county alcohol and drug problem assessment program. An assessment of not more than one hundred dollars ($100) shall be imposed and collected by the courts from each person convicted of a violation of Section 23103, as specified in Section 23103.5, who is ordered to participate in a county alcohol and drug problem assessment program pursuant to Section 23647.

(b) The court shall determine if the defendant has the ability to pay the assessment. If the court determines that the defendant has the ability to pay the assessment then the court may set the amount to be reimbursed and order the defendant to pay that sum to the county in the manner that the court determines is reasonable and compatible with the defendant's financial ability. In making a determination of whether a defendant has the ability to pay, the court shall take into account the amount of any fine imposed upon the defendant and any amount the defendant has been ordered to pay in restitution.

(c) Notwithstanding Section 1463 or 1464 of the Penal Code or any other provision of law, all moneys collected pursuant to this section shall be deposited in a special account in the county treasury and shall be used exclusively to pay for the costs of developing, implementing, operating, maintaining, and evaluating alcohol and drug problem assessment programs.

(d) On January 15 of each year, the treasurer of each county that administers an alcohol and drug problem assessment program shall determine those moneys in the special account that were not expended during the preceding fiscal year, and shall transfer those moneys to the general fund of the county.

(e) Any moneys remaining in the special account, if and when the alcohol and drug problem assessment program is terminated, shall be transferred to the general fund of the county.

(f) The county treasurer shall annually transfer an amount of money equal to the county's administrative cost incurred pursuant to this section, as he or she shall determine, from the special account to the general fund of the county.

SEC. 34. Section 23546 of the Vehicle Code is amended to read:

23546. (a) If any person is convicted of a violation of Section 23152 and the offense occurred within seven years of two separate violations of Section 23103, as specified in Section 23103.5, which occurred on or after January 1, 1982, 23152, or 23153, or any combination thereof, which resulted in convictions, that person shall be punished by imprisonment in the county jail for not less than 120 days nor more than one year and by a fine of not less than three hundred ninety dollars ($390) nor more than one thousand dollars

($1,000). The person's privilege to operate a motor vehicle shall be revoked as required in paragraph (5) of subdivision (a) of Section 13352. The court shall require the person to surrender his or her driver's license to the court in accordance with Section 13550.

(b) Any person convicted of a violation of Section 23152 punishable under this section shall be designated as an habitual traffic offender for a period of three years, subsequent to the conviction. The person shall be advised of this designation pursuant to subdivision (b) of Section 13350.

SEC. 34.2. Section 23550 of the Vehicle Code is amended to read:

23550. (a) If any person is convicted of a violation of Section 23152 and the offense occurred within seven years of three or more separate violations of Section 23103, as specified in Section 23103.5, or Section 23152 or 23153, or any combination thereof, which resulted in convictions, that person shall be punished by imprisonment in the state prison, or in a county jail for not less than 180 days nor more than one year, and by a fine of not less than three hundred ninety dollars ($390) nor more than one thousand dollars ($1,000). The person's privilege to operate a motor vehicle shall be revoked by the Department of Motor Vehicles pursuant to paragraph (7) of subdivision (a) of Section 13352.

(b) Any person convicted of a violation of Section 23152 punishable under this section shall be designated as an habitual traffic offender for a period of three years, subsequent to the conviction. The person shall be advised of this designation pursuant to subdivision (b) of Section 13350.

SEC. 34.6. Section 23550.5 of the Vehicle Code is amended to read:

23550.5. (a) A person is guilty of a public offense, punishable by imprisonment in the state prison or in a county jail for not more than one year and by a fine of not less than three hundred ninety dollars ($390) nor more than one thousand dollars ($1,000) if that person is convicted of a violation of Section 23152 or 23153, and the offense occurred within 10 years of any of the following:

(1) A prior violation of Section 23152 that was punished as a felony under Section 23550 or this section, or both.

(2) A prior violation of Section 23153 that was punished as a felony.

(3) A prior violation that was punished as a felony under Section 191.5 of, or paragraph (1) or (3) of subdivision (c) of Section 192 of, the Penal Code. The person's privilege to operate a motor vehicle shall be revoked by the Department of Motor Vehicles under paragraph (7) of subdivision (a) of Section 13352.

(b) Any person convicted of a violation of Section 23152 that is punishable under this section shall be designated an habitual traffic offender for a period of three years, subsequent to the conviction. The person shall be advised of this designation under subdivision (b) of Section 13350.

SEC. 35. Section 23522 of the Vehicle Code is repealed.

SEC. 35.2. Section 23524 of the Vehicle Code is repealed.

SEC. 35.7. Section 23552 of the Vehicle Code is amended to read:

23552. (a) If the court grants probation to any person punished under Section 23550, in addition to the provisions of Section 23600 and any other terms and conditions imposed by the court, the court shall impose as conditions of probation that the person be confined in a county jail for at least 180 days but not more than one year and pay a fine of at least three hundred ninety dollars ($390) but not more than one thousand dollars ($1,000). The person's privilege to operate a motor vehicle shall be revoked by the Department of Motor Vehicles pursuant to paragraph (7) of subdivision (a) of Section 13352.

(b) In addition to subdivision (a), if the court grants probation to any person punished under Section 23550, the court may order as a condition of probation that the person participate, for at least 30 months subsequent to the underlying conviction and in a manner satisfactory to the court, in a program licensed pursuant to Chapter 9 (commencing with Section 11836) of Part 2 of Division 10.5 of the Health and Safety Code. In lieu of the minimum term of imprisonment in subdivision (a), the court shall impose as a condition of probation under this subdivision that the person be confined in the county jail for at least 30 days but not more than one year. The court shall not order the treatment prescribed by this subdivision unless the person makes a specific request and shows good cause for the order, whether or not the person has previously completed a treatment program pursuant to paragraph (4) of subdivision (b) of Section 23542 or paragraph (4) of subdivision (b) of Section 23562. A person ordered to treatment pursuant to this subdivision shall apply to the court or to a board of review, as designated by the court, at the conclusion of the program to obtain the court's order of satisfaction. Only upon the granting of that order of satisfaction by the court may the program issue its certificate of successful completion and report the completion to the Department of Motor Vehicles. A failure to obtain an order of satisfaction at the conclusion of the program is a violation of probation. In order to enable all required persons to participate, each person shall pay the program costs commensurate with the person's ability to pay as determined pursuant to Section 11837.4 of the Health and Safety Code. No condition of probation required pursuant to this subdivision is a basis for reducing any other probation requirement in this section or Section 23600 or for avoiding the mandatory license revocation provisions of paragraph (7) of subdivision (a) of Section 13352.

(c) In addition to the provisions of Section 23600 and subdivision (a), if the court grants probation to any person punished under Section 23550 who has not previously completed a treatment program pursuant to paragraph (4) of subdivision (b) of Section 23542 or paragraph (4) of subdivision (b) of Section 23562, and unless the person is ordered to participate in, and complete, a program

under subdivision (b), the court shall impose as a condition of probation that the person, subsequent to the date of the current violation, enroll in and participate, for at least 18 months and in a manner satisfactory to the court, in a program licensed pursuant to Chapter 9 (commencing with Section 11836) of Part 2 of Division 10.5 of the Health and Safety Code, as designated by the court. The person shall complete the entire program subsequent to, and shall not be given any credit for program activities completed prior to, the date of the current violation. Any person who has previously completed a 12-month or 18-month program licensed pursuant to Chapter 9 (commencing with Section 11836) of Part 2 of Division 10.5 of the Health and Safety Code shall not be eligible for referral pursuant to this subdivision unless a 30-month licensed program is not available for referral in the county of the person's residence or employment. No condition of probation required pursuant to this subdivision is a basis for reducing any other probation requirement in this section or Section 23600 or for avoiding the mandatory license revocation provisions of paragraph (7) of subdivision (a) of Section 13352.

SEC. 36. Section 23566 of the Vehicle Code is amended to read:

23566. (a) If any person is convicted of a violation of Section 23153 and the offense occurred within seven years of two or more separate violations of Section 23103, as specified in Section 23103.5, or Section 23152 or 23153, or any combination of these violations, which resulted in convictions, that person shall be punished by imprisonment in the state prison for a term of two, three, or four years and by a fine of not less than one thousand fifteen dollars ($1,015) nor more than five thousand dollars ($5,000). The person's privilege to operate a motor vehicle shall be revoked by the Department of Motor Vehicles pursuant to paragraph (6) of subdivision (a) of Section 13352.

(b) If any person is convicted of a violation of Section 23153, and the act or neglect proximately causes great bodily injury, as defined in Section 12022.7 of the Penal Code, to any person other than the driver, and the offense occurred within seven years of two or more separate violations of Section 23103, as specified in Section 23103.5, or Section 23152 or 23153, or any combination of these violations, which resulted in convictions, that person shall be punished by imprisonment in the state prison for a term of two, three, or four years and by a fine of not less than one thousand fifteen dollars ($1,015) nor more than five thousand dollars ($5,000). The person's privilege to operate a motor vehicle shall be revoked by the Department of Motor Vehicles pursuant to paragraph (6) of subdivision (a) of Section 13352.

(c) If any person is convicted under subdivision (b), and the offense for which the person is convicted occurred within seven years of four or more separate violations of Section 23103, as specified in Section 23103.5, or Section 23152 or 23153, or any combination of these violations, that resulted in convictions, that person shall, in

addition and consecutive to the sentences imposed under subdivision (b), be punished by an additional term of imprisonment in the state prison for three years.

The enhancement allegation provided in this subdivision shall be pleaded and proved as provided by law.

(d) Any person convicted of Section 23153 punishable under this section shall be designated as an habitual traffic offender for a period of three years, subsequent to the conviction. The person shall be advised of this designation pursuant to subdivision (b) of Section 13350.

(e) Any person confined in state prison under this section shall be ordered by the court to participate in an alcohol or drug program, or both, that is available at the prison during the person's confinement. Completion of an alcohol or drug program under this section does not meet the program completion requirement of paragraph (6) of subdivision (a) of Section 13352, unless the drug or alcohol program is licensed under Chapter 9 (commencing with Section 11836) of Part 2 of Division 10.5 of the Health and Safety Code, or is a program specified in Section 8001 of the Penal Code.

SEC. 37. Section 23568 of the Vehicle Code is amended to read:

23568. (a) If the court grants probation to any person punished under Section 23566, in addition to the provisions of Section 23600 and any other terms and conditions imposed by the court, the court shall impose as conditions of probation that the person be confined in the county jail for at least one year, that the person pay a fine of at least three hundred ninety dollars ($390) but not more than five thousand dollars ($5,000), and that the person make restitution or reparation pursuant to Section 1203.1 of the Penal Code. The person's privilege to operate a motor vehicle shall be revoked by the Department of Motor Vehicles pursuant to paragraph (6) of subdivision (a) of Section 13352.

(b) In addition to Section 23600 and subdivision (a), if the court grants probation to any person punished under Section 23566, the court shall impose as a condition of probation that the person enroll in and complete, subsequent to the date of the underlying violation and in a manner satisfactory to the court, an 18-month program or, if available in the county of the person's residence or employment, a 30-month program licensed pursuant to Chapter 9 (commencing with Section 11836) of Part 2 of Division 10.5 of the Health and Safety Code, as designated by the court. The person shall complete the entire program subsequent to, and shall not be given any credit for program activities completed prior to, the date of the current violation. In lieu of the minimum term of imprisonment in subdivision (a), the court shall impose as a minimum condition of probation under this subdivision that the person be confined in the county jail for at least 30 days but not more than one year. Except as provided in this subdivision, if the court grants probation under this section, the court shall order the treatment prescribed by this

subdivision, whether or not the person has previously completed a treatment program pursuant to paragraph (4) of subdivision (b) of Section 23542 or paragraph (4) of subdivision (b) of Section 23562. A person ordered to treatment pursuant to this subdivision shall apply to the court or to a board of review, as designated by the court, at the conclusion of the program to obtain the court's order of satisfaction. Only upon the granting of that order of satisfaction by the court may the program issue its certificate of successful completion and report the completion to the Department of Motor Vehicles. A failure to obtain an order of satisfaction at the conclusion of the program is a violation of probation. In order to enable all required persons to participate, each person shall pay the program costs commensurate with the person's ability to pay as determined pursuant to Section 11837.4 of the Health and Safety Code. No condition of probation required pursuant to this subdivision is a basis for reducing any other probation requirement in this section or Section 23600 or for avoiding the mandatory license revocation provisions of paragraph (6) of subdivision (a) of Section 13352.

SEC. 38. Section 23572 of the Vehicle Code is amended to read:

23572. (a) If any person is convicted of a violation of Section 23152 and a minor under 14 years of age was a passenger in the vehicle at the time of the offense, the court shall impose the following penalties in addition to any other penalty prescribed:

(1) If the person is convicted of a violation of Section 23152 punishable under Section 23536, the punishment shall be enhanced by an imprisonment of 48 continuous hours in the county jail, whether or not probation is granted, no part of which shall be stayed.

(2) If a person is convicted of a violation of Section 23152 punishable under Section 23540, the punishment shall be enhanced by an imprisonment of 10 days in the county jail, whether or not probation is granted, no part of which may be stayed.

(3) If a person is convicted of a violation of Section 23152 punishable under Section 23546, the punishment shall be enhanced by an imprisonment of 30 days in the county jail, whether or not probation is granted, no part of which may be stayed.

(4) If a person is convicted of a violation of Section 23152 which is punished as a misdemeanor under Section 23550, the punishment shall be enhanced by an imprisonment of 90 days in the county jail, whether or not probation is granted, no part of which may be stayed.

(b) The driving of a vehicle in which a minor under 14 years of age was a passenger shall be pled and proven.

(c) No punishment enhancement shall be imposed pursuant to this section if the person is also convicted of a violation of Section 273a of the Penal Code arising out of the same facts and incident.

SEC. 39. Section 23577 of the Vehicle Code is amended to read:

23577. (a) If any person is convicted of a violation of Section 23152 or 23153, and at the time of the arrest leading to that conviction that person willfully refused a peace officer's request to submit to, or

willfully failed to complete, the chemical test or tests pursuant to Section 23612, the court shall impose the following penalties:

(1) If the person is convicted of a first violation of Section 23152, notwithstanding any other provision of subdivision (a) of Section 23538, the terms and conditions of probation shall include the conditions in paragraph (1) of subdivision (a) of Section 23538.

(2) If the person is convicted of a first violation of Section 23153, the punishment shall be enhanced by an imprisonment of 48 continuous hours in the county jail, whether or not probation is granted and no part of which may be stayed, unless the person is sentenced to, and incarcerated in, the state prison and the execution of that sentence is not stayed.

(3) If the person is convicted of a second violation of Section 23152, punishable under Section 23540, or a second violation of Section 23153, punishable under Section 23560, the punishment shall be enhanced by an imprisonment of 96 hours in the county jail, whether or not probation is granted and no part of which may be stayed, unless the person is sentenced to, and incarcerated in, the state prison and execution of that sentence is not stayed.

(4) If the person is convicted of a third violation of Section 23152, punishable under Section 23546, the punishment shall be enhanced by an imprisonment of 10 days in the county jail, whether or not probation is granted and no part of which may be stayed.

(5) If the person is convicted of a fourth or subsequent violation of Section 23152, punishable under Section 23550 or 23550.5, the punishment shall be enhanced by imprisonment of 18 days in the county jail, whether or not probation is granted and no part of which may be stayed.

(b) The willful refusal or failure to complete the chemical test required pursuant to Section 23612 shall be pled and proven.

SEC. 40. Section 23590 of the Vehicle Code is repealed.

SEC. 40.2. Section 23596 of the Vehicle Code is repealed.

SEC. 40.4. Section 23596 is added to the Vehicle Code, to read:

23596. (a) (1) Upon its own motion or upon motion of the prosecutor in a criminal action for a violation of any of the following offenses, the court with jurisdiction over the offense, notwithstanding Section 86 of the Code of Civil Procedure and any other provision of law otherwise prescribing the jurisdiction of the court based upon the value of the property involved, may declare the motor vehicle driven by the defendant to be a nuisance if the defendant is the registered owner of the vehicle:

(A) A violation of Section 191.5 of, or paragraph (3) of subdivision (c) of Section 192 of, the Penal Code.

(B) A violation of Section 23152 which occurred within seven years of two or more separate offenses of Section 191.5 of, or paragraph (3) of subdivision (c) of Section 192 of, the Penal Code, or Section 23152 or 23153, or any combination thereof, which resulted in convictions.

(C) A violation of Section 23153 which occurred within seven years of one or more separate offenses of Section 191.5 of, or paragraph (3) of subdivision (c) of Section 192 of, the Penal Code, or Section 23152 or 23153, which resulted in convictions.

(2) The court or the prosecutor shall give notice of the motion to the defendant, and the court shall hold a hearing before a motor vehicle may be declared a nuisance under this section.

(b) Except as provided in subdivision (g), upon the conviction of the defendant and at the time of pronouncement of sentence, the court with jurisdiction over the offense shall order any vehicle declared to be a nuisance pursuant to subdivision (a) to be sold. Any vehicle ordered to be sold pursuant to this subdivision shall be surrendered to the sheriff of the county or the chief of police of the city in which the violation occurred. The officer to whom the vehicle is surrendered shall promptly ascertain from the department the names and addresses of all legal and registered owners of the vehicle and, within five days of receiving that information, shall send by certified mail a notice to all legal and registered owners of the vehicle other than the defendant, at the addresses obtained from the department, informing them that the vehicle has been declared a nuisance and will be sold or otherwise disposed of pursuant to this section and of the approximate date and location of the sale or other disposition. The notice shall also inform any legal owner of its right to conduct the sale pursuant to subdivision (c).

(c) Any legal owner who is a motor vehicle dealer, bank, credit union, acceptance corporation, or other licensed finance institution legally operating in this state, or the agent of that legal owner, may take possession and conduct the sale of the vehicle declared to be a nuisance if it notifies the officer to whom the vehicle is surrendered of its intent to conduct the sale within 15 days of the mailing of the notice pursuant to subdivision (b). Sale of the vehicle pursuant to this subdivision may be conducted at the time, in the manner, and on the notice usually given for the sale of repossessed or surrendered vehicles. The proceeds of any sale conducted by the legal owner shall be disposed of as provided in subdivision (e). A notice pursuant to this subdivision may be presented in person, by certified mail, by facsimile transmission, or by electronic mail. The agent of a legal owner acting pursuant to this subdivision shall be licensed, or exempt from licensure, pursuant to Chapter 11 (commencing with Section 7500) of Division 3 of the Business and Professions Code.

(d) If the legal owner or the agent of the legal owner does not notify the officer to whom the vehicle is surrendered of its intent to conduct the sale as provided in subdivision (c), the officer shall offer the vehicle for sale at public auction within 60 days of receiving the vehicle. At least 10 days but not more than 20 days prior to the sale, not counting the day of the sale, the officer shall give notice of the sale by advertising once in a newspaper of general circulation published in the city or county, as the case may be, in which the vehicle is

located, which notice shall contain a description of the make, year, model, identification number, and license number of the vehicle and the date, time, and location of the sale. For motorcycles, the engine number shall also be included. If there is no newspaper of general circulation published in the county, notice shall be given by posting a notice of sale containing the information required by this subdivision in three of the most public places in the city or county in which the vehicle is located, and at the place where the vehicle is to be sold, for 10 consecutive days prior to and including the day of the sale.

(e) The proceeds of a sale conducted pursuant to this section shall be disposed of in the following priority:

(1) To satisfy the costs of the sale, including costs incurred with respect to the taking and keeping of the vehicle pending sale.

(2) To the legal owner in an amount to satisfy the indebtedness owed to the legal owner remaining as of the date of the sale, including accrued interest or finance charges and delinquency charges.

(3) To the holder of any subordinate lien or encumbrance on the vehicle to satisfy any indebtedness so secured if written notification of demand is received before distribution of the proceeds is completed. The holder of a subordinate lien or encumbrance, if requested, shall reasonably furnish reasonable proof of its interest and, unless it does so on request, is not entitled to distribution pursuant to this paragraph.

(4) To any other person who can establish an interest in the vehicle, including a community property interest, to the extent of his or her provable interest.

(5) If the vehicle was forfeited as a result of a felony violation of Section 191.5 of the Penal Code, or of Section 23153 that resulted in serious bodily injury to any person other than the defendant, the balance, if any, to the city or county in which the violation occurred, to be deposited in its general fund.

(6) Except as provided in paragraph (5), the balance, if any, to the city or county in which the violation occurred, to be expended for community-based adolescent substance abuse treatment services.

The person conducting the sale shall disburse the proceeds of the sale as provided in this subdivision, and provide a written accounting regarding the disposition to all persons entitled to or claiming a share of the proceeds, within 15 days after the sale is conducted.

(f) If the vehicle to be sold under this section is not of the type that can readily be sold to the public generally, the vehicle shall be destroyed or donated to an eleemosynary institution.

(g) No vehicle shall be sold pursuant to this section in either of the following circumstances:

(1) The vehicle is stolen, unless the identity of the legal and registered owners of the vehicle cannot be reasonably ascertained.

(2) The vehicle is owned by another, or there is a community property interest in the vehicle owned by a person other than the

defendant and the vehicle is the only vehicle available to the defendant's immediate family that may be operated on the highway with a class 3 or class 4 driver's license.

(h) The Legislature finds and declares it to be the public policy of this state that no policy of insurance shall afford benefits that would alleviate the financial detriment suffered by any person as a direct or indirect result of a confiscation of a vehicle pursuant to this section.

SEC. 40.6. Section 23600 of the Vehicle Code is amended to read:

23600. (a) If any person is convicted of a violation of Section 23152 or 23153, the court shall not stay or suspend pronouncement of sentencing, and shall pronounce sentence in conjunction with the conviction in a reasonable time, including time for receipt of any presentence investigation report ordered pursuant to Section 23655.

(b) If any person is convicted of a violation of Section 23152 or 23153 and is granted probation, the terms and conditions of probation shall include, but not be limited to, the following:

(1) Notwithstanding Section 1203a of the Penal Code, a period of probation not less than three nor more than five years; provided, however, that if the maximum sentence provided for the offense may exceed five years in the state prison, the period during which the sentence may be suspended and terms of probation enforced may be for a longer period than three years but may not exceed the maximum time for which sentence of imprisonment may be pronounced.

(2) A requirement that the person shall not drive a vehicle with any measurable amount of alcohol in his or her blood.

(3) A requirement that the person, if arrested for a violation of Section 23152 or 23153, shall not refuse to submit to a chemical test of his or her blood, breath, or urine, pursuant to Section 23612, for the purpose of determining the alcoholic content of his or her blood.

(4) A requirement that the person shall not commit any criminal offense.

(c) The court shall not absolve a person who is convicted of a violation of Section 23152 or 23153 from the obligation of spending the minimum time in confinement, if any, or of paying the minimum fine imposed by law.

(d) In addition to any other provision of law, if any person violates paragraph (2) or (3) of subdivision (b) and the person had a blood alcohol concentration of over 0.04 percent as determined by a chemical test, the court shall revoke or terminate the person's probation as provided by Section 23602, regardless of any other proceeding, and shall only grant a new term of probation of not more than five years on the added condition that the person be confined in the county jail for not less than 48 hours for each of these violations of probation, except in unusual cases where the interests of justice would best be served if this additional condition were not imposed.

SEC. 41. Section 23602 of the Vehicle Code is amended to read:

23602. Except as otherwise expressly provided in this code, if a person has been convicted of a violation of Section 23152 or 23153 and the court has suspended execution of the sentence for that conviction and has granted probation, and during the time of that probation, the person is found by the court to have violated a required term or condition of that probation, the court shall revoke the suspension of sentence, revoke or terminate probation, and shall proceed in the manner provided in subdivision (c) of Section 1203.2 of the Penal Code.

SEC. 42. Section 23640 of the Vehicle Code is amended to read:

23640. (a) In any case in which a person is charged with a violation of Section 23152 or 23153, prior to acquittal or conviction, the court shall neither suspend nor stay the proceedings for the purpose of allowing the accused person to attend or participate, nor shall the court consider dismissal of or entertain a motion to dismiss the proceedings because the accused person attends or participates during that suspension, in any one or more education, training, or treatment programs, including, but not limited to, a driver improvement program, a treatment program for persons who are habitual users of alcohol or other alcoholism program, a program designed to offer alcohol services to problem drinkers, an alcohol or drug education program, or a treatment program for persons who are habitual users of drugs or other drug-related program.

(b) This section shall not apply to any attendance or participation in any education, training, or treatment programs after conviction and sentencing, including attendance or participation in any of those programs as a condition of probation granted after conviction when permitted.

SEC. 43. Section 23650 of the Vehicle Code is amended to read:

23650. The Office of Traffic Safety shall adopt rules and guidelines to implement Sections 23646 to 23649, inclusive.

SEC. 44. Section 23655 of the Vehicle Code is amended to read:

23655. (a) Upon any conviction of a violation of Section 23152 or 23153, any judge of the court may order a presentence investigation to determine whether a person convicted of the violation would benefit from one or more education, training, or treatment programs, and the court may order suitable education, training, or treatment for the person, in addition to imposing any penalties required by this code.

(b) In determining whether to require, as a condition of probation, the participation in a program pursuant to subdivision (b) of Section 23538, subdivision (b) of Section 23542, subdivision (b) of Section 23548, subdivision (b) of Section 23552, subdivision (b) of Section 23556, subdivision (b) of Section 23562, or subdivision (b) of Section 23568, the court may consider any relevant information about the person made available pursuant to a presentence investigation, which is permitted but not required by subdivision (a), or other screening procedure. That information shall not be furnished to the

court by any person who also provides services in a privately operated, approved program or who has any direct interest in a privately operated, approved program. In addition, the court shall obtain from the Department of Motor Vehicles a copy of the person's driving record to determine whether the person is eligible to participate in an approved program.

(c) The Judicial Council shall adopt a standard form for use by all courts, defendants, and alcohol or drug education programs in certifying to the court that the person has achieved both of the following:

(1) Enrolled within the specified time period.

(2) Successfully completed any program required by Section 23538 or 23556.

SEC. 45. Section 23665 of the Vehicle Code is amended to read:

23665. If any person is convicted of a violation of Section 20001, or of Section 23152 or 23153 and is sentenced to one year in a county jail or more than one year in the state prison under Section 23540, 23542, 23546, 23548, 23550, 23552, 23554, 23556, 23558, 23560, 23562, 23566, or 23568, the court may postpone the revocation or suspension of the person's driving privilege until the term of imprisonment is served.

SEC. 46. Except for Sections 4, 6, 17, 18, 18.1, and 40.2 of this act, which sections shall become operative on the effective date of this act, this act shall become operative on July 1, 1999.

SEC. 47. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

SEC. 48. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to provide, at the earliest possible time, for the orderly implementation of Chapter 118 of the Statutes of 1998, providing for the reorganization of the statutes governing driving while under the influence, for the orderly implementation of Chapters 582, 656, 661, and 756 of the Statutes of 1998, relating to those statutes, and to enact related and conforming provisions, it is necessary that this act take effect immediately.

CHAPTER 23

An act to repeal and add Chapter 6.8 (commencing with Section 25300) of Division 20 of the Health and Safety Code, relating to hazardous substances, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 26, 1999. Filed with Secretary of State May 26, 1999.]

The people of the State of California do enact as follows:

SECTION 1. Chapter 6.8 (commencing with Section 25300) of Division 20 of the Health and Safety Code is repealed.

SEC. 2. Chapter 6.8 (commencing with Section 25300) is added to Division 20 of the Health and Safety Code, to read:

CHAPTER 6.8. HAZARDOUS SUBSTANCE ACCOUNT

Article 1. Short Title and Legislative Intent

25300. This chapter shall be known and may be cited as the Carpenter-Presley-Tanner Hazardous Substance Account Act.

25301. It is the intent of the Legislature to do all of the following:

(a) Establish a program to provide for response authority for releases of hazardous substances, including spills and hazardous waste disposal sites that pose a threat to the public health or the environment.

(b) Compensate persons, under certain circumstances, for out-of-pocket medical expenses and lost wages or business income resulting from injuries proximately caused by exposure to releases of hazardous substances.

(c) Make available adequate funds in order to permit the State of California to assure payment of its 10-percent share of the costs mandated pursuant to Section 104(c)(3) of the federal act (42 U.S.C. Sec. 9604(c)(3)).

Article 2. Definitions

25310. The definitions set forth in this article shall govern the interpretation of this chapter. Unless the context requires otherwise and except as provided in this article, the definitions contained in Section 101 of the federal act (42 U.S.C. Sec. 9601) shall apply to the terms used in this chapter.

25311. "Contract competitor" means any person competing for a state contract pursuant to subdivision (c) of Section 25358.3.

25312. "Department" means the Department of Toxic Substances Control.

25313. "Director" means the Director of Toxic Substances Control.

25314. "Feasibility study" means the identification and evaluation of technically feasible and effective remedial action alternatives to protect public health and the environment, at a hazardous substance release site, or other activities deemed necessary by the department for the development of a remedial action plan.

25315. "Federal act" means the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended (42 U.S.C. Sec. 9601 et seq.).

25316. "Hazardous substance" means:

(a) Any substance designated pursuant to Section 1321 (b)(2)(A) of Title 33 of the United States Code.

(b) Any element, compound, mixture, solution, or substance designated pursuant to Section 102 of the federal act (42 U.S.C. Sec. 9602).

(c) Any hazardous waste having the characteristics identified under or listed pursuant to Section 6921 of Title 42 of the United States Code, but not including any waste the regulation of which under the Solid Waste Disposal Act (42 U.S.C. Sec. 6901 et seq.) has been suspended by act of Congress.

(d) Any toxic pollutant listed under Section 1317 (a) of Title 33 of the United States Code.

(e) Any hazardous air pollutant listed under Section 7412 of Title 42 of the United States Code.

(f) Any imminently hazardous chemical substance or mixture with respect to which the Administrator of the United States Environmental Protection Agency has taken action pursuant to Section 2606 of Title 15 of the United States Code.

(g) Any hazardous waste or extremely hazardous waste as defined by Sections 25117 and 25115, respectively, unless expressly excluded.

25317. "Hazardous substance" does not include:

(a) Petroleum, including crude oil or any fraction thereof which is not otherwise specifically listed or designated as a hazardous substance in subdivisions (a) to (f), inclusive, of Section 25316, and natural gas, natural gas liquids, liquefied natural gas, or synthetic gas usable for fuel (or mixtures of natural gas and such synthetic gas), or the ash produced by a resource recovery facility utilizing a municipal solid waste stream.

(b) Nontoxic, nonflammable, noncorrosive stormwater runoff drained from underground vaults, chambers, or manholes into gutters or storm sewers.

25318.5. "Operation and maintenance" means those activities initiated or continued at a hazardous substance release site following completion of a removal or remedial action that are deemed necessary by the department or regional board in order to protect public health or safety or the environment, to maintain the

effectiveness of the removal or remedial action at the site, or to achieve or maintain the removal or remedial action standards and objectives established by the final remedial action plan or final removal action work plan applicable to the site.

25319. "Person" means an individual, trust, firm, joint stock company, business concern, corporation, including, but not limited to, a government corporation, partnership, limited liability company, and association. "Person" also includes any city, county, city and county, district, commission, the state or any department, agency, or political subdivision thereof, any interstate body, and the United States and its agencies and instrumentalities, to the extent permitted by law.

25319.5. "Preliminary endangerment assessment" means an activity that is performed to determine whether current or past waste management practices have resulted in the release or threatened release of hazardous substances that pose a threat to public health or the environment.

25319.6. "Regional board" means a California regional water quality control board.

25320. "Release" means any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing into the environment.

25321. "Release" does not include any of the following:

(a) Any release that results in exposure to persons solely within a workplace, with respect to a claim those exposed persons may assert against their employer.

(b) Emissions from the engine exhaust of a motor vehicle, rolling stock, aircraft, vessel, or pipeline pumping station engine.

(c) Release of source, byproduct, or special nuclear material from a nuclear incident, as those terms are defined in the Atomic Energy Act of 1954 (42 U.S.C. Sec. 2011, et seq.), if such release is subject to requirements with respect to financial protection established by the Nuclear Regulatory Commission under Section 2210 of Title 42 of the United States Code or, for the purposes of Section 104 of the federal act (42 U.S.C. Sec. 9604) or any other response action, any release of source byproduct, or special nuclear material from any processing site designated under Section 7912(a)(1) or 7942(a) of Title 42 of the United States Code, which sections are a part of the Uranium Mill Tailings Radiation Control Act of 1978.

(d) The normal application of fertilizer, plant growth regulants, and pesticides.

25322. "Remedy" or "remedial action" includes all of the following:

(a) Those actions that are consistent with a permanent remedy, that are taken instead of, or in addition to, removal actions in the event of a release or threatened release of a hazardous substance into the environment, as further defined by Section 101(24) of the federal act (42 U.S.C. Sec. 9601(24)), except that any reference in Section

101(24) of the federal act (42 U.S.C. Sec. 9601(24)) to the President, relating to determinations regarding the relocation of residents, businesses, and community facilities shall, for the purposes of this chapter, be deemed to be a reference to the Governor and any other reference in that section to the President shall, for the purposes of this chapter, be deemed a reference to the Governor, or the director, if designated by the Governor.

(b) Those actions that are necessary to monitor, assess, and evaluate a release or a threatened release of a hazardous substance.

(c) Site operation and maintenance.

25322.1. "Remedial design" means the detailed engineering plan to implement the remedial action alternative or initial remedial measure approved by the department.

25322.2. "Remedial investigation" means those actions deemed necessary by the department to determine the full extent of a hazardous substance release at a site, identify the public health and environment threat posed by the release, collect data on possible remedies, and otherwise evaluate the site for purposes of developing a remedial action plan.

25323. "Remove" or "removal" includes the cleanup or removal of released hazardous substances from the environment or the taking of other actions as may be necessary to prevent, minimize, or mitigate damage which may otherwise result from a release or threatened release, as further defined by Section 101(23) of the federal act (42 U.S.C. Sec. 9601(23)).

25323.1. "Removal action work plan" means a work plan prepared or approved by the department or a California regional water quality control board that is developed to carry out a removal action, in an effective manner, that is protective of the public health and safety and the environment. The removal action work plan shall include a detailed engineering plan for conducting the removal action, a description of the onsite contamination, the goals to be achieved by the removal action, and any alternative removal options that were considered and rejected and the basis for that rejection.

25323.3. "Response," "respond," or "response action" have the same meanings as defined in Section 9701(25) of the federal act (42 U.S.C. Sec. 9701(25)). The enforcement and oversight activities of the department and regional board are included within the meaning of "response," "respond," or "response action."

25323.5. (a) (1) "Responsible party" or "liable person," for the purposes of this chapter, means those persons described in Section 107(a) of the federal act (42 U.S.C. Sec. 9607(a)).

(2) (A) Notwithstanding paragraph (1), but except as provided in subparagraph (B), a person is not a responsible party or liable person, for purposes of this chapter, for the reason that the person has developed or implemented innovative investigative or innovative remedial technology with regard to a release site, if the use of the technology has been approved by the department for the release site

and the person would not otherwise be a responsible party or liable person. Upon approval of the use of the technology, the director shall acknowledge, in writing, that, upon proper completion of the innovative investigative or innovative remedial action at the release site, the immunity provided by this subparagraph shall apply to the person.

(B) Subparagraph (A) does not apply in any of the following cases:

(i) Conditions at the release site have deteriorated as a result of the negligence of the person who developed or implemented the innovative investigative or innovative remedial technology.

(ii) The person who developed or implemented the innovative investigative or innovative remedial technology withheld or misrepresented information that was relevant to the potential risks or harms of the technology.

(iii) The person who implemented the innovative investigative or innovative remedial technology did not follow the implementation process approved by the department.

(b) For the purposes of this chapter, the defenses available to a responsible party or liable person shall be those defenses specified in Sections 101(35) and 107(b) of the federal act (42 U.S.C. Secs. 9601(35) and 9607(b)).

(c) Any person who unknowingly transports hazardous waste to a solid waste facility pursuant to the exemption provided in subdivision (e) of Section 25163 shall not be considered a responsible party for purposes of this chapter solely because of the act of transporting the waste. Nothing in this subdivision shall affect the liability of this person for his or her negligent acts.

25323.9. "Site" has the same meaning as the term "facility" is defined by Section 101(9) of the federal act (42 U.S.C. Sec. 9601(9)).

25324. "State account" means the Toxic Substances Control Account established pursuant to Section 25173.6, except that in Section 25334 and Article 7.5 (commencing with Section 25385), "state account" means the Hazardous Substance Account established pursuant to Section 25330. Notwithstanding any other provision of this section, any costs incurred and payable from the Hazardous Substance Account, the Hazardous Waste Control Account, or the Site Remediation Account prior to July 1, 1998, to implement this chapter, as it read prior to January 1, 1999, or Chapter 6.85 (commencing with Section 25396), shall be recoverable from the liable person or persons pursuant to Section 25360 as if the costs were incurred and payable from the state account.

25325. "Federally permitted release" has the same meaning as defined in Section 101 (10) of the federal act (42 U.S.C. Sec. 9601 (10)).

25326. "A release authorized or permitted pursuant to state law" means any release into the environment which is authorized by statute, ordinance, regulation, or rule of any state, regional, or local agency or government or by any specific permit, license, or similar

authorization from such an agency, including one of the foregoing, that recognizes a standard industry practice, including variances obtained from the agency which allow operations for facilities during a period of time when releases from the facilities do not conform with relevant statutes, ordinances, regulations, or rules. The term includes a federally permitted release, as defined by Section 25325, and releases that are in accordance with any court order or consent decree.

25326.5. "Site cleanup evaluation" means an evaluation by the department of the effectiveness of a removal or remedial action conducted by a responsible party, to reduce or eliminate actual or potential public health and environmental threats posed by a hazardous substance release site if the action itself is not the subject of oversight by the department.

25327. "Tier" means a grouping of hazardous substance release sites that require removal and remedial actions, that are listed alphabetically, and that are of a roughly equivalent priority for removal and remedial action.

Article 3. Hazardous Substance Account

25330. There is in the General Fund the Hazardous Substance Account which shall be administered by the director. In addition to any other money appropriated by the Legislature to the account, the following amounts shall be deposited in the account:

(a) Any interest earned on money deposited in the account.

(b) Any money transferred from the state account pursuant to Section 25173.6 or 25336.

25330.2. Funds in the state account appropriated for removal or remedial action pursuant to this chapter are available for encumbrance for three fiscal years subsequent to the fiscal year in which the funds are appropriated and are available for disbursement in liquidation of encumbrances pursuant to Section 16304.1 of the Government Code.

25330.4. (a) Notwithstanding any other provision of law, the Controller shall establish a separate subaccount in the state account, for any funds received from a settlement agreement or the General Fund for a removal or remedial action to be performed at a specific site.

(b) Notwithstanding Section 13340 of the Government Code, funds deposited in the subaccount for those removal or remedial actions are hereby continuously appropriated to the department, without regard to fiscal years, for removal or remedial action at the specific site, and for administrative costs associated with the removal or remedial action at the specific site.

(c) Notwithstanding any other provision of law, money in the subaccount for those removal or remedial actions shall not revert to the General Fund or be transferred to any other fund or account in

the State Treasury, except for purposes of investment as provided in Article 4 (commencing with Section 16470) of Chapter 3 of Part 2 of Division 4 of Title 2 of the Government Code.

(d) Notwithstanding Section 16305.7 of the Government Code, all interest or other increment resulting from investment of the funds specified in subdivision (a) pursuant to Article 4 (commencing with Section 16470) of Chapter 3 of Part 2 of Division 4 of Title 2 of the Government Code shall be deposited in the subaccount for removal or remedial action at the specific sites.

(e) At the conclusion of all removal or remedial actions at the specific site, any unexpended funds in any subaccounts established pursuant to this section shall be transferred to the subaccount for site operation and maintenance established pursuant to Section 25330.5, if necessary, for those activities at the site, or, if not needed for site operation and maintenance at the site, to the Toxic Substances Control Account.

25330.5. (a) The Controller shall establish a separate subaccount for site operation and maintenance in the state account. All of the following amounts shall be deposited in the subaccount:

(1) Funds received from responsible parties for site operation and maintenance.

(2) Funds received from the federal government pursuant to the federal act for site operation and maintenance.

(3) Funds received from cities, counties, or any other state or local agency for site operation and maintenance.

(4) Funds appropriated from the state account by the Legislature for site operation and maintenance.

(b) Notwithstanding Section 13340 of the Government Code, funds deposited in the subaccount for site operation and maintenance are hereby continuously appropriated to the department, without regard to fiscal years, for site operation and maintenance, and for administrative costs associated with site operation and maintenance.

(c) Notwithstanding any other provision of law, money in the subaccount for site operation and maintenance shall not revert to the General Fund or be transferred to any other fund or account in the State Treasury, except for purposes of investment as provided in Article 4 (commencing with Section 16470) of Chapter 3 of Part 2 of Division 4 of Title 2 of the Government Code.

(d) Notwithstanding Section 16305.7 of the Government Code, all interest or other increment resulting from investment of the funds specified in subdivision (a) pursuant to Article 4 (commencing with Section 16470) of Chapter 3 of Part 2 of Division 4 of Title 2 of the Government Code shall be deposited in the subaccount for site operation and maintenance.

25331. The state account may sue and be sued in its own name.

25334. There is within the state account, the Hazardous Substance Clearing Account, which shall be used to pay the principal

of, and interest on, bonds sold pursuant to Article 7.5 (commencing with Section 25385). Notwithstanding Section 25351, all of the following moneys shall be deposited in the account for the payment of the principal of, and interest on, bonds:

(a) Transfers from the Superfund Bond Trust Fund made pursuant to Section 25385.8.

(b) Amounts received pursuant to Sections 25356.4 and 25360, as specified in those sections, if the expenditures for removal or remedial actions were paid from the proceeds of the bonds sold pursuant to Article 7.5 (commencing with Section 25385).

(c) Federal moneys received pursuant to the federal act which are designated to be used for removal or remedial actions paid for by proceeds from the bonds issued pursuant to Article 7.5 (commencing with Section 25385).

(d) Any moneys appropriated by the Legislature for the payment of the principal of, and interest on, these bonds.

(e) Any moneys derived from the premiums and accrued interest on these bonds.

25334.7. (a) The department shall report to the Governor and the Legislature on the progress of the cleanup of the San Gabriel Valley groundwater sites in Los Angeles County, and on the progress of enforcement actions relating to those sites, in the biennial report specified in Section 25178. The report shall include, but not be limited to, all of the following:

(1) State expenditures and planned expenditures.

(2) Actions accomplished at the sites.

(3) Actions planned, including a time schedule for the accomplishment of planned actions.

(b) The report may be prepared in cooperation with other state and federal agencies involved with the sites, and shall include a summary of the activities of those additional agencies.

25336. There shall be deposited in the Hazardous Substance Account any money transferred, upon appropriation by the Legislature, from the state account. Those moneys may be expended for repayment of principal of, and interest on, bonds sold pursuant to Article 7.5 (commencing with Section 25385), and for all other purposes for which the Hazardous Substance Account or the state account may be used pursuant to Article 7.5 (commencing with Section 25385).

25337. (a) There is in the General Fund the Site Remediation Account, which shall be administered by the director. The account shall be funded by money transferred from the state account, upon appropriation by the Legislature. Consistent with the requirements of Section 114(c) of the federal act (42 U.S.C. Sec. 9614(c)), the moneys in the account may be expended by the department, upon appropriation by the Legislature, for direct site remediation costs.

(b) (1) For purposes of this section, "direct site remediation costs" means payments to contractors for investigations,

characterizations, removal, remediation, or long-term operation and maintenance at sites contaminated or suspected of contamination by hazardous materials, where those actions are authorized pursuant to this chapter.

(2) "Direct site remediation costs" also means the state-mandated share pursuant to Section 104(c)(3) of the federal act (42 U.S.C. Sec. 9604(c)(3)).

(3) "Direct site remediation costs" does not include the department's administrative expenses or the department's expenses for staff to perform oversight of investigations, characterizations, removals, remediations, or long-term operation and maintenance.

Article 4. Fees

25342. The Director of Finance shall schedule in the annual Budget Act the projects proposed in any fiscal year, that will incur direct costs for removal and remedial actions at hazardous substance release sites.

25343. (a) Except as provided in subdivisions (b) and (c), any potentially responsible party at a site, or any person who has notified the department of that person's intent to undertake removal or remediation at a site, shall reimburse the department, pursuant to Chapter 6.66 (commencing with Section 25269), for the costs incurred by the department for its oversight of any preliminary endangerment assessment at that site.

(b) This section does not apply to any notice of intent submitted to the department prior to July 1, 1998. Any person who submitted such a notice shall pay the fee, if not already paid, as required by this section as it read on December 31, 1997, unless the department and that person mutually agree to enter into a reimbursement agreement in lieu of any unpaid portion of the required fee.

(c) The changes made in this section by Chapter 870 of the Statutes of 1997 do not require amendment of, or otherwise affect, any agreement entered into prior to July 1, 1998, pursuant to which any person has agreed to reimburse the department for the costs incurred by the department for its oversight of a preliminary endangerment assessment.

Article 5. Uses of the State Account

25350. For response actions taken pursuant to the federal act, only those costs for actions that are consistent with the priorities, guidelines, criteria, and regulations contained in the national contingency plan, as revised and republished pursuant to Section 105 of the federal act (42 U.S.C. Sec. 9605), shall qualify for appropriation by the Legislature and expenditure by the director pursuant to Sections 25351, 25352, and 25354. For response actions not taken pursuant to the federal act or for response actions taken that are not

specifically addressed by the priorities, guidelines, criteria, and regulations contained in the national contingency plan, as revised and republished, the costs thereof shall also qualify for appropriation by the Legislature and expenditure by the department pursuant to Sections 25351, 25352, and 25354 provided they are, to the maximum extent possible, consistent with the priorities, guidelines, criteria, and regulations contained in the national contingency plan for similar releases, situations, or events. No response actions taken pursuant to this chapter by the department or regional or local agencies shall duplicate federal response actions.

25351.1. Notwithstanding Section 13340 of the Government Code, there is hereby transferred annually from the Hazardous Substance Account to the Hazardous Substance Clearing Account, and appropriated therefrom, an amount of not more than five million dollars ($5,000,000) which is required to pay the principal of, and interest on, bonds sold pursuant to Article 7.5 (commencing with Section 25385) to the extent that the funds in the Hazardous Substance Clearing Account and the Superfund Bond Trust Fund are insufficient to pay the principal of, and interest on, these bonds.

25351.2. (a) A city or county may initiate a removal or remedial action for a site listed pursuant to Section 25356 in accordance with this section. Except as provided in subdivision (d), the city or county shall, before commencing the removal or remedial action, take all of the following actions:

(1) The city or county shall notify the department of the planned removal or remedial action. Upon receiving this notification, the department shall make a reasonable effort to notify any person identified by the department as a potentially responsible party for the site. If a potentially responsible party is taking the removal or remedial action properly and in a timely fashion, or if a potentially responsible party will commence such an action within 60 days of this notification, the city or county may not initiate a removal or remedial action pursuant to this section.

(2) If a potentially responsible party for the site has not taken the action specified in paragraph (1), the city or county shall submit the estimated cost of the removal or remedial action to the department, which shall, within 30 days after receiving the estimate, approve or disapprove the reasonableness of the cost estimate. If the department disagrees with the cost estimate, the city or county and the department shall, within 30 days, attempt to enter into an agreement concerning the cost estimate.

(3) The city or county shall demonstrate to the department that it has sufficient funds to carry out the approved removal or remedial action without taking into account any costs of the action that may be, or have been, paid by a potentially responsible party.

(b) If the director approves the request of the city or county to initiate a removal or remedial action and a final remedial action plan has been issued pursuant to Section 25356.1 for the hazardous

substance release site, the city or county shall be deemed to be acting in place of the department for purposes of implementing the remedial action plan pursuant to this chapter.

(c) Upon reimbursing a city or county for the costs of a removal or remedial action, the department shall recover these costs pursuant to Section 25360.

(d) In order for a city or county to be reimbursed for the costs of a removal or remedial action incurred by the city or county from the Hazardous Substance Cleanup Fund, the city or county shall obtain the approval of the director before commencing the removal or remedial action. The director shall grant an approval only when all actions required by law prior to implementation of a remedial action plan have been taken.

25351.5. The department shall adopt any regulations necessary to carry out its responsibilities pursuant to this chapter, including, but not limited to, regulations governing the expenditure of, and accounting procedures for, moneys allocated to state, regional, and local agencies pursuant to this chapter.

25351.6. Notwithstanding Section 16304 of the Government Code, the funds deposited in the Hazardous Substance Cleanup Fund are available, upon appropriation by the Legislature, for encumbrance without regard to fiscal years.

25351.7. Any treatment, storage, transfer, or disposal facility built on the Stringfellow Quarry Class I Hazardous Waste Disposal Site, that was built for the purpose of a remedial or removal action at that site, shall only be used to treat, store, transfer, or dispose of hazardous substances removed from that site.

25351.8. Notwithstanding any other provision of law, including, but not limited to, Sections 25334.5 and 25356, the department shall place the highest priority on taking removal and remedial actions at the Stringfellow Quarry Class I Hazardous Waste Disposal Site and shall devote sufficient resources to accomplish the tasks required by this section.

25352. Money deposited in the state account may also be appropriated by the Legislature to the department on a specific site basis for the following purposes:

(a) For all costs incurred in restoring, rehabilitating, replacing, or acquiring the equivalent of, any natural resource injured, degraded, destroyed, or lost as a result of any release of a hazardous substance, to the extent the costs are not reimbursed pursuant to the federal act and taking into account processes of natural rehabilitation, restoration, and replacement.

(b) For all costs incurred in assessing short-term and long-term injury to, degradation or destruction of, or any loss of any natural resource resulting from a release of a hazardous substance, to the extent that the costs are not reimbursed pursuant to the federal act. No costs may be incurred for any release of a hazardous substance from any facility or project pursuant to subdivision (a) or this

subdivision for injury, degradation, destruction, or loss of any natural resource where the injury, degradation, destruction, or loss was specifically identified as an irreversible and irretrievable commitment of natural resources in an environmental impact statement prepared under the authority of the National Environmental Policy Act (42 U.S.C. Sec. 4321 et seq.), or was identified as a significant environmental effect to the natural resources which cannot be avoided in an environmental impact report prepared pursuant to the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code), and a decision to grant a permit, license, or similar authorization for any facility or project is based upon a consideration of the significant environmental effects to the natural resources, and the facility or project was otherwise operating within the terms of its permit, license, or similar authorization at the time of release.

(c) Notwithstanding Section 25355, the Governor, or the authorized representative of the state, shall act on behalf of the public as trustee of the natural resources to recover costs expended pursuant to subdivision (a) or (b).

25353. (a) Except as provided in (b), the department may not expend funds from the state account or the Hazardous Substance Cleanup Fund for a removal or remedial action with respect to a hazardous substance release site owned or operated by the federal government or a state or local agency at the time of disposal to the extent that the federal government or the state or local agency would otherwise be liable for the costs of that action, except that the department may expend those funds, upon appropriation by the Legislature, to oversee the carrying out of a removal or remedial action at the site by another party.

(b) Except as provided in subdivision (f), the department may expend funds from the state account or the Hazardous Substance Cleanup Fund, upon appropriation by the Legislature, to take a removal or remedial action at a hazardous substance release site which was owned or operated by a local agency at the time of release, if all of the following requirements are met:

(1) The department has substantial evidence that a local agency is not the only responsible party for the site.

(2) The department has issued a cleanup order to, or entered into an enforceable agreement with, the local agency pursuant to Section 25355.5 and has made a final determination that the local agency is not in compliance with the order or enforceable agreement.

(c) The department shall recover any funds expended pursuant to subdivision (a) or (b) to the maximum possible extent pursuant to Section 25360.

(d) If a local agency is identified as a potentially responsible party in a remedial action plan prepared pursuant to Section 25356.1, and the department expends funds pursuant to this chapter to pay for the local agency's share of the removal and remedial action, the

expenditure of these funds shall be deemed to be a loan from the state to the local agency. If the department determines that the local agency is not making adequate progress toward repaying the loan made pursuant to this section, the State Board of Equalization shall, upon notice by the department, withhold the unpaid amount of the loan, in increments from the sales and use tax transmittals made pursuant to Section 7204 of the Revenue and Taxation Code, to the city or county in which the local agency is located. The State Board of Equalization shall structure the amounts to be withheld so that complete repayment of the loan, together with interest and administrative charges, occurs within five years after a local agency has been notified by the department of the amount which it owes. The State Board of Equalization shall deposit any funds withheld pursuant to this section in the Hazardous Substance Clearing Account for the purposes specified in Section 25334, if the department expended the funds from the Hazardous Substance Cleanup Fund, or into the state account, if the department expended the funds from the state account.

(e) The department may not expend funds from the state account or the Hazardous Substance Cleanup Fund for the purposes specified in Section 25352 where the injury, degradation, destruction, or loss to natural resources, or the release of a hazardous substance from which the damages to natural resources resulted, has occurred prior to September 25, 1981.

(f) The department may not expend funds from the state account or the Hazardous Substance Cleanup Fund for a removal or remedial action at any waste management unit owned or operated by a local agency if it meets both of the following conditions:

(1) It is classified as a class III waste management unit pursuant to Subchapter 15 (commencing with Section 2510) of Chapter 3 of Title 23 of the California Administrative Code.

(2) It was in operation on or after January 1, 1988.

25354. (a) There is hereby continuously appropriated from the state account to the department the sum of one million dollars ($1,000,000) for each fiscal year as a reserve account for emergencies, notwithstanding Section 13340 of the Government Code. The department shall expend moneys available in the reserve account only for the purpose of taking immediate corrective action necessary to remedy or prevent an emergency resulting from a fire or an explosion of, or human exposure to, hazardous substances caused by the release or threatened release of a hazardous substance.

(b) (1) Notwithstanding any other provision of law, the department may enter into written contracts for corrective action taken or to be taken pursuant to subdivision (a).

(2) Notwithstanding any other provision of law, the department may enter into oral contracts, not to exceed ten thousand dollars ($10,000) in obligation, when, in the judgment of the department,

immediate corrective action is necessary to remedy or prevent an emergency specified in subdivision (a).

(3) The contracts made pursuant to this subdivision, whether written or oral, may include provisions for the rental of tools or equipment, either with or without operators furnished, and for the furnishing of labor and materials necessary to accomplish the work.

(4) If the department finds that the corrective action includes the relocation of individuals, the department may contract with those individuals for out-of-pocket expenses incurred in moving for an amount of not more than one thousand dollars ($1,000).

(c) The department shall include in the biennial report specified in Section 25178 an accounting of the moneys expended pursuant to this section. Once the appropriation made pursuant to subdivision (a) is fully expended, the director may file a report with the Legislature if it is in session or, if it is not in session, with the Committee on Rules of the Assembly and the Senate as to the moneys expended pursuant to this section. The Legislature may appropriate moneys from the state account, in addition to those moneys appropriated pursuant to subdivision (a), to the department for the purpose of taking corrective action pursuant to subdivision (a).

(d) Except as provided in subdivision (c), the amount deposited in the reserve account and appropriated pursuant to this section shall not exceed one million dollars ($1,000,000) in any fiscal year. On June 30 of each year, the unencumbered balance of the reserve account shall revert to and be deposited in the state account.

25354.5. (a) Any state or local law enforcement officer or investigator or other law enforcement agency employee who, in the course of an official investigation or enforcement action regarding the manufacture of any illegal controlled substance, comes in contact with, or is aware of, the presence of a substance that the person suspects is a hazardous substance at a site where an illegal controlled substance is or was manufactured, shall notify the department for the purpose of taking removal action, as necessary, to prevent, minimize, or mitigate damage that might otherwise result from the release or threatened release of the hazardous substance, except for samples required to be kept for evidentiary purposes.

(b) (1) Notwithstanding any other provision of law, upon receipt of a notification pursuant to subdivision (a), the department shall take removal action, as necessary, with respect to any hazardous substance that is an illegal controlled substance, a precursor of a controlled substance, a material intended to be used in the unlawful manufacture of a controlled substance, or a waste material from the unlawful manufacture of a controlled substance. The department may expend funds appropriated from the Illegal Drug Lab Cleanup Account created pursuant to subdivision (e) to pay the costs of removal actions required by this section. The department may enter into oral contracts, not to exceed ten thousand dollars ($10,000) in obligation, when, in the judgment of the department, immediate

corrective action to a hazardous substance subject to this section is necessary to remedy or prevent an emergency.

(2) The department shall, as soon as the information is available, report the location of any removal action that will be carried out pursuant to paragraph (1), and the time that the removal action will be carried out, to the local environmental health officer within whose jurisdiction the removal action will take place, if the local environmental officer does both of the following:

(A) Requests, in writing, that the department report this information to the local environmental health officer.

(B) Provides the department with a single 24-hour telephone number to which the information can be reported.

(c) (1) For purposes of Chapter 6.5 (commencing with Section 25100) or this chapter, any person who is found to have operated a site for the purpose of manufacturing an illegal controlled substance or a precursor of an illegal controlled substance is the generator of any hazardous substance at, or released from, the site that is subject to removal action pursuant to this section.

(2) During the removal action, for purposes of complying with the manifest requirements in Section 25160, the department, the county health department, the local environmental health officer, or their designee may sign the hazardous waste manifest as the generator of the hazardous waste. In carrying out that action, the department, the county health department, the local environmental health officer, or their designee shall be considered to have acted in furtherance of their statutory responsibilities to protect the public health and safety and the environment from the release, or threatened release, of hazardous substances, and the department, the county health department, the local environmental health officer, or their designee are not responsible parties for the release or threatened release of the hazardous substances.

(3) The officer, investigator, or agency employee specified in subdivision (a) is not a responsible party for the release or threatened release of any hazardous substances at, or released from, the site.

(d) The department may adopt regulations to implement this section in consultation with appropriate law enforcement and local environmental agencies.

(e) The Illegal Drug Lab Cleanup Account is hereby created in the General Fund and the department may expend any money in the account, upon appropriation by the Legislature, to carry out the removal actions required by this section. The account shall be funded by moneys appropriated directly from the General Fund.

(f) The responsibilities assigned to the department by this section apply only to the extent that sufficient funding is made available for that purpose.

25355. (a) The Governor is responsible for the coordination of all state response actions for sites identified in Section 25356 in order to assure the maximum use of available federal funds.

(b) The director may initiate removal or remedial action pursuant to this chapter unless these actions have been taken, or are being taken properly and in a timely fashion, by any responsible party.

(c) (1) At least 30 days before initiating removal or remedial actions, the department shall make a reasonable effort to notify the persons identified by the department as potentially responsible parties and shall also publish a notification of this action in a newspaper of general circulation pursuant to the method specified in Section 6061 of the Government Code. This subdivision does not apply to actions taken pursuant to subdivision (b) of Section 25358.3 or immediate corrective actions taken pursuant to Section 25354. A responsible party may be held liable pursuant to this chapter whether or not the person was given the notice specified in this subdivision.

(2) (A) Notwithstanding subdivision (a) of Section 25317, any person may voluntarily enter into an enforceable agreement with the department pursuant to this subdivision that allows removal or remedial actions to be conducted under the oversight of the department at sites with petroleum releases from sources other than underground storage tanks, as defined in Section 25299.24.

(B) If the department determines that there may be an adverse impact to water quality as a result of a petroleum release, the department shall notify the appropriate regional board prior to entering into the enforceable agreement pursuant to subparagraph (A). The department may enter into an enforceable agreement pursuant to subparagraph (A) unless, within 60 days of the notification provided by the department, the regional board provides the department with a written notice that the regional board will assume oversight responsibility for the removal or remedial action.

(C) Agreements entered into pursuant to this paragraph shall provide that the party will reimburse the department for all costs incurred including, but not limited to, oversight costs pursuant to the enforceable agreement associated with the performance of the removal or remedial actions and Chapter 6.66 (commencing with Section 25269).

(d) The department shall notify the owner of the real property of the site of a hazardous substance release within 30 days after listing a site pursuant to Section 25356, and at least 30 days before initiating a removal or remedial action pursuant to this chapter, by sending the notification by certified mail to the person to whom the real property is assessed, as shown upon the last equalized assessment roll of the county, at the address shown on the assessment roll. The requirements of this subdivision do not apply to actions taken pursuant to subdivision (b) of Section 25358.3 or to immediate corrective actions taken pursuant to Section 25354.

25355.2. (a) Except as provided in subdivision (c), the department or the regional board shall require any responsible party who is required to comply with operation and maintenance requirements as part of a response action, to demonstrate and to

maintain financial assurance in accordance with this section. The responsible party shall demonstrate financial assurance prior to the time that operation and maintenance activities are initiated and shall maintain it throughout the period of time necessary to complete all required operation and maintenance activities.

(b) (1) For purposes of subdivision (a), the responsible party shall demonstrate and maintain one or more of the financial assurance mechanisms set forth in subdivisions (a) to (e), inclusive, of Section 66265.143 of Title 22 of the California Code of Regulations.

(2) As an alternative to the requirement of paragraph (1), a responsible party may demonstrate and maintain financial assurance by means of a financial assurance mechanism other than those listed in paragraph (1), if the alternative financial assurance mechanism has been submitted to, and approved by, the department or the regional board as being at least equivalent to the financial assurance mechanisms specified in paragraph (1). The department or the regional board shall evaluate the equivalency of the proposed alternative financial assurance mechanism principally in terms of the certainty of the availability of funds for required operation and maintenance activities and the amount of funds that will be made available. The department or the regional board shall require the responsible party to submit any information necessary to make a determination as to the equivalency of the proposed alternative financial assurance mechanism.

(c) The department or the regional board shall waive the financial assurance required by subdivision (a) if the department or the regional board makes one of the following determinations:

(1) The responsible party is a small business and has demonstrated all of the following:

(A) The responsible party cannot qualify for any of the financial assurance mechanisms set forth in subdivisions (b), (c), and (d) of Section 66265.143 of Title 22 of the California Code of Regulations.

(B) The responsible party financially cannot meet the requirements of subdivision (a) of Section 66265.143 of Title 22 of the California Code of Regulations.

(C) The responsible party is not capable of meeting the eligibility requirements set forth in subdivision (e) of Section 66265.143 of Title 22 of the California Code of Regulations.

(2) The responsible party is a small business and has demonstrated that the responsible party financially is not capable of establishing one of the financial assurance mechanisms set forth in subdivisions (a) to (e), inclusive, of Section 66265.143 of Title 22 of the California Code of Regulations while at the same time financing the operation and maintenance requirements applicable to the site.

(3) The responsible party is not separately required to demonstrate and maintain a financial assurance mechanism for operation and maintenance activities at a site because of all of the following conditions:

(A) The site is a multiple responsible party site.

(B) Financial assurance that operation and maintenance activities at the site will be carried out is demonstrated and maintained by a financial assurance mechanism established jointly by all, or some, of the responsible parties.

(C) The financial assurance mechanism specified in subparagraph (B) meets the requirements of subdivisions (a) and (b).

(d) The department or the regional board shall withdraw a waiver granted pursuant to paragraph (1) or (2) of subdivision (c) if the department or the regional board determines that the responsible party that obtained the waiver no longer meets the eligibility requirements for the waiver.

(e) Notwithstanding Section 7550.5 of the Government Code, on or before January 15, 2001, the department shall report to the Legislature all of the following:

(1) The number of requests the department and the regional boards have received for waivers from the financial assurance requirements of this section during the period between the effective date of the act that enacts this section and January 1, 2001.

(2) The disposition of the requests that were received and the reasons for granting the waivers that were allowed and rejecting the waivers that were disallowed.

(3) The total number of businesses or other entities that were required by this section to demonstrate and maintain financial assurance, the number of businesses or other entities that were able to comply with the requirement, the number that were unable to comply and the reasons why they could not or did not comply, and the history of compliance with this chapter and Chapter 6.5 (commencing with Section 25100) by responsible parties that requested waivers.

(4) Financial assurance mechanisms other than the financial assurance mechanisms referenced in paragraph (1) of subdivision (b) that may be available to responsible parties.

(f) For purposes of this section, "small business" is a business that meets the requirements set forth in subdivision (d) of Section 14837 of the Government Code.

25355.5. (a) Except as provided in subdivisions (b), (c), and (d), no money shall be expended from the Hazardous Substance Account or the Hazardous Substance Cleanup Fund for removal or remedial actions on any site selected for inclusion on the list established pursuant to Section 25356, unless the department first takes both of the following actions:

(1) The department issues one of the following orders or enters into the following agreement:

(A) The department issues an order specifying a schedule for compliance or correction pursuant to Section 25187.

(B) The department issues an order establishing a schedule for removing or remedying the release of a hazardous substance at the site, or for correcting the conditions that threaten the release of a hazardous substance. The order shall include, but is not limited to, requiring specific dates by which necessary corrective actions shall be taken to remove the threat of a release, or dates by which the nature and extent of a release shall be determined and the site adequately characterized, a remedial action plan shall be prepared, the remedial action plan shall be submitted to the department for approval, and a removal or remedial action shall be completed.

(C) The department enters into an enforceable agreement with a potentially responsible party for the site that requires the party to take necessary corrective action to remove the threat of the release, or to determine the nature and extent of the release and adequately characterize the site, prepare a remedial action plan, and complete the necessary removal or remedial actions, as required in the approved remedial action plan.

Any enforceable agreement entered into pursuant to this section may provide for the execution and recording of a written instrument that imposes an easement, covenant, restriction, or servitude, or combination thereof, as appropriate, upon the present and future uses of the site. The instrument shall provide that the easement, covenant, restriction, or servitude, or combination thereof, as appropriate, is subject to the variance or removal procedures specified in Sections 25233 and 25234. Notwithstanding any other provision of law, an easement, covenant, restriction, or servitude, or any combination thereof, as appropriate, executed pursuant to this section and recorded so as to provide constructive notice runs with the land from the date of recordation, is binding upon all of the owners of the land, their heirs, successors, and assignees, and the agents, employees, or lessees of the owners, heirs, successors, and assignees, and is enforceable by the department pursuant to Article 8 (commencing with Section 25180) of Chapter 6.5.

(2) The department determines, in writing, that the potentially responsible party or parties for the hazardous substance release site have not complied with all of the terms of an order issued pursuant to subparagraph (A) or (B) of paragraph (1) or an agreement entered into pursuant to subparagraph (C) of paragraph (1). Before the department determines that a potentially responsible party is not in compliance with the order or agreement, the department shall give the potentially responsible party written notice of the proposed determination and an opportunity to correct the noncompliance or show why the order should be modified. After the department has made the final determination that a potentially responsible party is not in compliance with the order or agreement, the department may expend money from the Hazardous Substance Account or the Hazardous Substance Cleanup Fund for a removal or remedial action.

(b) Subdivision (a) does not apply, and money from the Hazardous Substance Account or the Hazardous Substance Cleanup Fund shall be available, upon appropriation by the Legislature, for removal or remedial actions, if any of the following conditions apply:

(1) The department, after a reasonable effort, is unable to identify a potential responsible party for the hazardous substance release site.

(2) The department determines that immediate corrective action is necessary, as provided in Section 25354.

(3) The director determines that removal or remedial action at a site is necessary because there may be an imminent and substantial endangerment to the public health or welfare or to the environment.

(c) Notwithstanding subdivision (a), the department may expend funds, upon appropriation by the Legislature, from the Hazardous Substance Cleanup Fund or the Hazardous Substance Account to conduct activities necessary to verify that an uncontrolled release of hazardous substances has occurred at a suspected hazardous substance release site, to issue an order or enter into an enforceable agreement pursuant to paragraph (1) of subdivision (a), and to review, comment upon, and approve or disapprove remedial action plans submitted by potentially responsible parties subject to the orders or the enforceable agreement.

(d) Notwithstanding subdivision (a), the department may expend funds, upon appropriation by the Legislature, from the Hazardous Substance Cleanup Fund or the Hazardous Substance Account, to provide for oversight of removal and remedial actions, or, if the site is also listed on the federal act (42 U.S.C. Sec. 9604(c)(3)), to provide the state's share of a removal or remedial action.

(e) A responsible party who fails, as determined by the department in writing, to comply with an order issued pursuant to subparagraph (A) or (B) of paragraph (1) of subdivision (a), or to comply with all of the terms of an enforceable agreement entered into pursuant to subparagraph (C) of paragraph (1) of subdivision (a), shall be deemed, for purposes of subdivision (b) of Section 25355, to have failed to take action properly and in a timely fashion with respect to a hazardous substance release or a threatened release.

25355.6. (a) The State Water Resources Control Board or a California regional water quality control board that has jurisdiction over a hazardous substance release site pursuant to Division 7 (commencing with Section 13000) of the Water Code may refer the site to the department as a candidate for listing pursuant to Section 25356. After determining that the site meets the criteria adopted pursuant to subdivision (a) of Section 25356, the department may place the site on the list of sites subject to this chapter and establish its priority ranking pursuant to Section 25356.

(b) If a hazardous substance release site is referred to the department and is listed pursuant to subdivision (a), the department may expend money from the state account or the Hazardous Substance Cleanup Fund for removal or remedial action at the site,

upon appropriation by the Legislature, without first issuing an order or entering into an agreement pursuant to paragraph (1) of subdivision (a) of Section 25355.5, if all of the following apply:

(1) The State Water Resources Control Board or a California regional water quality control board has issued either a cease and desist order pursuant to Section 13301 of the Water Code or a cleanup and abatement order pursuant to Section 13304 of the Water Code to the potentially responsible party for the site.

(2) The State Water Resources Control Board or the California regional water quality control board has made a final finding that the potentially responsible party has not complied with the order issued pursuant to paragraph (1).

(3) The State Water Resources Control Board or the California regional water quality control board has notified the potentially responsible party of the determination made pursuant to paragraph (2) and that the hazardous substance release site has been referred to the department pursuant to subdivision (a).

(c) If a hazardous substance release site is referred to the department pursuant to subdivision (a), and the department makes either of the following determinations, the department shall notify the appropriate California regional water quality control board and the State Water Resources Control Board:

(1) The department determines that the site does not meet the criteria established pursuant to subdivision (a) and the site cannot be placed, pursuant to Section 25356, on the list of sites subject to this chapter.

(2) The department determines that a removal or remedial action at the site will not commence for a period of one year from the date of listing due to a lack of funds or the low priority of the site.

(d) If a California regional water resources control board or the State Water Resources Control Board receives a notice pursuant to subdivision (c), the regional board or state board may take any further action concerning the hazardous substance release site which the regional board or state board determines to be necessary or feasible, and which is authorized by this chapter or Division 7 (commencing with Section 13000) of the Water Code.

25355.7. The department and the State Water Resources Control Board concurrently shall establish policies and procedures consistent with this chapter that the department's representatives shall follow in overseeing and supervising the activities of responsible parties who are carrying out the investigation of, and taking removal or remedial actions at, hazardous substance release sites. The policies and procedures shall be consistent with the policies and procedures established pursuant to Section 13307 of the Water Code, and shall include, but are not limited to, all of the following:

(a) The procedures the department will follow in making decisions as to when a potentially responsible party may be required

to undertake an investigation to determine if a hazardous substance release has occurred.

(b) Policies for carrying out a phased, step-by-step investigation to determine the nature and extent of possible soil and groundwater contamination at a site.

(c) Procedures for identifying and utilizing the most cost-effective methods for detecting contamination and carrying out removal or remedial actions.

(d) Policies for determining reasonable schedules for investigation and removal or remedial action at a site. The policies shall recognize the dangers to public health and the environment posed by a release and the need to mitigate those dangers, while taking into account, to the extent possible, the financial and technical resources available to a responsible party.

25355.8. (a) The department shall not agree to oversee the preparation of, or to review, a preliminary endangerment assessment for property if action is, or may be, necessary to address a release or threatened release of a hazardous substance, and the department shall not issue a letter stating that no further action is necessary with regard to property, unless the person requesting the department action does either of the following:

(1) Provides the department with all of the following:

(A) Proof of the identity of all current record owners of fee title to the property and their mailing addresses.

(B) Written evidence that the owners of record have been sent a notice that describes the actions completed or proposed by the requesting person.

(C) An acknowledgment of the receipt of the notice required in subparagraph (B), from the property owners or proof that the requesting person has made reasonable efforts to deliver the notice to the property owner and was unable to do so.

(2) Proof of the identity of all current record owners of fee title to the property and proof that the requesting person has made reasonable efforts to locate the property owners and was unable to do so.

(b) The department shall take all reasonable steps necessary to accommodate property owner participation in the site remediation process and shall consider all input and recommendations received from the owner of property which is the subject of the proposed action.

(c) This section only applies to instances where a person requests the department to oversee the preparation of, or to review, a preliminary endangerment assessment, or requests the department to issue a letter stating that no further action is necessary with regard to property. Nothing in this section imposes a condition upon, limits, or impacts in any way, the department's authority to compel any potentially responsible party to take any action in response to a

release or threatened release of a hazardous substance or to recover costs incurred from any potentially responsible party.

25356. (a) The department shall adopt, by regulation, the criteria for the selection and for the priority ranking of sites pursuant to subdivision (b), for response action under this chapter, and shall adopt criteria for the assignment of sites to one of the three tiers pursuant to subdivision (b). The criteria shall take into account the pertinent factors relating to the public health and the environment, which shall include, but are not limited to, potential hazards to public health and environment, the risk of fire or explosion, toxic hazards, the extent to which the deferral of a response action will result, or is likely to result, in a rapid increase in cost, or in hazard to human health and the environment, and the criteria established pursuant to Section 105(8) of the federal act (42 U.S.C. Sec. 9605(8)). The criteria may include a minimum hazard threshold, below which sites shall not be listed pursuant to this section, if the sites are subject to the authority of the department to order response action, or similar action, pursuant to Chapter 6.5 (commencing with Section 25100).

(b) (1) The department shall publish and revise, at least annually, a listing of the sites subject to this chapter. The sites shall be categorized and placed on one of the following lists:

(A) A list of the hazardous substance release sites for which the department has identified a responsible party, and the responsible party is in compliance, as determined by the department, with an order issued, or an enforceable agreement entered into, pursuant to subdivision (a) of Section 25355.5. The department shall publish the list of sites under this subparagraph in an appendix to the site-specific plan of expenditures prepared pursuant to Section 25334.5.

(B) A list of the hazardous substance release sites for which all of the following apply:

(i) The department has not been able to identify a responsible party or the responsible party is not in compliance, as determined by the department, with an order issued, or an enforceable agreement entered into, pursuant to subdivision (a) of Section 25355.5.

(ii) The nature and extent of the hazardous substance release at the site has not been adequately characterized by the responsible party or the department.

The department shall characterize a site on the list before ranking the site on the list described in subparagraph (C).

(C) A list of the hazardous substance release sites that were previously listed pursuant to subparagraph (A), if the sites have been adequately characterized but the responsible parties are not in compliance with an order or enforceable agreement issued or entered into pursuant to subdivision (a) of Section 25355.5, or sites that were previously listed pursuant to subparagraph (B) but which have since been adequately characterized by the department. Sites on the list specified in this subparagraph shall be ranked numerically

in accordance with the criteria adopted for the priority ranking of sites.

(2) The department shall assign each site listed pursuant to subparagraphs (B) and (C) of paragraph (1), sites listed on the National Priorities List pursuant to the federal act, and sites that are federal military facilities to one of three tiers for the purpose of informing the public of the relative hazard of the sites. The listing of sites by tiers shall be widely disseminated to the public. The "priority one" tier shall include any site that poses a known or probable immediate threat to public health through direct human contact, explosions, fires, or acutely serious air emissions, has a high potential to contaminate or to continue to contaminate groundwater resources that are present or possible future sources of drinking water, or any site for which the costs for response action pose the risk of increasing rapidly if response action is deferred. The "priority two" tier shall include any site that poses a substantial but less immediate threat to public health and safety or the environment. The "priority three" tier shall include any site that will require response action, but presents only a limited and defined threat to human health or the environment. Priority two and three tiers may contain sites formerly listed in tiers one or two for which direct human health threats have been removed and at which physical deterioration in environmental quality has been stabilized. For the purpose of this paragraph, in informing the public of the relative environmental and public health threats posed by a site, the department shall list sites alphabetically within each of the three tiers. The department shall periodically update the list of sites by tiers to reflect new information regarding existing sites or the addition of new sites requiring response action. No site listed pursuant to subparagraph (A) of paragraph (1) shall be listed pursuant to this subdivision.

(c) Hazardous substance release sites listed by the department pursuant to subdivision (b) are subject to this chapter and all actions carried out in response to hazardous substance releases or threatened releases at listed sites shall comply with the procedures, standards, and other requirements set forth in this chapter or established pursuant to the requirements of this chapter.

(d) The department's development and publication of the listings of sites, pursuant to subdivision (b) and the adoption of a minimum hazard threshold and the classification of a site as within that threshold pursuant to subdivision (a), are not subject to Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

(e) Funds appropriated to the department for remedial action shall be expended in conformance with the priority ranking of sites, as established on the list of sites specified in subparagraph (C) of paragraph (1) of subdivision (b), except that funds appropriated for remedial action may be expended without conforming to the priority ranking if either of the following apply:

(1) The funds are necessary to monitor removal or remedial actions conducted by private parties listed pursuant to subparagraph (A) of paragraph (1) of subdivision (b) or the state funds are necessary for the state share of a removal or remedial action pursuant to Section 104(c)(3) of the federal act (42 U.S.C. Sec. 9604(c)(3)).

(2) The funds are used for either of the following purposes:

(A) To assess, evaluate, and characterize the nature and extent of a hazardous substance release on sites listed pursuant to subparagraph (B) of paragraph (1) of subdivision (b).

(B) To carry out activities pursuant to subparagraph (B) or (C) of paragraph (1) of subdivision (b), or subdivision (c) or (d) of, Section 25355.5.

(f) Funds may be expended on more than one site on the list specified in subparagraphs (B) and (C) of paragraph (1) of subdivision (b) at any one time. In addition, funds may be expended for oversight of any activities conducted by a responsible party on more than one site on the list specified in subparagraph (A) of paragraph (1) of subdivision (b) at any one time.

(g) This section does not require the department to characterize every site listed pursuant to subparagraph (C) of paragraph (1) of subdivision (b) before the department may begin removal or remedial actions at sites listed pursuant to subparagraph (C) of paragraph (1) of subdivision (b).

(h) The department, or, if appropriate, the California regional water quality control board, is the state agency with sole responsibility for ensuring that required action in response to a hazardous substance release or threatened release at a listed site is carried out in compliance with the procedures, standards, and other requirements set forth in this chapter, and shall, as appropriate, coordinate the involvement of interested or affected agencies in the response action.

25356.1. (a) For purposes of this section, "regional board" means a California regional water quality control board and "state board" means the State Water Resources Control Board.

(b) Except as provided in subdivision (h), the department, or, if appropriate, the regional board shall prepare or approve remedial action plans for all sites listed pursuant to Section 25356.

(c) A potentially responsible party may request the department or the regional board, when appropriate, to prepare or approve a remedial action plan for any site not listed pursuant to Section 25356, if the department or the regional board determines that a removal or remedial action is required to respond to a release of a hazardous substance. The department or the regional board shall respond to a request to prepare or approve a remedial action plan within 90 days of receipt. This subdivision does not affect the authority of any regional board to issue and enforce a cleanup and abatement order pursuant to Section 13304 of the Water Code or a cease and desist order pursuant to Section 13301 of the Water Code.

(d) All remedial action plans prepared or approved pursuant to this section shall be based upon Section 25350, Subpart E of the National Oil and Hazardous Substances Pollution Contingency Plan (40 C.F.R. 300.400 et seq.), and any amendments thereto, and upon all of the following factors, to the extent that these factors are consistent with these federal regulations and do not require a less stringent level of cleanup than these federal regulations:

(1) Health and safety risks posed by the conditions at the site. When considering these risks, the department or the regional board shall consider scientific data and reports which may have a relationship to the site.

(2) The effect of contamination or pollution levels upon present, future, and probable beneficial uses of contaminated, polluted, or threatened resources.

(3) The effect of alternative remedial action measures on the reasonable availability of groundwater resources for present, future, and probable beneficial uses. The department or the regional board shall consider the extent to which remedial action measures are available that use, as a principal element, treatment that significantly reduces the volume, toxicity, or mobility of the hazardous substances, as opposed to remedial actions that do not use this treatment. The department or the regional board shall not select remedial action measures which use offsite transport and disposal of untreated hazardous substances or contaminated materials if practical and cost-effective treatment technologies are available.

(4) Site-specific characteristics, including the potential for offsite migration of hazardous substances, the surface or subsurface soil, and the hydrogeologic conditions, as well as preexisting background contamination levels.

(5) Cost-effectiveness of alternative remedial action measures. In evaluating the cost-effectiveness of proposed alternative remedial action measures, the department or the regional board shall consider, to the extent possible, the total short-term and long-term costs of these actions and shall use, as a major factor, whether the deferral of a remedial action will result, or is likely to result, in a rapid increase in cost or in the hazard to public health or the environment posed by the site. Land disposal shall not be deemed the most cost-effective measure merely on the basis of lower short-term cost.

(6) The potential environmental impacts of alternative remedial action measures, including, but not limited to, land disposal of the untreated hazardous substances as opposed to treatment of the hazardous substances to remove or reduce its volume, toxicity, or mobility prior to disposal.

(e) A remedial action plan prepared pursuant to this section shall include the basis for the remedial action selected and shall include an evaluation of each alternative considered and rejected by the department or the regional board for a particular site. The plan shall include an explanation for rejection of alternative remedial actions

considered but rejected. The plan shall also include an evaluation of the consistency of the selected remedial action with the requirements of the federal regulations and the factors specified in subdivision (d), if those factors are not otherwise adequately addressed through compliance with the federal regulations. The remedial action plan shall also include a nonbinding preliminary allocation of responsibility among all identifiable potentially responsible parties at a particular site, including those parties which may have been released, or may otherwise be immune, from liability pursuant to this chapter or any other provision of law. Before adopting a final remedial action plan, the department or the regional board shall prepare or approve a draft remedial action plan and shall do all of the following:

(1) Circulate the draft plan for at least 30 days for public comment.

(2) Notify affected local and state agencies of the removal and remedial actions proposed in the remedial action plan and publish a notice in a newspaper of general circulation in the area affected by the draft remedial action plan. The department or the regional board shall also post notices in the location where the proposed removal or remedial action would be located and shall notify, by direct mailing, the owners of property contiguous to the site addressed by the plan, as shown in the latest equalized assessment roll.

(3) Hold one or more meetings with the lead and responsible agencies for the removal and remedial actions, the potentially responsible parties for the removal and remedial actions, and the interested public, to provide the public with the information which is necessary to address the issues which concern the public. The information to be provided shall include an assessment of the degree of contamination, the characteristics of the hazardous substances, an estimate of the time required to carry out the removal and remedial actions, and a description of the proposed removal and remedial actions.

(4) Comply with Section 25358.7.

(f) After complying with subdivision (e), the department or the regional board shall review and consider any public comments, and shall revise the draft plan, if appropriate. The department or the regional board shall then issue the final remedial action plan.

(g) (1) A potentially responsible party named in the final remedial action plan issued by the department or the regional board may seek judicial review of the final remedial action plan by filing a petition for writ of mandate pursuant to Section 1085 of the Code of Civil Procedure within 30 days after the final remedial action plan is issued by the department or the regional board. Any other person who has the right to seek judicial review of the final remedial action plan by filing a petition for writ of mandate pursuant to Section 1085 of the Code of Civil Procedure shall do so within one year after the final remedial action plan is issued. No action may be brought by a potentially responsible party to review the final remedial action plan

if the petition for writ of mandate is not filed within 30 days of the date that the final remedial action plan was issued. No action may be brought by any other person to review the final remedial action plan if the petition for writ of mandate is not filed within one year of the date that the final remedial action plan was issued. The filing of a petition for writ of mandate to review the final remedial action plan shall not stay any removal or remedial action specified in the final plan.

(2) For purposes of judicial review, the court shall uphold the final remedial action plan if the plan is based upon substantial evidence available to the department or the regional board, as the case may be.

(3) This subdivision does not prohibit the court from granting any appropriate relief within its jurisdiction, including, but not limited to, enjoining the expenditure of funds pursuant to paragraph (2) of subdivision (b) of Section 25385.6.

(h) (1) This section does not require the department or a regional board to prepare a remedial action plan if conditions present at a site present an imminent or substantial endangerment to the public health and safety or to the environment or, if the department, a regional board, or a responsible party takes a removal action at a site and the estimated cost of the removal action is less than one million dollars ($1,000,000). The department or a regional board shall prepare or approve a removal action workplan for all sites where a nonemergency removal action is proposed and where a remedial action plan is not required. For sites where removal actions are planned and are projected to cost less than one million dollars ($1,000,000), the department or a regional board shall make the local community aware of the hazardous substance release site and shall prepare, or direct the parties responsible for the removal action to prepare, a community profile report to determine the level of public interest in the removal action. Based on the level of expressed interest, the department or regional board shall take appropriate action to keep the community informed of project activity and to provide opportunities for public comment which may include conducting a public meeting on proposed removal actions.

(2) A remedial action plan is not required pursuant to subdivision (b) if the site is listed on the National Priority List by the Environmental Protection Agency pursuant to the federal act, if the department or the regional board concurs with the remedy selected by the Environmental Protection Agency's record of decision. The department or the regional board may sign the record of decision issued by the Environmental Protection Agency if the department or the regional board concurs with the remedy selected.

(3) The department may waive the requirement that a remedial action plan meet the requirements specified in subdivision (d) if all of the following apply:

(A) The responsible party adequately characterizes the hazardous substance conditions at a site listed pursuant to Section 25356.

(B) The responsible party submits to the department, in a form acceptable to the department, all of the following:

(i) A description of the techniques and methods to be employed in excavating, storing, handling, transporting, treating, and disposing of materials from the site.

(ii) A listing of the alternative remedial measures which were considered by the responsible party in selecting the proposed removal action.

(iii) A description of methods that will be employed during the removal action to ensure the health and safety of workers and the public during the removal action.

(iv) A description of prior removal actions with similar hazardous substances and with similar public safety and environmental considerations.

(C) The department determines that the remedial action plan provides protection of human health and safety and for the environment at least equivalent to that which would be provided by a remedial action plan prepared in accordance with subdivision (c).

(D) The total cost of the removal action is less than two million dollars ($2,000,000).

(4) For purposes of this section, the cost of a removal action includes the cleanup of removal of released hazardous substances from the environment or the taking of other actions which are necessary to prevent, minimize, or mitigate damage which may otherwise result from a release or threatened release, as further defined by Section 9601 (23) of Title 42 of the United States Code.

(5) Paragraph (2) of this subdivision does not apply to a removal action paid from the Hazardous Substance Cleanup Fund.

(i) Article 2 (commencing with Section 13320), Article 3 (commencing with Section 13330), Article 5 (commencing with Section 13350), and Article 6 (commencing with Section 13360) of Chapter 5 of Division 7 of the Water Code apply to any action or failure to act by a regional board pursuant to this section.

25356.1.3. (a) In exercising its authority at a hazardous substance release site pursuant to subdivision (a) of Section 25355.5 or 25358.3, the department shall issue orders to the largest manageable number of potentially responsible parties after considering all of the following:

(1) The adequacy of the evidence of each potentially responsible party's liability.

(2) The financial viability of each potentially responsible party.

(3) The relationship or contribution of each potentially responsible party to the release, or threat of release, of hazardous substances at the site.

(4) The resources available to the department.

(b) The department shall schedule a meeting pursuant to Section 25269.5 and notify all identified potentially responsible parties of the date, time, and location of the meeting.

(c) A person issued an order pursuant to Section 25355.5 or 25358.3 may identify additional potentially responsible parties for the site to which the order is applicable and may request the department to issue an order to those parties. The request shall include, with appropriate documentation, the factual and legal basis for identifying those parties as potentially responsible parties for the site. The department shall review the request and accompanying information and, within a reasonable period of time, determine if there is a factual and legal basis for identifying other persons as potentially responsible parties, and notify the person that made the request of the action the department will take in response to the request.

(d) Any determination made by the department regarding the largest manageable number of potentially responsible parties or the identification of other persons as potentially responsible parties pursuant to this section is not subject to judicial review. This subdivision does not affect the rights of any potentially responsible party or the department under any other provision of this chapter.

25356.1.5. (a) Any response action taken or approved pursuant to this chapter shall be based upon, and be no less stringent than, all of the following requirements:

(1) The requirements established under federal regulation pursuant to Subpart E of the National Oil and Hazardous Substances Pollution Contingency Plan (40 C.F.R. 300.400 et seq.), as amended.

(2) The regulations established pursuant to Division 7 (commencing with Section 13000) of the Water Code, all applicable water quality control plans adopted pursuant to Section 13170 of the Water Code and Article 3 (commencing with Section 13240) of Chapter 4 of Division 7 of the Water Code, and all applicable state policies for water quality control adopted pursuant to Article 3 (commencing with Section 13140) of Chapter 3 of Division 7 of the Water Code, to the extent that the department or the regional board determines that those regulations, plans, and policies do not require a less stringent level of remediation than the federal regulations specified in paragraph (1) and to the degree that those regulations, plans, and policies do not authorize decisionmaking procedures that may result in less stringent response action requirements than those required by the federal regulations specified in paragraph (1).

(3) Any applicable provisions of this chapter, to the extent those provisions are consistent with the federal regulations specified in paragraph (1) and do not require a less stringent level of remediation than, or decisionmaking procedures that are at variance with, the federal regulations set forth in paragraph (1).

(b) Any health or ecological risk assessment prepared in conjunction with a response action taken or approved pursuant to this chapter shall be based upon Subpart E of the National Oil and

Hazardous Substances Pollution Contingency Plan (40 C.F.R. 300.400 et seq.), the policies, guidelines, and practices of the United States Environmental Protection Agency developed pursuant to the federal act, and the most current sound scientific methods, knowledge, and practices of public health and environmental professionals who are experienced practitioners in the fields of epidemiology, risk assessment, environmental contamination, ecological risk, fate and transport analysis, and toxicology. Risk assessment practices shall include the most current sound scientific methods for data evaluation, exposure assessment, toxicity assessment, and risk characterization, documentation of all assumptions, methods, models, and calculations used in the assessment, and any health risk assessment shall include all of the following:

(1) Evaluation of risks posed by acutely toxic hazardous substances based on levels at which no known or anticipated adverse effects on health will occur, with an adequate margin of safety.

(2) Evaluation of risks posed by carcinogens or other hazardous substances that may cause chronic disease based on a level that does not pose any significant risk to health.

(3) Consideration of possible synergistic effects resulting from exposure to, or interaction with, two or more hazardous substances.

(4) Consideration of the effect of hazardous substances upon subgroups that comprise a meaningful portion of the general population, including, but not limited to, infants, children, pregnant women, the elderly, individuals with a history of serious illness, or other subpopulations, that are identifiable as being at greater risk of adverse health effects due to exposure to hazardous substances than the general population.

(5) Consideration of exposure and body burden level that alter physiological function or structure in a manner that may significantly increase the risk of illness and of exposure to hazardous substances in all media, including, but not limited to, exposures in drinking water, food, ambient and indoor air, and soil.

(c) If currently available scientific data are insufficient to determine the level of a hazardous substance at which no known or anticipated adverse effects on health will occur, with an adequate margin of safety, or the level that poses no significant risk to public health, the risk assessment prepared in conjunction with a response action taken or approved pursuant to this chapter shall be based on the level that is protective of public health, with an adequate margin of safety. This level shall be based exclusively on public health considerations, shall, to the extent scientific data are available, take into account the factors set forth in paragraphs (1) to (5), inclusive, of subdivision (b), and shall be based on the most current principles, practices, and methods used by public health professionals who are experienced practitioners in the fields of epidemiology, risk assessment, fate and transport analysis, and toxicology.

(d) The exposure assessment of any risk assessment prepared in conjunction with a response action taken or approved pursuant to this chapter shall include the development of reasonable maximum estimates of exposure for both current land use conditions and reasonably foreseeable future land use conditions at the site.

25356.2. (a) There is hereby created in the Office of Environmental Health Hazard Assessment a Hazardous Substance Cleanup Arbitration Panel.

(b) The panel shall apportion liability for the costs of removal and remedial actions in accordance with Sections 25356.3 and 25356.4. All meetings and records of the panel are exempt from Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of, and Article 9 (commencing with Section 11120) of Chapter 1 of Part 1 of Division 3 of Title 2 of, the Government Code.

(c) The panel shall be comprised of independent private arbitrators who have applied to the Office of Environmental Health Hazard Assessment for membership on the panel. Panel members shall have (1) relevant arbitration background and (2) expertise in engineering, expertise in the physical, biological, or health sciences, or other relevant experience and qualifications. Three arbitrators shall be selected from the panel to apportion liability for a single hazardous wastesite. A majority of the arbitrators selected for a single site may apportion liability for the panel under this chapter.

(d) The arbitrators shall be selected for an individual hazardous wastesite as follows:

(1) One arbitrator shall be selected by the department or by the regional water quality control board.

(2) One arbitrator shall be selected by the potentially responsible party, or a majority of the potentially responsible parties, who have submitted to binding arbitration by the panel.

(3) The two arbitrators selected pursuant to paragraphs (1) and (2) shall jointly select a third arbitrator.

25356.3. (a) The department or the California regional water quality control board shall serve a copy by mail of the draft remedial action plan upon all potentially responsible parties identified in the plan. Within 15 days after the issuance of a final remedial action plan, any potentially responsible parties with aggregate alleged liability in excess of 50 percent of the costs of removal and remedial action, as set forth in the statement of reasons issued pursuant to subdivision (d) of Section 25356.1, but excluding any costs that are the subject of an agreement under which any party agrees to assume liability for those costs, may convene an arbitration proceeding by agreeing to submit to binding arbitration by the panel. The filing of a demand to convene an arbitration panel shall not stay any removal or remedial actions specified in the plan. If an arbitration panel is convened pursuant to this section, any other potentially responsible party may elect to submit to binding arbitration by the panel. Any person submitting to arbitration under this section shall agree not to contest

the fact of liability in the arbitration. The panel shall, and the parties are entitled to, address the proper apportionment of liability pursuant to subdivision (b). Submission to arbitration under this section is not an admission of liability for any other purpose or in any other proceeding, including a subsequent arbitration proceeding concerning the same site. The department or the regional water quality control board, whichever issued the final remedial action plan, shall participate in the arbitration proceedings to the same extent as the potentially responsible parties which have submitted to the arbitration.

(b) The panel shall apportion liability for the costs of all removal and remedial actions specified in the final remedial action plan.

(c) In panel proceedings, liability for the costs of removal and remedial actions shall be apportioned among all identifiable potentially responsible parties regardless of whether those parties are before the panel or have otherwise been released, or are immune, from liability pursuant to this chapter or any other provision of law. The panel shall apportion liability based on all of the following criteria:

(1) The amount of hazardous substance for which each party may be responsible.

(2) The degree of toxicity of the hazardous substance.

(3) The degree of involvement of the potentially responsible parties in the generation, transportation, treatment, or disposal of the hazardous substance.

(4) The degree of care exercised by the potentially responsible parties with respect to the hazardous substances, taking into account the characteristics of the substance.

(5) The degree of cooperation by the potentially responsible parties with federal, state, and local officials to prevent harm to human health and the environment.

(d) The panel may issue subpoenas and subpoenas duces tecum to require attendance of a person or the production of documents, at the request of any person identified as potentially responsible in the remedial action plan, on its own motion, or at the request of the department or the appropriate regional water quality control board. A person requesting a subpoena duces tecum shall comply with Section 1985 of the Code of Civil Procedure. The jurisdiction of subpoenas and subpoenas duces tecum issued by the panel extends to all parts of the state. The subpoenas and subpoenas duces tecum shall be served pursuant to Sections 1987 and 1988 of the Code of Civil Procedure.

If the panel determines that a person is refusing to respond to a subpoena or subpoena duces tecum, or is guilty of a misconduct during the arbitration and negotiation process, the panel shall certify the facts to the superior court of the county in which the site is located. The court shall thereupon issue an order directing the person to appear before the court and show cause why the person

should not be punished for contempt pursuant to Section 1209 of the Code of Civil Procedure. The order and a copy of the certified statement shall be served on the person, and thereafter the court shall have jurisdiction of the matter. The same proceedings shall be followed, the same penalties may be imposed, and the person charged may be purged of contempt in the same way as if the person has committed a contempt in the trial of a civil action before a superior court.

After receipt of documents pursuant to a subpoena duces tecum, any party may request the panel for a continuance for a reasonable period of time to review the documents prior to proceeding with the arbitration. The panel may grant a continuance for that purpose upon a showing of good cause.

(e) This chapter does not require a regional water quality control board or the State Water Resources Control Board to engage in arbitration pursuant to this section or Section 25356.2 for any enforcement action taken pursuant to Division 7 (commencing with Section 13000) of the Water Code.

(f) The costs of conducting the arbitration shall be borne by the potentially responsible parties submitting to the arbitration pursuant to subdivision (a), except that any filing fees, witness fees, costs of discovery, or any other costs necessarily incurred by one party shall not be shared by any other party.

25356.4. (a) After making an apportionment of liability among the potentially responsible parties pursuant to Section 25356.3, the panel shall prepare a draft arbitration decision which contains a statement of reasons supporting the apportionment and shall circulate the draft arbitration decision for at least 30 days for public comment. After review and consideration of any public comment, the panel shall issue the final arbitration decision within 30 days after the comment period.

(b) Each potentially responsible party whose liability has been apportioned by the panel is liable to the department or the regional water quality control board for its apportioned share of the costs of all removal and remedial actions at the site which is the subject of the final remedial action plan issued pursuant to Section 25356.1. The department or the regional water quality control board and one or more potentially responsible parties may enter into a cleanup agreement which is consistent with the remedial action plan and which provides for the satisfaction of the liability of a potentially responsible party by the party's performance of specified removal or remedial actions at the site.

(c) The moneys in the state account or the Hazardous Substance Cleanup Fund may be expended, upon appropriation by the Legislature, to pay any share of those potentially responsible parties who did not submit to binding arbitration pursuant to Section 25356.3 or did not otherwise agree to pay the costs of the removal and remedial actions specified in the remedial action plan.

(d) The department or the regional water quality control board shall identify, and the Attorney General shall pursue recovery from, those potentially responsible parties who have not submitted to binding arbitration pursuant to Section 25356.3 or who have not discharged their obligations required by the final arbitration decision or the cleanup agreement.

(e) Advances from the state account, upon appropriation by the Legislature, shall be made available, where appropriate, to those responsible parties who are required by a cleanup agreement to perform specified removal or remedial actions pursuant to the remedial action plan. Moneys from the Hazardous Substance Cleanup Fund may be expended by the department, upon appropriation by the Legislature, to make advances, where appropriate, to responsible parties who are required by a cleanup agreement to perform specified removal or remedial actions pursuant to the remedial action plan, for the purposes specified in Section 25385.6.

25356.5. The department shall include in the biennial report specified in Section 25178 an accounting of all of the following:

(a) The actual funds expended for each site listed during the preceding two years pursuant to Section 25356.

(b) Removal and remedial actions at hazardous substance release sites pursuant to Section 25356.

(c) The state's efforts to obtain available federal funds for the purposes of this chapter.

(d) Federal funds which have been obtained by, or committed to, the state for purposes of this chapter.

(e) The state's efforts to obtain contributions to removal or remedial actions from potentially responsible parties.

25356.6. (a) Notwithstanding any other provision of state law or any local ordinance or regulation, except as provided in subdivision (b), to encourage the prompt and effective cleanup of hazardous substance release sites, a potentially responsible party has no additional civil liability to any governmental entity under state or local law, for any prior acts or omissions associated with the conditions addressed in the remedial action plan which is the subject of the arbitration decision, if the potentially responsible party has submitted to binding arbitration and has discharged its obligations under the arbitration decision, either by paying that party's apportioned share of the costs of all removal and remedial actions to the department or the regional water quality control board, or by performing the specified removal and remedial actions pursuant to a cleanup agreement. The release from liability specified in this section is conditioned on complete implementation of the remedial action plan, including, where appropriate, adequate sampling, testing, and maintenance of the site to which the remedial action plan is applicable to ensure that the level of cleanup required is achieved and maintained. However, this section does not affect the liability of

any person for costs recoverable under Section 25352, unless these costs are specifically addressed in the arbitration decision or cleanup agreement. Where these costs are not addressed in the arbitration decision or cleanup agreement, the liability for these costs shall be determined pursuant to the applicable sections of this chapter and may be apportioned among the potentially responsible parties pursuant to Sections 25356.3 and 25356.4.

(b) The department, the California regional water quality control board, any party to the arbitration decision, or any party substantially affected by the arbitration decision may petition the panel to modify the apportionment of liability in an arbitration decision. Upon a showing of a material change in the facts known to the parties to the arbitration decision at the time it was issued, the panel shall modify the apportionment of liability specified in the arbitration decision, as appropriate, to reflect these changed facts. Upon a showing of a material change in the facts known to the department at the time it issued the final remedial action plan, or the discovery of new facts, the department or regional board shall modify the remedial action plan, as appropriate, to reflect new or additional facts. The arbitration panel shall then modify its arbitration decision to reflect any modification of the remedial action plan made by the department.

(c) This section does not affect the existing rights of any individual to recover civil damages or to obtain equitable relief against any person, including a potentially responsible party, for physical injury or property damage caused by the release of hazardous substances at the site covered by the arbitration decision or at any other location.

(d) A party who has submitted to arbitration pursuant to this article and whose liability has been apportioned by the arbitration panel in an arbitration proceeding may seek indemnity from any other person liable for the party's apportioned share of the removal and remedial actions taken at a site which is the subject of the arbitration decision, including any department, agency contractor, or any other governmental agency. A potentially responsible party who does not submit to binding arbitration pursuant to this article, but whose liability has been apportioned in the arbitration decision and is subsequently found liable under this chapter has no right to indemnification for any removal or remedial action which is the subject of the arbitration decision from any party to that arbitration decision who has discharged its obligation under the arbitration decision or the cleanup agreement.

25356.7. In order to encourage rapid resolution of differences among responsible parties and to speed the cleanup of sites, and notwithstanding any other provision of law, the following evidence is admissible in a court of law only to show the good faith of the parties who have discharged their obligations under an arbitration decision issued, or cleanup agreement entered into, pursuant to Section

25356.4 or that the following removal and remedial actions specified in the remedial action plan were to be performed:

(a) A preliminary allocation of responsibility pursuant to Section 25356.1.

(b) The fact that any person has either participated or has not participated in a panel arbitration proceeding.

(c) The fact that any person has voluntarily implemented a remedial action plan, regardless of whether the plan is final for purposes of Section 25356.1.

(d) Any finding of fact or conclusion of law by the panel, including the apportionment of liability pursuant to Section 25356.3.

(e) Admissions made during the arbitration proceeding.

(f) Documents prepared by a party which has submitted to binding arbitration if the documents are prepared after the remedial action plan has been issued, and if the documents are prepared solely for the arbitration.

25356.8. (a) Judicial review of the arbitration decision on the apportionment of liability is limited to a showing of fraud by a party to the arbitration proceeding or an abuse of discretion by the panel, or both.

(b) Judicial review of a decision by the department or the regional water quality control board modifying the remedial action plan pursuant to subdivision (b) of Section 25356.6 shall be conducted pursuant to Section 1085 of the Code of Civil Procedure and the standard of review shall be the same as that specified in subdivision (f) of Section 25356.1.

25356.9. (a) The provisions of this chapter relating to the preparation, approval, and issuance of remedial action plans and to procedures for the apportionment of liability by the Hazardous Substance Cleanup Arbitration Panel do not do either of the following:

(1) Apply to any actions taken pursuant to Chapter 6.5 (commencing with Section 25100).

(2) Prohibit the department or the Attorney General, upon the request of the department, from pursuing the remedies specified in subdivision (a) of Section 25358.3 when the director determines that there may be an imminent or substantial endangerment to the public health or welfare or to the environment, because of a release or a threatened release of a hazardous substance.

(b) The department and the Attorney General may pursue any existing legal, equitable, or administrative remedies, pursuant to federal or state law, against any potentially responsible party named in a remedial action plan if the party does not submit to arbitration pursuant to Section 25356.3 or if the party has not discharged that party's obligations under an arbitration decision or cleanup agreement.

25356.10. The Office of Environmental Health Hazard Assessment shall adopt, and may, from time to time, modify, revise,

or repeal, regulations, consistent with this article, to implement the provisions of this article concerning arbitration proceedings. The regulations may include, but are not required to be limited to, all of the following:

(a) The method of initiating arbitration.

(b) The place of hearing, based upon the convenience of the parties.

(c) Procedures for the selection of neutral arbitrators.

(d) Procedure for conducting hearings.

(e) The providing of experts to assist the arbitrators if assistance is needed.

(f) Procedures for reimbursing the expenses which the panel incurs in conducting arbitrations.

25357. Expenditures from the state account shall not be made in excess of the total amount of money in the state account at any one time. Expenditures in excess of such amount may be made only when additional money is collected or otherwise added to the state account.

25357.5. (a) In any judicial action under this chapter, judicial review of any issues concerning the adequacy of any response action taken or ordered by the department shall be limited to the administrative record. Otherwise applicable principles of administrative law shall govern whether any supplemental materials may be considered by the court.

(b) If the court finds that the selection of the response action was not in accordance with law, the court shall award only the response costs or damages that are not inconsistent with the National Contingency Plan, as specified in Part 300 (commencing with Section 300.1) of Subchapter J of Chapter I of Title 40 of the Code of Federal Regulations, and any other relief that is consistent with the National Contingency Plan.

(c) In reviewing an action brought by the department under this chapter, in which alleged procedural errors by the department are raised as a defense, the court may impose costs or damages only if the errors were serious and related to matters of central relevance to the action, so that the action would have been significantly changed had the errors not been made.

25358. The state shall actively seek to obtain all federal funds to which it is entitled under the federal act and shall take all actions necessary to enter into contractual or cooperative agreements under Sections 104 (c) (3) and 104 (d) (1) of the federal act (42 U.S.C. Sec. 9604 (c) (3) and 42 U.S.C. Sec. 9604 (d) (1)).

25358.1. (a) The department, a representative of the department, or any person designated by the director may take the actions specified in this section only if there is a reasonable basis to believe that there may be a release or threatened release of a hazardous substance, and only for the purpose of determining under this chapter the need for a response action, the choosing or taking of

a response action, or otherwise for the purpose of enforcing this chapter.

(b) Any officer or employee of the department, a representative of the director, or a person designated by the director may require any potentially responsible party, or any person who has, or may have, acquired information relevant to any of the following matters in the course of a commercial, ownership, or contractual relationship with any potentially responsible party, to furnish, upon reasonable notice, information or documents relating to the following matters:

(1) The identification, nature, and quantity of materials which have been, or are, generated, treated, stored, or disposed of at a hazardous substance release site or which have been, or are, transported to a hazardous substance release site.

(2) The nature or extent of a release or a threatened release of a hazardous substance at, or from, a hazardous substance release site.

(c) A person who is required to provide information pursuant to subdivision (b) shall, in accordance with subdivision (h), allow the officer, employee, representative, or designee, upon reasonable notice and at reasonable times, to have access to, and copy, all records relating to the hazardous substances for purposes of assisting the department in determining the need for an action in response to a release or threatened release pursuant to this chapter.

(d) Any officer or employee of the department, representative of the director, or person designated by the director may, in accordance with subdivision (h), enter, at reasonable times, any of the following properties:

(1) Any nonresidential establishment or other place or property where any hazardous substances may be, or have been, produced, stored, treated, disposed of, or transported from.

(2) Any nonresidential establishment or other place or property from which, or to which, a hazardous substance has been, or may have been, released.

(3) Any nonresidential establishment or other place or property where a hazardous substance release is, or may be, threatened.

(4) Any nonresidential establishment or other place or property where entry is needed to determine the need for a response action, or the appropriate remedial action, to effectuate a response action under this chapter.

(5) Any residential place or property which, if it were a nonresidential establishment or other place or property, would otherwise meet the criteria described in paragraphs (1) to (4), inclusive, if the department, representative, or person designated by the director is able to establish, based upon reasonably available evidence, that hazardous substances have been released onto or under the residential place or real property and if entry is made only at reasonable times and after reasonable notification to the owners and occupants.

(e) Any officer or employee of the department, representative of the director, or person designated by the director may, in accordance with subdivision (h), carry out any of the following activities:

(1) Inspect and obtain samples from any establishment or other place or property specified in subdivision (d) or from any location of any suspected hazardous substance.

(2) Inspect and obtain samples of any substances from any establishment or place or property specified in subdivision (d).

(3) Inspect and obtain samples of any containers or labeling for the suspected hazardous substances, and samples of the soil, vegetation, air, water, and biota on the premises.

(4) Set up and maintain monitoring equipment for the purpose of assessing or measuring the actual or potential migration of hazardous substances.

(5) Survey and determine the topographic, geologic, and hydrogeologic features of the land.

(6) Photograph any equipment, sample, activity, or environmental condition described in paragraphs (2) to (5) inclusive.

(f) (1) If photographs are to be taken pursuant to paragraph (6) of subdivision (e), the department shall do all of the following:

(A) Comply with all procedures established pursuant to subdivision (b) of Section 25358.2.

(B) Notify the person whose facility is photographed prior to public disclosure of the photographs.

(C) Upon the request of the person owning the facility, submit a copy of any photograph to the person for the purpose of determining whether trade secret information, as defined in Section 25358.2, or facility security, would be revealed by the photograph.

(2) "Disclosure," as used in Section 25358.2, for purposes of this paragraph, does not include the review of the photograph by a court of competent jurisdiction or by an administrative law judge. A court or judge may review the photograph in camera.

(g) An officer, employee, representative, or designee who enters a place, establishment, or property pursuant to this section shall make a reasonable effort to inform the owner or the owners' authorized representative of the inspection and shall provide split samples to the owner or the representative upon request.

(h) If the owner or the owner's authorized representative does not voluntarily grant access to a place, establishment, or property pursuant to this section, the officer, employee, representative, or designee shall first obtain a warrant pursuant to Title 13 (commencing with Section 1822.50) of Part 3 of the Code of Civil Procedure. However, if there is an emergency posing an immediate threat to public health and safety, the officer, employee, representative, or designee may enter the place, establishment, or property without the consent of the owner or owner's authorized representative and without the issuance of a warrant.

(i) The department, and any person authorized by the department to enter upon any lands for the purpose of taking removal or remedial action pursuant to this chapter, shall not be held liable, in either a civil or criminal proceeding, for trespass or for any other acts which are necessary to carry out the corrective action.

25358.2. (a) "Trade secrets," as used in this section, may include, but are not limited to, any formula, plan, pattern, process, tool, mechanism, compound, procedure, production data, or compilation of information which is not patented, which is known only to certain individuals within a commercial concern who are using it to fabricate, produce, develop, or compound an article of trade or a service having commercial value, and which gives its user an opportunity to obtain a business advantage over competitors who do not know or use it.

(b) The department may disclose trade secrets received by the department pursuant to this chapter to authorized representatives, contractors, or other governmental agencies only in connection with the department's responsibilities pursuant to this chapter. The department shall establish procedures to ensure that these trade secrets are utilized only in connection with these responsibilities and are not otherwise disseminated without the consent of the person who provided the information to the department.

(c) The department may also make available to the Environmental Protection Agency any and all information required by law to be furnished to that agency. The sharing of information between the department and that agency pursuant to this section does not constitute a waiver by the department or any affected person of any privilege or confidentiality provided by law which pertains to the information.

(d) Any person providing information pursuant to subdivision (a) of Section 25358.1 shall, at the time of its submission, identify all information which the person believes is a trade secret. Any information or record not identified as a trade secret is available to the public, unless exempted from disclosure by other provisions of law.

(e) Any person who knowingly and willfully disseminates information protected by this section or procedures established by the department pursuant to subdivision (b) shall, upon conviction, be punished by a fine of not more than five thousand dollars ($5,000), imprisonment in the county jail not to exceed one year, or by both that fine and imprisonment.

25358.3. (a) Whenever the director determines that there may be an imminent or substantial endangerment to the public health or welfare or to the environment, because of a release or a threatened release of a hazardous substance, the director may do any or all of the following:

(1) Order any responsible party or parties to take or pay for appropriate removal or remedial action necessary to protect the

public health and safety and the environment. No order under this section shall be made to an owner of real property solely on the basis of that ownership as specified in Sections 101(35) and 107(b) of the federal act (42 U.S.C. Secs. 9601(35) and 9607(b)). The director shall give the responsible party an opportunity to assert all defenses to the order.

(2) Take or contract for any necessary removal or remedial action.

(3) Request the Attorney General to secure such relief as may be necessary from the responsible party or parties to abate the danger or threat. The superior court of the county in which the threat or danger occurs shall have jurisdiction to grant the relief which the public interest and equities of the case may require to protect public health and welfare and the environment. Upon a showing by the department that a release or threatened release of a hazardous substance has occurred or is occurring, and that there may be an imminent or substantial endangerment to the public health and safety or to the environment, the court may grant a temporary restraining order or a preliminary or permanent injunction pursuant to subdivision (e).

(b) When the director determines that a release of a hazardous substance has occurred or is about to occur, the director may do any or all of the following:

(1) Undertake those investigations, monitoring, surveys, testing, and other information gathering necessary to identify the existence, source, nature, and extent of the hazardous substances involved and the extent of danger to the public health or environment.

(2) Undertake those planning, legal, fiscal, economic, engineering, architectural, and other studies or investigations which are necessary or appropriate to plan and direct response actions, to recover the cost of those actions, and to enforce this chapter.

(c) Whenever there is a release or threatened release of a hazardous substance into the environment, the director may take or contract for any necessary removal or remedial action and may take or contract for any actions authorized by subdivision (b), in compliance with the provisions of this chapter, including, but not limited to, subdivision (b) of Section 25355.

(d) Any person bidding for a contract specified in subdivision (c) shall submit a disclosure statement, as specified by Section 25112.5, except for a federal, state, or local agency. The director may prohibit a person from bidding on such a contract if the director makes any of the following determinations:

(1) The director determines, in writing, that the bidder, or, if the bidder is a business entity, any trustee, officer, director, partner, or any person holding more than 5 percent of the equity in or debt liability of that business entity, has engaged in activities resulting in any federal or state conviction which are significantly related to the fitness of the bidder to perform the bidder's duties or activities under the contract. For purposes of this paragraph, "conviction" means a

plea or verdict of guilty or a conviction following a plea of nolo contendere. Any action that the department may take pursuant to this subdivision relating to the department's refusal to permit a person to bid on the contract may be based upon a conviction for which any of the following has occurred:

(A) The time for appeal has elapsed.

(B) The judgment of conviction has been affirmed on appeal.

(C) Any order granting probation is made suspending the imposition of sentence, notwithstanding a subsequent order pursuant to Section 1203.4 of the Penal Code permitting that person to withdraw the plea of guilty and to enter a plea of not guilty, or setting aside the verdict of guilty, or dismissing the accusation, information, or indictment.

(2) The director determines, in writing, that the bidder, or, if the bidder is a business entity, any trustee, officer, director, partner, or any person holding more than 5 percent of the equity in or debt liability of that business entity, has violated or failed to comply with this chapter or Chapter 6.5 (commencing with Section 25100) or Chapter 6.7 (commencing with Section 25280) of this division, the Porter-Cologne Water Quality Control Act (Division 7 (commencing with Section 13000) of the Water Code), the Resource Conservation and Recovery Act of 1976, as amended (42 U.S.C. Sec. 6901 et seq.), the Hazardous Materials Transportation Authorization Act of 1994, as amended (49 U.S.C. Sec. 5101 et seq.), the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended (42 U.S.C. Sec. 9601 et seq.), the Toxic Substances Control Act (15 U.S.C. Sec. 2601 et seq.), or any other equivalent federal or state statute or any requirement or regulation adopted pursuant thereto relating to the generation, transportation, treatment, storage, recycling, disposal, or handling of a hazardous waste, as defined in Section 25117, a hazardous substance, as defined in Section 25316, or a hazardous material, as defined in Section 353 of the Vehicle Code, if the violation or failure to comply shows a repeating or recurring pattern or may pose a threat to public health or safety or the environment.

(3) The director determines, in writing, that the bidder has had a license, permit, or registration for the generation, transportation, treatment, storage, recycling, disposal, or handling of hazardous waste or hazardous substances revoked or suspended.

(e) Whenever there is a release or threatened release of a hazardous substance, the director may request the Attorney General to secure such relief as may be necessary from the responsible party or parties to abate the release or threatened release. The superior court of the county in which the release or threatened release occurs has jurisdiction to grant that relief which the public interest and equities of the case may require to protect the public health and safety and the environment. Upon a showing by the department that a release or threatened release of a hazardous substance has occurred

or is occurring, and that there may be an imminent or substantial endangerment to the public health and safety or to the environment, the court may grant a temporary restraining order or a preliminary or permanent injunction.

(f) Upon the failure of any person to comply with any order issued by the department pursuant to this section or Section 25355.5, the director may request the Attorney General to petition the superior court for the issuance of an injunction requiring that person to comply with the order. The superior court shall have jurisdiction to grant a temporary restraining order or a preliminary or permanent injunction.

(g) In any civil action brought pursuant to this chapter in which a temporary restraining order or a preliminary or permanent injunction is sought, the department shall prove that the defendant is a responsible party and that there is a release or threatened release of a hazardous substance. It shall not be necessary to allege or prove at any stage of the proceeding that irreparable damage will occur should the temporary restraining order or the preliminary or permanent injunction not be issued, or that the remedy at law is inadequate; and the temporary restraining order or the preliminary or permanent injunction shall issue without those allegations and without that proof.

25358.4. The analysis of any material that is required to demonstrate compliance with this chapter shall be performed by a laboratory accredited by the department pursuant to Article 3 (commencing with Section 100825) of Chapter 4 of Part 1 of Division 101.

25358.5. Any removal or remedial action taken or contracted by the department pursuant to Section 25354 or subdivision (a) of Section 25358.3 shall be exempt from all of the following provisions:

(a) State Contract Act (Chapter 1 (commencing with Section 10100) of Part 2 of Division 2 of the Public Contract Code).

(b) Chapter 10 (commencing with Section 4525) of Division 5 of Title 1 of the Government Code.

(c) Article 5 (commencing with Section 10355) of Chapter 2 of Part 2 of Division 2 of the Public Contract Code.

25358.6. (a) The department may prequalify bidders for remedial or removal actions taken pursuant to Section 25354 or subdivision (a) of Section 25358.3. The department may reject the bid of any prospective bidder that has not been prequalified.

(b) To prequalify bidders, the department shall adopt and apply a uniform system of rating bidders. In order to obtain information for such rating, the department may require from prospective bidders answers to questions, including, but not limited to, questions about the bidder's financial ability, the bidder's experience in removal and remedial action involving hazardous substances, the bidder's past safety record, and the bidder's past performance on federal, state, or

local government projects. The department may also require prospective bidders to submit financial statements.

(c) The department shall utilize the business financial data and information submitted by a bidder pursuant to subdivision (b) only for the purposes of prequalifying bidders pursuant to this section and shall not otherwise disseminate this data or information.

(d) The system of rating bidders may be adopted by the department as emergency regulations in accordance with Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, and for purposes of that chapter, when these regulations are adopted as emergency regulations pursuant to Section 11349.6 of the Government Code, the regulations shall be deemed to be necessary for the immediate preservation of the public peace, health and safety, and general welfare. It is the intent of the Legislature that emergency regulations adopted pursuant to this subdivision shall remain in effect until the regulations are adopted as final regulations, pursuant to Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

25358.7. (a) The department or the regional board, as appropriate, shall take the actions specified in this section to provide an opportunity for meaningful public participation in response actions undertaken for sites listed pursuant to Section 25356.

(b) The department, or the regional board, as appropriate, shall conduct a baseline community survey as soon as possible after taking an action to investigate or remediate a hazardous substance release site listed pursuant to Section 25356. The purpose of this survey shall be to inform the public, and in particular, persons living in close proximity to the site, of the existence of the site and the department's or regional board's intentions to conduct an investigation and a remedial action, to determine the level of public interest and desire for involvement in this process, and to solicit and evaluate concerns and information regarding the site from the affected community. Based on the results of the baseline survey, the department or regional board shall develop a public participation work plan that shall establish appropriate communication and outreach measures commensurate with the level of interest expressed by survey respondents. The public participation work plan shall be updated as necessary to reflect any significant changes in the degree of public interest as the site investigation and cleanup process moves toward completion.

(c) The department or regional board shall provide any person affected by a response action undertaken for sites listed pursuant to Section 25356 with the opportunity to participate in the department's or regional board's decisionmaking process regarding that action by taking all of the following actions:

(1) Provide that person with access to information which the department or regional board is required to release pursuant to the California Public Records Act (Chapter 3.5 (commencing with

Section 6250) of Division 7 of Title 1 of the Government Code), relating to the action, except for the following:

(A) Trade secrets, as defined in subdivision (a) of Section 25358.2.

(B) Business financial data and information, as specified in subdivision (c) of Section 25358.6.

(C) Information which the department or regional board is prohibited from releasing pursuant to any state or federal law.

(2) The department or regional board shall provide factsheets, based on the expressed level of public interest, regarding plans to conduct the major elements of the site investigation and response actions. The factsheets shall present the relevant information in nontechnical language and shall be detailed enough to provide interested persons with a good understanding of the planned activities. The factsheets shall be made available in languages other than English if appropriate.

(3) Provide the person notification, upon request, of any public meetings held by the department or regional board concerning the action.

(4) Provide the person the opportunity to attend and to participate at those public meetings.

(5) Based on the results of the baseline community survey, the department or regional board shall provide opportunities for public involvement at key stages of the response action process, including the health risk assessment, the preliminary assessment, the site inspection, the remedial investigation, and the feasibility study stages of the process. If the department or regional board determines that public meetings or other opportunities for public comment are not appropriate at any of the stages listed in this section, the department or regional board shall provide notice of that decision to the affected community.

(d) The department or regional board shall develop and make available to the public a schedule of activities for each site for which remedial action is expected to be taken by the department or regional board pursuant to this chapter and shall make available to the public any plan provided to the department or regional board by any responsible party, unless the department is prohibited from releasing the information pursuant to any state or federal law.

(e) In making decisions regarding the methods to be used for removal or remedial actions taken pursuant to this chapter, the department or regional board shall incorporate or respond in writing to the advice of persons affected by the actions.

(f) This section does not apply to emergency actions taken pursuant to Section 25354.

25358.7.1. (a) At each site, a community advisory group may be established by the affected community to review any response action and comment on the response action to be conducted in that community. The department or regional board shall regularly communicate, and confer as appropriate, with the community

advisory committee. The department or regional board shall also advise local environmental regulatory agencies and other appropriate local agencies of planned response actions and provide opportunities for review and comment. If the department or regional board, whichever is overseeing a response action, receives a petition signed by at least 50 members of a community affected by the response action at a site or a resolution adopted by the legislative body of the jurisdiction within which the response action has been or will be initiated, the department or regional board shall assist the petitioners or the legislative body to establish a community advisory group to review the response action at the site.

(b) To the extent possible, the composition of each community advisory group shall reflect the composition of the affected community and the diversity of interests of the community by including all of the following types of individuals on the community advisory group:

(1) Persons owning or residing on property located near the hazardous substance release site or in an adjacent community, or other persons who may be directly affected by the response action.

(2) Individuals from the local business community.

(3) Local political or government agency representatives.

(4) Local citizen, civic, environmental, or public interest group members residing in the community.

(c) The following entities may participate in community advisory group meetings in order to provide information and technical expertise:

(1) The department or regional boards.

(2) Representatives of local environmental regulatory agencies.

(3) The potentially responsible parties or other persons who are conducting the response action.

(d) The existence of a community advisory group shall not diminish any other obligation of the department or regional board with respect to public participation requirements specified in Section 25358.7. Nothing in this section shall affect the status of any citizen advisory group formed before the enactment of this section, a federal Department of Defense Restoration Advisory Board, or a federal Department of Energy Advisory Board.

25358.7.2. (a) On or before July 1, 2000, the department and the State Water Resources Control Board shall establish two community service offices, one to serve northern California and the other to serve southern California. With regard to sites listed pursuant to Section 25356 where the department or regional board is taking action to investigate or remediate the site, the community assistance offices shall facilitate communication between the department or regional board, the responsible parties, and the affected community, including any community advisory group that may have been formed in the community where the hazardous substance release site is located.

(b) Notwithstanding subdivision (c) of Section 25390.3, the department and, if appropriate, the State Water Resources Control Board shall expend a total of four hundred thousand dollars ($400,000) per year from the Orphan Share Reimbursement Trust Fund established pursuant to Article 7.8 (commencing with Section 25390) on the operation of the community service offices established pursuant to this section. The offices shall use these funds to provide direct technical and logistical support to any community advisory group established pursuant to Section 25358.7.1. Funds allocated pursuant to this subdivision shall supplement, and not supplant, any funds expended for the purposes of developing and implementing other public participation activities required to be undertaken pursuant to this chapter, including, but not limited to, activities undertaken pursuant to the National Contingency Plan or the public participation workplan required to be adopted by the department pursuant to Section 25358.7.

(c) The State Water Resources Control Board may contract with the department to provide this service on behalf of a regional board if the State Water Resources Control Board finds that it would be more practical and economical to do so.

(d) In implementing this section, the department and the regional boards are not obligated to expend funds beyond the amounts appropriated in any fiscal year for purposes of developing and implementing public participation activities required by other provisions of this chapter unless the Orphan Share Reimbursement Trust Fund contains funding at the level specified in subdivision (b).

25358.8. A community advisory group established pursuant to Section 25358.7.1 may request, in writing, and a potentially responsible party or parties may fund, a technical assistance grant for a site for the purpose of providing technical assistance to the community advisory group.

25358.9. (a) To the extent consistent with the Resource Conservation and Recovery Act of 1976, as amended, (42 U.S.C. Sec. 6901 et seq.), the department may exclude any portion of a response action conducted entirely onsite from the hazardous waste facility permit requirements of Section 25201 if both of the following apply:

(1) The removal or remedial action is carried out pursuant to a removal action work plan or a remedial action plan prepared pursuant to Section 25356.1.

(2) The removal action work plan or the remedial action plan requires that the response action complies with all laws, rules, regulations, standards, and requirements, criteria, or limitations applicable to the construction, operation, and closure of the type of facility at the hazardous substance release site and with any other condition imposed by the department as necessary to protect public health and safety and the environment.

(b) The department may enforce in the court for the county in which a response action exempted pursuant to subdivision (a) is

located any federal or state law, rule, regulation, standard, requirements, criteria, or limitation with which the remedial or removal action is required to comply. Any consent decree entered into pursuant to an enforcement action authorized by this subdivision shall require the parties to attempt expeditiously to informally resolve any disagreements concerning the implementation of the response action with the appropriate federal and state agencies and shall provide for administrative enforcement. The consent decree shall stipulate that the penalty for violation of the consent decree shall be an amount not more than twenty-five thousand dollars ($25,000) per day, which may be enforced by the state. These penalties do not impair or affect the authority of the court to order compliance with the specific terms of the consent decree.

25359. (a) Any person who is liable for a release, or threat of a release, of hazardous substances and who fails, without sufficient cause, as determined by the court, to properly provide a removal or remedial action upon order of the director or the court, pursuant to Section 25358.3, is liable to the department for damages equal to three times the amount of any costs incurred by the state account pursuant to this chapter as a result of the failure to take proper action.

(b) No treble damages shall be imposed under this section against an owner of real property who did not generate, treat, transport, store, or dispose of any hazardous substance on, in, or at the facility located on that real property, as specified in Sections 101(35) and 107(b) of the federal act (42 U.S.C. Secs. 9601(35) and 9607(b)).

25359.1. There shall be no recovery of punitive damages under Section 25359 for an injury to or loss of natural resources that occurred wholly before September 25, 1981. This section shall not be construed as precluding the recovery of punitive damages for injury to or loss of natural resources in an action brought pursuant to any other provision of law.

25359.2. Any person subject to a removal or remedial action order or other order issued pursuant to Section 25355.5 or 25358.3 who does not comply with that order without sufficient cause shall be subject to a civil penalty of not more than twenty-five thousand dollars ($25,000) for each day of noncompliance. Liability under this section may be imposed in a civil action or liability may be imposed administratively pursuant to Section 25359.3.

25359.3. (a) The department may issue a complaint to any person subject to a penalty pursuant to Sections 25359.2 and 25359.4. The complaint shall allege the acts or failures to act that constitute a basis for liability and the amount of the proposed penalty. The complaint shall be served by personal service or certified mail and shall inform the party so served of the right to a hearing. Any person served with a complaint pursuant to this subdivision may, within 45 days after service of the complaint, request a hearing by filing a notice of defense with the department. A notice of defense is deemed to be filed within a 45-day period if it is postmarked within the 45-day

period. If no notice of defense is filed within 45 days after service of the complaint, the department shall issue an order setting liability in the amount proposed in the complaint, unless the department and the party have entered into a settlement agreement, in which case the department shall issue an order setting liability in the amount specified in the settlement agreement. Where the party has not filed a notice of defense or where the department and the party have entered into a settlement agreement, the order shall not be subject to review by any court or agency.

(b) Any hearing required under this section shall be conducted in accordance with Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code, and the department shall have all powers granted by those provisions. In making a determination, the administrative law judge shall consider the nature, circumstances, extent, and gravity of the violation, the violator's past and present efforts to prevent, abate, or clean up conditions posing a threat to the public health and safety or the environment, the violator's ability to pay the proposed penalty, and the prophylactic effect that imposition of the proposed penalty will have on both the violator and on the regulated community as a whole.

(c) All penalties collected under this section and Section 25359.2 shall be deposited in the Hazardous Substance Account and shall be available for expenditure by the department upon appropriation by the Legislature.

25359.4. (a) A person shall not release, or allow or cause a release of, a reportable quantity of a hazardous substance into the environment that is not authorized or permitted pursuant to state law.

(b) Any release of a reportable quantity of hazardous substance shall be reported to the department in writing within 30 days of discovery, unless any of the following apply:

(1) The release is permitted or in the permit process.

(2) The release is authorized by state law.

(3) The release requires immediate reporting to the Office of Emergency Services pursuant to Section 11002 or 11004 of Title 42 of the United States Code, or pursuant to Section 25507.

(4) The release has previously been reported to the department or the Office of Emergency Services.

(5) The release occurred prior to January 1, 1994.

(c) For the purposes of this section, "reportable quantity" means either of the following:

(1) The quantity of a hazardous substance established in Part 302 (commencing with Section 302.1) of Title 40 of the Code of Federal Regulations, the release of which requires notification pursuant to that part.

(2) Any quantity of a hazardous substance that is not reportable pursuant to paragraph (1), but that may pose a significant threat to public health and safety or to the environment. The department may

establish guidelines for determining which releases are reportable under this paragraph.

(d) The owner of property on which a reportable release has occurred and any person who releases, or causes a reportable release and who fails to make the written report required by subdivision (b), shall be liable for a penalty not to exceed twenty-five thousand dollars ($25,000) for each separate violation and for each day that a violation continues. Each day on which the released hazardous substance remains is a separate violation unless the person has either filed the report or is in compliance with an order issued by a local, state, or federal agency with regard to the release.

(e) Liability under this section may be imposed in a civil action or may be administratively imposed by the department pursuant to Section 25359.3.

(f) If the violation of subdivision (b) results in, or significantly contributes to, an emergency, including, but not limited to, a fire, to which a county, city, or district is required to respond, the responsible party may be assessed the full cost of the emergency response by the city, county, or district.

25359.4.5. (a) A responsible party who has entered into an agreement with the department and is in compliance with the terms of that agreement, or who is in compliance with an order issued by the department, may seek, in addition to contribution, treble damages from any contribution defendant who has failed or refused to comply with any order or agreement, was named in the order or agreement, and is subject to contribution. A contribution defendant from whom treble damages are sought in a contribution action shall not be assessed treble damages by any court where the contribution defendant, for sufficient cause, as determined by the court, failed to comply with an agreement or with an order issued by the department, or where the contribution defendant is an owner of real property who did not generate, treat, transport, store, or dispose of the hazardous substance on, in, or at the facility located on that real property, as specified in Sections 101 (35) and 107 (b) of the federal act (42 U.S.C. Secs. 9601 (35) and 9607 (b)), or where the principles of fundamental fairness would be violated, as determined by the court. A party seeking treble damages pursuant to this section shall show that the party, the department, or another entity provided notice, by means of personal service or certified mail, of the order or agreement to the contribution defendant from whom the party seeks treble damages.

(b) One-half of any treble damages awarded pursuant to this section shall be paid to the department, for deposit in the Hazardous Substance Account. Nothing in this subdivision affects the rights of any party to seek contribution pursuant to any other statute or under common law.

(c) A contribution defendant from whom treble damages are sought pursuant to this section shall be deemed to have acted willfully

with respect to the conduct that gave rise to this liability for purposes of Section 533 of the Insurance Code.

25359.5. (a) After making a determination, based upon a preliminary site assessment that there has been a release of a hazardous substance on, under, or into the land on a site, the department or a county health officer shall order the property owner to secure the site if all of the following conditions apply to that site:

(1) The release does not comply with the terms of a current permit or interim status document or regulation of the department.

(2) The site poses a public health risk if human contact is made with the hazardous waste or the surrounding contaminated area.

(3) There is a likelihood of human or domestic animal contact.

(b) The order to secure the site shall require, within five days after receiving notification of the order, the posting of the site with signs. The order shall also require, within five days after receiving notification of the order, that the site be enclosed with a fence, unless it is physically and economically infeasible or unless the fencing is unnecessary because it will not alleviate the danger to the public health.

(c) If fencing is ordered, the fences shall be maintained at the site to prevent unauthorized persons from gaining access to the site. The signs shall be maintained and shall meet all of the following requirements:

(1) The signs shall be bilingual, appropriate to the local area, and may include international symbols, as required by the department.

(2) The signs shall have lettering which is legible from a distance of at least 25 feet.

(3) The signs shall read: "Caution: Hazardous Substance Area, Unauthorized Persons Keep Out" and shall have the name and phone number of the department or the county health officer that ordered the posting.

(4) The signs shall be visible from the surrounding contaminated area and posted at each route of entry into the site, including those routes which are likely to be used by unauthorized persons, at access roads leading to the site, and facing navigable waterways where appropriate.

(5) The signs shall be of a material able to withstand the elements.

(d) A property owner who fails to comply with an order of the department or the county health officer is subject to a civil penalty of up to twenty-five thousand dollars ($25,000). In determining the amount of a civil penalty to be imposed, the court shall consider all relevant circumstances, including, but not limited to, the economic assets of the property owner and whether the property owner has acted in good faith.

If the property owner fails to secure and post the site, the department or the county health officer shall secure and post the site pursuant to subdivision (b) within 30 days of the expiration of the five-day period and shall seek recovery of the costs of that securing

and posting from the property owner. If the site is an abandoned site, as defined in Section 25359.6, if the site cannot be traced to a specific owner, or if the owner has been declared bankrupt, the department or the county health officer shall secure and post the site, using any source of funds, pursuant to subdivision (b).

(e) The department or the county health officer shall advise other agencies on the public health risks and the need for fencing and posting of sites when those agencies confirm the release of a hazardous substance pursuant to subdivision (a).

(f) The remedies and penalties specified in this section and Section 25359.6 are in addition to, and do not affect, any other remedies, enforcement actions, requirements, or penalties otherwise authorized by law.

25359.6. (a) The director shall notify, within 20 working days, each of the appropriate county health officers as to all the potential abandoned sites of which the department has knowledge or which the department is investigating for releases of hazardous substances that may have occurred or might be occurring at abandoned sites. The county health officers may request quarterly updates on the status of the investigations of these sites.

As used in this section, "abandoned site" means an inactive disposal, treatment, or storage facility which cannot, with reasonable effort, be traced to a specific owner, a site whose owner has been determined bankrupt, or a location where a hazardous substance has been illegally disposed.

(b) Within 10 working days of the identification of an abandoned site, the department or a county health officer shall notify the other agency of the status of the site. The department and the county health officer shall inform the other agency of orders to fence and post these sites and the status of compliance with those orders. The department or the county health officers may request quarterly updates of the testing, enforcement action, and remedial or removal actions that are proposed or ongoing.

25359.7. (a) Any owner of nonresidential real property who knows, or has reasonable cause to believe, that any release of hazardous substance has come to be located on or beneath that real property shall, prior to the sale, lease, or rental of the real property by that owner, give written notice of that condition to the buyer, lessee, or renter of the real property. Failure of the owner to provide written notice when required by this subdivision to the buyer, lessee, or renter shall subject the owner to actual damages and any other remedies provided by law. In addition, where the owner has actual knowledge of the presence of any release of a material amount of a hazardous substance and knowingly and willfully fails to provide written notice to the buyer, lessee, or renter, as required by this subdivision, the owner is liable for a civil penalty not to exceed five thousand dollars ($5,000) for each separate violation.

(b) Any lessee or renter of real property who knows or has reasonable cause to believe that any release of a hazardous substance has come or will come to be located on or beneath that real property shall, within a reasonable period of time, either prior to the release or following the discovery by the lessee or renter of the presence or believed presence of the hazardous substance release, give written notice of that condition to the owner of the real property or to the lessor under the lessee's or renter's lease or rental agreement.

(1) A lessee or renter who fails to provide written notice when required by this subdivision to the owner or lessor is subject to actual damages and any other remedy provided by law.

(2) If the lessee or renter has knowledge of the presence of a release of a material amount of a hazardous substance, or of a hazardous substance release that is required to be reported to a state or local agency pursuant to law, on or under the real property leased or rented by the lessee or renter and knowingly and willfully fails to provide written notice when required by this subdivision to the owner or lessor, both of the following shall apply:

(A) The failure is deemed to constitute a default, upon the owner's or lessor's written notice to the lessee or renter, under the lessee's or renter's lease or rental agreement, except that this subparagraph does not apply to lessees and renters of property used exclusively for residential purposes.

(B) The lessee or renter is liable for a civil penalty not to exceed five thousand dollars ($5,000) for each separate violation.

(3) A lessee or renter may cure a default under the lessee's or renter's lease or rental agreement which resulted from a violation of this subdivision, by promptly commencing and completing the removal of, or taking other appropriate remedial action with respect to, the hazardous substance release. The removal or remedial action shall be conducted in accordance with all applicable laws and regulations and in a manner which is reasonably acceptable to, and which is approved in writing by, the owner or lessor. This paragraph does not relieve the lessee or renter of any liability for actual damages or for any civil penalty for a violation of this subdivision.

Article 6. Recovery Actions

25360. (a) Any costs incurred by the department or regional board in carrying out this chapter shall be recoverable pursuant to state or federal law by the Attorney General, upon the request of the department or regional board, from the liable person or persons. The amount of any response action costs that may be recovered pursuant to this section shall include interest on any amount paid. The interest on amounts paid from the Hazardous Substance Cleanup Fund shall be calculated at a rate equal to the interest rate of the bonds sold pursuant to Article 7.5 (commencing with Section 25385) and interest on any amount paid from the state account or the Site

Remediation Account shall be calculated at the rate of return earned on investment in the Surplus Money Investment Fund pursuant to Section 16475 of the Government Code.

(b) A person who is liable for costs incurred at a site shall have the liability reduced by any reimbursements that were actually paid by that person pursuant to this chapter in connection with that site, including any reimbursements paid pursuant to Section 25343.

(c) The amount of cost determined pursuant to this section shall be recoverable at the discretion of the department, either in a separate action or by way of intervention as of right in an action for contribution or indemnity. Nothing in this section deprives a party of any defense that the party may have.

(d) Money recovered by the Attorney General pursuant to this section shall be deposited in the state account, except that, if the costs incurred were paid from the Hazardous Substance Cleanup Fund, the Attorney General shall deposit the amounts recovered into the Hazardous Substance Clearing Account. Money deposited in the Hazardous Substance Clearing Account pursuant to this section are available to pay the principal of, and interest on, bonds sold pursuant to Article 7.5 (commencing with Section 25385).

25360.1. Any monetary obligation to the department pursuant to Chapter 6.5 (commencing with Section 25100) or this chapter shall be subject to interest from the date of the demand at the same rate of return earned on investment in the Surplus Money Investment Fund pursuant to Section 16475 of the Government Code, except the department may waive the interest if the obligation is satisfied within 60 days from the date of invoice.

25360.2. (a) For purposes of this section, the following definitions apply:

(1) "Owner" means either (A) the owner of property who occupies a single-family residence constructed on the property, or (B) the owner of common areas within a residential common interest development who owns those common areas for the benefit of the residential homeowners. This paragraph does not include the developer of the common interest development.

(2) "Property" means either (A) real property of five acres or less which is zoned for, and on which has been constructed, a single-family residence, or (B) common areas within a residential common interest development.

(b) (1) Notwithstanding any other provision of this chapter, an owner of property that is the site of a hazardous substance release is presumed to have no liability pursuant to this chapter for either of the following:

(A) A hazardous substance release that has occurred on the property.

(B) A release of a hazardous substance to groundwater underlying the property if the release occurred at a site other than the property.

(2) The presumption may be rebutted as provided in subdivision (d).

(c) An action for recovery of costs or expenditures incurred from the state account or the Hazardous Substance Cleanup Fund pursuant to this chapter in response to a hazardous substance release shall not be brought against an owner of property unless the department first certifies that, in the opinion of the department, one of the following applies:

(1) The hazardous substance release that occurred on the property occurred after the owner acquired the property.

(2) The hazardous substance release that occurred on the property occurred before the owner acquired the property and at the time of acquisition the owner knew or had reason to know of the hazardous substance release.

(3) The owner of property where there has been a release of a hazardous substance to groundwater underlying the property took, or is taking, one or more of the following actions:

(A) Caused or contributed to a release of a hazardous substance to the groundwater.

(B) Fails to provide the department, or its authorized representative, with access to the property.

(C) Interferes with response action activities.

(d) In an action brought against an owner of property to recover costs or expenditures incurred from the state account or the Hazardous Substance Cleanup Fund pursuant to this chapter in response to a hazardous substance release, the presumption established in subdivision (b) may be rebutted if it is established by a preponderance of the evidence that the facts upon which the department made the certification pursuant to paragraph (1), (2), or (3) of subdivision (c) are true.

(e) Notwithstanding any other provision of this chapter, this section governs liability pursuant to this chapter for an owner of property, as defined in subdivision (a).

25360.3. (a) For the purposes of this section, the following terms have the following meaning:

(1) "Easement" means a conservation easement, as defined in Section 815.1 of the Civil Code.

(2) "Environmental assessment" means an investigation of real property, conducted by an independent qualified environmental consultant, to discover the presence or likely presence of a release or a threat of a release of a hazardous substance at, on, to, or from the real property. An environmental assessment shall include, but is not limited to, an investigation of the historical use of the real property, any prior releases, records, consultant reports and regulatory agency correspondence, a visual survey of the real property, and, if warranted, sampling and analytical testing.

(3) "Owner" means either of the following:

(A) An independent special district, as defined in Section 56044 of the Government Code.

(B) An entity or organization that holds an easement.

(4) "Property" means either of the following:

(A) Real property acquired by a special district by means of a gift or donation for which an environmental assessment was completed prior to the transfer or conveyance of the real property to the special district.

(B) An easement for which an environmental assessment was completed prior to the transfer or conveyance of the easement to an entity or organization authorized to accept the easement pursuant to Section 815.3 of the Civil Code.

(b) (1) Notwithstanding any other provision of this chapter, if an environmental assessment of property discovers no evidence of the presence or likely presence of a release or a threat of a release of a hazardous substance, and a hazardous substance release is subsequently discovered on, to, or from that property, the owner of that property is entitled to a rebuttable presumption, affecting the burden of producing evidence, that the owner is not a liable person or responsible party for purposes of this chapter. An owner is entitled to this presumption whether the action is brought by the state or by a private party seeking contribution or indemnification.

(2) In an action brought against an owner of property to recover costs or expenditures incurred from the state account or the Hazardous Substance Cleanup Fund pursuant to this chapter in response to a hazardous substance release, the presumption may be rebutted if it is established by a preponderance of the evidence that the facts upon which the department made the certification pursuant to paragraph (1), (2), (3), or (4) of subdivision (c) are true.

(c) An action for recovery of costs or expenditures incurred from the state account or the Hazardous Substance Cleanup Fund pursuant to this chapter in response to a hazardous substance release shall not be brought against an owner of property unless the department first certifies that, as found by the department, one of the following situations applies:

(1) The hazardous substance release occurred on or after the date that the owner acquired the property.

(2) The hazardous substance release occurred before the date that the owner acquired the property and, at the time of the acquisition, the owner knew, or had reason to know, of the hazardous substance release.

(3) The environmental assessment applicable to the property was not properly carried out, was fraudulently completed, or involves the negligent or intentional nondisclosure of information.

(4) The hazardous substance release was discovered on or after the date of acquisition and the owner failed to exercise due care with respect to the release, taking into consideration the characteristics of

the hazardous substance in light of all relevant facts and circumstances.

(d) Notwithstanding any other provision of this chapter, this section governs liability pursuant to this chapter for an owner of property, as defined in subdivision (a).

(e) This section is applicable only to property that is acquired by the owner on or after January 1, 1995.

25360.4. (a) An action under Section 25360 for the recovery of the costs of removal or remedial action incurred by the department from the state account, the Hazardous Substance Cleanup Fund, or any other source authorized by law, or for the recovery of administrative costs incurred by the department in connection with any removal or remedial action performed by the department or by any responsible party, shall be commenced within three years after completion of the removal or remedial action has been certified by the department.

(b) An action under subdivision (c) of Section 25352 for costs incurred by the department for the purposes specified in subdivision (a) or (b) of Section 25352 shall be commenced within three years after certification by the department of the completion of the activities authorized under subdivisions (a) and (b) of Section 25352.

(c) In any action described in subdivision (a) or (b) for recovery of the costs of a removal action, a remedial action, administrative costs, or damages, where the court has entered a judgment for these past costs or damages, the court shall also enter an order reserving jurisdiction over the case and the court shall have continuing jurisdiction to determine any future liability and the amount. The department may immediately enforce the judgment for past costs and damages. The department may apply for a court judgment as to future costs and damages that have been incurred at any time during the removal and remedial actions or during the performance of the activities authorized by Section 25352, but the application shall be made not later than three years after the certification of completion of the actions or activities.

(d) An action may be commenced under Section 25360 or subdivision (c) of Section 25352 at any time prior to expiration of the three-year limitation period provided for by this section.

25360.6. (a) The department shall, when it determines that it is practicable and in the public interest, propose a final administrative or judicial expedited settlement with potentially responsible parties if such a settlement involves only a minor portion of the response costs at a facility and, if in the judgment of the department, either of the following conditions are met:

(1) The amount of hazardous substances and the toxic or other hazardous effects of the hazardous substances contributed by the potentially responsible party to the facility are minimal in comparison to the amount and effects of other hazardous substances at the facility.

(2) The potentially responsible party is the owner of the real property on or in which the facility is located, did not conduct or permit the generation, transportation, storage, treatment, or disposal of any hazardous substance at the facility, and did not contribute to the release or threat of release of a hazardous substance at the facility through any act or omission. This paragraph does not apply if the potentially responsible party, at the time of the purchase of the real property, knew or should have known that the property was used for the generation, transportation, storage, treatment, or disposal of any hazardous substance.

(b) A party who has resolved its liability to the state under this section shall not be liable for claims for contribution regarding matters addressed in the settlement. A settlement under this section does not discharge any of the other potentially responsible parties unless its terms so provide, but it reduces the potential liability of the others by the amount of the settlement.

(c) Any person who enters into a settlement under this section shall provide any information relevant to the administration of this chapter that is requested by the department. In order to obtain the contribution protection provided by subdivision (b), a potentially responsible party participating in a de minimus settlement shall certify that it has responded fully and accurately to all of the department's requests for information, and that it has provided all of the relevant documents pertaining to the facility to the department.

(d) Nothing in this section shall be construed to affect the authority of the department or regional board to reach settlements with other potentially responsible parties under this chapter.

25361. (a) The state account or the Hazardous Substance Cleanup Fund shall be a party in any action for recovery of costs or expenditures under this chapter incurred from the state account or the Hazardous Substance Cleanup Fund.

(b) In the event a district attorney or a city attorney has brought an action for civil or criminal penalties pursuant to Chapter 6.5 (commencing with Section 25100) against any person for the violation of any provision of that chapter, or any rule, regulation, permit, covenant, standard, requirement, or order issued, adopted, or executed thereunder, and the department has expended moneys from the state account pursuant to Section 25354 for immediate corrective action in response to a release, or threatened release, of a hazardous substance which has resulted, in whole or in part, from the person's acts or omissions, the state account may be made a party to that action for the purpose of recovering the costs against that person. If the state account is made a party to the action, the Attorney General shall represent the state account for the purpose of recovering the moneys expended from the account. Notwithstanding any other provision of law, and under terms that the Attorney General and the department deem appropriate, the Attorney General may delegate the authority to recover the costs to the district

attorney or city attorney who has brought the action pursuant to Chapter 6.5 (commencing with Section 25100). The failure to seek the recovery of moneys expended from the state account as part of the action brought pursuant to Chapter 6.5 (commencing with Section 25100) does not foreclose the Attorney General from recovering the moneys in a separate action.

25362. Upon motion and sufficient showing by any party, the court shall join to the action any person who may be liable for costs or expenditures of the type recoverable under this chapter.

25363. (a) Except as provided in subdivision (f), any party found liable for any costs or expenditures recoverable under this chapter who establishes by a preponderance of the evidence that only a portion of those costs or expenditures are attributable to that party's actions, shall be required to pay only for that portion.

(b) Except as provided in subdivision (f), if the trier of fact finds the evidence insufficient to establish each party's portion of costs or expenditures under subdivision (a), the court shall apportion those costs or expenditures, to the extent practicable, according to equitable principles, among the defendants.

(c) The state account shall pay any portion of the judgment in excess of the aggregate amount of costs or expenditures apportioned under subdivisions (a) and (b).

(d) The standard of liability for any costs or expenses recoverable pursuant to this chapter is strict liability.

(e) Any person who has incurred removal or remedial action costs in accordance with this chapter or the federal act may seek contribution or indemnity from any person who is liable pursuant to this chapter, except that no claim may be asserted against a person whose liability has been determined and which has been or is being, fully discharged pursuant to Section 25356.6, or against a person who is actively participating in a pending apportionment proceeding pursuant to Section 25356.6. An action to enforce a claim may be brought as a cross-complaint by any defendant in an action brought pursuant to Section 25360 or this section, or in a separate action after the person seeking contribution or indemnity has paid removal or remedial action costs in accordance with this chapter or the federal act. Any plaintiff or cross complainant seeking contribution or indemnity shall give written notice to the director upon filing an action or cross complaint under this section. In resolving claims for contribution or indemnity, the court may allocate costs among liable parties using those equitable factors which are appropriate.

(f) Notwithstanding this chapter, any response action contractor who is found liable for any costs or expenditures recoverable under this chapter and who establishes by a preponderance of the evidence that only a portion of those costs or expenditures are attributable to the response action contractor's actions, shall be required to pay only that portion of the costs or expenditures attributable to the response action contractor's actions.

25364. Except as provided in Section 25364.1, no indemnification, hold harmless, conveyance, or similar agreement shall be effective to transfer any liability for cost or expenditures recoverable under this chapter. This section shall not bar any agreement to insure, hold harmless, or indemnify a party to the agreement for any costs or expenditures under this chapter.

25364.1. (a) For purposes of this section, the following definitions shall apply:

(1) "Affiliate" means any entity that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, the responsible party owner. For purposes of this paragraph, "control" means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of an entity, or ownership of shares or interests in the entity possessing more than 50 percent of the voting power.

(2) "Qualified independent consultant" means either a geologist who is registered pursuant to Section 7850 of the Business and Professions Code or a professional engineer who is registered pursuant to Section 6762 of the Business and Professions Code.

(3) "Responsible party owner" means the owner of all or part of the site on January 1, 1993, or if all or a part of the site is transferred to a joint venture formed for purposes of development of the site, the owner of the site immediately prior to that transfer.

(4) "Site" means the site of the former Kaiser Steel Corporation steel mill located near the City of Fontana.

(b) Notwithstanding any other provision of law, except as provided in subdivisions (c) and (e), the director may release from liability under this chapter or Chapter 6.5 (commencing with Section 25100), and from liability for any claims of the state for recovery of response costs under the federal act, any of the following persons, with regard to a removal or remedial action at the site:

(1) Any person who provides financing for all, or a substantial part of, the costs of performing a removal or remedial action at the site pursuant to a remedial action plan prepared by a qualified independent consultant and issued by the department pursuant to subdivision (e) of Section 25356.1, except that the release from liability shall not release the person providing this financing from liability for any hazardous substance release or threatened release resulting from that person's exercise of decisionmaking control over the performance of the removal or remedial action while the responsible party owner remains in possession of the site.

(2) Any person who enters into an agreement with the responsible party owner to provide development services for the development of all, or a part of, the site, including a developer, who becomes a partner in a joint venture partnership with the responsible party owner, if the joint venture is formed for purposes of the development of the site and legal title to the site is transferred by the responsible

party owner to the joint venture. If a release from liability is granted to a developer pursuant to this paragraph and the legal title to the site is transferred by the responsible party owner to a joint venture between the developer and the responsible party owner of the site, the responsible party owner shall not be relieved of liability under this chapter.

(3) Any person who acquires an ownership or leasehold interest in all or a part of the site after performance of the removal or remedial action specified in the remedial action plan for the site, or part of the site, has been completed to the satisfaction of the department.

(c) A release from liability shall not be granted pursuant to subdivision (b) unless all of the following conditions are met:

(1) A responsible party owner has entered into a stipulated settlement of an order issued by the department pursuant to Section 25187, 25355.5, or 25358.3 to perform the removal or remedial action at the site in accordance with the remedial action plan and has arranged financing, contingent only upon obtaining releases from potential liability pursuant to subdivision (b), for the costs of performing the removal or remedial action.

(2) A responsible party owner agrees to pay all applicable oversight fees required by Section 25343 and to pay any additional costs that are recoverable pursuant to Section 25360.

(3) No person to be released from liability pursuant to subdivision (b) is a responsible party or an affiliate of a responsible party, with respect to any hazardous substance release existing at the site at the time the release from liability is granted.

(4) The stipulated settlement requires the responsible party owner to provide irrevocable financial assurances for full performance of the remedial action plan. The financial assurances may consist of one or more of the financial assurance instruments described in Section 66264.143 of Title 22 of the California Code of Regulations. Upon the approval of the department, the forms of these instruments may be revised as appropriate to apply to the costs of performing the removal or remedial action specified in the remedial action plan.

(5) The director finds that the release from liability to be granted will promote the purposes and goals of this chapter and encourage private investment in property that is in need of remediation.

(d) The site may be subdivided to create subdivided parcels of land, pursuant to the Subdivision Map Act (Division 2 (commencing with Section 66410) of Title 7 of the Government Code), in order to facilitate removal or remedial action at the site, secure financing for removal or remedial action, or secure financing for development which would generate funds for removal or remedial action at the site.

(e) Notwithstanding any other provision of this section, a release from liability granted pursuant to subdivision (b) shall not extend to any of the following:

(1) Any person who was a responsible party for a hazardous substance release existing at the site before the release from liability was granted, and any entity which is an affiliate of such a responsible party.

(2) Any contractor who prepares the remedial action plan or performs the removal or remedial action provided for in the remedial action plan.

(3) Any person who obtains a release pursuant to subdivision (b) by fraud or negligent or intentional nondisclosure or misrepresentation.

(4) Any liability for a release or threatened release of a hazardous substance first deposited at the site by a person released from liability pursuant to subdivision (b) after the release from liability is granted.

(f) Any release from liability granted by the director pursuant to this section shall contain the following provision: "If, for any reason, the responsible party does not complete the removal or remedial action, this release does not extend to any subsequent actions or activities performed by the released party that exacerbate the conditions at the site."

25364.7. The repeal of Section 25364.6 shall not affect any indemnity provided pursuant to that section for any cause of action brought because of any act or omission which occurs before the repeal of that section.

25365. The entry of judgment against any party to the action shall not be deemed to bar any future action by the state account against any person who is later discovered to be potentially liable for costs and expenditures paid by the state account.

25365.6. (a) Any costs or damages incurred by the department or regional board pursuant to this chapter constitutes a claim and lien upon the real property owned by the responsible party that is subject to, or affected by, the removal and remedial action. This lien shall attach regardless of whether the responsible party is insolvent. A lien established by this section shall be subject to the notice and hearing procedures required by due process of the law and shall arise at the time costs are first incurred by the department or regional board with respect to a response action at the site.

(b) The department shall not be considered a responsible party for a hazardous substance release site because a claim and lien is imposed pursuant to this section.

(c) The lien provided by this section shall continue until the liability for these costs or damages, or a judgment against the responsible party, is satisfied. However, if it is determined by the court that the judgment against the responsible party will not be satisfied, the department may exercise its rights under the lien.

(d) The lien imposed by this section shall have the force and effect of, and the priority of, a judgment lien upon its recordation in the county in which the property subject to the lien is located. The lien shall contain the legal description of the real property, the assessor's parcel number, and the name of the owner of record, as shown on the latest equalized assessment roll. The lien shall also contain a legal description of the property which is the site of the hazardous substance release, the assessor's parcel number for that property, and the name of the owner of record, as shown on the latest equalized assessment roll, of that property.

(e) All funds recovered pursuant to this section shall be deposited in the state account, except that, if the costs incurred were paid from the Hazardous Substance Cleanup Fund, the recovered funds shall be deposited in the Hazardous Substance Clearing Account.

25366. (a) This chapter shall not be construed as imposing any new liability associated with acts that occurred on or before January 1, 1982, if the acts were not in violation of existing state or federal laws at the time they occurred.

(b) Nothing in this chapter shall be construed as authorizing recovery for response costs or damages resulting from any release authorized or permitted pursuant to state law or a federally permitted release.

(c) Except as provided in Sections 25360, 25361, 25362, and 25363, nothing in this chapter shall affect or modify in any way the obligations or liability of any person under any other provision of state or federal law, including common law, for damages, injury, or loss resulting from a release of any hazardous substance or for removal or remedial action or the costs of removal or remedial action of the hazardous substance.

25366.5. (a) Any public agency operating a household hazardous waste collection program or any person operating such a program under a written agreement with a public agency, or, for material received from the public as used oil, any person operating a certified used oil collection center as provided in Section 48660 of the Public Resources Code, shall not be held liable in any cost recovery action brought pursuant to Section 25360, including, but not limited to, any action to recover the fees imposed by Section 25343, for any waste which has been properly handled and transported to an authorized hazardous waste treatment or disposal facility at a location other than that of the collection program.

(b) For purposes of this section, "household hazardous waste collection program" means a program in which hazardous wastes from households and small quantity commercial sources, as defined in subdivision (d) of Section 25158.1, are collected and ultimately transferred to an authorized hazardous waste treatment, storage, or disposal facility.

(c) Except as provided in subdivision (a), this section does not affect or modify the obligations or liabilities of any person imposed pursuant to any state or federal law.

25367. Any person who commits any of the following acts shall be liable for a civil penalty not to exceed twenty-five thousand dollars ($25,000) for each separate violation, or for continuing violations, for each day during which that violation continues:

(a) Intentionally makes any false statement or representation in any report or information furnished pursuant to Section 25358.1.

(b) Intentionally fails to provide any information requested pursuant to Section 25358.1.

(c) Refuses or prevents, without sufficient cause, any activity authorized pursuant to Section 25358.1 or 25358.3.

Article 6.3. Technology Demonstration Program

25368. Notwithstanding Section 25355.5, the department shall carry out a program of full-scale demonstrations to evaluate treatment technologies that can be safely utilized for removal and remedial actions to hazardous substance releases.

25368.1. For the purposes of this article, the following definitions apply:

(a) "Treatment technologies" means methods, techniques, or processes, including proprietary or patented methods, that permanently alter the composition of hazardous substances at hazardous substance release sites through chemical, biological, or physical means so as to make the substances nonhazardous or to significantly reduce the toxicity, mobility, or volume, or any combination thereof, of the hazardous substances or contaminated materials being treated.

(b) "Full-scale demonstration" means a demonstration of a technology that is of a size or capacity which permits valid comparison of the technology to the technical performance and cost of conventional technologies, that is likely to be cost-effective, and that will result in a substantial or complete remedial or removal action to a hazardous substance release site.

25368.2. The department shall select technology demonstration projects to be evaluated pursuant to this article using criteria that include, at a minimum, all of the following requirements:

(a) The project proposal includes complete and adequate documentation of technical feasibility.

(b) The project proposal includes evidence that a technology has been sufficiently developed for full-scale demonstration and can likely operate on a cost-effective basis.

(c) The department has determined that a site is available and suitable for demonstrating the technology or technologies, taking into account the physical, biological, chemical, and geological characteristics of the site, the extent and type of contamination found

at the site, and the capability to conduct demonstration projects in a manner to ensure the protection of human health and the environment.

(d) The technology to be demonstrated preferably has widespread applicability in removal and remedial actions at other sites in the state.

(e) The project will be developed to the extent that a successful demonstration on a hazardous substance release site may lead to commercial utilization by responsible parties at other sites in the state.

(f) The department has determined that adequate funding is available from one or more of the following sources:

(1) Responsible parties.

(2) The Environmental Protection Agency.

(3) The Hazardous Substance Cleanup Fund.

(4) The state account.

25368.3. The department shall identify hazardous substance release sites, listed pursuant to Section 25356, that are particularly well-suited for technology demonstration projects. In identifying hazardous substance release sites, the department shall consider, at a minimum, all of the following:

(a) The state's priority ranking for removal and remedial actions to hazardous substance release sites adopted pursuant to Section 25356.

(b) The volume and variability of the hazardous substance release at the site.

(c) The availability of data characterizing the hazardous substance release.

(d) The accessibility of the hazardous substance release.

(e) Availability of required utilities.

(f) Support of federal and local governments.

(g) Potential for adverse effects to public health and the environment.

25368.4. (a) The department shall annually, on or before July 1, publish a solicitation for proposals to conduct treatment demonstration projects which utilize technologies which are at a stage of development suitable for full-scale demonstrations at hazardous substance release sites. The solicitation notice shall prescribe information to be included in the proposal, including technical and economic data derived from the applicant's own research and development efforts, and any other information which may be prescribed by the department to assess the technology's potential and safety and the types of removal or remedial action to which it may be applicable.

(b) Any person and private or public entity may submit an application to the department in response to the solicitation. The application shall contain a proposed treatment demonstration plan setting forth how the treatment demonstration project is to be

carried out and any other information which the department may require.

25368.5. (a) On or before January 1, after reviewing all proposals submitted pursuant to Section 25368.4, the department shall annually select at least two treatment demonstration projects, to be commenced during that calendar year, using, at a minimum, the criteria specified in Section 25368.2.

(b) If the department determines that the required number of demonstrations required by subdivision (a) cannot be initiated consistent with the criteria specified in Section 25368.2 in any fiscal year, the department shall inform the appropriate committees of the Legislature of the reasons for its inability to conduct these demonstration projects.

(c) Each treatment demonstration project selected pursuant to this section shall be performed by the applicant, or by a person approved by the applicant and the department.

25368.6. Notwithstanding Section 25360, if the department determines that using an alternative treatment technology to conduct a removal or remedial action at a hazardous substance release site listed pursuant to paragraph (2) or (3) of subdivision (b) of Section 25356 would be more costly than another available and feasible removal or remedial action method that would also achieve satisfactory results, the department may determine not to attempt to recover from the liable person the incremental costs of the removal or remedial action attributable to the alternative treatment technology.

25368.7. The department shall conduct a technology transfer program that shall include the development, collection, evaluation, coordination, and dissemination of information relating to the utilization of alternative or innovative hazardous waste treatment technologies demonstrated pursuant to this article. The information shall include an evaluation of each treatment demonstration project's efficacy relating to performance and cost in achieving permanent and significant reduction in risks from hazardous substance releases. The information shall also include documentation of the testing procedures utilized in the project, the data collected, and the quality assurance and quality control which was conducted. The information shall also include the technology's applicability, pretreatment and posttreatment measurements, and the technology's advantages or disadvantages compared to other available technologies.

25368.8. Notwithstanding paragraph (5) of subdivision (c) of Section 25356.1, when preparing or approving a remedial action plan for a site listed pursuant to paragraph (2) or (3) of subdivision (b) of Section 25356, that has been selected for a treatment demonstration project pursuant to this article, the department shall consider the cost-effectiveness of the project but is not required to choose the most cost-effective measure.

Article 6.5. Abandoned Site Program

25369. The department shall establish an abandoned site program to survey counties where abandoned site surveys have not been completed. As part of the program, the department shall do all of the following:

(a) Develop protocols and procedures for conducting an abandoned site survey of rural unsurveyed counties. These protocols shall address all types of sites likely to be found in these counties, including, but not limited to, crop-duster airstrips, abandoned mining operations, pesticide formulators and manufacturers, abandoned wells, oil exploration and extraction, wood treatment plants, land disposal sites, and scrap metal operations.

(b) Notify the California regional water quality control boards, the Department of Fish and Game, local health officers, county directors of environmental health, county agricultural commissioners, and state and federal land management agencies of the abandoned site program. Notifications shall consist of the following:

(1) Explanation of the abandoned site program.

(2) Description of the California Superfund Program, including the availability of state funds for cleaning up abandoned hazardous waste sites, and that discovery of a site does not impose liability for cleanup.

(3) Provide a copy of the program's protocols and procedures outlining sites the state is attempting to identify.

(4) Request that, as part of each respective agency's duties, it report to the state abandoned site program any suspected abandoned waste site.

(5) Request that each participating agency, as a part of its regular activities, notify the department of sites identified in writing at least quarterly.

(c) Prepare an inventory of suspected abandoned hazardous substance release sites.

(d) Contact the owners and occupants of suspected abandoned sites.

(e) Maintain individual records for each suspected abandoned site.

(f) Develop a methodology for screening sites identified.

(g) Conduct a field assessment of those sites which the screening procedures specified in subdivision (f) indicate require this assessment.

(h) Rank the assessed sites, in order of priority, as presenting a potential hazard to public health or the environment consistent with Section 25356 or regulations adopted pursuant to that section.

(i) Report to the Legislature quarterly, on an update on the progress of the abandoned sites survey, identifying which agencies have identified and reported sites to the department, as well as which

agencies have reported that they do not intend to participate in the program.

Article 7. Compensation

25370. "Board," as used in this article, means the State Board of Control.

25372. Any person may apply to the board, pursuant to Section 25373, for compensation of a loss caused by the release, in California, of a hazardous substance if any of the following conditions are met:

(a) The source of the release of the hazardous substance, or the identity of the party liable for damages in connection therewith or responsible for the costs of removal of the hazardous substance, is unknown or cannot, with reasonable diligence, be determined.

(b) The loss was not compensable pursuant to law, including Chapter 6.5 (commencing with Section 25100), because there is no liable party or the judgment could not be satisfied, in whole or part, against the party determined to be liable for the release of the hazardous substance.

(c) The person has presented a written demand for compensation, which sets forth the basis for the claim, to the party which the person reasonably believes is liable for a loss specified in paragraph (1) of subdivision (a) of Section 25375 which was incurred by that person and is compensable pursuant to this article, the person has presented the board with a copy of the demand, and, within 60 days after presenting the demand, the party has either rejected, in whole or in part, the demand to be compensated for a loss specified in paragraph (1) of subdivision (a) of Section 25375, or has not responded to the demand. Only losses specified in paragraph (1) of subdivision (a) of Section 25375 are compensable under a claim filed pursuant to this subdivision.

25373. The board shall prescribe appropriate forms and procedures for claims filed pursuant to this article, which shall include, as a minimum, all of the following:

(a) A provision requiring the claimant to make a sworn verification of the claim to the best of his or her knowledge.

(b) A full description, supported by appropriate evidence from government agencies of the release of the hazardous substance claimed to be the cause of the physical injury or illness or loss of income.

(c) Certification by the claimant of dates and places of residence for the five years preceding the date of the claim.

(d) Certification of the medical history of the claimant for the five years preceding the date of the claim, along with certification of the alleged physical injury or illness and expenses for the physical injury or illness. The certification shall be made by hospitals, physicians, or other qualified medical authorities.

(e) The claimant's income as reported on the claimant's federal income tax return for the preceding three years in order to compute lost wages or income.

(f) Any person who knowingly gives, or causes to be given, any false information as a part of any such claim shall be guilty of a misdemeanor and shall, upon conviction, be fined up to five thousand dollars ($5,000), or imprisoned for not more than one year, or both.

25374. All decisions rendered by the board shall be in writing, with notification to all appropriate parties, and shall be rendered within 90 days of submission of a claim to the board unless all the parties to the claim agree in writing to an extension of time. The decision shall be considered a final agency action for the purposes of judicial review of the decision by any party to the proceedings resulting in the decision.

25375. (a) If the board makes the determination, specified in subdivision (b), that losses resulted from the claimant's damages, injury, or disease, only the following losses are compensable pursuant to this article:

(1) One hundred percent of uninsured, out-of-pocket medical expenses, for up to three years from the onset of treatment.

(2) Eighty percent of any uninsured, actual lost wages, or business income in lieu of wages, caused by injury to the claimant or the claimant's property, not to exceed fifteen thousand dollars ($15,000) per year for three years.

(3) One hundred percent of uninsured, out-of-pocket expenses for remedial action on the claimant's property undertaken to address a release of a hazardous substance when all of the following apply:

(A) The claimant's property is an owner-occupied single-family residence.

(B) The remedial action was ordered by federal, state, or local authorities due to a release of a hazardous substance.

(C) The department makes one of the following determinations:

(i) The release of the hazardous substance originated outside the boundaries of the property.

(ii) The release of the hazardous substance occurred on the property, was the result of an action which violated state or federal law, and the responsible party cannot be identified or cannot be located, or a judgment against the responsible party cannot be satisfied.

The maximum compensation under this paragraph is limited to twenty-five thousand dollars ($25,000) per residence and to one hundred thousand dollars ($100,000) for five contiguous residential properties. Any compensation provided shall be reduced by the amount that the remedial action results in a capital improvement to the claimant's residence.

(4) One hundred percent of the fair market value of owner-occupied real property that is rendered permanently unfit for occupancy because of the release of a hazardous substance. For

purposes of this paragraph, real property is rendered permanently unfit for occupancy only if a state or federal agency requires that it be evacuated for a period of six or more months because of the release of a hazardous substance. The fair market value of the real property shall be determined by an independent appraiser, and shall be considered by the independent appraiser as being equal to the value of the real property prior to the release of the hazardous substance that caused the evacuation of the property. Where compensation is made by the board pursuant to this paragraph, sole ownership of the real property shall be transferred to the state and any proceeds resulting from the final disposition of the real property shall be deposited into the state account, for expenditure by the department upon appropriation by the Legislature. To be eligible for compensation pursuant to this paragraph, claims for compensation shall be made within 12 months of the date on which the evacuation was ordered.

(5) One hundred percent of the expenses incurred due to the evacuation of a residence ordered by a state or federal agency. For purposes of this paragraph, "evacuation expenses" include the cost of shelter and any other emergency expenditures incurred due to an evacuation ordered by a state or federal agency. The board may provide compensation, pursuant to this paragraph, only if it finds that the evacuation expenses represent reasonable costs for the goods or services purchased, and would not have been incurred if an evacuation caused by a hazardous substance release had not occurred. The board may provide compensation for these evacuation expenses only if they were incurred within 12 months from the date on which evacuation was ordered.

(b) A loss specified in subdivision (a) is compensable if the board makes all of the following findings, based upon a preponderance of the evidence:

(1) A release of a hazardous substance occurred.

(2) The claimant or the claimant's property was exposed to the release of the hazardous substance.

(3) The exposure of the claimant to the release of the hazardous substance was of such a duration, and to such a quantity of the hazardous substance, that the exposure caused the damages, injury, or disease which resulted in the claimant's loss.

(4) For purposes of paragraphs (4) and (5) of subdivision (a), the hazardous substance release, or the order which resulted in the claim for compensation occurred on or after January 1, 1986.

(5) The conditions and requirements of this article including, but not limited to, the conditions of Sections 25372 and 25373, have been met.

(c) No money shall be used for the payment of any claim authorized by this chapter, where the claim is the result of long-term exposure to ambient concentrations of air pollutants.

25375.5. (a) Except as specified in subdivision (b), the procedures specified in Article 8 (commencing with Section 11435.05) of Chapter 4.5 of Part 1 of Division 3 of Title 2 of, and in Section 11513 of, the Government Code apply to the proceedings conducted by the board pursuant to this article.

(b) Notwithstanding subdivision (a), Sections 801, 802, 803, 804, and 805 of the Evidence Code apply to the proceedings conducted by the board pursuant to this article.

(c) The board may consider evidence presented by any person against whom a demand was made pursuant to subdivision (c) of Section 25372. The evidence presented by that person shall become a part of the record upon which the board's decision shall be based.

25376. No claim may be presented to the board pursuant to this article later than three years from the date of discovery of the loss or from January 1, 1982, whichever is later.

25377. Nothing in this article shall require, or be deemed to require, pursuit of any claim against the board as a condition precedent to any other remedy.

25378. (a) Compensation of any loss pursuant to this article shall preclude indemnification or reimbursement from any other source for the identical loss, and indemnification or reimbursement from any other source shall preclude compensation pursuant to this article.

(b) If a claimant recovers any compensation from a party in a civil or administrative action for a loss for which the claimant has received compensation pursuant to this article, the claimant shall reimburse the state account in an amount equal to the compensation which the claimant has received from the state account pursuant to this article. The Attorney General may bring an action against the claimant to recover the amount which the claimant is required to reimburse the state account, and until the account is reimbursed, the state shall have a lien of first priority on the judgment or award recovered by the claimant. If the state account is reimbursed pursuant to this subdivision, the state shall not acquire, by subrogation, the claimant's rights pursuant to Section 25380.

(c) The Legislature hereby finds and declares that it is the purpose of this section to prevent double recovery for a loss compensable pursuant to this article.

25379. (a) The following evidence is not admissible as evidence in any civil or criminal proceeding, including a subrogation action by the state pursuant to Section 25380, to establish the liability of any person for any damages alleged to have been caused by a release of a hazardous substance:

(1) A final decision made by the board pursuant to this article.

(2) A decision made by the board to admit or not admit any evidence.

(3) Any finding of fact or conclusion of law entered by the board in a proceeding for a claim pursuant to this article.

(4) The fact that any person has done any of the following in a proceeding for a claim pursuant to Section 25372:

(A) Chosen to participate or appear.

(B) Chosen not to participate or appear.

(C) Failed to appear.

(D) Settled or offered to settle the claim.

(b) Subdivision (a) does not apply to any civil action or writ by a claimant against the board for any act, decision, or failure to act on a claim submitted by the claimant.

25380. Compensation of any loss pursuant to this article shall be subject to the state's acquiring, by subrogation, all rights of the claimant to recover the loss from the party determined to be liable therefor. Upon the request of the board, the Attorney General shall commence an action in the name of the people of the State of California to recover any amount paid in compensation for any loss pursuant to this article against any party who is liable to the claimant for any loss compensable pursuant to this article in accordance with the procedures set forth in Sections 25360 to 25364, inclusive. Moneys recovered pursuant to this section shall be deposited in the state account.

25381. (a) The board shall, in consultation with the department, adopt, and revise when appropriate, all rules and regulations necessary to implement this article, including methods that provide for establishing that a claimant has exercised reasonable diligence in satisfying the conditions specified in Sections 25372, 25373, 25375, and 25375.5, and regulations that specify the proof necessary to establish a loss compensable pursuant to this article.

(b) Claims approved by the board pursuant to this article shall be paid from the state account.

(c) The Legislature may appropriate up to two million dollars ($2,000,000) annually from the state account to be used by the board for the payment of awards pursuant to this article.

(d) Claims against or presented to the board shall not be paid in excess of the amount of money appropriated for this purpose from the state account. These claims shall be paid only when additional money is collected, appropriated, or otherwise added to that account.

25382. The board may expend from the state account those sums of money as are reasonably necessary to administer and carry out this article.

Article 7.5. Hazardous Substance Cleanup Bond Act of 1984

25385. This article shall be known and may be cited as the Johnston-Filante Hazardous Substance Cleanup Bond Act of 1984.

25385.1. For purposes of this article, and for purposes of Section 16722 of the Government Code as applied to this article, the following definitions apply:

(a) "Board" means the Department of Toxic Substances Control.

(b) "Committee" means the Hazardous Substance Cleanup Committee created pursuant to Section 25385.4.

(c) "Director" means the Director of Toxic Substances Control.

(d) "Fund" means the Hazardous Substance Cleanup Fund created pursuant to Section 25385.3.

(e) "Orphan site" means a site with a release or threatened release of a hazardous substance with no reasonably identifiable responsible parties.

(f) "Orphan share" means those costs of removal or remedial action at sites with a release or threatened release of hazardous substances, which costs are in excess of amounts included in a cleanup agreement.

(g) "Responsible party" means a person who is, or may be, responsible or liable for carrying out, or paying for the costs of, a removal or remedial action.

(h) "Trust fund" means the Superfund Bond Trust Fund.

25385.2. The State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code) is adopted for the purpose of the issuance, sale, and repayment of, and otherwise providing with respect to, the bonds authorized to be issued pursuant to this article, and the provisions of that law are included in this article as though set out in full in this article, except that, notwithstanding anything in the State General Obligation Bond Law, the maximum maturity of bonds shall not exceed 30 years from the date of the bonds, or from the date of each respective series. The maturity of each respective series shall be calculated from the date of the series.

25385.3. (a) The Hazardous Substance Cleanup Fund is hereby created in the State Treasury. The proceeds of bonds issued and sold pursuant to this article shall be deposited in the fund, and the money in the fund may be expended only for the purposes specified in this article and, pursuant to appropriation by the Legislature, in the manner specified in this section.

(b) Except when the Legislature appropriates money from the fund for specified removal or remedial actions in a bill other than the Budget Act, it is the intention of the Legislature that all proposed appropriations for activities conducted pursuant to this article be included in a section of the Budget Act for each fiscal year for consideration by the Legislature and that this section be captioned "Hazardous Substance Cleanup Bond Act Program." Any appropriation of money from the fund is subject to all the limitations contained in the bill making the appropriation and to all fiscal procedures specified by statute concerning the expenditure of state funds.

(c) In issuing bonds pursuant to this article, the committee shall, to the extent possible, pay the principal of, and interest on, the bonds from the sources specified in subdivisions (a) to (f), inclusive, of Section 25385.9. The General Fund shall be reimbursed from these

sources for any transfers made to the Hazardous Substance Clearing Account from the General Fund to make the principal and interest payments. In determining the amount the General Fund is to be reimbursed for any transfer, the committee shall also include interest on the transfer at a rate equal to the bond rate on the transfer from the date of transfer to the date of reimbursement.

25385.4. The Hazardous Substance Cleanup Committee, which is hereby created, shall consist of the Governor, the Director of Finance, the Treasurer, the Controller, and the Secretary for Environmental Protection.

25385.5. The committee may create a debt or debts, liability or liabilities, of the State of California, in the aggregate of one hundred million dollars ($100,000,000), in the manner provided in this article. The debt or debts, liability or liabilities, shall be created for the purpose of providing moneys, for deposit in the fund, for the purposes specified in Section 25385.6.

25385.6. (a) The moneys in the Hazardous Substance Cleanup Fund may be used, upon appropriation by the Legislature, for the purposes specified in this section.

(b) The board may expend moneys in the fund, upon the authorization of the committee, for all of the following purposes:

(1) To provide the state share of a removal or remedial action pursuant to Section 104(c)(3) of the federal act (42 U.S.C. Sec. 9604(c)(3)) if the site is the subject of a final remedial action plan issued pursuant to Section 25356.1.

(2) To pay all costs of a removal or remedial action incurred by the state, or by any local agency with the approval of the director, in response to a release or threatened release of a hazardous substance at a site which is listed in the priority ranking of sites pursuant to Section 25356 and is the subject of a final remedial action plan issued pursuant to Section 25356.1, to the extent that the costs are not paid by responsible parties or are reimbursed by the federal act.

(3) To pay for site characterization of a release of hazardous substances, even if a remedial action plan has not been prepared, approved, adopted, or made final for that site.

25385.7. (a) All bonds authorized by this article, which are sold and delivered as provided in this article, constitute valid and legally binding general obligations of the State of California, and the full faith and credit of the State of California are hereby pledged for the punctual payment of both principal and interest thereon.

(b) There shall be collected annually, in the same manner and at the same time as other state revenue is collected, that sum, in addition to the ordinary revenues of the state, which is required to pay the principal of, and interest on, the bonds as provided in this article, and all officers charged by law with any duty in regard to the collection of the revenue shall perform each and every act which is necessary to collect this additional sum.

25385.8. (a) The Superfund Bond Trust Fund is hereby created in the State Treasury. All interest earned on funds in the state account, and other funds transferred to the trust fund by the Legislature or the department, shall be deposited in the trust fund, which is a sinking fund to ensure the payment of principal of, and interest on, the debt incurred pursuant to Section 25385.5. All interest earned on money in the fund shall be deposited in the trust fund. The funds in the trust fund shall be invested by the Treasurer. The committee shall administer the trust fund so that there are sufficient funds in the trust fund to make the necessary principal and interest payments on bonds issued and shall transfer funds from the trust fund for this purpose to the Hazardous Substance Clearing Account.

(b) There shall be transferred annually the sum of five million dollars ($5,000,000) from the state account to the trust fund.

(c) The unobligated balance in the state account shall be transferred by the department to the trust fund on December 31 of each year. For purposes of this section, "unobligated balance" means that amount, which shall not be less than zero, determined by the department, in the year-end financial statement submitted to the Controller, to be the total of all unencumbered funds on June 30 of that calendar year, less the total of all of the following:

(1) Any fund in the reserve account for emergencies established by Section 25354.

(2) Any remaining principal of the loan authorized by Section 25332.

(3) Any interest due on any remaining principal of the loan authorized by Section 25332.

(4) Any funds paid as taxes for the following fiscal year.

(5) Any funds received from the federal government pursuant to the federal act.

(6) Any interest accruing from funds deposited in the subaccount for site operation and maintenance established by Section 25330.5.

(7) Any funds received from responsible parties for remedial and removal action, except to the extent those funds are necessary to reimburse the state account for funds previously expended therefrom.

(8) Any funds deposited into a sinking fund to ensure the repayment of principal on, and interest of, bonds pursuant to Section 25385.9.

(d) The amendment of this section by Chapter 531 of the Statutes of 1990 does not constitute a change in, but is declaratory of, the existing law.

25385.9. Notwithstanding any other provision of law, the board shall pay the principal of, and interest on, the bonds from the Hazardous Substance Clearing Account, using the following sources, in the following order of priority:

(a) Money derived from the premium and the accrued interest on bonds which are sold.

(b) Recoveries from responsible parties of costs incurred for removal or remedial actions at sites listed pursuant to Section 25356, insofar as the removal or remedial action expenditures were paid from proceeds from bonds issued pursuant to this article.

(c) Funds received pursuant to the federal act which are designated to be used for removal or remedial actions paid for by proceeds from bonds issued pursuant to this article.

(d) Any money transferred from the state account.

(e) Any money transferred from the trust fund.

(f) Any money derived from any other source, as provided by law.

(g) The General Fund.

25386. Notwithstanding Section 25386.5, the money deposited in the fund is available for transfer to the General Fund if money was deposited in the fund pursuant to any provision of law requiring repayments to the state for assistance financed by the proceeds of the bonds issued pursuant to this article. When transferred to the General Fund, that money shall be applied as a reimbursement to the General Fund for the principal and interest payments on the bonds which have been paid from the General Fund.

25386.1. There is hereby appropriated from the General Fund in the State Treasury, for the purpose of this article, an amount equal to the sum of all of the following:

(a) The sum, annually, which will be necessary to pay the principal of, and the interest on, the bonds issued and sold pursuant to this article, as the principal and interest become due and payable.

(b) The sum which is necessary to carry out Section 25386.2, which sum is appropriated without regard to fiscal years, notwithstanding Section 13340 of the Government Code.

25386.2. For the purpose of carrying out this article, the Director of Finance may, by executive order, authorize the withdrawal from the General Fund of amounts not to exceed the amount of the unsold bonds which the committee has, by resolution, authorized to be sold for the purpose of carrying out this article. Any amounts withdrawn shall be deposited in the fund and shall be disbursed by the board in accordance with this article. Any moneys made available pursuant to this section shall be returned to the General Fund from moneys received from the sale of bonds sold for the purpose of carrying out this article.

25386.25. Notwithstanding any other provision of this bond act, or of the State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code), if the Treasurer sells bonds pursuant to this bond act that include a bond counsel opinion to the effect that the interest on the bonds is excluded from gross income for federal tax purposes under designated conditions, the Treasurer may maintain separate accounts for the bond proceeds invested and the investment earnings on those proceeds, and may use or direct the use of those proceeds or earnings to pay any rebate, penalty, or other payment

required under federal law, or take any other action with respect to the investment and use of those bond proceeds, as may be required or desirable under federal law in order to maintain the tax-exempt status of those bonds and to obtain any other advantage under federal law on behalf of the funds of this state.

25386.3. Upon the request of the board, and supported by a statement of the proposed actions to be taken pursuant to Section 25385.6, the committee shall determine whether it is necessary or desirable to issue any bonds authorized pursuant to this article in order to take these actions, and if so, the amount of bonds which should be issued and sold. Successive issues of bonds may be authorized and sold to take these actions progressively, and it is not necessary that all of the bonds authorized by this article to be issued are sold at any one time.

25386.4. The committee may authorize the Treasurer to sell all, or any part of, the bonds authorized under this article at the time or times as may be fixed by the Treasurer.

25386.5. Except as provided in subdivision (c) of Section 25385.3 and Section 25386, all proceeds from the sale of bonds, except those derived from premiums and accrued interest, are available for the purposes specified in Section 25385.6, but are not available for transfer to the General Fund to pay the principal of, and interest on, the bonds.

Article 7.8. Orphan Share Reimbursement Trust Fund

25390. For purposes of this article, the following definitions shall apply:

(a) "Fund" means the Orphan Share Reimbursement Trust Fund established pursuant to Section 25390.3.

(b) "Orphan share" means the share of liability for the costs of response action that is attributable to the activities of persons who are defunct or insolvent, as determined pursuant to Section 25390.5.

25390.1. The Legislature finds and declares all of the following:

(a) This article, which establishes an Orphan Share Reimbursement Trust Fund, operates in conjunction with the federal liability scheme under the federal act as in effect on July 1, 1998, for the recovery of response costs expended by government agencies.

(b) Under federal liability, at sites where there are insolvent or defunct parties that cannot contribute to the cost of cleanup, viable responsible parties pay the share of liability for that cleanup that may be attributable to insolvent and defunct parties.

(c) The Orphan Share Reimbursement Trust Fund is created to mitigate the payment of an insolvent or defunct party's liability share by viable responsible parties, to the extent money in the fund is available, and to encourage responsible parties to quickly and efficiently remediate contamination.

25390.2. (a) This article does not prohibit, and is not intended to prohibit, the department, the regional board, or the Attorney General from pursuing any existing legal, equitable, or administrative remedies, pursuant to federal or state law, against any potentially responsible party.

(b) No liability or obligation is imposed upon the state pursuant to this article, and the state shall not incur a liability or obligation beyond the payment of claims pursuant to this article, to the extent that money is available and has been allocated by the administrator under subdivision (c) of Section 25390.4. No legal action may be brought against the Orphan Share Reimbursement Trust Fund in its own name.

25390.3. (a) The Orphan Share Reimbursement Trust Fund is hereby created in the State Treasury.

(b) The administrator of the fund may expend the money deposited in the fund as provided in this article, upon appropriation by the Legislature. The administrator of the fund shall act in a fiduciary capacity, shall prudently administer the fund, and shall protect the fund from any unreasonable or unjustified claims, including any unreasonable or unjustified determinations of the orphan share percentage.

(c) Except as provided in subdivision (d) and subdivision (b) of Section 25358.7.2, the administrator of the fund may expend the money in the fund for all of the following purposes:

(1) To pay claims for reimbursement of all, or any part of, the orphan share at a site paid by the responsible party filed pursuant to Section 25390.4.

(2) For the costs of implementing this article.

(3) To pay the reasonable costs of the department and the regional board for performance of its duties under this article, including, but not limited to, its participation in the orphan share determination process set forth in Section 25390.5, unless those costs are paid by a potentially responsible party under an agreement specified in paragraph (3) of subdivision (a) of Section 25390.4. The expenditures from the fund for purposes of this paragraph shall not exceed 5 percent of the total amount appropriated from the fund in the annual Budget Act for purposes of this subdivision for that fiscal year.

(4) To pay the portion of costs attributable to the orphan share incurred by the department and the regional boards to oversee actions of potentially responsible parties, unless those costs are paid by a potentially responsible party under an agreement specified in paragraph (3) of subdivision (a) of Section 25390.4.

(d) If an appropriation from the General Fund is made to the fund in any fiscal year and an amount greater than five million dollars ($5,000,000) in unexpended funds, beyond any amount approved by the administrator of the fund to pay claims pursuant to this article from that General Fund appropriation, remain in the fund at the end of that fiscal year, and if the department determines that additional

funding for orphan sites beyond that appropriated from the Toxic Substances Control Account is required for the next fiscal year, the administrator may expend the amount in excess of five million dollars ($5,000,000) from the General Fund appropriation to pay for response costs incurred by the department or the regional boards under this chapter at sites listed pursuant to Section 25356 where no viable responsible parties exist.

25390.4. (a) A potentially responsible party may file a claim pursuant to paragraph (1) of subdivision (c) of Section 25390.3 only if all of the following apply:

(1) The site is listed pursuant to Section 25356.

(2) The department or the regional board has approved a final remedy for the site under Section 25356.1.

(3) The department and the potentially responsible party have entered into a written, enforceable cleanup agreement or order embodied in a consent order issued pursuant to Section 25355.5 or 25358.3, or the regional board and the potentially responsible party have entered into a written, enforceable cleanup agreement or order that provides for the completion of all response actions necessary at the site, conducted pursuant to this chapter and under the oversight and at the direction of the department or the regional board. The agreement shall provide for the payment by the potentially responsible party of the department's or the regional board's response costs.

(4) The potentially responsible party demonstrates, and the department or the regional board finds, that the potentially responsible party has and will have sufficient financial resources to complete all required response actions.

(5) The potentially responsible party is in compliance with the agreement provided in paragraph (3), and with any other applicable order or agreement pertaining to the potentially responsible party's obligations with respect to the site.

(6) The potentially responsible party has prepared and provided the information required under subdivision (b) of Section 25390.5.

(7) The claim for reimbursement is for the costs incurred for response actions that were subject to the oversight and approval of the department or the regional board.

(b) The administrator of the fund shall prescribe appropriate application forms and procedures for claims filed pursuant to paragraph (1) of subdivision (c) of Section 25390.3 that shall include all of the following:

(1) Requirements that the claimant provide, at a minimum, all of the following documentation:

(A) A sworn verification of the claim to the best of the information known to the claimant or within the claimant's possession or control.

(B) All records and information pertaining to the site and relevant to the ownership, operation, or control of the site, or to the ownership, possession, generation, treatment, transportation,

storage or disposal of a hazardous substance, pollutant, or contaminant at or in connection with the site, within the possession or control of the claimant, including, but not limited to, the information specified in subdivision (b) of Section 25358.1.

(C) Certification of all response costs that have been, or will be, incurred at the site by the potentially responsible party, and an estimate of the total cost of completion of the approved final remedy at the site.

(2) Procedures specifying that claims shall be filed only at the two following specific time periods during the performance of a response action:

(A) After the final remedy is selected under Section 25356.1.

(B) After the department or the regional board determines that the response action is complete. The department or the regional board shall not include operation and maintenance activities in determining whether the response action is complete under this subparagraph.

(c) The administrator of the fund shall annually, on a fiscal year basis, pay claims for reimbursement from the fund filed by potentially responsible parties under paragraph (1) of subdivision (c) of Section 25390.3, in accordance with the following procedures:

(1) Claims for funds available during each fiscal year shall be filed with the administrator by July 30 of that fiscal year.

(2) For sites with multiple responsible parties, all potentially responsible parties that have entered into the cleanup agreement specified in paragraph (3) of subdivision (a) of Section 25390.4 shall file a single claim.

(3) (A) The administrator shall allocate the money available in the fund for the fiscal year among the claims filed by the July 30 deadline. The allocation shall be based on the determination of the orphan share percentage at the facility under the process set forth in Section 25390.5, the long-term financial stability and short-term resources available in the fund, and the administrator's fiduciary duty with respect to the fund. Except as provided in subparagraph (B), the administrator shall pay claims for funds in the order in which they are received.

(B) Notwithstanding subparagraph (A), if an appropriation from the General Fund is made to the fund in any fiscal year, the administrator may alter the order of payment of claims required by subparagraph (A) by using funds appropriated from the General Fund to pay claims based on the threat to public health or the environment posed by a site or the need to improve economic and environmental conditions in redeveloping communities.

(4) The total amount allocated to any one site shall not exceed 10 percent of the total amount available each fiscal year in the fund. If, due to this limit or to the unavailability of funds, a claimant receives only partial or no reimbursement of the orphan share paid to be paid by that claimant, the claim shall be paid in the following fiscal year

and shall be given priority over all claims filed after the claim was initially received, subject to the discretion of the administrator set forth in paragraph (3).

(5) The administrator's proposed allocation shall be subject to public review and comment for 30 days.

(d) The state and the fund have no obligation to provide full reimbursement to a claimant. The fund shall be allocated at the discretion of the administrator, subject to the requirements of this article. In enacting this article, the Legislature intends that claimants be reimbursed only to the extent that money is available in the fund and is allocated to the claimant by the administrator.

25390.5. For the purposes of this article, the orphan share shall be determined in the following manner:

(a) The orphan share shall be expressed as a percentage in multiples of five, up to, and, including, but not greater than, 75 percent.

(b) The potentially responsible party filing a claim for reimbursement of the orphan share shall provide the administrator of the fund with a written potentially responsible party search report that shall include a list of all potentially responsible parties identified for the site, the factual and legal basis for identifying those parties, and a proposed orphan share percentage. The potentially responsible party shall also provide the administrator with the factual documentation necessary to support the proposed orphan share percentage.

(c) Upon receipt of the information required by subdivision (a), the administrator of the fund shall invite all identified potentially responsible parties and the department and the regional board to submit any additional information relating to the proposed orphan share percentage or to the list of identified potentially responsible parties.

(d) The administrator of the fund, in consultation with the department or the regional board, shall determine a final orphan share percentage based on the volume, toxicity, and difficulty of removal of the contaminants contributed to the site by the party or parties responsible for the orphan share. The administrator shall determine the orphan share timely and efficiently and is not required to precisely determine all relevant factors, as long as the determination is generally equitable. In addition, the administrator may consider the results of any apportionment or allocation conducted by voluntary arbitration or mediation or by a civil action filed by a potentially responsible party, or any other apportionment or allocation decision that is helpful when determining the orphan share percentage.

(e) A potentially responsible party shall not assert, and the administrator of the fund shall not determine, that the orphan share percentage includes the share of liability attributable to a potentially responsible party's acts that occurred before January 1, 1982, unless

that share of responsibility is attributable to a person who is defunct or insolvent.

(f) In determining the orphan share percentage under this section, the administrator of the fund may perform any of the activities authorized in subdivisions (b) and (c) of Section 25358.1.

(g) The administrator of the fund shall issue all orphan share percentage determinations in writing, with notification to all appropriate parties. The decision of the administrator with respect to either apportionment or payment of claims is a final agency action for the purposes of judicial review of the decision by any party to the proceedings resulting in the decision; however, judicial review of the administrator's decision is limited to a showing of fraud by a party submitting information under this subdivision. The administrator shall be represented by the Attorney General in any action brought under this article.

25390.6. (a) Any costs paid from the fund pursuant to paragraphs (1) and (4) of subdivision (c) of Section 25390.3 shall be recoverable by the Attorney General, at the request of the administrator of the fund, from any liable person or persons who have not entered into, or are not in compliance with, a written cleanup agreement entered into pursuant to paragraph (3) of subdivision (a) of Section 25390.4 that provides for the completion of all response actions necessary at the site under the oversight and at the direction of the department or the regional board.

(b) Any potentially responsible party who withholds information required to be submitted under this section, or who submits false information, is subject to a civil penalty of up to twenty-five thousand dollars ($25,000) for each piece of information withheld or for each piece of false information submitted.

25390.7. A claim for reimbursement under paragraph (1) of subdivision (c) of Section 25390.3 shall not be filed for any of the following:

(a) Sites listed on the National Priorities List pursuant to the federal act (42 U.S.C. Sec. 9605(a)(8)(B)).

(b) Sites remediated pursuant to Chapter 6.85 (commencing with Section 25396).

(c) Sites, or portions of sites, for which the potentially responsible party has agreed to take all response action required by the department or the regional board at the site, and that agreement is embodied in a written, enforceable settlement agreement, including, but not limited to, a judicial consent decree, entered into prior to January 1, 1999.

(d) Sites, or portions of sites, that have been fully remediated for which the department or the regional board has determined that the response action is complete prior to January 1, 1999. The department or the regional board shall not include operation and maintenance activities in determining whether the response action is complete under this section.

25390.8. (a) Any costs incurred and payable from the fund by the administrator pursuant to this article shall constitute a claim and lien upon the real property owned by a responsible party which is subject to, or affected by, a response action. A lien established by this subdivision shall have all of the following properties:

(1) The lien shall not exceed the increase in fair market value of the site attributable to the response action at the time of a subsequent sale or other disposition of the site.

(2) The lien shall attach regardless of whether the responsible party property owner is solvent.

(3) The lien shall arise at the time costs to the fund are first incurred by the administrator.

(4) The lien shall be subject to the notice and hearing procedures that due process of the law requires.

(b) Neither the administrator of the fund nor the fund shall be considered a responsible party for a hazardous substance release site because a claim and lien is imposed pursuant to this section.

(c) The lien imposed by this section shall have the force and effect of, and the priority of, a judgment lien upon its recordation in the county in which the property subject to the lien is located. The lien shall contain the legal description of the property, the assessor's parcel number, and the name of the owner of record, as shown on the latest equalized assessment roll. The lien shall also contain a legal description of the property that is the site of the hazardous substance release, the assessor's parcel number for that property, and the name of the owner of record, as shown on the latest equalized assessment roll, of that property.

(d) All funds recovered pursuant to this subdivision shall be deposited in the fund.

25390.9. (a) This article shall become operative on the operative date of a statute that becomes operative on or after January 1, 2000, and does both of the following:

(1) Creates a position in state government known as the Administrator of the Orphan Share Reimbursement Trust Fund, and that provides that the administrator shall be appointed by the Governor and be subject to confirmation by the Senate.

(2) Either appropriates funds to the fund to implement this article, or establishes a revenue source for the fund, or both.

(b) Notwithstanding subdivision (a), the operation of this article shall be suspended during any fiscal year in which both no funds are appropriated to the fund to implement this article and no revenue source for the fund is operative.

Article 8. Private Site Management

25395.1. As used in this article, the following terms have the following meaning:

(a) "Private site manager" means an individual who is registered as a class II environmental assessor pursuant to Section 25570.3.

(b) "Private site management team" means a group coordinated by a private site manager, which may consist of any or all of the following persons:

(1) A person holding a four-year bachelor of science degree from an accredited college or university who has done significant work in biological, chemical, physical, environmental or soil geology, hydrology, hydrogeology, environmental health, environmental engineering, toxicology, industrial hygiene, or a related field.

(2) An environmental engineer holding a four-year bachelor of science in engineering degree from an accredited college or university.

(3) An engineer registered in the State of California.

(4) A geologist registered in the State of California.

(5) A certified hydrogeologist registered in the State of California.

(6) A certified engineering geologist registered in the State of California.

(7) A geophysicist registered in the State of California.

(8) An industrial hygienist or safety engineer registered in the State of California.

(9) A process engineer holding a four-year bachelor of science degree in engineering from an accredited college or university.

(10) A petroleum engineer holding a four-year bachelor of science degree in engineering from an accredited college or university.

(11) The necessary technical support personnel and equipment operators, as determined by the private site manager.

(c) "Project proponent" means any person who applies to the department for approval to conduct the response to a release or threatened release of hazardous substances pursuant to this article.

(d) "Independent," as used in subdivision (b) of Section 25395.3, means that the private site manager or the members of the private site management team meet all of the following requirements:

(1) The site manager or team member is not an employee of the project proponent, a known responsible party, or a prospective buyer of the site property.

(2) The site manager or team member is not a general partner, or a limited partner, with any project proponent, known responsible party, or prospective buyer of the site property.

(3) The site manager or team member is not a shareholder in the project proponent entity, known responsible party, or a prospective buyer of the site property.

(4) The site manager or team member does not receive any source of income from the project proponent, known responsible party, or a prospective buyer of the site property, other than the payment of fees for professional services.

(5) The site manager or team member does not accept, or agree to accept, any payment that is in any way contingent upon the

completion of a response action of the site as a private site management project.

25395.2. A private site manager may conduct investigations of potential hazardous substance release sites using preliminary endangerment assessment procedures approved by the department. If, upon completion of an investigation, a private site manager determines that because a significant release of hazardous substances has not occurred, site conditions do not require any further investigation or remedial action, the private site manager may submit a report to the department certifying that no further action is required at the site. Unless the department issues a written notice of disagreement to the private site manager within 60 days from the date of receipt of the report, the department shall be deemed to be in agreement with the report and shall designate the site as a site which requires no further action. The department may subsequently change that site designation status upon receipt and confirmation of evidence that the physical environment of the site conditions differ from the findings of a report submitted by a private site manager. The department shall not designate a site under this section as a site that requires no further action if the release of hazardous substances has caused, or threatens to cause, discharges to waters of the state.

25395.3. If, upon completion of a site investigation, a private site manager or the department determines that a significant release of a hazardous substance has occurred, or is likely to have occurred, a project proponent may submit an application to the department requesting that a response action be conducted under private site management pursuant to this article. The application for a response action shall include both of the following:

(a) Where a site investigation was conducted by a private site manager, the private site manager shall provide the department with a report of the site findings based on the investigation. In all cases, the application shall set forth reasons why the site is appropriate for a private response action and management based on the information available at the time that the application is submitted to the department. Sites shall be deemed appropriate for private site management if all the following conditions exist:

(1) There is a substantial likelihood that no further significant environmental damage or exposure to humans will occur as the response action is implemented.

(2) The site is not adjacent to residential property, as defined in Section 1675 of the Civil Code, or a school, day care center for children, or a hospital.

(3) The site is not, or is not being used as, residential property, as defined in Section 1675 of the Civil Code, or a school, day care center for children, or a hospital.

(4) Releases of hazardous substances at the site did not result in discharges to groundwater.

(5) An enforceable agreement that specifies how response action will be conducted is not applicable to the site.

(b) The name and a statement of qualifications of any private site manager proposed for the site. The proposed private site manager shall be independent of the project proponent, all known responsible parties, and prospective buyers of the site property.

25395.4. (a) If the department approves an application for private site management, a private site management team shall be designated to perform the activities authorized by this article. The professional staff of the private site management team shall be comprised, at a minimum, of persons with qualifications and levels of experience which shall be specified by the department based upon the conditions at the site which require response action.

(b) At least one member of the proposed team shall have demonstrable experience or training in public participation, risk communication, and community involvement, except that the member shall not be required to be a registered or certified professional. Each member of the proposed team shall be independent of the project proponent, known responsible parties, and prospective buyers of the site property.

(c) If, at any time, the documented physical conditions at the site change or physical conditions previously unknown to the department are identified, the department may rescind approval of the proposed project or may require the private site management team to include additional professional staff members with expertise appropriate to the physical conditions at the site. The addition of new professional level team members proposed by the private site manager shall be approved by the department, but the department shall not unreasonably withhold that approval.

25395.5. (a) If the private site management team determines that the response action will include a removal or remedial action, the approved private site management team shall prepare a draft removal action work plan or remedial action plan. The draft removal action work plan or remedial action plan may be prepared without oversight by the department, but shall be prepared in accordance with all of the requirements of this chapter, or Chapter 6.85 (commencing with Section 25396) in the case of sites selected pursuant to Section 25396.6, and other applicable regulations and guidance documents adopted or issued by the department.

(b) The private site management team shall submit the draft removal action work plan or remedial action plan to the department for approval, and the department shall approve or reject the work plan or remedial action plan within 60 days from the date of submittal by a private site manager. If a plan is rejected, the department shall identify the principal reasons for the rejection, and shall describe the actions needed to adequately address deficiencies in the plan.

25395.6. (a) The private site management team shall, in the case of sites selected pursuant to Section 25396.6, prepare a remedial

design for the implementation of the response action that is selected in the final remedial action plan that is prepared and approved in accordance with the requirements of this chapter, or Chapter 6.85 (commencing with Section 25396), and applicable regulations and guidance documents adopted or issued by the department. The remedial design may be prepared by the private site management team without oversight by the department, and shall be submitted to the department for approval.

(b) The department shall approve or reject a final remedial design within 60 days from the date of submittal by a private site management team. If a design is rejected, the department shall identify the principal reasons for the rejection, and shall describe the actions needed to adequately address deficiencies in the design.

25395.7. The private site management team shall implement the response action set forth in the approved final removal action work plan or remedial action plan and remedial design. The implementation of the response action may be conducted without oversight by the department.

25395.8. (a) Upon completion of a response action, the private site manager shall file a request for a certificate of completion from the department. The request for a certificate of completion submitted by a private site manager shall include all of the information required by the department, and, at a minimum, shall include all of the following additional information:

(1) A summary of all response action taken.

(2) All sample results for a certified laboratory confirming that the site has been fully remediated as required by the final removal action work plan or remedial action plan and in accordance with the remedial design approved by the department.

(b) In addition, the department may require submittal of any or all of the following documentation:

(1) A north-south and east-west cross section of the site geology, that is signed by a geologist, geophysicist, engineering geologist, or hydrogeologist who is registered in the State of California, and that evaluates the hydrogeologic conditions of the site.

(2) Horizontal and vertical surveys of all wells, caps, and facilities that are required by the final removal action work plan or final remedial action plan approved by the department.

(3) As-built drawings of any physical construction that is required by the removal action work plan or remedial action plan approved by the department, and that is signed by an engineer registered in the State of California.

(4) Copies of land use controls that are required by the removal action work plan or remedial action plan approved by the department, and that have been recorded by the county recorder in the county in which the site is located.

(5) A plan for the implementation of any operation and maintenance measures that are required by the final removal action work plan or remedial action plan approved by the department.

(c) The department shall review the request for a certificate of completion, and shall approve or reject a request for certificate of completion within 30 days from the date of submittal by the private site manager. If a request is rejected, the department shall identify the principal reasons for the rejection and describe the actions needed to amend the application to adequately address the deficiencies that are identified by the department.

(d) If the department approves the request for a certificate of completion, it shall prepare a certification which shall include a certificate of completion, requirements for ongoing reporting and operation and maintenance, and a description of applicable land use controls of a site. The certification shall be provided to the project proponent, all known responsible parties, owners of properties located adjacent to the site, and shall be made available to the public.

25395.9. No designated officer or employee of the California Environmental Protection Agency or its constituent boards, departments, or offices shall serve as a private site manager or member of a private site management team for the first 12 months following the termination of the officer's or employee's appointment or employment with the agency, constituent board, department, or office.

25395.10. (a) The private site manager and each member of a private site management team shall sign and certify all work performed by, and or directed by, that person.

(b) The private site manager and each member of the professional staff of the private site management team shall have appropriate insurance as required by the department.

25395.11. Except as otherwise specified in this article, all the requirements of this chapter, or Chapter 6.85 (commencing with Section 25396) in the case of sites selected pursuant to Section 25396.6, and any other applicable regulation and guidance document or manual adopted or issued by the department, shall apply to sites approved for private site management. The requirements of Division 13 (commencing with Section 21000) of the Public Resources Code shall apply to response actions conducted pursuant to this article in the same manner, and to the same extent, that the requirements apply to response actions otherwise conducted pursuant to this chapter or Chapter 6.85 (commencing with Section 25396). If, at any time, the department finds that a private site manager or a private site management team is not in compliance with the requirements of this chapter or Chapter 6.85 (commencing with Section 25396), the department may, pursuant to this article, withdraw its approval for the conduct of a response action on the site.

25395.12. (a) The department shall conduct audits of a minimum of 25 percent of the sites where a private site manager or private site

management team has conducted a site investigation or response action without oversight by the department, except with respect to cases where oversight is otherwise required under this article, and where the department has issued a certificate of completion.

(b) A private site manager and any member of a private site management team shall provide an authorized representative of the department with complete access, at any reasonable hour of the day, to all technical data, reports, records, environmental samples, photographs, maps, and files that are materially related to a response action conducted pursuant to this article.

(c) In any case where the department's audit finds that the performance of a private site manager or a member of a private site management team fails to meet the minimum standards of performance adopted pursuant to Section 25395.15, the department shall send the results of the audit to the Office of Environmental Health Hazard Assessment.

25395.13. (a) Any private site manager or member of a private site management team who commits any of the following acts shall be punished, upon conviction, by a fine of not less than two thousand dollars ($2,000) or by imprisonment in the county jail for not more than one year, or both that fine and imprisonment, if the private site manager or any member of a private site management team does any of the following:

(1) Knowingly makes any materially false or inaccurate statement in any application, record, report, certification, plan, design, or statement that the private site manager or the private site management team submits to the department.

(2) Knowingly makes any materially false or inaccurate statement in any record, report, plan, file, log, or register that the private site management team keeps, or is required to keep, pursuant to any law.

(3) Knowingly and materially falsifies, tampers with, alters, destroys, or disturbs any mechanism, recovery, or control system, or any monitoring device or method that the private site manager or the private site management team maintains, or that is required to be maintained pursuant to any law, regulation, or order for the protection of the public health and safety or the environment.

(4) Knowingly allows or orders any of the private site manager's or the private site management team's employees, agents, or contractors to do any of the actions specified in paragraphs (1) to (3), inclusive.

(b) Any private site manager or member of a site private management team who knowingly, or with reckless disregard for the risk, treats, handles, transports, disposes of, or stores any hazardous substance in a manner that causes any unreasonable risk of fire, explosion, serious injury, or death, is guilty of a public offense and shall, upon conviction, be punished by a fine of not less than five thousand dollars ($5,000) nor more than two hundred fifty thousand dollars ($250,000) for each day of a violation, by imprisonment in the

county jail for not more than one year, by imprisonment in the state prison for 16, 24, or 36 months, or by both that fine and imprisonment.

(c) Any private site manager or member of a private site management team who knowingly, at the time the manager or member takes any of the actions specified in subdivision (b), places another person in imminent danger of death or serious bodily injury, is guilty of a public offense and shall, upon conviction, be punished by a fine of not less than five thousand dollars ($5,000) or more than two hundred fifty thousand dollars ($250,000) for each day of the violation.

(d) Each day that a violation of subdivision (a) occurs, or continues to occur, shall be considered a separate offense. A fine imposed pursuant to subdivision (a) shall not exceed, in the aggregate, twenty-five thousand dollars ($25,000), and the term of imprisonment shall not exceed, in the aggregate, one year.

(e) Notwithstanding any other provision of law, all penalties collected pursuant to this section shall be transferred to the department for deposit in the trust fund for expenditure by the department, upon appropriation by the Legislature, to administer and enforce this article.

25395.14. The project proponent for a site subject to response action pursuant to this article shall fully reimburse the department for all reasonable costs incurred by the department, including those costs associated with the department's involvement in the investigation, remediation, certification, and audit process at that site. Any of the reasonable costs that are incurred by the department which relate to the specific project costs, and that are not reimbursed by the project proponent shall be recovered from the responsible parties pursuant to Section 25360.

25395.15. The department shall, in consultation with the Office of Environmental Health Hazard Assessment, adopt minimum standards of performance that shall apply to the activities and conduct of private site managers and members of private site management teams that conduct response actions pursuant to this article. The standards shall be consistent with the requirements of this article and with generally accepted professional standards that apply to persons who engage in the types of work that are required to conduct hazardous substance release response actions pursuant to this chapter. The minimum standards of performance shall be adopted as expeditiously as possible, but not later than six months from the date that the department first begins accepting applications pursuant to Section 25395.3.

SEC. 3. (a) Notwithstanding the repeal of Chapter 6.8 (commencing with Section 25300) of Division 20 of the Health and Safety Code by operation of Section 25395 of the Health and Safety Code, as that section read on December 31, 1998, or by Section 1 of this act, any action taken pursuant to that chapter by any city, county, or city and county, the Department of Toxic Substances Control, a

California regional water quality control board, or any other state or local agency, shall remain in effect on and after January 1, 1999, and be subject to Chapter 6.8 (commencing with Section 25300) of Division 20 of the Health and Safety Code, as added by Section 2 of this act.

(b) The repeal of portions of Chapter 6.8 (commencing with Section 25300) of Division 20 of the Health and Safety Code, by operation of Section 25395 of the Health and Safety Code, as that section read on December 31, 1998, and the repeal and reenactment of Chapter 6.8 (commencing with Section 25300) of Division 20 of the Health and Safety Code by Sections 1 and 2 of this act shall not terminate, affect, or modify any proceeding, order, or agreement issued or entered into by any city, county, or city and county, the Department of Toxic Substances Control, a California regional water quality control board, or any other state or local agency, or any rights or obligations arising out of any bond issue, pursuant to those provisions, and notwithstanding the effective date of this act, the provisions of Chapter 6.8 (commencing with Section 25300) of Division 20 of the Health and Safety Code, as added by Section 2 of this act, shall apply retroactively, on and after January 1, 1999, to those proceedings, orders, agreements, or bonds.

(c) Funds expended by the Department of Toxic Substances Control to pay the costs of carrying out actions to remove hazardous substances from sites of illegal drug laboratories during the period from January 1, 1999, until the effective date of this act, shall be paid from the appropriation made by Item 3960-001-0065 of the Budget Act of 1998. The amount of any expenditures made by the department from Item 3960-001-0001 of the Budget Act of 1998 for removal actions at illegal drug laboratory sites during the period from January 1, 1999, until the effective date of this act, shall be transferred from Item 3960-001-0001 of the Budget Act of 1998 to Item 3960-001-0065 of the Budget Act of 1998 to pay the costs of those removal actions following the submission of a notice by the Department of Toxic Substances Control, and approval by the Department of Finance pursuant to Section 27.00 of the Budget Act of 1998. As the result of this transfer, the department shall not have expended any funds appropriated by Item 3960-001-0001 for the purposes specified in this subdivision.

SEC. 4. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

SEC. 5. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning

of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to continue the state's Hazardous Substance Cleanup Program thereby protecting public health and safety and the environment, it is necessary that this act take effect immediately.

CHAPTER 24

An act to amend Section 51298 of the Government Code, relating to local government finance, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 26, 1999. Filed with Secretary of State May 26, 1999.]

The people of the State of California do enact as follows:

SECTION 1. Section 51298 of the Government Code is amended to read:

51298. It is the intent of the Legislature in enacting this chapter to provide local governments opportunities to attract large manufacturing facilities to invest in their communities and to encourage industries such as high technology, aerospace, automotive, biotechnology, software, environmental sources, and others to locate and invest in those facilities in California.

(a) Commencing in the 1998–99 fiscal year, the governing body of a county, city and county, or city, may, by means of an ordinance or resolution approved by a majority of its entire membership, elect to establish a capital investment incentive program. In any county, city and county, or city in which the governing body has so elected, the county, city and county, or city shall, upon the approval by a majority of the entire membership of its governing body of a written request therefor, pay a capital investment incentive amount to the proponent of a qualified manufacturing facility for up to 15 consecutive fiscal years. A request for the payment of capital investment incentive amounts shall be filed by a proponent in writing with the governing body of an electing county, city and county, or city in the time and manner specified in procedures adopted by that governing body. In the case in which the governing body of an electing county, city and county, or city approves a request for the payment of capital investment incentive amounts, both of the following conditions shall apply:

(1) The consecutive fiscal years during which a capital investment incentive amount is to be paid shall commence with the first fiscal year commencing after the date upon which the qualified manufacturing facility is certified for occupancy or, if no certification

is issued, the first fiscal year commencing after the date upon which the qualified manufacturing facility commences operation.

(2) In accordance with paragraph (4) of subdivision (d), the annual payment to a proponent of each capital investment incentive amount shall be contingent upon the proponent's payment of a community services fee.

(b) For purposes of this section:

(1) "Qualified manufacturing facility" means a proposed manufacturing facility that meets all of the following criteria:

(A) The proponent's initial investment in that facility, in real and personal property, necessary for the full and normal operation of that facility, made pursuant to the capital investment incentive program, that comprises any portion of that facility or has its situs at that facility, exceeds one hundred fifty million dollars ($150,000,000). Compliance with this subparagraph shall be certified by the Trade and Commerce Agency upon the agency's approval of a proponent's application for certification of a qualified manufacturing facility. An application for certification shall be submitted by a proponent to the agency in writing in the time and manner as specified by the agency.

(B) The facility is to be located within the jurisdiction of the electing county, city and county, or city to which the request is made for payment of capital investment incentive amounts.

(C) The facility is operated by either of the following:

(i) A business described in Codes 3500 to 3899, inclusive, of the Standard Industrial Classification (SIC) Manual published by the United States Office of Management and Budget, 1987 edition, except that "January 1, 1997," shall be substituted for "January 1, 1994," in each place in which it appears.

(ii) A business engaged in the recovery of minerals from geothermal resources, including the proportional amount of a geothermal electric generating plant that is integral to the recovery process by providing electricity for it.

(D) The proponent is either currently engaged in commercial production or engaged in the perfection of the manufacturing process, or the perfection of a product intended to be manufactured.

(2) "Proponent" means a party or parties that meet all of the following criteria:

(A) The party is named in the application to the county, city and county, or city within which the qualified manufacturing facility would be located for a permit to construct a qualified manufacturing facility.

(B) The party will be the fee owner of the qualified manufacturing facility upon the completion of that facility. Notwithstanding the previous sentence, the party may enter into a sale-leaseback transaction and nevertheless be considered the proponent.

(C) If a proponent that is receiving capital investment incentive amounts subsequently leases the subject qualified manufacturing

facility to another party, the lease may provide for the payment to that lessee of any portion of a capital investment incentive amount. Any lessee receiving any portion of a capital investment incentive amount shall also be considered a proponent for the purposes of subdivision (d).

(3) "Capital investment incentive amount" means, with respect to a qualified manufacturing facility for a relevant fiscal year, an amount up to or equal to the amount of ad valorem property tax revenue derived by the participating local agency from the taxation of that portion of the total assessed value of that real and personal property described in subparagraph (A) of paragraph (1) that is in excess of one hundred fifty million dollars ($150,000,000).

(4) "Manufacturing" means the activity of converting or conditioning property by changing the form, composition, quality, or character of the property for ultimate sale at retail or use in the manufacturing of a product to be ultimately sold at retail. Manufacturing includes any improvements to tangible personal property that result in a greater service life or greater functionality than that of the original property.

(c) A city, special district, or school district may, upon the approval by a majority of the entire membership of its governing body, pay to the county, city and county, or city an amount equal to the amount of ad valorem property tax revenue allocated to that city, special district, or school district, but not the actual allocation, derived from the taxation of that portion of the total assessed value of that real and personal property described in subparagraph (A) of paragraph (1) of subdivision (b) that is in excess of one hundred fifty million dollars ($150,000,000).

(d) A proponent, whose request for the payment of capital investment incentive amounts is approved by an electing county, city and county, or city shall enter into a community services agreement with that county, city and county, or city that includes, but is not limited to, all of the following provisions:

(1) A provision requiring that a community services fee be remitted by the proponent to the county, city and county, or city in each fiscal year subject to the agreement, in an amount that is equal to 25 percent of the capital investment incentive amount calculated for that proponent for that fiscal year, except that in no fiscal year shall the amount of the community services fee exceed two million dollars ($2,000,000).

(2) A provision specifying the dates in each relevant fiscal year upon which payment of the community services fee is due and delinquent, and the rate of interest to be charged to a proponent for any delinquent portion of the community services fee amount.

(3) A provision specifying the procedures and rules for the determination of underpayments or overpayments of a community services fee, for the appeal of determinations of any underpayment, and for the refunding or crediting of any overpayment.

(4) A provision specifying that a proponent is ineligible to receive a capital investment incentive amount if that proponent is currently delinquent in the payment of any portion of a community services fee amount, if the qualified manufacturing facility is constructed in a manner materially different from the facility as described in building permit application materials, or if the facility is no longer operated as a qualified manufacturing facility meeting the requirements of paragraph (1) of subdivision (b). If a proponent becomes ineligible to receive a capital investment incentive amount as a result of an agreement provision included pursuant to this subparagraph, the running of the number of consecutive fiscal years specified in an agreement made pursuant to subdivision (a) is not tolled during the period in which the proponent is ineligible.

(5) A provision that sets forth a job creation plan with respect to the relevant qualified manufacturing facility. The plan shall specify the number of jobs to be created by that facility, and the types of jobs and compensation ranges to be created thereby. The plan shall also specify that for the entire term of the community services agreement that both of the following shall apply:

(A) All of the employees working at the qualified manufacturing facility shall be covered by an employer-sponsored health benefits plan.

(B) The average weekly wage, exclusive of overtime, paid to all of the employees working at the qualified manufacturing facility, who are not management or supervisory employees, shall be not less than the state average weekly wage.

For the purpose of this subdivision, "state average weekly wage" means the average weekly wage paid by employers to employees covered by unemployment insurance, as reported to the Employment Development Department for the four calendar quarters ending June 30 of the preceding calendar year.

(6) (A) In the case in which the proponent fails to operate the qualified manufacturing facility as required by the community services agreement, a provision that requires the recapture of any portion of any capital investment incentive amounts previously paid to the proponent equal to the lesser of the following:

(i) All of the capital investment incentive amounts paid to the proponent, less all of the community services fees received from the proponent, and less any capital investment incentive amounts previously recaptured.

(ii) The last capital investment incentive amount paid to the proponent, less the last community services fee received from the proponent, multiplied by 40 percent of the number of years remaining in the community services agreement, but not to exceed 10 years, and less any capital investment incentive amounts previously recaptured.

(B) If the proponent fails to operate the qualified manufacturing facility as required by the community services agreement, the

county, city and county, or city may, upon a finding that good cause exists, waive any portion of the recapture of any capital investment incentive amount due under this subdivision. For the purpose of this subdivision, good cause includes, but is not limited to, the following:

(i) The proponent has sold or leased the property to a person who has entered into an agreement with the county, city and county, or city to assume all of the responsibilities of the proponent under the community services agreement.

(ii) The qualified manufacturing facility has been rendered inoperable and beyond repair as a result of an act of God.

(C) For purposes of this subdivision, failure to operate a qualified manufacturing facility as required by the community services agreement includes, but is not limited to, failure to establish the number of jobs specified in the jobs creation plan created pursuant to paragraph (5).

(e) (1) Each county, city and county, or city that elects to establish a capital investment incentive program shall notify the Trade and Commerce Agency of its election to do so no later than June 30th of the fiscal year in which the election was made.

(2) In addition to the information required to be reported pursuant to paragraph (1), each county, city and county, or city that has elected to establish a capital investment incentive program shall notify the Trade and Commerce Agency each fiscal year no later than June 30th of the amount of any capital investment incentive payments made and the proponent of the qualified manufacturing facility to whom the payments were made during that fiscal year.

(3) The Trade and Commerce Agency shall compile the information submitted by each county, city and county, and city pursuant to paragraphs (1) and (2) and submit a report to the Legislature containing this information no later than October 1, every two years commencing October 1, 2000.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to enable local governments to expeditiously negotiate and approve appropriate property tax abatement prior to the commencement of the 1999–2000 fiscal year, to encourage new investments in geothermal mineral extraction, which will provide substantial environmental and economic benefits at the earliest possible time, it is necessary for this act to take effect immediately.

CHAPTER 25

An act relating to the payment of claims against the State of California, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 26, 1999. Filed with Secretary of State May 26, 1999.]

The people of the State of California do enact as follows:

SECTION 1. (a) The sum of one million two hundred fifty-five thousand one hundred seventy-eight dollars and sixty-two cents ($1,255,178.62) is hereby appropriated from various funds, as specified in subdivision (b), to the Executive Officer of the State Board of Control to pay claims accepted by the State Board of Control in accordance with the schedule set forth in subdivision (b). Those payments shall be made from the funds and accounts identified in that schedule. In the case of Budget Act item schedules identified in the schedule set forth in subdivision (b), those payments shall be made from the funds appropriated in the item schedule.

(b) Pursuant to subdivision (a), claims accepted by the State Board of Control shall be paid in accordance with the following schedule:

Total for Fund: Bank and Corporation Tax Fund (0084)	$4,846.96
Total for Fund: Employment Development Contingent Fund (0185)	$3,953.60
Total for Fund: Federal Trust Fund (0890)	$53.00
Total for Fund: General Fund (0001)	$421,049.33
Total for Fund: Genetic Disease Testing Fund (0203)	$1,540.00
Total for Fund: Health Care Deposit Fund (0912)	$3,584.96
Total for Fund: Insurance Fund (0095)	$501,775.35
Total for Fund: Item 0690−001−0001(a), Budget Act of 1999	$548.00
Total for Fund: Item 0890−001−0001(b), Budget Act of 1999	$3.00
Total for Fund: Item 1111−010−0702(a), Budget Act of 1999	$3,542.89
Total for Fund: Item 1230−001−0735(a), Budget Act of 1999	$6,028.00
Total for Fund: Item 1390−001−0758(a), Budget Act of 1999	$932.00

Total for Fund: Item 2150−001−0298(a), Budget Act of 1999	$128.82
Total for Fund: Item 2660−001−0042(b), Budget Act of 1999	$5,125.00
Total for Fund: Item 2720−001−0044(a), Budget Act of 1999	$19,511.46
Total for Fund: Item 2740−001−0044(a), Budget Act of 1999	$5,640.42
Total for Fund: Item 3540−001−0001(a), Budget Act of 1999	$93.51
Total for Fund: Item 3600−001−0200(a), Budget Act of 1999	$1,370.00
Total for Fund: Item 3600−001−0200(d), Budget Act of 1999	$432.94
Total for Fund: Item 3790−001−0392(a), Budget Act of 1999	$3,891.90
Total for Fund: Item 3960−001−0014(a), Budget Act of 1999	$375.30
Total for Fund: Item 4300−003−0001(a), Budget Act of 1999	$2,731.67
Total for Fund: Item 4440−001−0001(a), Budget Act of 1999	$2,327.93
Total for Fund: Item 5100−001−0870(a), Budget Act of 1999	$2,088.83
Total for Fund: Item 5100−001−0870(b), Budget Act of 1999	$8,474.16
Total for Fund: Item 5160−001−0001(a), Budget Act of 1999	$4,567.21
Total for Fund: Item 5180−001−0001(c), Budget Act of 1999	$601.69
Total for Fund: Item 5180−001−0890(a), Budget Act of 1999	$968.11
Total for Fund: Item 5180−101−0001(a), Budget Act of 1999	$127.00
Total for Fund: Item 5240−001−0001(a), Budget Act of 1999	$165,698.31
Total for Fund: Item 6110−001−0001(d), Budget Act of 1999	$685.30
Total for Fund: Item 6110−005−0001(a), Budget Act of 1999	$268.00
Total for Fund: Item 8350−001−0001(3), Budget Act of 1999	$625.00
Total for Fund: Item 8380−001−0001(f), Budget Act of 1999	$628.67

Total for Fund: Item 8960−011−0001(a), Budget Act of 1999	$1,440.00
Total for Fund: Motor Vehicles Account, State Transportation Fund (0044)	$140.00
Total for Fund: Personal Income Tax Fund (0091)	$35.87
Total for Fund: Public Employees' Health Care Fund (0822)	$101.39
Total for Fund: Public Employees' Retirement Fund (0830)	$5,915.80
Total for Fund: Real Estate Commissioner's Fund (0317)	$120.00
Total for Fund: California Residential Earthquake Recovery Fund (0285)	$76.82
Total for Fund: Retail Sales Tax Fund (0094)	$26,130.33
Total for Fund: Tax Relief and Refund Account (0027)	$33,475.23
Total for Fund: Transportation Fund, State Highway Account (0042)	$1,631.00
Total for Fund: Unemployment Compensation Disability Fund (0588)	$3,665.14
Total for Fund: Unemployment Fund (0871)	$1,485.00
Total for Fund: Water Fund, California (0144)	$5,934.23
Total for Fund: Water Resources Revolving Fund (0691)	$809.49

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to pay claims against the state and end hardships to claimants as quickly as possible, it is necessary for this act to take effect immediately.

CHAPTER 26

An act to amend Sections 65863.10 and 65863.11 of the Government Code, relating to housing, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 26, 1999. Filed with
Secretary of State May 26, 1999.]

The people of the State of California do enact as follows:

SECTION 1. Section 65863.10 of the Government Code is amended to read:

65863.10. (a) As used in this section, the following terms have the following meaning:

(1) "Affected tenant" means a tenant household residing in an assisted housing development, as defined in paragraph (2), at the time notice is required to be provided pursuant to this section, that benefits from the government assistance.

(2) "Assisted housing development" means a multifamily rental housing development that receives governmental assistance under any of the following federal programs:

(A) New construction, substantial rehabilitation, moderate rehabilitation, property disposition, and loan management set-aside programs, or any other program providing project-based assistance, under Section 8 of the United States Housing Act of 1937, as amended (42 U.S.C. Sec. 1437f).

(B) The following federal programs:

(i) The Below-Market-Interest-Rate Program under Section 221(d)(3) of the National Housing Act (12 U.S.C. Sec. 1715*l*(d)(3) and (5)).

(ii) Section 236 of the National Housing Act (12 U.S.C. Sec. 1715z-1).

(iii) Section 202 of the Housing Act of 1959 (12 U.S.C. Sec. 1701q).

(C) Programs for rent supplement assistance under Section 101 of the Housing and Urban Development Act of 1965, as amended (12 U.S.C. Sec. 1701s).

(D) Programs under Section 515 of the Housing Act of 1949, as amended (42 U.S.C. Sec. 1485).

(3) "City" means a general law city, a charter city, or a city and county.

(4) "Prepayment" means the payment in full or refinancing of the federally insured or federally held mortgage indebtedness prior to its original maturity date, or the voluntary cancellation of mortgage insurance, on an assisted housing development described in subparagraph (B) of paragraph (2) that would have the effect of removing the current low-income affordability restrictions contained in the applicable laws and the regulatory agreement.

(5) "Termination" means an owner's decision not to extend or renew its participation in a federal subsidy program for an assisted housing development described in subparagraph (A) of paragraph (2), either at or prior to the scheduled date of the expiration of the contract, that may result in an increase in tenant rents or a change in the form of the subsidy from project-based to tenant-based.

(b) At least nine months prior to the anticipated date of termination of a subsidy contract or prepayment on an assisted housing development, the owner proposing the termination or prepayment of governmental assistance shall provide a notice of the proposed change to each affected tenant household residing in the assisted housing development at the time the notice is provided. The notice to the tenants shall contain all of the following:

(1) The anticipated date of the termination or prepayment of the federal program, and the identity of the federal program, as described in subdivision (a).

(2) The current rent and anticipated new rent for the unit on the date of the prepayment or termination of the federal program.

(3) A statement that a copy of the notice will be sent to the city or county, or city and county, where the assisted housing development is located, to the appropriate local public housing authority, if any, and to the Department of Housing and Community Development.

(4) A statement of the possibility that the housing may remain in the federal program after the proposed date of subsidy termination or prepayment if the owner elects to do so under the terms of the federal government's offer.

(5) A statement of the owner's intention to participate in any current replacement federal subsidy program made available to the affected tenants.

(6) The name and telephone number of the city, county, or city and county, the appropriate local public housing authority, if any, the Department of Housing and Community Development, and a legal services organization, that can be contacted to request additional written information about an owner's responsibilities and the rights and options of an affected tenant.

(c) (1) The notice shall also be filed at the same time with the mayor of the city in which the assisted housing development is located, or if located in an unincorporated area with the chairperson of the board of supervisors of the county, with the appropriate local public housing authority, if any, and with the Department of Housing and Community Development.

(2) In addition to the information provided in the notice to the affected tenant, the notice to the mayor or chairman of the board of supervisors, the appropriate local public housing authority, if any, and the Department of Housing and Community Development shall contain information regarding the number of affected tenants in the project, the number of units that are government assisted and the type of assistance, the number of the units that are not government assisted, the number of bedrooms in each unit that is government assisted, and the ages and income of the affected tenants. The notice shall briefly describe the owner's plans for the project, including any timetables or deadlines for actions to be taken and specific governmental approvals that are required to be obtained, the reason

the owner seeks to terminate the subsidy contract or prepay the mortgage, and any contacts the owner has made or is making with other governmental agencies or other interested parties in connection with the notice. The information contained in the notice shall be based on data that is reasonably available from existing written tenant and project records.

(d) This section shall not require the owner to obtain or acquire additional information that is not contained in the existing tenant and project records, or to update any information in his or her records. The owner shall not be held liable for any inaccuracies contained in these records or from other sources, nor shall the owner be liable to any party for providing this information.

(e) For purposes of this section, service of the notice to the affected tenants, the city or county, the city and county, the appropriate local public housing authority, if any, and the Department of Housing and Community Development by the owner pursuant to subdivisions (b) and (c) shall be made by first-class mail postage prepaid.

(f) Nothing in this section shall enlarge or diminish the authority, if any, that a city, county, city and county, affected tenant, or owner may have, independent of this section.

(g) If, prior to July 1, 1999, the owner has already accepted a bona fide offer from a qualified entity, as defined in subdivision (d) of Section 65863.11, at the time the owner decides to sell or otherwise dispose of the development, the owner shall be deemed in compliance with this section if the owner complies with any and all prepayment and opt out notice requirements imposed by federal law.

(h) This section shall remain in effect only until January 1, 2002, and as of that date is repealed, unless a later enacted statute, which is enacted on or before January 1, 2002, deletes or extends that date.

SEC. 2. Section 65863.11 of the Government Code is amended to read:

65863.11. (a) Terms used in this section shall be defined as follows:

(1) "Assisted housing development" and "development" mean a multifamily rental housing development as defined in paragraph (2) of subdivision (a) of Section 65863.10.

(2) "Owner" means an individual, corporation, association, partnership, joint venture, or business entity which holds title to an assisted housing development.

(3) "Tenant" means a tenant, subtenant, lessee, sublessee, or other person legally in possession or occupying the assisted housing development.

(4) "Tenant association" means a group of tenants who have formed a nonprofit corporation, cooperative corporation, or other entity or organization, or a local nonprofit, regional, or national organization whose purpose includes the acquisition of an assisted

housing development and which represents the interest of at least a majority of the tenants in the assisted housing development.

(5) "Low or moderate income" means having an income as defined in Section 50093 of the Health and Safety Code.

(6) "Very low income" means having an income as defined in Section 50052.5 of the Health and Safety Code.

(7) "Local nonprofit organizations" means not-for-profit corporations organized pursuant to Division 2 (commencing with Section 5000) of Title 1 of the Corporations Code, that have as their principal purpose the ownership, development, or management of housing or community development projects for persons and families of low or moderate income and very low income, and which have a broadly representative board, a majority of whose members are community-based and have a proven track record of local community service.

(8) "Local public agencies" means housing authorities, redevelopment agencies, or any other agency of a city, county, or city and county, whether general law or chartered, which are authorized to own, develop, or manage housing or community development projects for persons and families of low or moderate income and very low income.

(9) "Regional or national organizations" means not-for-profit, charitable corporations organized on a multicounty, state, or multistate basis that have as their principal purpose the ownership, development, or management of housing or community development projects for persons and families of low or moderate income and very low income.

(10) "Regional or national public agencies" means multicounty, state, or multistate agencies that are authorized to own, develop, or manage housing or community development projects for persons and families of low or moderate income and very low income.

(11) "Use restriction" means any federal, state, or local statute, regulation, ordinance, or contract that, as a condition of receipt of any housing assistance, including a rental subsidy, mortgage subsidy, or mortgage insurance, to an assisted housing development, establishes maximum limitations on tenant income as a condition of eligibility for occupancy of the units within a development, imposes any restrictions on the maximum rents that could be charged for any of the units within a development; or requires that rents for any of the units within a development be reviewed by any governmental body or agency before the rents are implemented.

(12) "Profit-motivated organizations and individuals" means individuals or two or more persons organized pursuant to Division 1 (commencing with Section 100) of Title 1 of, Division 3 (commencing with Section 1200) of Title 1 of, or Division 1 (commencing with Section 15001) of Title 2 of, the Corporations Code, that carry on as a business for profit.

(13) "Department" means the Department of Housing and Community Development.

(b) An owner of an assisted housing development who has not, prior to January 1, 1991, given notice of intent to terminate a subsidy contract or prepay the mortgage pursuant to Section 65863.10, shall not sell, or otherwise dispose of the development in a manner which would result in either (1) a discontinuance of its use as an assisted housing development, or (2) the termination of any low-income use restrictions which apply to the development, unless the owner or its agent proposing the removal of government assistance shall first have provided each of the entities, listed in subdivision (c), an opportunity to purchase the development at a price and upon terms which represent a bona fide intention to sell, in compliance with subdivision (g).

(c) The entities to whom an opportunity to purchase shall first be provided include the following:

(1) The tenant association of the development.

(2) Local nonprofit organizations and public agencies.

(3) Regional or national nonprofit organizations and regional or national public agencies.

(4) Profit-motivated organizations or individuals.

(d) For the purposes of this section, to qualify as a purchaser of an assisted housing development, an entity listed in subdivision (c) shall do all of the following:

(1) Be capable of managing the housing and related facilities for its remaining useful life, either by itself or through a management agent.

(2) Agree to obligate itself and any successors in interest to maintain the affordability of the assisted housing development for persons and families of low or moderate income and very low income for either a 30-year period from the date that the purchaser took legal possession of the housing or the remaining term of the existing federal government assistance specified in subdivision (a) of Section 65863.10, whichever is greater. The development shall be continuously occupied in the approximate percentages that those persons and families occupied that development on the date the owner gave notice of intent or the approximate percentages specified in existing use restrictions, whichever is higher. This obligation shall be recorded prior to the close of escrow in the office of the county recorder of the county in which the development is located and shall contain a legal description of the property, indexed to the name of the owner as grantor. An owner that obligates itself to an enforceable regulatory agreement that will ensure for a period of not less than 30 years that rents for units occupied by low and very low income households or that are vacant at the time of executing a purchase agreement will conform with restrictions imposed by Section 42(f) of the Internal Revenue Code shall be deemed in compliance with this paragraph.

(3) Local nonprofit organizations and public agencies shall have no member among their officers or directorate with a financial interest in assisted housing developments that have terminated a subsidy contract or prepaid a mortgage on the development.

(e) If an assisted housing development is not economically feasible, as defined in paragraph (3) of subdivision (h) of Section 17058 of the Revenue and Taxation Code, a purchaser shall be entitled to remove one or more units from the rent and occupancy requirements as is necessary for the development to become economically feasible, provided that once the development is again economically feasible, the purchaser shall designate the next available units as low-income units up to the original number of those units.

(f) If an owner decides to sell, or otherwise dispose of the assisted housing development pursuant to subdivision (b), at least the amount of time required for advance notice pursuant to Section 65863.10 prior to the anticipated date of termination of a subsidy contract or mortgage prepayment of a development that would result in either (1) a discontinuance of its use as an assisted housing development or (2) the termination of any low-income use restrictions that apply to the development, the owner shall first give notice of his or her bona fide intention to sell, or otherwise dispose of the development to each qualified entity on the list provided to the owner by the department, in accordance with subdivision (p), as well as to those qualified entities that directly contact the owner. The notice shall conform to the requirements of subdivision (g) and shall be sent to the entities by registered or certified mail, return receipt requested. The owner shall also post a copy of the notice in a conspicuous place in the common area of the development.

If the owner already has a bona fide offer to purchase from a qualified entity, at the time the owner decides to sell, or otherwise dispose of the development, the owner shall not be required to comply with the provisions of this subdivision.

(g) The initial notice of a bona fide intention to sell shall contain all of the following:

(1) The sales price; the terms of assumable financing, if any; the terms of the subsidy contract, if any; and proposed improvements to the property to be made by the owner in connection with the sale, if any.

(2) A statement that each of the type of entities listed in subdivision (c) has the right to purchase the development under this section in the order and according to the priorities established in subdivision (h).

(3) A statement that the owner will make available to each of the type of entities listed in subdivision (c), within 15 business days of receiving a request therefor, itemized lists of monthly operating expenses, capital improvements as determined by the owner made within each of the two preceding calendar years, the amount of

project reserves, and copies of the two most recent financial and physical inspection reports on the development, if any, filed with the federal, state, or local agencies.

(4) A statement that the owner will make available to each of the entities listed in subdivision (c), within 15 business days of a request therefor, the most recent rent roll listing the rent paid for each unit and the subsidy, if any, paid by a governmental agency as of the date the notice of intent was made pursuant to Section 65863.10, and a statement of the vacancy rate at the development for each of the two preceding calendar years.

(5) A statement that the owner has satisfied all notice requirements pursuant to subdivision (b) of Section 65863.10.

(h) If a qualified entity elects to purchase an assisted housing development, it shall make a bona fide offer to purchase the development within 180 days from the date of an owner's bona fide intention to sell. A qualified entity's bona fide offer to purchase shall identify whether it is a tenant association, nonprofit organization, public agency, or profit-motivated organizations or individuals and shall certify, under penalty of perjury, that it is qualified pursuant to subdivision (d). During the first 120 days from the date of an owner's bona fide notice of intention to sell, an owner shall only accept a bona fide offer to purchase from the tenant association. If at the end of the first 120-day period no purchase agreement has been executed, the owner may accept a bona fide offer to purchase from any qualified entity specified in subdivision (c) during the remaining 60 days.

(i) If at the end of that 180-day period no purchase agreement has been executed and a person or entity other than those entities listed in subdivision (c) has offered to purchase, or otherwise acquire the development, and the owner of the development has complied with the provisions of this section and Section 65863.10, the owner may accept a bona fide offer to purchase from this person or entity.

(j) When a bona fide offer to purchase has been made to an owner in response to a bona fide intention to sell, and the offer is accepted, a purchase agreement shall be executed.

(k) Either the owner or the qualified entity may request that the fair market value of the property, as a development, be determined by an independent appraiser qualified to perform multifamily housing appraisals, who shall be selected and paid by the requesting party. All appraisers shall possess qualifications equivalent to those required by the members of the Appraisers Institute. This appraisal shall be nonbinding on either party with respect to the sales price of the development offered in the bona fide intention to sell, the bona fide offer to purchase, or the acceptance or rejection of either.

(*l*) During the 180-day period following the initial 180-day period required pursuant to subdivision (h), an owner may accept an offer from a person or an entity that does not qualify under subdivision (d), provided that the acceptance does not conflict with applicable federal laws governing who may purchase an assisted housing

development. This acceptance shall be made subject to the owner providing each qualified entity that made a bona fide offer to purchase the first opportunity to purchase the development at the same terms and conditions as the pending offer to purchase, unless these terms and conditions are modified by mutual consent. The owner shall notify in writing those qualified entities of the terms and conditions of the pending offer to purchase, sent by registered or certified mail, return receipt requested. The qualified entity shall have 15 days from the date the notice is mailed to submit a bona fide offer to purchase and that offer shall be accepted by the owner. The owner shall not be required to comply with the provisions of this subdivision if the person or the entity making the offer during this time period agrees to maintain the development for persons and families of low and moderate income and very low income, in accordance with paragraph (2) of subdivision (d).

(m) This section shall not apply to any of the following: a government taking by eminent domain or negotiated purchase; a forced sale pursuant to a foreclosure; a transfer by gift, devise, or operation of law; a sale to a person who would be included within the table of descent and distribution if there were to be a death intestate of an owner; or an owner who certifies, under penalty of perjury, the existence of a financial emergency during the period covered by the first right of refusal requiring immediate access to the proceeds of the sale of the development. The certification shall be made pursuant to subdivision (o).

(n) An owner, at any time during the period subsequent to giving notice of the bona fide intention to sell in accordance with subdivision (f), may decide not to sell, or otherwise dispose of the development and may withdraw the notice of intention to sell. However, at any time that the owner again decides to sell, or otherwise dispose of the development, the provisions of this section shall apply.

(o) Prior to the close of escrow, an owner selling, leasing, or otherwise disposing of a development to a purchaser who does not qualify under subdivision (d) shall certify under penalty of perjury that the owner has complied with all provisions of this section and Section 65863.10. This certification shall be recorded and shall contain a legal description of the property, shall be indexed to the name of the owner as grantor, and may be relied upon by good faith purchasers and encumbrances for value and without notice of a failure to comply with the provisions of this section.

Any person or entity acting solely in the capacity of an escrow agent for the transfer of real property subject to this section shall not be liable for any failure to comply with this section unless the escrow agent either had actual knowledge of the requirements of this section or acted contrary to written escrow instructions concerning the provisions of this section.

(p) The department shall undertake the following responsibilities and duties:

(1) Maintain a form containing a summary of rights and obligations under this section and make that information available to owners of assisted housing developments as well as to tenant associations, local nonprofit organizations, regional or national nonprofit organizations, public agencies, and other entities with an interest in preserving the state's subsidized housing.

(2) Compile, maintain, and update a list of entities in subdivision (c) that have either contacted the department with an expressed interest in purchasing a development in the subject area or have been identified by the department as potentially having an interest in participating in a right-of-first-refusal program. The department shall publicize the existence of the list statewide. Upon receipt of a notice of intent under Section 65863.10, the department shall make the list available to the owner proposing the termination or removal of government assistance. If the department does not make the list available at any time, the owner shall only be required to send a written copy of the bona fide intention to sell to the qualified entities which directly contact the owner and to post a copy of the intention to sell in the common area pursuant to subdivision (f).

(q) The provisions of this section may be enforced either in law or in equity by any qualified entity entitled to exercise the right-of-first-refusal under this section, that has been adversely affected by an owner's failure to comply with the provisions of this section.

An owner may rely on the statements, claims, or representations of any person or entity that the person or entity is a qualified entity as specified in subdivision (c), unless the owner has actual knowledge that the purchaser is not a qualified entity. If the person or entity is not an entity as specified in subdivision (c), that fact, in the absence of actual knowledge as described in the preceding sentence of this subdivision, shall not give rise to any claim against the owner for a violation of this section.

(r) It is the intent of the Legislature that the provisions of this section are in addition to, but not preemptive of, applicable federal laws governing the sale, or other disposition of a development which would result in either (1) a discontinuance of its use as an assisted housing development or (2) the termination of any low-income use restrictions which apply to the development.

(s) This section shall remain in effect only until December 31, 2000, and as of that date is repealed, unless a later enacted statute, which is enacted on or before December 31, 2000, deletes or extends that date.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

Nonprofit organizations purchasing affordable housing units must close escrow by June 10, 1999, to receive available tax credits. The

enactment of this act before that date is necessary to extend the availability of those credits.

CHAPTER 27

An act to amend Section 31625.2 of the Government Code, relating to county employee retirement.

[Approved by Governor May 26, 1999. Filed with Secretary of State May 26, 1999.]

The people of the State of California do enact as follows:

SECTION 1. Section 31625.2 of the Government Code is amended to read:

31625.2. (a) Notwithstanding any other provisions of this chapter, contributions shall not be deducted from the salary of any member having credit for 30 years' service providing the member was a member on March 7, 1973, and remained in membership continuously until credited with 30 years' service.

(b) Notwithstanding subdivision (a), contributions shall not be deducted from the salary of any member having credit for 30 years' of continuous service in the retirement association of a county of the seventh class as established by Sections 28020 and 28028.

CHAPTER 28

An act to amend Section 19596.1 of the Business and Professions Code, relating to horse racing, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 26, 1999. Filed with Secretary of State May 26, 1999.]

The people of the State of California do enact as follows:

SECTION 1. Section 19596.1 of the Business and Professions Code is amended to read:

19596.1. Notwithstanding any other provision of law, the board may authorize a harness or quarter horse association conducting a race meeting to accept wagers on the results of out-of-state or out-of-country harness or quarter horse races and, with the board's approval and with the concurrence of the horsemen's organization contracting with the association, other designated harness or quarter

horse races during the period it is conducting the racing meeting, if all of the following conditions are met:

(a) The authorization complies with federal laws, including, but not limited to, Chapter 57 (commencing with Section 3001) of Title 15 of the United States Code.

(b) Wagering is offered only within the racing inclosure and only within 36 hours of the running of the out-of-state feature race.

(c) The association conducts at least seven live races, and imports not more than six races on those days during a racing meeting when live races are being run.

(d) If only one breed of horse specified in this section is being raced on a given day, then the association conducting the live racing may import those races which would otherwise be simulcast by the association which is not racing, provided that the total number of harness or quarter horse races imported in a calendar year does not exceed the number of night races imported in 1998 after 5:30 p.m. After the usual deductions, including the portion for the racing association, the portion remaining for purses from these races shall be distributed equally for purses for harness horsemen and quarter horse horsemen.

SEC. 4. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to enable the California Horse Racing Board to authorize the importation of additional out-of-state and out-of-country harness and quarter horse races, and to clarify the requirements and limitations imposed on the importation of these races at the earliest possible time, it is necessary that this act take effect immediately.

CHAPTER 29

An act to add Section 76341.7 to the Food and Agricultural Code, relating to agriculture, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 26, 1999. Filed with Secretary of State May 26, 1999.]

The people of the State of California do enact as follows:

SECTION 1. Section 76341.7 is added to the Food and Agricultural Code, to read:

76341.7. This article applies to wool that was removed from sheep after December 31, 1998.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning

of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to enable to Sheep Commission to promote the sheep industry in California at the earliest possible time, it is necessary that this act take effect immediately.

CHAPTER 30

An act to amend Sections 1773 and 1773.1 of, to add Section 1773.9 to, and to repeal Section 1773.8 of, the Labor Code, relating to public works.

[Approved by Governor June 1, 1999. Filed with Secretary of State June 1, 1999.]

The people of the State of California do enact as follows:

SECTION 1. Section 1773 of the Labor Code is amended to read:

1773. The body awarding any contract for public work, or otherwise undertaking any public work, shall obtain the general prevailing rate of per diem wages and the general prevailing rate for holiday and overtime work in the locality in which the public work is to be performed for each craft, classification, or type of worker needed to execute the contract from the Director of Industrial Relations. The holidays upon which those rates shall be paid need not be specified by the awarding body, but shall be all holidays recognized in the applicable collective bargaining agreement. If the prevailing rate is not based on a collectively bargained rate, the holidays upon which the prevailing rate shall be paid shall be as provided in Section 6700 of the Government Code.

In determining the rates, the Director of Industrial Relations shall ascertain and consider the applicable wage rates established by collective bargaining agreements and the rates that may have been predetermined for federal public works, within the locality and in the nearest labor market area. Where the rates do not constitute the rates actually prevailing in the locality, the director shall obtain and consider further data from the labor organizations and employers or employer associations concerned, including the recognized collective bargaining representatives for the particular craft, classification, or type of work involved. The rate fixed for each craft, classification, or type of work shall be not less than the prevailing rate paid in the craft, classification, or type of work.

If the director determines that the rate of prevailing wage for any craft, classification, or type of worker is the rate established by a collective bargaining agreement, the director may adopt that rate by reference as provided for in the collective bargaining agreement and

that determination shall be effective for the life of the agreement or until the director determines that another rate should be adopted.

SEC. 2. Section 1773.1 of the Labor Code is amended to read:

1773.1. Per diem wages shall be deemed to include employer payments for health and welfare, pension, vacation, travel, subsistence, and apprenticeship or other training programs authorized by Section 3093 so long as the cost of training is reasonably related to the amount of the contributions, and similar purposes, when the term "per diem wages" is used in this chapter or in any other statute applicable to public works.

For the purpose of determining per diem wages for contracts entered into with the state, the representative of any craft, classification, or type of worker needed to execute the contracts entered into with the state shall file with the Department of Industrial Relations an executed statement of the collectively bargained wage rates for the particular craft, classification, or type of work involved. The statement of rates shall be filed within 10 days after the rates have been negotiated and thereafter may be taken into consideration pursuant to Section 1773 whenever filed 30 days prior to the call for bids.

SEC. 3. Section 1773.8 of the Labor Code is repealed.

SEC. 4. Section 1773.9 is added to the Labor Code, to read:

1773.9. (a) The Director of Industrial Relations shall use the methodology set forth in subdivision (b) to determine the general prevailing rate of per diem wages in the locality in which the public work is to be performed.

(b) The general prevailing rate of per diem wages includes all of the following:

(1) The basic hourly wage rate being paid to a majority of workers engaged in the particular craft, classification, or type of work within the locality and in the nearest labor market area, if a majority of the workers is paid at a single rate. If no single rate is being paid to a majority of the workers, then the single rate being paid to the greatest number of workers, or modal rate, is prevailing. If a modal rate cannot be determined, then the director shall establish an alternative rate, consistent with the methodology for determining the modal rate, by considering the appropriate collective bargaining agreements, federal rates, rates in the nearest labor market area, or other data such as wage survey data.

(2) Other employer payments included in per diem wages pursuant to Section 1773.1 and as included as part of the total hourly wage rate from which the basic hourly wage rate was derived. In the event the total hourly wage rate does not include any employer payments, the director shall establish a prevailing employer payment rate by the same procedure set forth in paragraph (1).

(3) The rate for holiday and overtime work shall be those rates specified in the collective bargaining agreement when the basic hourly rate is based on a collective bargaining agreement rate. In the

event the basic hourly rate is not based on a collective bargaining agreement, the rate for holidays and overtime work, if any, included with the prevailing basic hourly rate of pay shall be prevailing.

(c) If the director determines that the general prevailing rate of per diem wages is the rate established by a collective bargaining agreement, and that the collective bargaining agreement contains definite and predetermined changes during its term that will affect the rate adopted, the director shall incorporate those changes into the determination. Predetermined changes that are rescinded prior to their effective date shall not be enforced.

SEC. 5. The Legislature declares that the intent of Section 1773.9 of the Labor Code, as added by Section 4 of this act, is to give effect to Assembly Concurrent Resolution No. 17 of the 1997–98 Regular Session of the Legislature (Res. Ch. 34, Stats. 1997) by codifying the methodology for calculating the general prevailing rate of per diem wages. In Assembly Concurrent Resolution No. 17, the Legislature declared that it "has relied on the long-established definitions of general prevailing rate of per diem wages in amending and extending the prevailing wage law contained in the California Labor Code on numerous occasions, and that it would be contrary to the intent of the Legislature for those definitions to be changed by administrative action, because the definitions have become incorporated by implication into these statutory provision."

CHAPTER 31

An act to amend Section 11105.3 of the Penal Code, relating to crime prevention.

[Approved by Governor June 1, 1999. Filed with Secretary of State June 1, 1999.]

The people of the State of California do enact as follows:

SECTION 1. Section 11105.03 of the Penal Code is amended to read:

11105.03. (a) Subject to the requirements and conditions set forth in this section and Section 11105, local law enforcement agencies are hereby authorized to provide state criminal summary history information obtained through CLETS for the purpose of screening prospective participants and prospective and current staff of a regional, county, city, or other local public housing authority, at the request of the chief executive officer of the authority or his or her designee, upon a showing by that authority that the authority manages a Section 8 housing program pursuant to federal law (U.S. Housing Act of 1937), or operates housing at which children under

the age of 18 years reside or operates housing for persons categorized as aged, blind, or disabled.

(b) The following requirements shall apply to information released by local law enforcement agencies pursuant to subdivision (a):

(1) Local law enforcement agencies shall not release any information unless it relates to a conviction for a serious felony, as defined in subdivision (c) of Section 1192.7, a conviction for any offense punishable under Section 273.5, 422.6, 422.7, 422.75, 422.9, 1170.75, 12020, 12021, or 12021.1, a conviction under Section 273.6 that involves a violation of a protective order, as defined in Section 6218 of the Family Code, or a conviction for any felony offense that involves controlled substances or alcoholic beverages, or any felony offense that involves any activity related to controlled substances or alcoholic beverages, or a conviction for any offense that involves domestic violence, as defined in Section 13700.

(2) Local law enforcement agencies shall not release any information concerning any arrest for an offense that did not result in a conviction.

(3) Local law enforcement agencies shall not release any information concerning any offense committed by a person who was under 18 years of age at the time he or she committed the offense.

(4) Local law enforcement agencies shall release any information concerning any conviction or release from custody that occurred within 10 years of the date on which the request for information is submitted to the Attorney General, unless the conviction was based upon a felony offense that involved controlled substances or alcoholic beverages or a felony offense that involved any activity related to controlled substances or alcoholic beverages. Where a conviction was based on any of these felony offenses, local law enforcement agencies shall release any information concerning this conviction if the conviction occurred within five years of the date on which a request for the information was submitted.

(5) Notwithstanding paragraph (4), if information that meets the requirements of paragraphs (2) to (4), inclusive, is located and the information reveals a conviction of an offense specified in paragraph (1), local law enforcement agencies shall release all summary criminal history information concerning the person whether or not the information meets the requirements of paragraph (4), provided, however, that the information meets the requirements of paragraphs (1) to (3), inclusive.

(6) Information released to the local public housing authority pursuant to this section shall also be released to parole or probation officers at the same time.

(c) State summary criminal history information shall be used by the chief executive officer of the housing authority or a designee only for purposes of identifying prospective participants in subsidized programs and prospective and current staff who have access to

residences, whose criminal history is likely to pose a risk to children under the age of 18 years or persons categorized as aged, blind, or disabled living in the housing operated by the authority.

(d) If a housing authority obtains summary criminal history information for the purpose of screening a prospective participant pursuant to this section, it shall review and evaluate that information in the context of other available information and shall not evaluate the person's suitability as a prospective participant based solely on his or her past criminal history.

(e) If a housing authority determines that a prospective participant is not eligible as a resident, it shall promptly notify him or her of the basis for its determination and, upon request, shall provide him or her within a reasonable time after the determination is made with an opportunity for an informal hearing on the determination in accordance with Section 960.207 of Title 24 of the Code of Federal Regulations.

(f) Any information obtained from state summary criminal history information pursuant to this section is confidential and the recipient public housing authority shall not disclose or use the information for any purpose other than that authorized by this section. The state summary criminal history information in the possession of the authority and all copies made from it shall be destroyed not more than 30 days after the authority's final decision whether to act on the housing status of the individual to whom the information relates.

(g) The local public housing authority receiving state summary criminal history information pursuant to this section shall adopt regulations governing the receipt, maintenance, and use of the information. The regulations shall include provisions that require notice that the authority has access to criminal records of participants and employees who have access to programs.

(h) Use of this information is to be consistent with Title 24 of the Code of Federal Regulations and the current regulations adopted by the housing authority using the information.

(i) Nothing in this section shall be construed to require a housing authority to request and review an applicant's criminal history.

(j) The California Housing Authorities Association, after compiling data from all public housing authorities that receive summary criminal information pursuant to this chapter, shall report its findings based upon this data to the Legislature prior to January 1, 2000.

CHAPTER 32

An act to amend Section 27132.3 of the Government Code, relating to local government.

[Approved by Governor June 1, 1999. Filed with
Secretary of State June 1, 1999.]

The people of the State of California do enact as follows:

SECTION 1. Section 27132.3 of the Government Code is amended to read:

27132.3. A member may not secure employment with, or be employed by, bond underwriters, bond counsel, security brokerages or dealers, or financial services firms, with whom the treasurer is doing business during the period that the person is a member of the committee or for one year after leaving the committee.

CHAPTER 33

An act to amend Section 11105.6 of the Penal Code, relating to bail.

[Approved by Governor June 1, 1999. Filed with
Secretary of State June 1, 1999.]

The people of the State of California do enact as follows:

SECTION 1. Section 11105.6 of the Penal Code is amended to read:

11105.6. Upon the request of a licensed bail agent or bail bond licensee, as described in Sections 1276 and 1276.5, a local law enforcement agency may furnish an individual's known aliases and booking photograph, information identifying whether the individual has been convicted of any violent felony, as defined in subdivision (c) of Section 667.5, and an unaltered copy of the booking and property record, excluding any medical information, to the agent or licensee if all of the following circumstances exist:

(a) The information is from the record of a person for whom a bench warrant has been issued, or for whom a bail forfeiture has been ordered.

(b) The person described in subdivision (a) is a client of the agent or licensee.

(c) The agent or licensee pays to the law enforcement agency a fee equal to the cost of providing the information.

(d) Any information obtained pursuant to this section is confidential and the recipient bail agent or bail bond licensee shall not disclose its contents, other than for the purpose for which it was acquired. A violation of this subdivision is a misdemeanor.

CHAPTER 34

An act to amend Section 97.2 of the Revenue and Taxation Code, relating to local government finance.

[Approved by Governor June 8, 1999. Filed with Secretary of State June 8, 1999.]

The people of the State of California do enact as follows:

SECTION 1. Section 97.2 of the Revenue and Taxation Code is amended to read:

97.2. Notwithstanding any other provision of this chapter, the computations and allocations made by each county pursuant to Section 96.1 or its predecessor section shall be modified for the 1992–93 fiscal year pursuant to subdivisions (a) to (d), inclusive, and for the 1997–98 and 1998–99 fiscal years pursuant to subdivision (e), as follows:

(a) (1) Except as provided in paragraph (2), the amount of property tax revenue deemed allocated in the prior fiscal year to each county shall be reduced by the dollar amounts indicated as follows, multiplied by 0.953649:

	Property Tax Reduction per County
Alameda	$ 27,323,576
Alpine	5,169
Amador	286,131
Butte	846,452
Calaveras	507,526
Colusa	186,438
Contra Costa	12,504,318
Del Norte	46,523
El Dorado	1,544,590
Fresno	5,387,570
Glenn	378,055
Humboldt	1,084,968
Imperial	998,222
Inyo	366,402
Kern	6,907,282
Kings	1,303,774
Lake	998,222
Lassen	93,045

Los Angeles	244,178,806
Madera	809,194
Marin	3,902,258
Mariposa	40,136
Mendocino	1,004,112
Merced	2,445,709
Modoc	134,650
Mono	319,793
Monterey	2,519,507
Napa	1,362,036
Nevada	762,585
Orange	9,900,654
Placer	1,991,265
Plumas	71,076
Riverside	7,575,353
Sacramento	15,323,634
San Benito	198,090
San Bernardino	14,467,099
San Diego	17,687,776
San Francisco	53,266,991
San Joaquin	8,574,869
San Luis Obispo	2,547,990
San Mateo	7,979,302
Santa Barbara	4,411,812
Santa Clara	20,103,706
Santa Cruz	1,416,413
Shasta	1,096,468
Sierra	97,103
Siskiyou	467,390
Solano	5,378,048
Sonoma	5,455,911
Stanislaus	2,242,129
Sutter	831,204
Tehama	450,559
Trinity	50,399
Tulare	4,228,525
Tuolumne	740,574
Ventura	9,412,547
Yolo	1,860,499
Yuba	842,857

(2) Notwithstanding paragraph (1), the amount of the reduction specified in that paragraph for any county or city and county that has been materially and substantially impacted as a result of a federally declared disaster, as evidenced by at least 20 percent of the cities, or cities and unincorporated areas of the county representing 20 percent of the population within the county suffering substantial damage, as certified by the Director of the Office of Emergency Services, occurring between October 1, 1989, and the effective date of this section, shall be reduced by that portion of five million dollars ($5,000,000) determined for that county or city and county pursuant to subparagraph (B) of paragraph (3).

(3) On or before October 1, 1992, the Director of Finance shall do all of the following:

(A) Determine the population of each county and city and county in which a federally declared disaster has occurred between October 1, 1989, and the effective date of this section.

(B) Determine for each county and city and county as described in subparagraph (A) its share of five million dollars ($5,000,000) on the basis of that county's population relative to the total population of all counties described in subparagraph (A).

(C) Notify each auditor of each county and city and county of the amounts determined pursuant to subparagraph (B).

(b) (1) Except as provided in paragraph (2), the amount of property tax revenue deemed allocated in the prior fiscal year to each city, except for a newly incorporated city that did not receive property tax revenues in the 1991–92 fiscal year, shall be reduced by 9 percent. In making the above computation with respect to cities in Alameda County, the computation for a city described in paragraph (6) of subdivision (a) of Section 100.7, as added by Section 73.5 of Chapter 323 of the Statutes of 1983, shall be adjusted so that the amount multiplied by 9 percent is reduced by the amount determined for that city for "museums" pursuant to paragraph (2) of subdivision (h) of Section 95.

(2) Notwithstanding paragraph (1), the amount of the reduction determined pursuant to that paragraph for any city that has been materially and substantially impacted as a result of a federally declared disaster, as certified by the Director of the Office of Emergency Services, occurring between October 1, 1989, and the effective date of this section, shall be reduced by that portion of fifteen million dollars ($15,000,000) determined for that city pursuant to subparagraph (B) of paragraph (3).

(3) On or before October 1, 1992, the Director of Finance shall do all of the following:

(A) Determine the population of each city in which a federally declared disaster has occurred between October 1, 1989, and the effective date of this section.

(B) Determine for each city as described in subparagraph (A) its share of fifteen million dollars ($15,000,000) on the basis of that city's

population relative to the total population of all cities described in subparagraph (A).

(C) Notify each auditor of each county and city and county of the amounts determined pursuant to subparagraph (B).

(4) In the 1992–93 fiscal year and each fiscal year thereafter, the auditor shall adjust the computations required pursuant to Article 4 (commencing with Section 98) so that those computations do not result in the restoration of any reduction required pursuant to this section.

(c) (1) Subject to paragraph (2), the amount of property tax revenue, other than those revenues that are pledged to debt service, deemed allocated in the prior fiscal year to a special district, other than a multicounty district, a local hospital district, or a district governed by a city council or whose governing board has the same membership as a city council, shall be reduced by 35 percent. For purposes of this subdivision, "revenues that are pledged to debt service" include only those amounts required to pay debt service costs in the 1991–92 fiscal year on debt instruments issued by a special district for the acquisition of capital assets.

(2) No reduction pursuant to paragraph (1) for any special district, other than a countywide water agency that does not sell water at retail, shall exceed an amount equal to 10 percent of that district's total annual revenues, from whatever source, as shown in the 1989–90 edition of the State Controller's Report on Financial Transactions Concerning Special Districts (not including any annual revenues from fiscal years following the 1989–90 fiscal year). With respect to any special district, as defined pursuant to subdivision (m) of Section 95, that is allocated property tax revenue pursuant to this chapter but does not appear in the State Controller's Report on Financial Transactions Concerning Special Districts, the auditor shall determine the total annual revenues for that special district from the information in the 1989–90 edition of the State Controller's Report on Financial Transactions Concerning Counties. With respect to a special district that did not exist in the 1989–90 fiscal year, the auditor may use information from the first full fiscal year, as appropriate, to determine the total annual revenues for that special district. No reduction pursuant to paragraph (1) for any countywide water agency that does not sell water at retail shall exceed an amount equal to 10 percent of that portion of that agency's general fund derived from property tax revenues.

(3) The auditor in each county shall, on or before January 15, 1993, and on or before January 30 of each year thereafter, submit information to the Controller concerning the amount of the property tax revenue reduction to each special district within that county as a result of paragraphs (1) and (2). The Controller shall certify that the calculation of the property tax revenue reduction to each special district within that county is accurate and correct, and submit this information to the Director of Finance.

(A) The Director of Finance shall determine whether the total of the amounts of the property tax revenue reductions to special districts, as certified by the Controller, is equal to the amount that would be required to be allocated to school districts and community college districts as a result of a three hundred seventy-five million dollar ($375,000,000) shift of property tax revenues from special districts for the 1992–93 fiscal year. If, for any year, the total of the amount of the property tax revenue reductions to special districts is less than the amount as described in the preceding sentence, the amount of property tax revenue, other than those revenues that are pledged to debt service, deemed allocated in the prior fiscal year to a special district, other than a multicounty district, a local hospital district, or a district governed by a city council or whose governing board has the same membership as a city council, shall, subject to subparagraph (B), be reduced by an amount up to 5 percent of the amount subject to reduction for that district pursuant to paragraphs (1) and (2).

(B) No reduction pursuant to subparagraph (A), in conjunction with a reduction pursuant to paragraphs (1) and (2), for any special district, other than a countywide water agency that does not sell water at retail, shall exceed an amount equal to 10 percent of that district's total annual revenues, from whatever source, as shown in the most recent State Controller's Report on Financial Transactions Concerning Special Districts. No reduction pursuant to subparagraph (A), in conjunction with a reduction pursuant to paragraphs (1) and (2), for any countywide water agency that does not sell water at retail shall exceed an amount equal to 10 percent of that portion of that agency's general fund derived from property tax revenues.

(C) In no event shall the amount of the property tax revenue loss to a special district derived pursuant to subparagraphs (A) and (B) exceed 40 percent of that district's property tax revenues or 10 percent of that district's total revenues, from whatever source.

(4) For the purpose of determining the total annual revenues of a special district that provides fire protection or fire suppression services, all of the following shall be excluded from the determination of total annual revenues:

(A) If the district had less than two million dollars ($2,000,000) in total annual revenues in the 1991–92 fiscal year, the revenue generated by a fire suppression assessment levied pursuant to Article 3.6 (commencing with Section 50078) of Chapter 1 of Part 1 of Division 1 of Title 5 of the Government Code.

(B) In counties that contract with the state to protect state responsibility areas, the total amount of all funds, regardless of the source, that are appropriated to a district, including a fire department, by a board of supervisors pursuant to Section 25642 of the Government Code or Chapter 7 (commencing with Section 13890) of Part 2.7 of Division 12 of the Health and Safety Code for fire

protection. In all other counties, any appropriation for fire protection received by a special district pursuant to Section 25642 of the Government Code. The amendment of this subparagraph by Chapter 290 of the Statutes of 1997 shall not be construed to affect any exclusion from the total annual revenues of a special district that was authorized by this subparagraph as it read prior to that amendment.

(C) The revenue received by a district as a result of contracts entered into pursuant to Section 4133 of the Public Resources Code.

(5) For the purpose of determining the total annual revenues of a resource conservation district, all of the following shall be excluded from the determination of total annual revenues:

(A) Any revenues received by that district from the state for financing the acquisition of land, or the construction or improvement of state projects, and for which that district serves as the fiscal agent in administering those state funds pursuant to an agreement entered into between that district and a state agency.

(B) Any amount received by that district as a private gift or donation.

(C) Any amount received as a county grant or contract as supplemental to, or independent of, that district's property tax share.

(D) Any amount received by that district as a federal or state grant.

(d) (1) The amount of property tax revenues not allocated to the county, cities within the county, and special districts as a result of the reductions calculated pursuant to subdivisions (a), (b), and (c) shall instead be deposited in the Educational Revenue Augmentation Fund to be established in each county. The amount of revenue in the Educational Revenue Augmentation Fund, derived from whatever source, shall be allocated pursuant to paragraphs (2) and (3) to school districts and county offices of education, in total, and to community college districts, in total, in the same proportion that property tax revenues were distributed to school districts and county offices of education, in total, and community college districts, in total, during the 1991–92 fiscal year.

(2) The auditor shall, based on information provided by the county superintendent of schools pursuant to this paragraph, allocate the proportion of the Educational Revenue Augmentation Fund to those school districts and county offices of education within the county that are not excess tax school entities, as defined in subdivision (n) of Section 95. The county superintendent of schools shall determine the amount to be allocated to each school district and county office of education in inverse proportion to the amounts of property tax revenue per average daily attendance in each school district and county office of education. In no event shall any additional money be allocated from the fund to a school district or county office of education upon that school district or county office of education becoming an excess tax school entity.

(3) The auditor shall, based on information provided by the Chancellor of the California Community Colleges pursuant to this paragraph, allocate the proportion of the Educational Revenue Augmentation Fund to those community college districts within the county that are not excess tax school entities, as defined in subdivision (n) of Section 95. The chancellor shall determine the amount to be allocated to each community college district in inverse proportion to the amounts of property tax revenue per funded full-time equivalent student in each community college district. In no event shall any additional money be allocated from the fund to a community college district upon that district becoming an excess tax school entity.

(4) (A) If, after making the allocation required pursuant to paragraph (2), the auditor determines that there are still additional funds to be allocated, the auditor shall allocate those excess funds pursuant to paragraph (3). If, after making the allocation pursuant to paragraph (3), the auditor determines that there are still additional funds to be allocated, the auditor shall allocate those excess funds pursuant to paragraph (2).

(B) (i) For the 1995–96 fiscal year and each fiscal year thereafter, if, after making the allocations pursuant to paragraphs (2) and (3) and subparagraph (A), the auditor determines that there are still additional funds to be allocated, the auditor shall, subject to clauses (ii) and (iii), allocate those excess funds to the county superintendent of schools. Funds allocated pursuant to this subparagraph shall be counted as property tax revenues for special education programs in augmentation of the amount calculated pursuant to Section 2572 of the Education Code, to the extent that those property tax revenues offset state aid for county offices of education and school districts within the county pursuant to subdivision (c) of Section 56836.08 of the Education Code.

(ii) For the 1995–96 fiscal year only, this subparagraph shall have no application to the County of Mono and the amount allocated pursuant to this subparagraph in the County of Marin shall not exceed five million dollars ($5,000,000).

(iii) For the 1996–97 fiscal year only, the total amount of funds allocated by the auditor pursuant to this subparagraph and subparagraph (B) of paragraph (4) of subdivision (d) of Section 97.3 shall not exceed that portion of two million five hundred thousand dollars ($2,500,000) that corresponds to the county's proportionate share of all moneys allocated pursuant to this subparagraph and subparagraph (B) of paragraph (4) of subdivision (d) of Section 97.3 for the 1995–96 fiscal year. Upon the request of the auditor, the Department of Finance shall provide to the auditor all information in the department's possession that is necessary for the auditor to comply with this clause.

(C) For purposes of allocating the Educational Revenue Augmentation Fund for the 1996–97 fiscal year, the auditor shall, after making the allocations for special education programs, if any,

required by subparagraph (B), allocate all remaining funds among the county, cities, and special districts in proportion to the amounts of ad valorem property tax revenue otherwise required to be shifted from those local agencies to the county's Educational Revenue Augmentation Fund for the relevant fiscal year. For purposes of ad valorem property tax revenue allocations for the 1997–98 fiscal year and each fiscal year thereafter, no amount of ad valorem property tax revenue allocated to the county, a city, or a special district pursuant to this subparagraph shall be deemed to be an amount of ad valorem property tax revenue allocated to that local agency in the prior fiscal year.

(5) For purposes of allocations made pursuant to Section 96.1 or its predecessor section for the 1993–94 fiscal year, the amounts allocated from the Educational Revenue Augmentation Fund pursuant to this subdivision, other than amounts deposited in the Educational Revenue Augmentation Fund pursuant to Section 33681 of the Health and Safety Code, shall be deemed property tax revenue allocated to the Educational Revenue Augmentation Fund in the prior fiscal year.

(e) (1) For the 1997–98 fiscal year:

(A) The amount of property tax revenue deemed allocated in the prior fiscal year to any city subject to the reduction specified in paragraph (2) of subdivision (b) shall be reduced by an amount that is equal to the difference between the amount determined for the city pursuant to paragraph (1) of subdivision (b) and the amount of the reduction determined for the city pursuant to paragraph (2) of subdivision (b).

(B) The amount of property tax revenue deemed allocated in the prior fiscal year to any county or city and county subject to the reduction specified in paragraph (2) of subdivision (a) shall be reduced by an amount that is equal to the difference between the amount specified for the county or city and county pursuant to paragraph (1) of subdivision (a) and the amount of the reduction determined for the county or city and county pursuant to paragraph (2) of subdivision (a).

(2) The amount of property tax revenues not allocated to a city or city and county as a result of this subdivision shall be deposited in the Educational Revenue Augmentation Fund described in subparagraph (A) of paragraph (1) of subdivision (d).

(3) For purposes of allocations made pursuant to Section 96.1 for the 1998–99 fiscal year, the amounts allocated from the Educational Revenue Augmentation Fund pursuant to this subdivision shall be deemed property tax revenues allocated to the Educational Revenue Augmentation Fund in the prior fiscal year.

(f) It is the intent of the Legislature in enacting this section that this section supersede and be operative in place of Section 97.03 of

the Revenue and Taxation Code, as added by Senate Bill 617 of the 1991–92 Regular Session.

CHAPTER 35

An act relating to the administration of unemployment compensation, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 8, 1999. Filed with Secretary of State June 8, 1999.]

The people of the State of California do enact as follows:

SECTION 1. (a) Pursuant to Section 1528.5 of the Unemployment Insurance Code, there is hereby appropriated from the Unemployment Fund the sum of one million eight hundred sixty-seven thousand dollars ($1,867,000) to be deposited in the Unemployment Administration Fund for expenditure by the Director of the Employment Development Department only for support of Employment Development Department employment service program administrative costs.

(b) Pursuant to subdivision (b) of Section 1528.5 of the Unemployment Insurance Code, the moneys for the appropriation by this act shall be requisitioned by the Director of the Employment Development Department from moneys in the account of this state in the Unemployment Trust Fund that are credited to that account pursuant to Section 903 of the Social Security Act, as amended.

(c) The moneys appropriated by this act may only be obligated for expenses occurring from the effective date of this act to June 30, 2000, inclusive.

(d) The total amount of the moneys appropriated by this act obligated for expenses shall be limited to the restrictions specified by, and charged in accordance with, Section 903(c)(2)(D) of the Social Security Act, as amended.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to provide public service employment in areas affected by the Valley freeze as soon as possible, by using Job Service 10 percent funds, and replacing those funds with federal Reed Act funds, it is necessary that this act take effect immediately.

CHAPTER 36

An act to amend Sections 40448.5 and 40448.5.1 of the Health and Safety Code, and to repeal, add, and repeal Section 9250.11 of the Vehicle Code, relating to vehicles, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 8, 1999. Filed with Secretary of State June 8, 1999.]

The people of the State of California do enact as follows:

SECTION 1. Section 40448.5 of the Health and Safety Code is amended to read:

40448.5. (a) The south coast district shall establish an Office of Technology Advancement to administer the clean-burning fuels program established pursuant to this section. The program shall encourage projects that increase the utilization of clean-burning fuels that reduce public health hazards from air pollution. The south coast district shall coordinate the program with the state board, the State Energy Resources Conservation and Development Commission, and other appropriate state and federal agencies and private organizations that are conducting activities to promote the use of clean-burning fuels.

(b) After holding at least two public hearings to solicit public comment on a clean-burning fuels program, the south coast district shall annually adopt a program of activities for increasing the use of clean-burning fuels in the transportation and stationary source sectors.

(c) The program shall include an identification of potential funding sources, including, but not limited to, state and federal funds; private-sector funds; revenues from district permit, variance, and emission fees; proceeds from district penalty settlements and judgments; and funds from other sources under the jurisdiction of the south coast district.

(d) In developing its program, the south coast district shall consider promoting projects in the transportation and stationary source sectors utilizing methanol fuel, fuel cells, liquid petroleum gas, natural gas, including compressed natural gas, combination fuels, synthetic fuels, electricity, including electric vehicles, and other clean-burning fuels.

(e) When considering which clean fuels projects to promote, the south coast district shall consider, among other factors, the current and projected economic costs and availability of fuels, the cost-effectiveness of emission reductions associated with clean fuels compared with other pollution control alternatives, the use of new pollution control technologies in conjunction with traditional fuels as an alternative means of reducing emissions, potential effects on

public health, ambient air quality, visibility within the region, and other factors determined to be relevant by the south coast district.

(f) When implementing clean fuels projects, the south coast district shall consider limiting the use of clean fuels to specific seasons, time of day, and locations if those limitations are found by the district to further the goals of the program.

(g) The south coast district shall coordinate the clean-burning fuels program with transportation control measures adopted pursuant to paragraph (4) of subdivision (b) of Section 40440 to reduce traffic congestion, air pollution, and motor vehicle fuel consumption.

SEC. 2. Section 40448.5.1 of the Health and Safety Code is amended to read:

40448.5.1. (a) Prior to adopting the program specified in subdivision (b) of Section 40448.5 and prior to expending any funds for any research, development, or demonstration program or project relating to vehicles or vehicle fuels, the south coast district shall do both of the following:

(1) Adopt and include in the program a plan describing any proposed expenditure that sets forth the expected costs and qualitative as well as quantitative benefits of the proposed program or project.

(2) Find that the proposed program and projects funded as part of the program will not duplicate any other past or present program or project funded by the state board, the State Energy Resources Conservation and Development Commission, an air quality management district or air pollution control district, a public transit district or authority within the geographic jurisdiction of the south coast district, the San Diego Transit Corporation, the North County Transit District, the Sacramento Regional Transit District, the Alameda-Contra Costa Transit District, the San Francisco Bay Area Rapid Transit District, the Santa Barbara Metropolitan Transit District, the Los Angeles Department of Water and Power, the Sacramento Municipal Utility District, the Pacific Gas and Electric Company, the Southern California Gas Company, the Southern California Edison Company, the San Diego Gas and Electric Company, or the Office of Mobile Sources within the Environmental Protection Agency. This paragraph is not intended to prevent funding for programs or projects jointly funded with another public or private agency where there is no duplication.

(b) (1) The Office of Technology Advancement shall provide notice to interested parties and the public at least 30 days prior to the annual public hearing at which the south coast district board or a committee of the board takes action to approve the clean-burning fuels program.

(2) For the purpose of this subdivision, "interested parties" includes groups involved in research, development, and application of clean fuels technologies; public health and environmental

organizations with expertise in air pollution related diseases and alternative energy technologies; relevant media; legislators, members of the county board of supervisors, and members of any city council that represent territory within the south coast district; and any member of the general public who has expressed interest in the program.

(c) (1) The south coast district shall establish an advisory group to make recommendations to the south coast district board regarding the clean-burning fuels program, technology advancement, and pollution reduction. The advisory group shall make recommendations regarding the most cost-effective projects that advance and implement clean fuels technology and improve public health.

(2) The advisory group shall consist of 13 members with expertise in either clean fuels technology and policy or public health, or both. The members shall be appointed from scientific, academic, entrepreneurial, environmental, and public health communities.

(3) The members of the advisory group shall adopt conflict-of-interest guidelines that prohibit a member from advocating an expenditure involving a project in which the member has a professional or an economic interest.

(4) The south coast district shall consult with the advisory group regarding approval of the annual report required by subdivision (d). The results of that consultation shall be provided to the south coast district board prior to its approval of the report.

(d) Notwithstanding Section 7550.5 of the Government Code, on or before March 31 of each year that the clean-burning fuels program is in operation, the south coast district shall prepare and submit to the office of the Legislative Analyst and to the committees of the Legislature responsible for improving air quality a report that, at a minimum, includes all of the following:

(1) A description of the core technologies that the south coast district considers critical to ensure the attainment and maintenance of national and state ambient air quality standards and a description of the efforts made to overcome barriers to commercialization of those technologies.

(2) An analysis of the impact of the south coast district's clean-burning fuels program on the private sector and on research, development, and commercialization efforts by major automobile and energy firms, as determined by the district.

(3) A description of clean-burning fuels projects funded by the south coast district, including a list of recipients, subcontractors, cofunders, and matching state or federal funds, and a description of expected and actual results of each project in advancing and implementing clean fuels technology and improving public health.

(4) The title and purpose of all projects undertaken pursuant to the clean-burning fuels program, the names of the contractors and

subcontractors involved in each project, and the amount of money expended for each project.

(5) A summary of the actual progress made toward the goals of the clean-burning fuels program.

(6) Funding priorities identified for the next fiscal year and relevant audit information for previous, current, and future fiscal years covered by the report.

(e) Within 120 days from the date of the conclusion of a program or project subject to subdivision (a) that is funded by the south coast district, the south coast district shall issue a public report that sets forth the actual costs of the program or project, the results achieved and how they compare with expected costs and benefits determined pursuant to paragraph (1) of subdivision (a), and any problems that were encountered by the program or project.

(f) Notwithstanding any other provision of law, the south coast district may recover the costs of implementing this section from the revenues it receives for alternative fuel research, development, and demonstration pursuant to Section 9250.11 of the Vehicle Code.

SEC. 3. Section 9250.11 of the Vehicle Code is repealed.

SEC. 4. Section 9250.11 is added to the Vehicle Code, to read:

9250.11. (a) In addition to any other fees specified in this code and the Revenue and Taxation Code, a fee of one dollar ($1) may be imposed by the South Coast Air Quality Management District and shall be paid to the department, upon renewal of registration of any motor vehicle subject to Part 5 (commencing with Section 43000) of Division 26 of the Health and Safety Code and registered in the south coast district, except any vehicle that is expressly exempted under this code from the payment of registration fees.

(b) Prior to imposing fees pursuant to this section, the south coast district board shall approve the imposition of the fees through the adoption of a resolution by both a majority of the district board and a majority of the district board who are elected officials. After deducting all costs incurred pursuant to this section, the department shall distribute the additional fees collected pursuant to subdivision (a) to the south coast district, which shall use the fees to reduce air pollution from motor vehicles through implementation of Sections 40448.5 and 40448.5.1 of the Health and Safety Code.

(c) Any memorandum of understanding reached between the district and a county prior to the imposition of a one dollar ($1) fee by a county shall remain in effect and govern the allocation of the funds generated in that county by that fee.

(d) The South Coast Air Quality Management District shall adopt accounting procedures to ensure that revenues from motor vehicle registration fees are not commingled with other program revenues.

(e) This section shall remain in effect only until January 1, 2005, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 2005, deletes or extends that date.

SEC. 5. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because a local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act, within the meaning of Section 17556 of the Government Code.

SEC. 6. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to help ensure that continuity of the Clean Fuels Program of the South Coast Air Quality Management District is maintained, it is necessary that this act take effect immediately.

CHAPTER 37

An act relating to education, and making an appropriation for the usual current expenses of the state, to take effect immediately.

[Approved by Governor June 15, 1999. Filed with Secretary of State June 16, 1999.]

The people of the State of California do enact as follows:

SECTION 1. The sum of three million two hundred forty thousand dollars ($3,240,000) is hereby appropriated from the General Fund to the State Department of Education for the following purposes:

(a) The sum of three million dollars ($3,000,000) in augmentation of Schedule (d) of Item 6110-001-0001 of Section 29 of the Budget Act of 1998, Chapter 324 of the Statutes of 1998, to supplement funding during the 1998–99 fiscal year for the ongoing activities of the department involving the public schools.

(b) The sum of two hundred forty thousand dollars ($240,000) for the purpose of supporting the adoption of instructional materials in the 1998–99 fiscal year pursuant to Chapter 481 of the Statutes of 1998.

SEC. 2. Notwithstanding any other provision of law, the Director of Finance may authorize a loan from the General Fund to the State Department of Education in an amount not to exceed two million five hundred thousand dollars ($2,500,000) for the purpose of assisting the department to meet cash needs resulting from the delay in receipt of reimbursements in the 1998–99 fiscal year. Any request by the State Department of Education for a loan shall be made in writing to the Director of Finance and shall be accompanied by materials justifying the amount of the loan and establishing a schedule for full repayment, not to exceed 90 days after the enactment of the Budget Act of 1999. Pursuant to subdivision (e) of

Section 16314 of the Government Code, interest charges on the loan shall be waived.

SEC. 3. This act makes an appropriation for the usual current expenses of the state within the meaning of Article IV of the Constitution and shall go into immediate effect.

CHAPTER 38

An act to add Article 9 (commencing with Section 33492.140) to Chapter 4.5 of Part 1 of Division 24 of the Health and Safety Code, relating to redevelopment.

[Approved by Governor June 28, 1999. Filed with Secretary of State June 28, 1999.]

The people of the State of California do enact as follows:

SECTION 1. Article 9 (commencing with Section 33492.140) is added to Chapter 4.5 of Part 1 of Division 24 of the Health and Safety Code, to read:

Article 9. Hamilton Army Airfield

33492.140. Notwithstanding paragraph (1) of subdivision (f) of Section 33607.5, the redevelopment agency of the City of Novato may pay to the County of Marin, the Novato Fire Protection District, and the Marin Community College District any amounts of money that in the agency's determination are appropriate to alleviate any financial burden or detriment caused to the County of Marin, the Novato Fire Protection District, or the Marin Community College District by the Hamilton Field Redevelopment Project.

SEC. 2. The Legislature finds and declares that with regard to Section 1, a special law is necessary and that a general law cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of the unique circumstances of former Hamilton Army Airfield. The facts constituting these unique circumstances are as follows:

Unlike other military base closures in California, Hamilton Army Airfield was not closed at one time, but has, since 1974, undergone a series of partial closures and dispositions by various branches of the military. This has imposed severe economic burdens on the City of Novato and has deprived other local jurisdictions, including the City of Novato, the County of Marin, the Novato Fire Protection District, and the Marin Community College District, of the ability to effectively adapt their planning and economic resources in a coordinated manner to alleviate the economic and social burdens on the community caused by the fragmented closure and disposition

process affecting the base. The Hamilton Field Redevelopment Project that has been adopted by the City of Novato has as its primary purpose the achievement of the goals of the Hamilton Field Reuse Plan for significant rehabilitated housing at Hamilton Army Airfield that is deed-restricted for persons of very low, low, and moderate income. This special act is necessary in order to promote the effective use of redevelopment to promote the achievement of the affordable housing goals of the reuse plan that will add a significant number of deed-restricted housing units in the City of Novato and the County of Marin and to address the problems referred to that are unique to Hamilton Army Airfield, the City of Novato, the County of Marin, the Novato Fire Protection District, and the Marin Community College District.

CHAPTER 39

An act to add Section 31874.5 to the Government Code, relating to county retirement.

[Approved by Governor June 28, 1999. Filed with Secretary of State June 28, 1999.]

The people of the State of California do enact as follows:

SECTION 1. Section 31874.5 is added to the Government Code, to read:

31874.5. Whenever the percentage of annual increase in the cost of living as of January 1 of each year as shown by the Bureau of Labor Statistics Consumer Price Index for All Urban Consumers exceeds a full 3 percent of the existing cost-of-living increase factor provided by any provision of this article, an additional 1 percent of the excess for each full 3 percent over the existing increase factor shall be applied to the retirement allowances, optional death allowances, or annual death allowances increased by any provision of this article. The increases in allowances resulting from the adoption of this section shall be used to offset any accumulated carryover balances under existing cost-of-living adjustments. The cost of implementing this section shall be prefunded commencing with the adoption of this section by the board of supervisors. The method of paying the cost of implementing this section may be mutually agreed to in a memorandum of understanding executed by the employer and employee representatives. The board of retirement shall conduct the actuarial studies to determine those costs.

This section shall not be operative in any county until it is adopted by a majority vote of the board of supervisors.

CHAPTER 40

An act to amend Section 24216.5 of the Education Code, relating to the State Teachers' Retirement System, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 28, 1999. Filed with Secretary of State June 28, 1999.]

The people of the State of California do enact as follows:

SECTION 1. Section 24216.5 of the Education Code is amended to read:

24216.5. (a) The compensation earned by a member who retired for service under this part shall be exempt from subdivisions (d), (f), and (g) of Section 24214, if all of the following conditions are met:

(1) The member retired for service with an effective date on or before July 1, 1998.

(2) The member retired for service is employed by a school district to provide either one of the following:

(A) Direct classroom instruction to students in classrooms that were created to meet the objectives of a program to reduce class sizes pursuant to Part 28 (commencing with Section 51000).

(B) Is temporarily filling a position that was vacated due to a teacher transferring to a classroom within the same district that was created to meet the objectives of a program to reduce class sizes pursuant to Part 28 (commencing with Section 51000).

(3) All members retired for service whose employment with a school district meets the conditions specified in this section shall be treated as a distinct class of temporary employees within the existing bargaining unit whose service shall not be included in computing the service required as a prerequisite to attainment of or eligibility for classification as a permanent employee of a school district. The compensation for service performed by this class of employees shall be established in accordance with subdivision (b) of Section 24214 and agreed to in the collective bargaining agreement between the employing school district and the exclusive representative for the existing bargaining unit within which these temporary employees of the school district are treated as a distinct class.

(4) The employing school district submits documentation required by the system to substantiate the eligibility of the temporary employment of a member retired for service for the exemption under this subdivision.

(b) A school district that employs a member retired for service pursuant to this section shall maintain accurate records of the retired member's compensation earned and shall report that compensation monthly to the system regardless of the method of payment or the source of funds from which the compensation is paid.

(c) This section shall not apply to the compensation earned for creditable service performed by a member retired for service for a county office of education or a community college district.

(d) The amendments made to this section by an act enacted in the first year of the 1999–2000 Regular Session shall apply to the 1999–2000 school year and all subsequent school years.

(e) This section shall remain in effect only until July 1, 2002, and as of that date is repealed unless a later enacted statute which is enacted before July 1, 2002, deletes or extends that date.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to increase the teaching staffs of public schools, it is necessary that this bill take effect immediately.

CHAPTER 41

An act to amend Section 10236.4 of the Business and Professions Code, relating to real estate brokers.

[Approved by Governor June 28, 1999. Filed with Secretary of State June 28, 1999.]

The people of the State of California do enact as follows:

SECTION 1. Section 10236.4 of the Business and Professions Code is amended to read:

10236.4. (a) In compliance with Section 10235.5, every licensed real estate broker shall also display his or her license number on all advertisements where there is a solicitation for borrowers or potential investors.

(b) The disclosures required by Sections 10232.4 and 10240 shall include the licensee's license number and the department's license information telephone number.

(c) This section shall become operative July 1, 1998.

CHAPTER 42

An act to amend Section 31678.1 of the Government Code, relating to county employee retirement.

[Approved by Governor June 28, 1999. Filed with Secretary of State June 28, 1999.]

The people of the State of California do enact as follows:

SECTION 1. Section 31678.1 of the Government Code is amended to read:

31678.1. (a) In a county of the 14th class, as defined by Section 28020, as amended by Chapter 1204 of the Statutes of 1971, and Section 28035, as amended by Chapter 1204 of the Statutes of 1971, Section 31678 shall only be applicable to persons who first became members of the retirement system on and after January 1, 1994.

(b) This section shall not be operative in that county until the board of supervisors, by resolution, adopted by a majority vote, makes this section applicable in that county.

(c) Notwithstanding any other provision of law, this section shall only apply to members who retire on or after January 1, 1994.

CHAPTER 43

An act to amend Section 1005 of the Code of Civil Procedure, relating to civil actions.

[Approved by Governor June 28, 1999. Filed with Secretary of State June 28, 1999.]

The people of the State of California do enact as follows:

SECTION 1. Section 1005 of the Code of Civil Procedure is amended to read:

1005. (a) Written notice shall be given, as prescribed in subdivision (b), for the following motions:

(1) Notice of Application and Hearing for Writ of Attachment under Section 484.040.

(2) Notice of Application and Hearing for Claim and Delivery under Section 512.030.

(3) Notice of Hearing for Claim of Exemption under Section 706.105.

(4) Motion to Quash Summons pursuant to subdivision (b) of Section 418.10.

(5) Motion for Determination of Good Faith Settlement pursuant to Section 877.6.

(6) Hearing for Discovery of Peace Officer Personnel Records pursuant to Section 1043 of the Evidence Code.

(7) Notice of Hearing of Third-Party Claim pursuant to Section 720.320.

(8) Motion for an Order to Attend Deposition more than 150 miles from deponent's residence pursuant to paragraph (3) of subdivision (e) of Section 2025.

(9) Notice of Hearing of Application for Relief pursuant to Section 946.6 of the Government Code.

(10) Motion to Set Aside Default or Default Judgment and for Leave to Defend Actions pursuant to Section 473.5.

(11) Motion to Expunge Notice of Pendency of Action pursuant to Section 405.30.

(12) Motion to Set Aside Default and for Leave to Amend pursuant to Section 585.5.

(13) Any other proceeding under this code in which notice is required and no other time or method is prescribed by law or by court or judge.

(b) Unless otherwise ordered or specifically provided by law, all moving and supporting papers shall be served and filed at least 21 calendar days before the hearing. The moving and supporting papers served shall be a copy of the papers filed or to be filed with the court. However, if the notice is served by mail, the required 21-day period of notice before the hearing shall be increased by five calendar days if the place of mailing and the place of address are within the State of California, 10 calendar days if either the place of mailing or the place of address is outside the State of California but within the United States, and 20 calendar days if either the place of mailing or the place of address is outside the United States, and if the notice is served by facsimile transmission, express mail, or another method of delivery providing for overnight delivery, the required 21-day period of notice before the hearing shall be increased by two calendar days. Section 1013, which extends the time within which a right may be exercised or an act may be done, does not apply to a notice of motion, papers opposing a motion, or reply papers governed by this section. All papers opposing a motion so noticed shall be filed with the court and a copy served on each party at least 10 calendar days, and all reply papers at least five calendar days before the hearing. Notwithstanding any other provision of this section, all papers opposing a motion and all reply papers shall be served by personal delivery, facsimile transmission, express mail, or other means consistent with the provisions of Sections 1010, 1011, 1012, and 1013, and reasonably calculated to ensure delivery to the other party or parties not later than the close of the next business day after the time the opposing papers or reply papers, as applicable, are filed.

The court, or a judge thereof, may prescribe a shorter time.

CHAPTER 44

An act to amend Section 14105.98 of the Welfare and Institutions Code, relating to health, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 28, 1999. Filed with
Secretary of State June 28, 1999.]

The people of the State of California do enact as follows:

SECTION 1. Section 14105.98 of the Welfare and Institutions Code is amended to read:

14105.98. (a) The following definitions shall apply for purposes of this section:

(1) "Disproportionate share list" means an annual list of disproportionate share hospitals that provide acute inpatient services issued by the department for purposes of this section.

(2) "Fund" means the Medi-Cal Inpatient Payment Adjustment Fund, created pursuant to Section 14163.

(3) "Eligible hospital" means a hospital included on a disproportionate share list, which is eligible to receive payment adjustments under this section with respect to a particular state fiscal year.

(4) "Hospital" means a health facility that is licensed pursuant to Chapter 2 (commencing with Section 1250) of Division 2 of the Health and Safety Code to provide acute inpatient hospital services, and includes all components of the facility.

(5) "Payment adjustment" or "payment adjustment amount" means an amount paid under this section for acute inpatient hospital services provided by a disproportionate share hospital.

(6) "Payment adjustment year" means the particular state fiscal year with respect to which payments are to be made to eligible hospitals under this section.

(7) "Payment adjustment program" means the system of Medi-Cal payment adjustments for acute inpatient hospital services established by this section.

(8) "Annualized Medi-Cal inpatient paid days" means the total number of Medi-Cal acute inpatient hospital days, regardless of dates of service, for which payment was made by or on behalf of the department to a hospital, under present or previous ownership, during the most recent calendar year ending prior to the beginning of a particular payment adjustment year, including all Medi-Cal acute inpatient covered days of care for hospitals which are paid on a different basis than per diem payments.

(9) "Low-income utilization rate" means a percentage rate determined by the department in accordance with the requirements of Section 1396r-4(b)(3) of Title 42 of the United States Code, and included on a disproportionate share list.

(10) "Low-income number" means a hospital's low-income utilization rate rounded down to the nearest whole number, and included on a disproportionate share list.

(11) "1991 Peer Grouping Report" means the final report issued by the department dated May 1991, entitled "Hospital Peer Grouping."

(12) "Major teaching hospital" means a hospital that meets the definition of a university teaching hospital, major nonuniversity teaching hospital, or large teaching emphasis hospital as set forth on page 51 of the 1991 Peer Grouping Report.

(13) "Children's hospital" means a hospital that meets the definition of a children's hospital—state defined, as set forth on page 53 of the 1991 Peer Grouping Report, or which is listed in subdivision (a), or subdivisions (c) to (g), inclusive, of Section 16996.

(14) "Acute psychiatric hospital" means a hospital that meets the definition of an acute psychiatric hospital, a combination psychiatric/alcohol-drug rehabilitation hospital, or a psychiatric health facility, to the extent the facility is licensed to provide acute inpatient hospital service, as set forth on page 52 of the 1991 Peer Grouping Report.

(15) "Alcohol-drug rehabilitation hospital" means a hospital that meets the definition of an alcohol-drug rehabilitation hospital as set forth on page 52 of the 1991 Peer Grouping Report.

(16) "Emergency services hospital" means a hospital that is a licensed provider of basic emergency services as described in Sections 70411 to 70419, inclusive, of Title 22 of the California Code of Regulations, or that is a licensed provider of comprehensive emergency medical services as described in Sections 70451 to 70459, inclusive, of Title 22 of the California Code of Regulations.

(17) "Medi-Cal day of acute inpatient hospital service" means any acute inpatient day of service attributable to patients who, for those days, were eligible for medical assistance under the California state plan, including any day of service that is reimbursed on a basis other than per diem payments.

(18) "Total per diem composite amount" means, for each eligible hospital for a particular payment adjustment year, the total of the various per diem payment adjustment amounts to be paid to the hospital for each eligible day as calculated under the applicable provisions of this section.

(19) "Supplemental lump-sum payment adjustment" means a lump-sum amount paid under this section for acute inpatient hospital services provided by a disproportionate share hospital.

(20) "Projected total payment adjustment amount" means, for each eligible hospital for a particular payment adjustment year, the amount calculated by the department as the projected maximum total amount the hospital is expected to receive under the payment adjustment program for the particular payment adjustment year (including all per diem payment adjustment amounts and any applicable supplemental lump-sum payment adjustments).

(21) "To align the program with the federal allotment" means to modify the size of the payment adjustment program to be as close as

reasonably feasible to, but not to exceed, the estimated or actual maximum state disproportionate share hospital allotment for the particular federal fiscal year for California under Section 1396r-4(f) of Title 42 of the United States Code.

(22) "Descending pro rata basis" means an allocation methodology under which a pool of funds is distributed to hospitals on a pro rata basis until one of the recipient hospitals reaches its maximum payment limit, after which all remaining amounts in the pool are distributed on a pro rata basis to the recipient hospitals that have not reached their maximum payment limits, until another hospital reaches its maximum payment limit, and which process is repeated until the entire pool of funds has been distributed among the recipient hospitals.

(23) "Secondary supplemental payment adjustment" means a payment adjustment amount, whether paid or payable, to an eligible hospital as a second type of supplemental distribution earned as of June 30, 1996, with respect to the 1995–96 payment adjustment year.

(24) "OBRA 1993 payment limitation" means the hospital-specific limitation on the total annual amount of payment adjustments to each eligible hospital under the payment adjustment program that can be made with federal financial participation under Section 1396r-4(g) of Title 42 of the United States Code, as implemented pursuant to the Medi-Cal State Plan.

(25) "Public hospital" means a hospital that is licensed to a county, a city, a city and county, the State of California, the University of California, a local health care district, a local health authority, or any other political subdivision of the state.

(26) "Nonpublic hospital" means a hospital that satisfies all of the following:

(A) The hospital does not meet the definition of a public hospital as described in paragraph (25).

(B) The hospital does not meet the definition of a nonpublic-converted hospital as described in paragraph (27).

(C) The hospital does not meet the definition of a converted hospital as described in paragraph (28).

(27) "Nonpublic-converted hospital" means a hospital that satisfies all of the following:

(A) The hospital does not meet the definition of a public hospital as described in paragraph (25).

(B) The hospital, at any time during the 1994–95 payment adjustment year, was a public hospital as described in paragraph (25), whether or not the hospital currently is located at the same site as it was located when it was a public hospital.

(C) The hospital does not meet the definition of a converted hospital as described in paragraph (28).

(28) "Converted hospital" means a hospital that satisfies both of the following:

(A) The hospital does not meet the definition of a public hospital as described in paragraph (25).

(B) The hospital, at any time during the 1997–98 payment adjustment year, was a public hospital as described in paragraph (25), whether or not the hospital currently is located at the same site as it was located when it was a public hospital.

(29) "Remained in operation" or "remains in operation" means that, except for closure or other cessation of services caused by natural disasters or other events beyond the hospital's reasonable control, including labor disputes, the hospital was licensed to provide hospital inpatient services, and continued to provide, or was available to provide, hospital inpatient services to Medi-Cal patients throughout the particular time period in question.

(30) "Maximum state disproportionate share hospital allotment for California" means, with respect to the 1998 federal fiscal year and subsequent federal fiscal years, that amount specified for California under Section 1396r-4(f) of Title 42 of the United State Code for that fiscal year, divided by the federal medical assistance percentage applicable for federal financial participation purposes for Medi-Cal program expenditures with respect to that same federal fiscal year.

(b) For each fiscal year commencing with 1991–92, there shall be Medi-Cal payment adjustment amounts paid to hospitals pursuant to this section. The amount of payments made and the eligible hospitals for each payment adjustment year shall be determined in accordance with the provisions of this section. The payments are intended to support health care services rendered by disproportionate share hospitals.

(c) For each fiscal year commencing with 1991–92, the department shall issue a disproportionate share list. The list shall be developed in accordance with subdivisions (e) and (f), and shall serve as a basis for payments under this section for the particular payment adjustment year.

(d) (1) Except as otherwise provided by this section, the payment adjustment amounts under this section shall be distributed as a supplement to, and concurrent with, payments on all billings for Medi-Cal acute inpatient hospital services that are paid through Medi-Cal claims payment systems on or after July 1, 1991. In connection with those billings, the department shall pay payment adjustment amounts in accordance with subdivision (g), (h), (i), or (j), as applicable, to any hospital qualifying under subdivision (e). In addition, the department shall pay to each of those hospitals any supplemental lump-sum payment adjustment amounts that are payable, and shall adjust payment amounts, in accordance with applicable provisions of this section. The nonfederal share of all payment adjustment amounts shall be funded by amounts from the fund. The department shall obtain federal matching funds for the payment adjustment program through customary Medi-Cal accounting procedures.

(2) As a limitation to paragraph (1), all payment adjustment amounts under this section, which are due with respect to billings paid through Medi-Cal claims payment systems on or after July 1, 1991, shall be suspended until the time federal approval is first obtained for the payment adjustment program as part of the Medi-Cal program. For purposes of this paragraph, federal approval requires both (i) approval by appropriate federal agencies of an amendment to the Medi-Cal State Plan, as referred to in subdivision (o), and (ii) confirmation by appropriate federal agencies regarding the availability of federal financial participation for the payment adjustment program at a level of at least 40 percent of the percentage of federal financial participation that is normally applicable for Medi-Cal expenditures for acute inpatient hospital services. At the time federal approval is first obtained, the department shall proceed pursuant to subparagraphs (A) and (B) in connection with the suspended payment adjustment amounts.

(A) Except as provided by subdivision (*l*), or by any other subdivision of this section, any payment adjustment amounts which were suspended shall, within 60 days, be paid for all those billings paid through Medi-Cal claims payment systems during periods of time, on or after July 1, 1991, for which federal approval is first effective for the payment adjustment program.

(B) Payment adjustment amounts shall not be paid in connection with any Medi-Cal billings which were paid through Medi-Cal claims payment systems during any period of time for which federal approval is not effective for the payment adjustment program.

(3) As a limitation to paragraph (1), the amendments to this section enacted during calendar year 1993 shall not be implemented until the department has obtained any approvals that are necessary under federal law. Until all necessary federal approvals are obtained, the payment adjustment program shall continue as though no amendments had been enacted during calendar year 1993. When all necessary federal approvals have been obtained, the amendments enacted during calendar year 1993, shall be implemented effective as of the earliest effective date permissible under federal law.

(4) As a limitation to paragraph (1), amendments to this section enacted during calendar year 1994 shall not be implemented until the department has obtained any approvals that are necessary under federal law. Until all necessary federal approvals are obtained, the payment adjustment program shall continue as though no amendments had been enacted during calendar year 1994. When all necessary federal approvals have been obtained, the amendments enacted during calendar year 1994 shall be implemented effective as of the earliest effective date permissible under federal law. Notwithstanding any other provision of law, on or after the date that federal approval is obtained the payments made prior to that date with respect to the 1994–95 payment adjustment year or subsequent payment adjustment years shall be deemed nonfinal payments for

purposes of this section and Section 14163. Any of those amounts paid or payable prior to that date shall then be compared to the payments that would have been made pursuant to the program changes as approved by the federal government for all periods of time permissible under federal law, and the difference, if any, shall be paid or recouped by the department, as appropriate.

(5) As a limitation to paragraph (1), amendments to this section enacted during June 1996 shall not be implemented until the department has obtained any approvals that are necessary under federal law. Until all necessary federal approvals are obtained, the payment adjustment program shall continue as though no amendments had been enacted during June 1996. When all necessary federal approvals have been obtained, the amendments enacted during June 1996 shall be implemented effective as of the earliest effective date permissible under federal law. Notwithstanding any other provision of law, on or after the date that federal approval is obtained, the payments made prior to that date with respect to the 1995–96 payment adjustment year shall be deemed nonfinal payments for purposes of this section and Section 14163. Any of those amounts paid or payable prior to that date shall then be compared to the payments that would have been made pursuant to the program changes as approved by the federal government for all periods of time permissible under federal law, and the difference, if any, shall be paid or recouped by the department, as appropriate.

(6) As a limitation to paragraph (1), any amendment of this section enacted during the period August 1, 1996, to September 30, 1996, inclusive, shall not be implemented until the department has obtained any approvals that are necessary under federal law. Until all necessary federal approvals are obtained, the payment adjustment program shall continue as though no amendments had been enacted during the period August 1, 1996, to September 30, 1996, inclusive. When all necessary federal approvals have been obtained, the amendments enacted during the period August 1, 1996, to September 30, 1996, inclusive, shall be implemented effective as of the earliest effective date permissible under federal law. Notwithstanding any other provision of law, on or after the date that federal approval is obtained, the payments made prior to that date with respect to the 1996–97 payment adjustment year shall be deemed nonfinal payments for purposes of this section and Section 14163. Any of those amounts paid or payable prior to that date shall then be compared to the payments that would have been made pursuant to the program changes as approved by the federal government for all periods of time permissible under federal law, and the difference, if any, shall be paid or recouped by the department, as appropriate.

(7) As a limitation to paragraph (1), any amendment of this section enacted during the period September 1, 1997 to September 30, 1997, inclusive, shall not be implemented until the department has obtained any approvals that are appropriate under federal law.

Until appropriate federal approvals are obtained, the payment adjustment program shall continue as though amendments had not been enacted during the period September 1, 1997 to September 30, 1997, inclusive. When appropriate federal approvals have been obtained, the amendments enacted during the period September 1, 1997 to September 30, 1997, inclusive, shall be implemented effective as of the earliest effective date permissible under federal law. Notwithstanding any other provision of law, on or after the date that federal approval is obtained, the payments made prior to that date with respect to the 1997–98 payment adjustment year shall be deemed nonfinal payments for purposes of this section and Section 14163. Any of those amounts paid or payable prior to that date shall then be compared to the payments that would have been made pursuant to the program changes as approved by the federal government for all periods of time permissible under federal law, and the difference, if any, shall be paid or recouped by the department, as appropriate.

(8) As a limitation to paragraph (1), any amendment of this section enacted during the 1998 calendar year shall not be implemented until the department has obtained any approvals that are appropriate under federal law. Until appropriate federal approvals are obtained, the payment adjustment program shall continue as though amendments had not been enacted during the 1998 calendar year. When appropriate federal approvals have been obtained, the amendments enacted during the 1998 calendar year shall be implemented effective as of the earliest effective date permissible under federal law. Notwithstanding any other provision of law, on or after the date that federal approval is obtained, the payments made prior to that date with respect to the particular payment adjustment year shall be deemed nonfinal payments for purposes of this section and Section 14163. Any of those amounts paid or payable prior to that date shall then be compared to the payments that would have been made pursuant to the program changes as approved by the federal government for all periods of time permissible under federal law, and the difference, if any, shall be paid or recouped by the department, as appropriate.

(9) As a limitation to paragraph (1), any amendment of this section enacted during the period of June 1, 1999 to June 30, 1999, inclusive, shall not be implemented until the department has obtained any approvals that are appropriate under federal law. Until appropriate federal approvals are obtained, the payment adjustment program shall continue as though amendments had not been enacted during the period of June 1, 1999 to June 30, 1999, inclusive. When appropriate federal approvals have been obtained, the amendments enacted during the period of June 1, 1999 to June 30, 1999, inclusive, shall be implemented effective as of the earliest effective date permissible under federal law. Notwithstanding any other provision of law, on or after the date that federal approval is obtained, the

payments made prior to that date with respect to the particular payment adjustment year shall be deemed nonfinal payments for purposes of this section and Section 14163. Any of those amounts paid or payable prior to that date shall then be compared to the payments that would have been made pursuant to the program changes as approved by the federal government for all periods of time permissible under federal law, and the difference, if any, shall be paid or recouped by the department, as appropriate.

(e) To qualify for payment adjustment amounts under this section, a hospital shall have been included on the disproportionate share list for the particular payment adjustment year. The list shall consist of those hospitals which satisfy both of the following requirements:

(1) The hospital shall meet the federal requirements for disproportionate share status set forth in subsection (d) of Section 1396r-4 of Title 42 of the United States Code.

(2) Either of the following shall apply:

(A) The hospital's medicaid inpatient utilization rate, as defined in Section 1396r-4(b)(2) of Title 42 of the United States Code, shall be at least one standard deviation above the mean medicaid inpatient utilization rate for hospitals receiving medicaid payments in the state.

(B) The hospital's low-income utilization rate shall exceed 25 percent.

(f) (1) For the 1991–92 payment adjustment year, a disproportionate share list shall be issued by the department no later than 65 days after the enactment of this section. For subsequent payment adjustment years, a tentative listing shall be prepared by the department at least 60 days before the beginning of the particular payment adjustment year, and a disproportionate share list shall be issued no later than five days after the beginning of the particular payment adjustment year. All state agencies shall take all necessary steps to supply the most recent data available to the department to meet these deadlines. The Office of Statewide Health Planning and Development shall provide to the department quarterly access to the edited and unedited confidential patient discharge data files for all Medi-Cal eligible patients. The department shall maintain the confidentiality of that data to the same extent as is required of the Office of Statewide Health Planning and Development. In addition, the Office of Statewide Health Planning and Development shall provide to the department no later than March 1 of each year, the data specified by the department, as the data existed on the statewide data base file as of February 1 of each year (except that for the 1991–92 payment adjustment year, the Office of Statewide Health Planning and Development shall provide data as it existed on the statewide data base file as of August 30, 1991), from all of the following:

(A) Hospital annual disclosure reports, filed with the Office of Statewide Health Planning and Development pursuant to Section 443.31 or 128735 of the Health and Safety Code, for hospital fiscal years which ended during the calendar year ending 13 months prior to the applicable February 1.

(B) Annual reports of hospitals, filed with the Office of Statewide Health Planning and Development pursuant to Section 439.2 or 127285 of the Health and Safety Code, for the calendar year ending 13 months prior to the applicable February 1.

(C) Hospital patient discharge data reports, filed with the Office of Statewide Health Planning and Development pursuant to subdivision (g) of Section 443.31 or 128735 of the Health and Safety Code, for the calendar year ending 13 months prior to the applicable February 1.

(D) Any other materials on file with the Office of Statewide Health Planning and Development.

(2) The disproportionate share list shall show all of the following:

(A) The name and license number of the hospital.

(B) Expressed as a percentage, the hospital's Medi-Cal utilization rate and low-income utilization rate as referred to in paragraph (2) of subdivision (e). The department shall determine these rates in accordance with paragraph (4).

(C) Based on the hospital's low-income utilization rate, the hospital's low-income number.

(3) The department shall determine a hospital's satisfaction of paragraph (1) of subdivision (e) based on the most recent annual data available, as it existed on the Office of Statewide Health Planning and Development statewide data base file as of February 1 of each year, and August 30 for the 1991–92 payment adjustment year, whether the data relates to operations under present or previous ownership.

(4) To determine a hospital's Medi-Cal inpatient utilization rate and low-income utilization rate for purposes of disproportionate share lists, the department shall utilize the same methodology, formulae, and data sources as set forth in connection with interim determinations in Attachment 4.19-A of the Medi-Cal State Plan (effective on or about July 1, 1990), and as subsequently amended by Medi-Cal State Plan amendments relating to the payment adjustment program submitted to and approved by the federal Health Care Financing Administration, except that the following shall apply:

(A) The calculations shall not be interim, but shall be final for purposes of this section.

(B) To the extent permitted by federal law, the payment adjustment amounts provided to hospitals pursuant to this section shall not be included for any purpose in the calculations and determinations made pursuant to this section.

(C) Any other variation otherwise required by this section or by federal law.

(D) The data utilized by the department shall relate to the hospital under present and previous ownership. When there has been a change of ownership, a change in the location of the main hospital facility, or a material change in patient admission patterns during the 24 months immediately prior to the payment adjustment year, and the change has resulted in a diminution of access for Medi-Cal inpatients at the hospital, all as determined by the department, the department shall, to the extent permitted by federal law, utilize current data that are reflective of the diminution of access, even if the data are not annual data.

(E) Unless expressly provided otherwise by this section, the hospital's low-income utilization rate shall be based on the most recent annual data available from annual hospital reports existing on the Office of Statewide Health Planning and Development data base file as of February 1 of each year.

(F) (i) If, for the 1994–95 payment adjustment year, some or all of the annual data elements available to the department from hospital reports filed with the Office of Statewide Health Planning and Development for purposes of computing hospital low-income utilization rates are different than in prior years due to changes in data reporting requirements of the Office of Statewide Health Planning and Development or changes in other state health care programs, the department shall take the necessary steps to obtain from hospitals appropriate data in order to clarify the annual data filed with the Office of Statewide Health Planning and Development. This shall be done by the department in order to ensure that low-income utilization rates are determined in a manner as equivalent as possible to the approach and methodology used for the 1991–92 payment adjustment year.

(ii) The efforts of the department to obtain and apply data for the purposes described in clause (i) shall include a survey to collect, from one or more hospitals, any data necessary to calculate the low-income utilization rates in accordance with clause (i). The purpose for the survey shall be to clarify the data already included by hospitals in their annual reports submitted to the Office of Statewide Health Planning and Development. The data requested by the department in the survey may include, among other things, information regarding the manner in which payments made to hospitals under this section were reported by the hospitals to the Office of Statewide Health Planning and Development. The data requested may also include information regarding the manner in which hospitals reported figures relating to charity care, bad debts, and amounts received in connection with state or local indigent care programs.

(iii) In connection with any survey conducted under clause (ii), the department may require that hospitals submit responses in accordance with a deadline established by the department, and that

the responses be supported by a verification of a hospital representative. Should any hospital not respond on a timely basis in accordance with protocols established by the department, the department shall utilize prior year data, adjusted by the department in its discretion, to calculate the hospital's low-income utilization rate.

(G) Notwithstanding any other provision of law, all payment adjustment amounts, including per diem payment adjustment amounts and supplemental lump-sum payment adjustments, paid or payable to a hospital under this section, shall be recorded on an accrual basis of accounting in reports filed by the hospital with the Office of Statewide Health Planning and Development or the department.

(5) For purposes of payment adjustment amounts under this section, each disproportionate share list shall be considered complete when issued by the department pursuant to paragraph (1). Nothing on a disproportionate share list, once issued by the department, shall be modified for any reason, other than mathematical or typographical errors or omissions on the part of the department or the Office of Statewide Health Planning and Development in preparation of the list.

(6) No Medi-Cal State Plan amendment of the type referred to in paragraph (4) shall be valid if inconsistent with this section. For those Medi-Cal State Plan amendments of the type referred to in paragraph (4), to be initially submitted to the federal Health Care Financing Administration on or after the operative date of this paragraph, these amendments shall be provided to representatives of the hospital industry, including, but not limited to, the California Healthcare Association, as soon as possible, but in no event less than 30 days prior to submission of the amendment to the federal Health Care Financing Administration. If, in the public interest, the director determines that exigent circumstances necessitate that the 30-day requirement cannot be met, the director shall immediately in writing advise the Chairperson of the Senate Committee on Health and Human Services and the Assembly Committee on Health of the exigent circumstances and the department's timetable for providing the amendment to the hospital industry.

(g) For each Medi-Cal day of acute inpatient hospital service paid by or on behalf of the department during a payment adjustment year, regardless of dates of service, to a hospital on the applicable disproportionate share list, where that hospital, on the first day of the payment adjustment year, is a major teaching hospital, the hospital shall be paid the sum of all of the following amounts, except as limited by other applicable provisions of this section:

(1) A minimum payment adjustment of three hundred dollars ($300).

(2) The sum of the following amounts, minus three hundred dollars ($300):

(A) A ninety dollar ($90) payment adjustment for each percentage point, from 25 percent to 29 percent, inclusive, of the hospital's low-income number as shown on the disproportionate share list.

(B) A seventy dollar ($70) payment adjustment for each percentage point, from 30 percent to 34 percent, inclusive, of the hospital's low-income number as shown on the disproportionate share list.

(C) A fifty dollar ($50) payment adjustment for each percentage point, from 35 percent to 44 percent, inclusive, of the hospital's low-income number as shown on the disproportionate share list.

(D) A thirty dollar ($30) payment adjustment for each percentage point, from 45 percent to 64 percent, inclusive, of the hospital's low-income number as shown on the disproportionate share list.

(E) A ten dollar ($10) payment adjustment for each percentage point, from 65 percent to 80 percent, inclusive, of the hospital's low-income number as shown on the disproportionate share list.

(3) If the sum calculated under paragraph (2) is less than zero, it shall be disregarded for payment purposes.

(h) For each Medi-Cal day of acute inpatient hospital service paid by or on behalf of the department during a payment adjustment year, regardless of dates of service, to a hospital on the applicable disproportionate share list, where that hospital, on the first day of the payment adjustment year, is a children's hospital, the hospital shall be paid the sum of four hundred fifty dollars ($450), except as limited by other applicable provisions of this section.

(i) For each Medi-Cal day of acute inpatient hospital service paid by or on behalf of the department during a payment adjustment year, regardless of dates of service, to a hospital on the applicable disproportionate share list, where that hospital, on the first day of the payment adjustment year, is an acute psychiatric hospital or an alcohol-drug rehabilitation hospital, the hospital shall be paid the sum of all of the following amounts, except as limited by other applicable provisions of this section:

(1) A minimum payment adjustment of fifty dollars ($50).

(2) The sum of the following amounts, minus fifty dollars ($50):

(A) A ten dollar ($10) payment adjustment for each percentage point, from 25 to 29 percent, inclusive, of the hospital's low-income number as shown on the disproportionate share list.

(B) A seven dollar ($7) payment adjustment for each percentage point, from 30 to 34 percent, inclusive, of the hospital's low-income number as shown on the disproportionate share list.

(C) A five dollar ($5) payment adjustment for each percentage point, from 35 to 44 percent, inclusive, of the hospital's low-income number as shown on the disproportionate share list.

(D) A two dollar ($2) payment adjustment for each percentage point, from 45 to 64 percent, inclusive, of the hospital's low-income number as shown on the disproportionate share list.

(E) A one dollar ($1) payment adjustment for each percentage point, from 65 to 80 percent, inclusive, of the hospital's low-income number as shown on the disproportionate share list.

(3) If the sum calculated under paragraph (2) is less than zero, it shall be disregarded for payment purposes.

(j) For each Medi-Cal day of acute inpatient hospital service paid by or on behalf of the department during a payment adjustment year, regardless of dates of service, to a hospital on the applicable disproportionate share list, where that hospital does not meet the criteria for receiving payments under subdivision (g), (h), or (i) above, the hospital shall be paid the sum of all of the following amounts, except as limited by other applicable provisions of this section:

(1) A minimum payment adjustment of one hundred dollars ($100).

(2) If the hospital is an emergency services hospital at the time the payment adjustment is paid, a two hundred dollar ($200) payment adjustment.

(3) The sum of the following amounts minus one hundred dollars ($100), and minus an additional two hundred dollars ($200) if the hospital is an emergency services hospital at the time the payment adjustment is paid:

(A) A forty dollar ($40) payment adjustment for each percentage point, from 25 percent to 29 percent, inclusive, of the hospital's low-income number as shown on the disproportionate share list.

(B) A thirty-five dollar ($35) payment adjustment for each percentage point, from 30 percent to 34 percent, inclusive, of the hospital's low-income number as shown on the disproportionate share list.

(C) A thirty dollar ($30) payment adjustment for each percentage point, from 35 percent to 44 percent, inclusive, of the hospital's low-income number as shown on the disproportionate share list.

(D) A twenty dollar ($20) payment adjustment for each percentage point, from 45 percent to 64 percent, inclusive, of the hospital's low-income number as shown on the disproportionate share list.

(E) A fifteen dollar ($15) payment adjustment for each percentage point, from 65 percent to 80 percent, inclusive, of the hospital's low-income number as shown on the disproportionate share list.

(4) If the sum calculated under paragraph (3) is less than zero, it shall be disregarded for payment purposes.

(k) (1) For any particular payment adjustment year, no hospital may qualify for payments under more than one subdivision among subdivisions (g), (h), (i), and (j). If any hospital qualifies under more

than one subdivision, the department shall determine which subdivision shall apply for payments.

(2) For each payment adjustment year beginning with 1992–93, the total applicable per diem payment adjustment amount calculated for each eligible hospital pursuant to subdivision (g), (h), (i), or (j) shall be adjusted by a percentage identical to the percentage increase in transfer amounts that the department has authorized for use pursuant to paragraph (1) of subdivision (h) of Section 14163 for the particular fiscal year.

(3) If an eligible hospital ordinarily is paid by or on behalf of the department for Medi-Cal acute inpatient hospital services based on a payment methodology other than per diem payments, the eligible hospital shall receive payment adjustment amounts under subdivision (g), (h), (i), or (j) of this section based on its approved Medi-Cal days of acute inpatient hospital care, in the same fashion as all other eligible hospitals under this section.

(*l*) (1) (A) In determining Medi-Cal days of service for purposes of payment adjustments under this section, the department shall recognize all acute inpatient hospital days of service required to be taken into account under federal law.

(B) For the 1992–93 payment year, the department may consider the Medi-Cal days of service provided by the qualifying hospitals for Medi-Cal patients covered by the prepaid health plans contracting directly with the Medi-Cal program in achieving their maximum payments.

(C) For 1993–94 and subsequent payment years, the department may consider the Medi-Cal days of service provided by hospitals for Medi-Cal patients covered by the prepaid health plans contracting directly with the Medi-Cal program in determining the Medi-Cal utilization rate and the maximum days of payment. Additionally, the department may consider the days of service provided by the qualifying hospitals for Medi-Cal patients covered by the prepaid health plans contracting directly with the Medi-Cal program in achieving their maximum payments in those payment years.

(D) In order to meet the requirements of subparagraph (C), the Office of Statewide Health Planning and Development shall provide to the department quarterly access to all data elements on the edited and unedited confidential patient discharge data files, including Social Security account numbers. The department shall match these data with the department's Medi-Cal Eligibility Data System files to extract any data necessary to meet the requirements of subparagraph (C). The department shall maintain the confidentiality of all patient discharge data to the same extent as is required of the Office of Statewide Health Planning and Development.

(2) Notwithstanding paragraph (1), there shall be, for each eligible hospital, a maximum limit on the number of Medi-Cal acute inpatient hospital days for which payment adjustment amounts may be paid under this section with respect to each payment adjustment

year. The maximum limit shall be that number of days that equals 80 percent of the eligible hospital's annualized Medi-Cal inpatient paid days, as determined from all Medi-Cal paid claims records available through April 1 preceding the beginning of the payment adjustment year.

(m) No payment rate for any service rendered by any hospital under the Medi-Cal selective provider contracting program shall be reduced as a result of this section.

(n) Notwithstanding any other provision of law, to the extent consistent with federal law, and except as provided by this section, no maximum payment limit shall be placed on the amount of Medi-Cal payment adjustments which may be made to disproportionate share hospitals. The payments made to disproportionate share hospitals pursuant to this section and Section 14105.99 shall not cause any other amounts paid or payable to a hospital to be deemed in excess of any applicable maximum payment limit.

(o) The department shall promptly seek any necessary federal approvals in order to implement this section, including any amendments. Pursuant to Section 1396r-4 of Title 42 of the United States Code, and related federal medicaid statutes and regulations, payment adjustment systems for inpatient hospital services rendered by disproportionate share hospitals shall be included in a state's medicaid plan. Therefore, the department shall, prior to the end of the calendar quarter during which this section is enacted or amended, submit for federal approval an amendment to the Medi-Cal State Plan in connection with the payment adjustment program.

(p) (1) The department shall compute, prior to the beginning of each payment adjustment year, the projected size of the payment adjustment program for the particular payment adjustment year. To do so, the department shall determine the projected total payment adjustment amount for each eligible hospital, and shall add these amounts together to determine the projected total size of the program. To the extent this projected total figure for the program exceeds the portion of the maximum state disproportionate share hospital allotment for California under federal law that the department anticipates will be available for the period in question, the department shall reduce the total per diem composite amounts of the various eligible hospitals in the fashion described below so that the allotment in question will not be exceeded.

(2) As an initial step, all total per diem composite amounts for the entire payment adjustment year shall be reduced proportionately not to exceed 2 percent of each total per diem composite amount.

(3) If the reductions authorized by paragraph (2) are insufficient to align the program with the federal allotment for California, then, to the extent permitted by federal law, the following shall apply:

(A) The adjusted total per diem composite amounts, as calculated under paragraph (2), shall remain in effect for each eligible hospital whose low-income number is 30 percent or more.

(B) The adjusted total per diem composite amounts, as calculated under paragraph (2), for all other eligible hospitals shall be further reduced proportionately to align the program with the federal allotment, but in no event to a level that is less than 65 percent of the total per diem composite amount that would have been payable to the eligible hospital had no reductions taken place.

(4) If the steps set forth in paragraph (3) are not permissible under federal law, or are not adequate to align the program with the federal allotment, the adjusted total per diem composite amounts for all eligible hospitals for the entire payment adjustment year shall be further reduced proportionately to align the program with the federal allotment, but in no event to a level that would result in adjusted total per diem composite amounts that are less than 65 percent of the total per diem composite amounts that would have been payable had no reductions taken place.

(5) When all eligible hospitals have been reduced to the 65-percent level set forth in paragraphs (3) and (4), the adjusted total per diem composite amounts for all eligible hospitals shall be further reduced proportionately as necessary to align the program with the federal allotment.

(6) This subdivision shall not apply to the 1995–96 payment adjustment year.

(q) (1) If it is necessary to apply the provisions of paragraph (3) of subdivision (p) at any time, the department shall, as soon as practicable, evaluate why the insufficiency arose and identify the projected occurrence and duration of any future insufficiencies.

(2) If the department determines as a result of the evaluations under paragraph (1) that (A) implementation of paragraph (3) of subdivision (p) will likely be necessary to resolve additional insufficiencies for the current payment adjustment year or the next payment adjustment year; and (B) that the level of federal financial participation realized by the payment adjustment program, for the current payment adjustment year as a whole, will be less than 30 percent of the percentage of federal financial participation that normally is applicable for Medi-Cal expenditures for acute inpatient hospital services, and that the level of federal financial participation for the payment adjustment program is expected to continue to remain below that 30-percent level for the next payment adjustment year as a whole, the department shall, as soon as practicable, implement paragraphs (3) and (4).

(3) If the department determines that the circumstances described in paragraph (2) are present, the payment adjustment program shall be terminated, effective as of the earliest date permissible under federal law. In that event, all installment payments to the fund which are already due pursuant to Section

14163 at the time of the department's determination shall remain due, and shall be collected by the Controller. However, installment payments which are not yet due at that time shall not become due.

(4) Within 90 days after the termination of the payment adjustment program, as referred to in paragraph (3), or as soon as practicable, the department shall determine whether any amounts remain in the fund that are not needed to pay prior payment adjustment amounts under this section. If remaining amounts exist in the fund, they shall be refunded to transferor entities on a pro rata basis, within 45 days after the date of the department's determination.

(r) (1) The state shall be held harmless from any federal disallowance resulting from payments made under this section, and from payments made to hospitals based on transfers accepted by the department under Section 14164. Any hospital that has received payments under this section, or based on transfers accepted by the department under Section 14164, shall be liable for any audit exception or federal disallowance only with respect to the payments made to that hospital. The department shall recoup from a hospital the amount of any audit exception or federal disallowance in the manner authorized by applicable laws and regulations.

(2) Notwithstanding any other provisions of law, if any payment adjustment that has been paid, or that otherwise would have been payable to an eligible hospital under this section, exceeds the OBRA 1993 payment limitation for the particular hospital, the department shall withhold or recoup the payment adjustment amount that exceeds the limitation. The nonfederal component of the amount withheld or recouped shall be redeposited in, or shall remain in, the fund, as applicable, until used for the purposes described in paragraph (2) of subdivision (j) of Section 14163.

(s) (1) The department may utilize existing administrative appeal procedures for purposes of any appealable matter that arises under the payment adjustment program. The matters that may be appealed shall be limited to those related to the following:

(A) Paragraph (5) of subdivision (f).

(B) State audit disallowances of amounts paid to hospitals under the payment adjustment program.

(2) Calculations which are final pursuant to paragraph (4) or (5) of subdivision (f) or the procedures or data on which those calculations are based, shall not be appealed.

(t) (1) Except as provided in paragraph (2), the department shall take all appropriate steps permitted by law and the Medi-Cal State Plan to ensure the following for all years of the payment adjustment program:

(A) That well-baby (nursery) days and acute administrative days are included in the payment adjustment program in the same fashion as all other Medi-Cal days of acute inpatient hospital service.

(B) That, to the same extent as any other Medi-Cal days of acute inpatient hospital service, well-baby (nursery) days and acute administrative days are included as payable days under the payment adjustment program and in the total of annualized Medi-Cal inpatient paid days.

(C) That, if pursuant to paragraph (2), any well-baby (nursery) days or acute administrative days are not included in the payment adjustment program for payment purposes for any parts of the 1992–93 or 1993–94 payment adjustment years, all those days are nevertheless included in the total of annualized Medi-Cal inpatient paid days for all purposes under the payment adjustment program, unless otherwise barred by paragraph (2).

(2) In no event shall paragraph (1) be implemented in a fashion that is inconsistent with federal medicaid law or the Medi-Cal State Plan.

(u) (1) For the 1993–94 payment adjustment year, each eligible hospital shall also be eligible to receive a supplemental lump-sum payment adjustment, which shall be payable as a result of the hospital being included on the disproportionate share list as of September 30, 1993. For purposes of federal medicaid rules, including Section 447.297(d) of Title 42 of the Code of Federal Regulations, the supplemental payment adjustments shall be applicable to the federal fiscal year that ends on September 30, 1993.

(2) The availability of supplemental payment adjustments under this subdivision shall be determined as follows:

(A) The final maximum state disproportionate share hospital allotment for California under the provisions of applicable federal medicaid rules shall be identified for the 1993 federal fiscal year. This final allotment is two billion one hundred ninety-one million four hundred fifty-one thousand dollars ($2,191,451,000), as specified at page 43186 of Volume 58 of the Federal Register.

(B) The total amount of all per diem payment adjustment amounts under this section, whether paid or payable, that are applicable to the 1993 federal fiscal year shall be determined. The applicability of the per diem payment adjustment amounts to the 1993 federal fiscal year shall be determined in accordance with federal medicaid rules, including Sections 447.297(d)(3) and 447.298 of Title 42 of the Code of Federal Regulations.

(C) The figure determined under subparagraph (B) shall be subtracted from the figure identified under subparagraph (A). If the remainder is a positive figure, supplemental lump-sum payment adjustments shall be made under this subdivision in accordance with paragraph (3).

(3) The amount of the supplemental lump-sum payment adjustment to each eligible hospital shall be computed as follows:

(A) The projected total of all per diem payment adjustment amounts payable to each particular eligible hospital under this section for the 1993–94 payment adjustment year shall be

determined. For each hospital, this figure shall be identical to the figure used for the same hospital in the calculations regarding transfer amounts under subdivision (h) of Section 14163 for the 1993–94 state fiscal year.

(B) The projected totals for all eligible hospitals determined under subparagraph (A) shall be added together to determine an aggregate total of all projected per diem payment adjustments for the 1993–94 payment adjustment year. This figure shall be identical to the aggregate figure for all hospitals used in the calculations regarding transfer amounts under subdivision (h) of Section 14163 for the 1993–94 state fiscal year.

(C) The figure determined for each eligible hospital under subparagraph (A) shall be divided by the aggregate figure determined under subparagraph (B), yielding a percentage figure for each hospital.

(D) The percentage figure determined for each hospital under subparagraph (C) shall be multiplied by the positive remainder calculated under subparagraph (C) of paragraph (2).

(E) The product as so determined for each eligible hospital under subparagraph (D) shall be the supplemental lump-sum payment adjustment amount payable to the particular hospital.

(4) The department shall make partial payments of the supplemental lump-sum payment adjustments to eligible hospitals on or before January 1, 1994. The department shall make final calculations regarding the supplemental lump-sum payments based on data available as of March 1, 1994, and shall distribute the final payments promptly thereafter.

(5) The department shall implement this subdivision only to the extent consistent with federal medicaid law and the Medi-Cal State Plan, and only to the extent that the department determines that federal financial participation is available. In doing so, the department shall comply with any procedures instituted by the Health Care Financing Administration in connection with Sections 447.297(d)(3) and 447.298 of Title 42 of the Code of Federal Regulations.

(v) (1) For the 1993–94 payment adjustment year, each eligible hospital that remains in operation as of June 30, 1994, shall also be eligible to receive a supplemental lump-sum payment adjustment, which shall be payable as a result of the hospital being a disproportionate share hospital in operation as of that date.

(2) The availability of supplemental lump-sum payment adjustments under this subdivision shall be determined by the department as follows:

(A) The final maximum state disproportionate share hospital allotment for California under the provisions of applicable federal medicaid rules shall be identified for the 1994 federal fiscal year. This final allotment is two billion one hundred ninety-one million four

hundred fifty-one thousand dollars ($2,191,451,000), as specified on page 22676 of Volume 59 of the Federal Register.

(B) The total amount of all per diem payment adjustment amounts under this section, whether paid or payable, that are applicable to the period October 1, 1993, through June 30, 1994, shall be determined. The applicability of the per diem payment adjustment amounts to this period of time shall be determined in accordance with federal medicaid rules, including Sections 447.297(d)(3) and 447.298 of Title 42 of the Code of Federal Regulations.

(C) The figure determined under subparagraph (B) shall be subtracted from the figure identified under subparagraph (A). If the remainder is a positive figure, supplemental lump-sum payment adjustments shall be made under this subdivision in accordance with paragraph (3).

(3) The amount of the supplemental lump-sum payment adjustment to each hospital shall be computed as follows:

(A) The projected total of all other payment adjustment amounts payable to each particular hospital under this section applicable to the 1993–94 payment adjustment year shall be determined. For each hospital, this figure shall be identical to the sum of the figures used for the same hospital in the calculations regarding transfer amounts under subdivision (h) of Section 14163 for the 1993–94 state fiscal year, not including the supplemental lump-sum payments described in this subdivision.

(B) The projected totals for all hospitals determined under subparagraph (A) shall be added together to determine an aggregate total. This aggregate total shall be identical to the aggregate figure for all hospitals used in the calculations regarding transfer amounts under subdivision (h) of Section 14163 for the 1993–94 state fiscal year, not including the supplemental lump-sum payments described in this subdivision.

(C) The figure determined for each hospital under subparagraph (A) shall be divided by the aggregate figure determined under subparagraph (B), yielding a percentage figure for each hospital.

(D) The percentage figure determined for each hospital under subparagraph (C) shall be multiplied by the positive remainder calculated under subparagraph (C) of paragraph (2).

(E) The product determined under subparagraph (D) for each hospital shall be the supplemental lump-sum payment adjustment amount payable to the particular hospital, which shall be payable because the facility is a disproportionate share hospital in operation as of June 30, 1994.

(4) The department shall make interim and final payments of the supplemental lump-sum payment adjustments to hospitals on or before October 31, 1994.

(5) The department shall implement this subdivision only to the extent consistent with federal medicaid law and the Medi-Cal State

Plan, and only to the extent that the department determines that federal financial participation is available. In doing so, the department shall comply with any procedures instituted by the Health Care Financing Administration in connection with Sections 447.297(d)(3) and 447.298 of Title 42 of the Code of Federal Regulations.

(w) (1) For the 1994–95 payment adjustment year, each eligible hospital that remains in operation as of June 30, 1995, shall also be eligible to receive a supplemental lump-sum payment adjustment, which shall be payable as a result of the hospital being a disproportionate share hospital in operation as of that date.

(2) The availability of supplemental lump-sum payment adjustments under this subdivision shall be determined by the department as follows:

(A) The final maximum state disproportionate share hospital allotment for California under the provisions of applicable federal medicaid rules shall be identified for the 1995 federal fiscal year.

(B) The total amount of all per diem payment adjustment amounts under this section, whether paid or payable, that are applicable to the period October 1, 1994, through June 30, 1995, shall be determined. The applicability of the per diem payment adjustment amounts to this period of time shall be determined in accordance with federal medicaid rules, including Sections 447.297(d)(3) and 447.298 of Title 42 of the Code of Federal Regulations.

(C) The figure determined under subparagraph (B) shall be subtracted from the figure identified under subparagraph (A). If the remainder is a positive figure, supplemental lump-sum payment adjustments shall be made under this subdivision in accordance with paragraph (3).

(3) The amount of the supplemental lump-sum payment adjustment to each hospital shall be computed as follows:

(A) The projected total of all other payment adjustment amounts payable to each particular hospital under this section applicable to the 1994–95 payment adjustment year shall be determined. For each hospital, this figure shall be identical to the sum of the figures used for the same hospital in the calculations regarding transfer amounts under subdivision (h) of Section 14163 for the 1994–95 state fiscal year, not including the supplemental lump-sum payments described in this subdivision.

(B) The projected totals for all hospitals determined under subparagraph (A) shall be added together to determine an aggregate total. This aggregate total shall be identical to the aggregate figure for all hospitals used in the calculations regarding transfer amounts under subdivision (h) of Section 14163 for the 1994–95 state fiscal year, not including the supplemental lump-sum payments described in this subdivision.

(C) The figure determined for each hospital under subparagraph (A) shall be divided by the aggregate figure determined under subparagraph (B), yielding a percentage figure for each hospital.

(D) The percentage figure determined for each hospital under subparagraph (C) shall be multiplied by the positive remainder calculated under subparagraph (C) of paragraph (2).

(E) The product as so determined under subparagraph (D) for each hospital shall be the supplemental lump-sum payment adjustment amount payable to the particular hospital, which shall be payable because the facility is a disproportionate share hospital in operation as of June 30, 1995.

(4) The department shall make interim and final payments of the supplemental lump-sum payment adjustments to hospitals on or before October 31, 1995.

(5) The department shall implement this subdivision only to the extent consistent with federal medicaid law and the Medi-Cal State Plan, and only to the extent that the department determines that federal financial participation is available. In doing so, the department shall comply with any procedures instituted by the Health Care Financing Administration in connection with Sections 447.297(d)(3) and 447.298 of Title 42 of the Code of Federal Regulations.

(x) (1) With respect to per diem payment adjustments otherwise payable in connection with the period of July 1 through September 30 of the 1994–95 payment adjustment year, payment adjustment amounts shall be adjusted as described in paragraph (2).

(2) No per diem payment adjustment amounts shall be payable in connection with the period of July 1 through September 30 of the 1994–95 payment adjustment year. The Medi-Cal days of acute inpatient hospital service paid by or on behalf of the department that otherwise would have given rise to payment adjustment amounts with respect to this period of time shall not count toward the maximum limit set forth in paragraph (2) of subdivision (*l*).

(y) Notwithstanding any other provision of law, except subdivision (z), the payment adjustment program for the 1995–96 payment adjustment year shall be structured as set forth below.

(1) (A) The department shall, in the manner used for prior years, compute the projected total payment adjustment amounts for all eligible hospitals, by determining for each eligible hospital its total per diem composite amount and multiplying that figure by 80 percent of the hospital's annualized Medi-Cal inpatient paid days.

(B) The products of the calculations under subparagraph (A) for all eligible hospitals shall be added together. The sum of all these figures shall be the unadjusted projected total payment adjustment program for the 1995–96 payment adjustment year.

(2) The remaining amount available as part of the state disproportionate share hospital allotment for California under

applicable federal rules for July 1995 through September 1995 (as part of the 1995 federal fiscal year) shall be recognized as being zero.

(3) The department shall estimate what the state disproportionate share hospital allotment for California will be for the 1996 federal fiscal year under applicable federal rules. The estimate shall not exceed the allotment that was applicable for California for the 1995 federal fiscal year.

(4) The estimate identified by the department under paragraph (3) shall be reduced by subtracting the total amount of the supplemental lump-sum payments paid or payable under subdivisions (v) and (w).

(5) The remainder determined under paragraph (4) shall be added to the amount determined under paragraph (2). The total of those two amounts shall be the unadjusted tentative size of the payment adjustment program for the 1995–96 payment adjustment year.

(6) The total per diem composite amount computed for each eligible hospital under subparagraph (A) of paragraph (1) shall be modified as follows:

(A) The department shall reduce the total per diem composite amount for each eligible hospital by multiplying the amount by an identical percentage. The percentage figure to be used for this purpose shall be that percentage that is derived by dividing the amount determined under paragraph (5) by the unadjusted projected total payment adjustment program amount determined under subparagraph (B) of paragraph (1).

(B) The percentage figure derived under subparagraph (A) shall be applied to the total per diem composite amount for each eligible hospital, yielding an adjusted total per diem composite amount for each hospital for the 1995–96 payment adjustment year.

(C) (i) The adjusted total per diem composite amount determined under subparagraph (B) for each eligible hospital shall be multiplied by 80 percent of the hospital's annualized Medi-Cal inpatient paid days.

(ii) The amount computed for each hospital under clause (i) shall be compared to the OBRA 1993 payment limitation that, in accordance with applicable provisions of the Medi-Cal State Plan, the department has computed for the particular hospital.

(iii) Where the amount computed under clause (i) for the particular hospital is less than the OBRA 1993 payment limitation for the hospital, the amount computed under clause (i) shall be used for purposes of clause (v).

(iv) Where the amount computed under clause (i) for the particular hospital exceeds the OBRA 1993 payment limitation for the hospital, the amount computed under clause (i) shall be reduced to an amount equal to the OBRA 1993 payment limitation for the particular hospital. The amount as so reduced shall be used for purposes of clause (v).

(v) The amount for each hospital, as determined under either clause (iii) or clause (iv), as applicable, shall be the adjusted projected total payment adjustment amount for the hospital for the 1995–96 payment adjustment year.

(D) The adjusted figures computed for all eligible hospitals under subparagraph (C) shall be added together, yielding the adjusted tentative size of the payment adjustment program for the 1995–96 payment adjustment year.

(7) The adjusted tentative size of the payment adjustment program for the 1995–96 payment adjustment year as determined under subparagraph (D) of paragraph (6), and the adjusted projected total payment adjustment amount for each eligible hospital, as determined under subparagraph (C) of paragraph (6), shall be distributed as follows:

(A) No per diem payment adjustment amounts shall be payable in connection with the period of July 1 through September 30 of the 1995–96 payment adjustment year. The Medi-Cal days of acute inpatient hospital service paid by or on behalf of the department that otherwise would have given rise to payment adjustment amounts with respect to this period of time shall not count toward the maximum limit set forth in paragraph (2) of subdivision (*l*).

(B) For all eligible hospitals, the adjusted per diem composite amounts (as determined under subparagraph (B) of paragraph (6)) shall be the amounts payable with respect to the period of October 1 through June 30 of the 1995–96 payment adjustment year, subject to the applicable provisions of subdivision (z).

(8) For the 1995–96 payment adjustment year, each eligible hospital that remains in operation as of June 30, 1996, shall also be eligible to receive a supplemental lump-sum payment adjustment, which shall be payable as a result of the facility being a disproportionate share hospital in operation as of that date. The availability of supplemental lump-sum payment adjustments under this paragraph shall be determined by the department as follows:

(A) The adjusted projected total payment adjustment amount for each hospital, as determined under subparagraph (C) of paragraph (6), shall be identified.

(B) The total amount of all per diem payment adjustment amounts under this section, whether paid or payable, that are applicable to the period July 1, 1995, through June 30, 1996, shall be determined for each hospital, taking into account subparagraph (A) of paragraph (7). The applicability of the per diem payment adjustment amounts to this period of time shall be determined in accordance with federal medicaid rules, including Sections 447.297(d)(3) and 447.298 of Title 42 of the Code of Federal Regulations.

(C) The amount determined under subparagraph (B) for each hospital shall be subtracted from the amount identified under subparagraph (A) for each hospital. If the remainder is a positive

figure for the particular hospital, the supplemental lump-sum payment adjustment for the hospital shall be the positive remainder amount, which shall be payable because the facility is a disproportionate share hospital in operation as of June 30, 1996.

(D) The department shall make interim and final payments of the supplemental lump-sum payment adjustments under this paragraph on or before September 30, 1996.

(9) Except as provided in subparagraph (C), for the 1995–96 payment adjustment year each eligible hospital that remains in operation as of June 30, 1996, shall also be eligible to receive a secondary supplemental payment adjustment, which shall be payable as a result of the facility being a disproportionate share hospital in operation as of that date. The availability of secondary supplemental payment adjustments under this paragraph shall be determined by the department as follows:

(A) The maximum amount of secondary supplemental payment adjustments available pursuant to this paragraph shall be calculated as follows:

(i) The total amount of all per diem payment adjustment amounts, whether paid or payable, for the 1995–96 payment adjustment year, as determined under subparagraph (B) of paragraph (8), shall be identified.

(ii) The total amount of all supplemental lump-sum payment adjustments, whether paid or payable, as determined under subparagraph (C) of paragraph (8), shall be identified.

(iii) The department shall estimate the total amount of payment adjustments under this section that it anticipates will be applicable to the period July 1, 1996, through September 30, 1996. The applicability of the payment adjustment amounts to this period of time shall be determined in accordance with federal medicaid rules, including Sections 447.297(d)(3) and 447.298 of Title 42 of the Code of Federal Regulations.

(iv) The department shall identify the amount of the final maximum state disproportionate share hospital allotment for California for the 1996 federal fiscal year under applicable federal rules. The amount identified shall not exceed two billion one hundred ninety-one million four hundred fifty-one thousand dollars ($2,191,451,000).

(v) The amounts identified or estimated under clauses (i), (ii), and (iii) shall be added together, and the sum of these amounts shall be subtracted from the amount identified under clause (iv). The remainder determined from this calculation, or the amount of two hundred million dollars ($200,000,000), whichever is less, shall be the maximum amount available for secondary supplemental payment adjustments under this paragraph.

(B) The maximum amount available for secondary supplemental payment adjustments, as identified under clause (v) of subparagraph (A), shall be distributed to eligible hospitals as follows:

(i) The total amount of all per diem payment adjustments and supplemental lump-sum payment adjustments relating to the 1995–96 payment adjustment year, whether paid or payable, shall be identified for each eligible hospital. However, notwithstanding any other provision of law, those hospitals referred to in subparagraph (C) shall not be included in this step, and shall not receive any secondary supplemental payment adjustments, as described in subparagraph (C).

(ii) For purposes of secondary supplemental payment adjustments, the eligible hospitals shall be classified into various groups. No hospital may qualify for more than one of these groups. Notwithstanding subclause (II), the hospitals described in subparagraph (C) shall not be included in any of these groups. The following groups of hospitals shall be recognized:

(I) "State of California hospitals," which shall include all eligible hospitals that, as of July 1, 1995, were licensed to the State of California or to the University of California.

(II) "County hospitals," which shall include all eligible hospitals that, as of July 1, 1995, were licensed to a county or a city and county, but shall exclude those hospitals referred to in subparagraph (C).

(III) "Other public hospitals," which shall include all eligible hospitals that, as of July 1, 1995, were licensed to a local hospital district, a local health authority, a city, or any other noncounty political subdivision of the state.

(IV) "Children's hospitals," which shall include all eligible hospitals that, as of July 1, 1995, were included in the children's hospital group under subdivision (h).

(V) "Other nonpublic hospitals," which shall include all eligible hospitals that are not included in any group described in subclauses (I) through (IV).

(iii) The amount determined to be the maximum amount of secondary supplemental payment adjustments under clause (v) of subparagraph (A) shall first be allocated among the groups of hospitals referred to in clause (ii), as follows:

(I) "State of California hospitals": 64.35 percent of the maximum amount.

(II) "County hospitals": 18.095 percent of the maximum amount.

(III) "Other public hospitals": 0.65 percent of the maximum amount.

(IV) "Children's hospitals": 6.755 percent of the maximum amount.

(V) "Other nonpublic hospitals": 10.15 percent of the maximum amount.

(iv) (I) The amount of funds allocated pursuant to clause (iii) to each of the particular groups of hospitals referred to in clauses (ii) and (iii) shall then be distributed as secondary supplemental payment adjustments among the eligible hospitals within each particular group. The secondary supplemental distributions shall be

made on a descending pro rata basis within each group. Each cycle of the descending pro rata distribution shall be considered to be a phase of the process. As described in subclauses (II) to (V), inclusive, in each phase of the descending pro rata distribution, the pro rata share of the distribution to each hospital that remains eligible to receive additional distributions shall be computed based on the ratio of the total payment adjustments that the particular hospital has already earned under the payment adjustment program for the 1995–96 payment adjustment year, as compared to the total payment adjustments already earned by the other hospitals in the particular group that remain eligible to receive the additional distributions.

(II) For the first phase, the total amount of payment adjustments under this section for the 1995–96 payment adjustment year, including all per diem payment adjustments and all supplemental lump-sum payment adjustments, that are determined by the department as already being paid or payable to each hospital eligible for the distribution shall be determined.

(III) The figures determined under subclause (II) for each hospital in the particular group shall be added together to determine an aggregate total.

(IV) The figures determined for each hospital under subclause (II) shall be divided by the aggregate total determined under subclause (III), yielding a percentage figure for each hospital.

(V) The percentage figure determined for each hospital under subclause (IV) shall be applied to the maximum portion of the funds allocated to the particular group under clause (iii) that can be distributed in the particular phase until a hospital in the particular group reaches the limitation set forth in clause (v).

(v) For each hospital, no secondary supplemental payment adjustment shall be paid to the extent that either of the following conditions exist:

(I) The secondary supplemental payment adjustment would cause the total of all payment adjustments to the hospital under this section relating to the 1995–96 payment adjustment year to exceed the amount that is the product of multiplying 0.95 times the particular hospital's OBRA 1993 payment limitation for the 1995–96 payment adjustment year, as computed by the department in accordance with applicable provisions of the Medi-Cal State Plan.

(II) Without regard to any secondary supplemental payment adjustment, the hospital has already received or has earned payment adjustments relating to the 1995–96 payment adjustment year that equal or exceed the product referred to in subclause (I).

(vi) Any secondary supplemental payment adjustment amount, or portion thereof, that otherwise would have been payable to a particular hospital under this paragraph, but that is barred by the limitation described in clause (v), shall be distributed by the department through additional phases of the descending pro rata distribution process to those hospitals within the same group, as set

forth in clauses (ii) and (iii), as the particular hospital. For each additional phase, the mathematical steps referred to in subclauses (II) to (V), inclusive, of clause (iv) shall be repeated for those hospitals that have not reached the limitation set forth in clause (v). The phases shall continue until the funds allocated to the particular group under clause (iii) have been fully exhausted. No such distribution, however, shall be in an amount that would cause any hospital to exceed the limitation set forth in clause (v).

(C) Notwithstanding any other provision of law, prior to the allocation or distribution of any secondary supplemental payment adjustments, hospitals that, as of July 1, 1995, were part of a county-operated health system of three or more eligible hospitals licensed to the county, shall be deemed to have reached the limitations on total payments described in subclause (II) of clause (v) of subparagraph (B). Data regarding payment adjustments earned by these hospitals with respect to the 1995–96 payment adjustment year, whether paid or payable, shall be included in the computations under subparagraph (A), but excluded from the computations under subparagraph (B).

(D) The department shall make payments of the secondary supplemental payment adjustments to hospitals on or before November 30, 1996.

(10) The final total amount of per diem payment adjustments paid by the department for the 1995–96 payment adjustment year, plus the final total amount of supplemental lump-sum payment adjustments and secondary supplemental payment adjustments paid by the department for the 1995–96 payment adjustment year, shall be the maximum size of the payment adjustment program for the 1995–96 payment adjustment year.

(11) The department shall implement this subdivision only to the extent consistent with federal medicaid law and the Medi-Cal State Plan, and only to the extent that the department determines that federal financial participation is available. In doing so, the department shall comply with any procedures instituted by the Health Care Financing Administration in connection with Sections 447.297(d)(3) and 447.298 of Title 42 of the Code of Federal Regulations.

(z) (1) (A) Notwithstanding any other provision of law (except for subparagraph (B)), all Medi-Cal days of acute inpatient hospital service paid by or on behalf of the department that give rise to payment adjustment amounts with respect to the period October 1, 1994, through June 30, 1995, shall be treated as involving 1.4 days for purposes of payment adjustments with respect to this period of time. As a result, each per diem payment adjustment amount otherwise payable to the hospital in connection with these days shall be increased by 40 percent. The Medi-Cal days in question shall be treated as involving 1.4 days toward the maximum limit set forth in paragraph (2) of subdivision (*l*). The Medi-Cal days in question shall

be treated as involving 1.0 days for purposes of determining the hospital's annualized Medi-Cal inpatient paid days for the next applicable payment adjustment year.

(B) For the 1994–95 payment adjustment year, no eligible hospital shall receive total payment adjustments, including per diem payment adjustment amounts and any supplemental lump-sum payment adjustment amounts, in excess of the projected total payment adjustment amounts that were computed or recomputed, as applicable, for the hospital by the department with respect to the 1994–95 payment adjustment year. For each hospital, this maximum figure shall not exceed the sum of the following two components:

(i) The final figure computed by the department as the hospital's total per diem composite amount (including any applicable adjustments under subdivision (p)), multiplied by 80 percent of the hospital's annualized Medi-Cal inpatient paid days.

(ii) The amount calculated by the department as the hospital's pro rata share (based on the figures for all hospitals computed under clause (i)) of the remainder determined by subtracting (I) the sum of the figures computed for all hospitals under clause (i) from (II) the final maximum state disproportionate share hospital allotment for California under applicable federal rules for the 1995 federal fiscal year.

(C) Any payment adjustment amount that otherwise would be payable to a hospital, but that is barred by subparagraph (B), shall be withheld or recouped by the department and distributed on a descending pro rata basis as part of the supplemental lump-sum distribution described in subdivision (w) to those hospitals that have not reached their maximum figures as described in subparagraph (B).

(2) (A) Notwithstanding any other provision of law, except for subparagraph (B), all Medi-Cal days of acute inpatient hospital service paid by or on behalf of the department that give rise to payment adjustment amounts with respect to the period October 1, 1995, through June 30, 1996, shall be treated as involving 1.4 days for purposes of payment adjustments with respect to this period of time. As a result, each per diem payment adjustment amount otherwise payable to the hospital in connection with these days shall be increased by 40 percent. The Medi-Cal days in question shall be treated as involving 1.4 days toward the maximum limit set forth in paragraph (2) of subdivision (*l*). The Medi-Cal days in question shall be treated as involving 1.0 days for purposes of determining the hospital's annualized Medi-Cal inpatient paid days for the next applicable payment adjustment year.

(B) For the 1995–96 payment adjustment year, no eligible hospital shall receive total payment adjustments, including per diem payment adjustment amounts, supplemental lump-sum payment adjustment amounts, and secondary supplemental payment adjustments in excess of the hospital's OBRA 1993 payment limitation

as computed by the department pursuant to the Medi-Cal State Plan. No hospital shall receive secondary supplemental payment adjustments to the extent the payment adjustments would be inconsistent with paragraph (9) of subdivision (y).

(C) Any payment adjustment amount that otherwise would be payable to a hospital, but that is barred by subparagraph (B), shall be withheld or recouped by the department and thereafter distributed to other eligible hospitals, refunded to transferors, or otherwise processed in accordance with this section and Section 14163.

(3) Notwithstanding any other provision of law, to the extent necessary or appropriate to implement and administer the amendments to this section enacted during the 1994 calendar year, the department may utilize an approach involving interim payments, with reconciliation to final payments within a reasonable time.

(aa) (1) For the 1996–97 payment adjustment year, each eligible hospital that remains in operation as of June 30, 1997, shall also be eligible to receive a supplemental lump-sum payment adjustment, that shall be payable as a result of the facility being a disproportionate share hospital in operation as of that date. The availability of supplemental lump-sum payment adjustments under this paragraph shall be determined by the department as follows:

(A) The projected total payment adjustment amount for each hospital, as determined by the department at the outset of the payment adjustment year, including any reductions arising from payment limitations under this section, shall be identified. For each hospital, this amount shall be identical to the amount that was used for the same hospital in the calculations made at the outset of the 1996–97 state fiscal year regarding transfer amounts under subdivision (h) of Section 14163 for that fiscal year.

(B) The total amount of all per diem payment adjustment amounts under this section, whether paid or payable, that are applicable to the period July 1, 1996, through June 30, 1997, shall be determined for each hospital. The applicability of the per diem payment adjustment amounts to this period of time shall be determined in accordance with federal medicaid rules including Sections 447.297(d)(3) and 447.298 of Title 42 of the Code of Federal Regulations.

(C) The amount determined under subparagraph (B) for each hospital shall be subtracted from the amount identified under subparagraph (A) for each hospital. If the remainder is a positive figure for the particular hospital, the supplemental lump-sum payment adjustment for the hospital shall be the positive remainder amount, which shall be payable because the facility is a disproportionate share hospital in operation as of June 30, 1997.

(D) The department shall make interim and final payments of the supplemental lump-sum payment adjustments under this paragraph on or before September 30, 1997.

(2) The department shall implement this subdivision only to the extent consistent with federal medicaid law and the Medi-Cal State Plan, and only to the extent that the department determines that federal financial participation is available. In doing so, the department shall comply with any procedures instituted by the Health Care Financing Administration in connection with Sections 447.297(d)(3) and 447.298 of Title 42 of the Code of Federal Regulations.

(ab) (1) For the 1997–98 payment adjustment year, eligible hospitals that meet the requirements of this subdivision and that remain in operation as of September 30, 1997, shall be eligible to receive a special supplemental payment adjustment, which shall be payable as a result of the facility being a disproportionate share hospital in operation as of that date. For purposes of federal medicaid rules, including Section 447.297(d) of Title 42 of the Code of Federal Regulations, the special supplemental payment adjustments shall be applicable to the federal fiscal year that ends on September 30, 1997.

(2) The availability of special supplemental payment adjustments under this subdivision shall be determined as follows:

(A) The final maximum state disproportionate share hospital allotment for California under the provisions of applicable federal medicaid rules shall be identified for the 1997 federal fiscal year.

(B) The total amount of all per diem payment adjustment amounts and supplemental payment adjustments under this section (exclusive of any payments under this subdivision) applicable to the 1997 federal fiscal year, whether paid or payable, shall be determined. The applicability of per diem payment adjustment amounts and supplemental payment adjustments of all types to the 1997 federal fiscal year shall be determined in accordance with federal medicaid rules, including Sections 447.297(d)(3) and 447.298 of Title 42 of the Code of Federal Regulations.

(C) The figure determined under subparagraph (B) shall be subtracted from the figure identified under subparagraph (A). If the remainder is a positive figure, special supplemental payment adjustments shall be made under this subdivision in accordance with paragraph (3). The positive remainder shall be the maximum amount of special supplemental payment adjustments under this subdivision.

(3) (A) For purposes of these special supplemental payment adjustments, only hospitals that can be categorized into either of the two groups specified in clauses (i) and (ii) shall be eligible to receive the supplemental payment adjustments, and no hospital may qualify for more than one of the two groups. The following groups of hospitals shall be recognized:

(i) "Public hospitals," which shall include all eligible hospitals that, as of July 1, 1997, met the definition of a public hospital.

(ii) "Nonpublic hospitals," which shall include all eligible hospitals that, as of July 1, 1997, met the definition of a nonpublic hospital.

(B) The amount determined to be the maximum amount of special supplemental payment adjustments under subparagraph (C) of paragraph (2) shall first be allocated between the two groups of hospitals referred to in subparagraph (A) as follows:

(i) "Public hospitals": 74.885 percent of the maximum amount.

(ii) "Nonpublic hospitals": 25.115 percent of the maximum amount.

(C) The amount of funds allocated pursuant to subparagraph (B) to each of the particular groups of hospitals referred to in subparagraphs (A) and (B) shall then be distributed as special supplemental payment adjustments among the eligible hospitals within each particular group as follows:

(i) The department shall compute the projected total payment adjustment amounts for all eligible hospitals for the 1997–98 payment adjustment year, exclusive of any payments under this subdivision, subdivision (ad), or subdivision (af), by determining for each eligible hospital its total per diem composite amount and multiplying that figure by the maximum number of the hospital's Medi-Cal inpatient paid days determined under paragraph (2) of subdivision (*l*). For purposes of this clause, the determinations shall be without regard to the OBRA 1993 payment limitations.

(ii) The amount computed under clause (i) for each hospital described in subparagraph (A) shall be compared to the amount that is the product of multiplying 0.95 times the OBRA 1993 payment limitation that, in accordance with applicable provisions of the Medi-Cal State Plan, the department has computed for the particular hospital for the 1997–98 payment adjustment year.

(iii) Where the amount computed under clause (i) for the particular hospital is equal to or exceeds the product computed for the hospital under clause (ii), the hospital shall not receive a special supplemental payment adjustment. Data regarding hospitals that have reached this limitation shall not be used for purposes of clauses (v) through (viii).

(iv) Where the amount computed under clause (i) for the particular hospital is less than the product computed for the hospital under clause (ii), the amount computed under clause (i) for the hospital shall be used for purposes of clauses (v) through (viii).

(v) The figures determined under clause (iv) for each hospital in the particular group shall be added together to determine an aggregate total for each group.

(vi) The figures determined for each hospital under clause (iv) shall be divided by the aggregate total determined under clause (v) for the particular group, yielding a percentage figure for each hospital.

(vii) The percentage figure determined for each hospital under clause (vi) shall be applied to the maximum portion of the funds allocated to the particular group under subparagraph (B), to determine the hospital's pro rata share of the special supplemental

lump-sum payment adjustments. Except, however, in the case of a nonpublic hospital that, as of July 1, 1997, meets the definition of a children's hospital, such pro rata share otherwise determined shall be multiplied by a factor of 1.09, yielding a modified pro rata share. The pro rata share for the other nonpublic hospitals shall be reduced accordingly, yielding a modified pro rata share, so that the maximum portion of the funds allocated to the nonpublic hospitals group will not be exceeded. The pro rata share or modified pro rata share, as applicable, for each hospital, as computed under this clause, shall also be used for all purposes relating to descending pro rata distributions under clause (viii).

(viii) In no event shall a hospital receive special supplemental payment adjustment amounts in excess of the difference between the product computed for the hospital under clause (ii) and the amount computed for the hospital under clause (i). Any special supplemental payment adjustment amount, or portion thereof, that otherwise would have been payable under this paragraph to a hospital, but that is barred by this limitation, shall be distributed on a descending pro rata basis to those hospitals within the same group.

(D) The department shall make interim and final payments of the special supplemental payment adjustments to hospitals on or before February 28, 1998.

(4) The department shall implement this subdivision only if consistent with federal medicaid law and the Medi-Cal State Plan, and only if the department determines that federal financial participation is available.

(ac) Notwithstanding any other provision of law, the payment adjustment program with respect to the period October 1, 1997 through June 30, 1998, shall be structured as set forth below and in subdivisions (ad) and (af). However, if the effective date of the Medi-Cal State Plan amendment relating to this subdivision is later than October 1, 1997, as approved by the federal Health Care Financing Administration, all references in this subdivision to the period October 1, 1997, through June 30, 1998, shall be references to the period that commences on that effective date and continues through June 30, 1998.

(1) (A) The department shall utilize the computations made pursuant to clause (i) of subparagraph (C) of paragraph (3) of subdivision (ab) of the projected total payment adjustment amounts for all eligible hospitals for the entire 1997–98 payment adjustment year, exclusive of any supplemental payments under subdivision (ab), (ad), or (af).

(B) The computed amount referred to in subparagraph (A) for each hospital shall be compared to the OBRA 1993 payment limitation that, in accordance with applicable provisions of the Medi-Cal State Plan, the department has computed for the particular hospital.

(C) Where the computed amount referred to in subparagraph (A) for the particular hospital exceeds the OBRA 1993 payment limitation for the hospital, the amount computed under subparagraph (A) shall be reduced to an amount equal to the OBRA 1993 payment limitation for the particular hospital. The amount so reduced shall be used for purposes of subparagraph (E).

(D) Where the computed amount referred to in subparagraph (A) for the particular hospital is equal to or less than the OBRA 1993 payment limitation for the hospital, the computed amount referred to in subparagraph (A) shall be used for purposes of subparagraph (E).

(E) The amounts determined under subparagraphs (C) and (D) for all eligible hospitals shall be added together, yielding an aggregate sum. The aggregate sum shall be the unadjusted projected total payment adjustment program for the entire 1997–98 payment adjustment year, exclusive of any supplemental payments under subdivision (ab) or (ad).

(2) The initial maximum size of the payment adjustment program for the entire 1997–98 payment adjustment year shall be set at one billion seven hundred fifty million dollars ($1,750,000,000), exclusive of any supplemental payments under subdivision (ab) or (ad).

(3) The department shall increase or decrease the amount determined for each eligible hospital under subparagraph (C) or (D) of paragraph (1), as applicable, by multiplying the amount by an identical percentage, yielding the hospital's tentative adjusted projected total payment adjustment amount for the 1997–98 payment adjustment year. The identical percentage figure to be used for this purpose shall be that percentage that is derived by dividing the amount set forth in paragraph (2) by the aggregate sum determined under subparagraph (E) of paragraph (1). Except, however, the amount determined for a hospital under subparagraph (C) or (D) of paragraph (*l*) shall not be increased if it would exceed the OBRA 1993 payment limitation for the hospital.

(4) The tentative adjusted projected total payment adjustment amount computed for each eligible hospital under paragraph (3) shall be further adjusted as follows:

(A) (i) For each eligible hospital that met the definition of a nonpublic-converted hospital as of July 1, 1997, the hospital's tentative adjusted projected total payment adjustment amount shall be multiplied by a "nonpublic-converted hospital adjustment factor." The applicable adjustment factor shall be that which is necessary to result in an amount, for each hospital, equal to the amount used for the particular hospital under subparagraph (E) of paragraph (1). The amount so adjusted shall be used for purposes of clause (iii).

(ii) The total amount of all per diem payment adjustment amounts under this section, whether paid or payable, applicable to the period July 1, 1997, through September 30, 1997, shall be

determined for each hospital referred to in clause (i). The applicability of the per diem payment adjustment amounts to the period July 1, 1997, through September 30, 1997, shall be determined in accordance with federal medicaid rules, including Sections 447.297(d)(3) and 447.298 of Title 42 of the Code of Federal Regulations. However, if the effective date of the Medi-Cal State Plan amendment relating to this subdivision is later than October 1, 1997, as approved by the federal Health Care Financing Administration, all determinations under this clause shall include per diem payment adjustment amounts applicable to the period July 1, 1997, through the date that is one day prior to that effective date.

(iii) The amount determined for each hospital under clause (i) shall be reduced by the amount determined under clause (ii) for the hospital. The resulting figure shall be the final adjusted projected total payment adjustment amount for the hospital for the period October 1, 1997, through June 30, 1998, which shall be paid to the hospital in accordance with paragraph (5).

(B) (i) For each eligible hospital that met the definition of a nonpublic hospital as of July 1, 1997, the hospital's tentative adjusted projected total payment adjustment amount shall be multiplied by a "nonpublic hospital adjustment factor." The applicable adjustment factor shall be derived as follows:

(I) The tentative adjusted projected total payment adjustment amounts determined under paragraph (3) for each nonpublic hospital described above shall be added together.

(II) The amount identified in paragraph (2) shall be divided by 2.38. The resulting figure shall then be reduced by the sum of the amounts determined for all nonpublic-converted hospitals under clauses (ii) and (iii) of subparagraph (A).

(III) The amount computed under subclause (II) shall be divided by 2, and the result thereof further reduced by the amount of thirty-seven million five hundred thousand dollars ($37,500,000).

(IV) The applicable adjustment factor shall be that ratio that results from dividing the amount derived in subclause (III) by the amount derived in subclause (I).

(ii) The total amount of all per diem payment adjustment amounts under this section, whether paid or payable, applicable to the period July 1, 1997, through September 30, 1997, shall be determined for each hospital referred to in clause (i). The applicability of the per diem payment adjustment amounts to the period July 1, 1997, through September 30, 1997, shall be determined in accordance with federal medicaid rules including Sections 447.297(d)(3) and 447.298 of Title 42 of the Code of Federal Regulations. However, if the effective date of the Medi-Cal State Plan amendment relating to this subdivision is later than October 1, 1997, as approved by the federal Health Care Financing Administration, all determinations under this clause shall include per diem payment

adjustment amounts applicable to the period July 1, 1997, through the date that is one day prior to that effective date.

(iii) The amount determined for each hospital under clause (i) shall be reduced by the amount determined under clause (ii) for the hospital. The resulting figure shall be the final adjusted projected total payment adjustment amount for the hospital for the period October 1, 1997, through June 30, 1998, which shall be paid to the hospital in accordance with paragraph (5).

(C) (i) For each eligible hospital that met the definition of a public hospital as of July 1, 1997, the hospital's tentative adjusted projected total payment adjustment amount shall be multiplied by a "public hospital adjustment factor." The applicable adjustment factor shall be derived as follows:

(I) The tentative adjusted projected total payment adjustment amounts determined under paragraph (3) for each public hospital described above shall be added together.

(II) The amount identified in paragraph (2) shall be reduced by the sum of the amounts determined for all nonpublic-converted hospitals under clauses (ii) and (iii) of subparagraph (A) and the sum of the amounts determined for all nonpublic hospitals under clauses (ii) and (iii) of subparagraph (B).

(III) The applicable adjustment factor shall be that ratio that results from dividing the amount derived in subclause (II) by the amount derived in subclause (I).

(ii) The total amount of all per diem payment adjustment amounts under this section, whether paid or payable, applicable to the period July 1, 1997, through September 30, 1997, shall be determined for each hospital referred to in clause (i). The applicability of the per diem payment adjustment amounts to the period July 1, 1997, through September 30, 1997, shall be determined in accordance with federal medicaid rules, including Sections 447.297(d)(3) and 447.298 of Title 42 of the Code of Federal Regulations. However, if the effective date of the Medi-Cal State Plan amendment relating to this subdivision is later than October 1, 1997, as approved by the federal Health Care Financing Administration, all determinations under this clause shall include per diem payment adjustment amounts applicable to the period July 1, 1997, through the date that is one day prior to that effective date.

(iii) The amount determined for each hospital under clause (i) shall be reduced by the amount determined under clause (ii) for the hospital. The resulting figure shall be the final adjusted projected total payment adjustment amount for the hospital for the period October 1, 1997, through June 30, 1998, which shall be paid to the hospital in accordance with paragraph (5).

(5) The final adjusted projected total payment adjustment amount determined for each eligible hospital for the period October 1, 1997, through June 30, 1998, shall be distributed in 16 or fewer equal installments to be paid no later than the 10th and 25th day of each

month during the period that commences on the effective date of the Medi-Cal State Plan amendment relating to this subdivision, as approved by the federal Health Care Financing Administration, and continues through May 25, 1998.

(6) Notwithstanding any other provision of law, for the entire 1997–98 payment adjustment year, no eligible hospital shall receive total payment adjustments, including per diem payment adjustments, payments under this subdivision, and any supplemental payments under subdivision (ab) or (ad), in excess of the hospital's OBRA 1993 payment limitation as computed by the department pursuant to the Medi-Cal State Plan. No hospital shall receive any special supplemental payment adjustments or supplemental lump-sum payment adjustments to the extent the payments would be inconsistent with subdivision (ab) or (ad), respectively.

(7) The aggregate sum of the final adjusted projected total payment adjustment amounts computed under paragraph (4) for each eligible hospital for the period October 1, 1997, through June 30, 1998, plus the aggregate sum of the amounts determined for each eligible hospital under clause (ii) of subparagraph (A) of paragraph (4), clause (ii) of subparagraph (B) of paragraph (4) and clause (ii) of subparagraph (C) of paragraph (4), shall be the maximum size of the payment adjustment program for the entire 1997–98 payment adjustment year, exclusive of the special supplemental payment adjustments provided for under subdivision (ab) and the supplemental lump-sum payment adjustments provided for under subdivision (ad).

(8) The department shall implement this subdivision only if consistent with federal medicaid law and the Medi-Cal State Plan, and only if the department determines that federal financial participation is available.

(ad) (1) for the 1997–98 payment adjustment year, eligible hospitals that meet the requirements of this subdivision and that remain in operation as of June 30, 1998, shall be eligible to receive a supplemental lump-sum payment adjustment, which shall be payable as a result of the facility being a disproportionate share hospital in operation as of that date, but only if the hospital has remained in operation for the period October 1, 1997, to June 30, 1998, inclusive.

(2) The amount of supplemental lump-sum payment adjustments available to hospitals under this subdivision shall be four hundred five million dollars ($405,000,000).

(3) (A) For purposes of these supplemental lump-sum payment adjustments, only hospitals that can be categorized into either of the two groups specified in clauses (i) and (ii) shall be eligible to receive the supplemental payment adjustments, and no hospital may qualify for more than one of the two groups. The following groups of hospitals shall be recognized:

(i) "Public hospitals," which shall include all eligible hospitals that, as of July 1, 1997, met the definition of a public hospital.

(ii) "Nonpublic hospitals," which shall include all eligible hospitals that, as of July 1, 1997, met the definition of a nonpublic hospital.

(B) The amount of supplemental lump-sum payment adjustments as referred to in paragraph (2) shall first be allocated between the two groups of hospitals referred to in subparagraph (A) as follows:

(i) "Public hospitals": 72.17 percent of the amount.

(ii) "Nonpublic hospitals": 27.83 percent of the amount.

(C) The amount of funds allocated pursuant to subparagraph (B) to each of the particular groups of hospitals referred to in subparagraphs (A) and (B) shall then be distributed as supplemental lump-sum payment adjustments among the eligible hospitals within each particular group as follows:

(i) The department shall identify for each eligible hospital the total amount of payment adjustments under this section (exclusive of any payments under this subdivision and subdivision (af)) applicable to the 1997–98 payment adjustment year, whether paid or payable. The applicability of the payment adjustment amounts to this period of time shall be determined in accordance with federal medicaid rules, including Sections 447.297(d)(3) and 447.298 of Title 42 of the Code of Federal Regulations.

(ii) The amount identified for each hospital under clause (i) shall be compared to the OBRA 1993 payment limitation that, in accordance with applicable provisions of the Medi-Cal State Plan, the department has computed for the particular hospital for the 1997–98 payment adjustment year.

(iii) Where the amount computed under clause (i) for the particular hospital is equal to or exceeds the OBRA 1993 payment limitation for the hospital, the hospital shall not receive a supplemental lump-sum payment adjustment. Data regarding hospitals that have reached this limitation shall not be used for purposes of clauses (v) through (viii).

(iv) Where the amount computed under clause (i) for the particular hospital is less than the OBRA 1993 payment limitation for the hospital, the amount computed under clause (i) minus that amount paid or payable to the hospital under subdivision (ab) shall be used for purposes of clauses (v) through (viii).

(v) The figures determined under clause (iv) for each hospital in the particular group shall be added together to determine an aggregate total for each group.

(vi) The figures determined for each hospital under clause (iv) shall be divided by the aggregate total determined under clause (v) for the particular group, yielding a percentage figure for each hospital.

(vii) The percentage figure determined for each hospital under clause (vi) shall be applied to the maximum portion of the funds allocated to the particular group under subparagraph (B), to

determine the hospital's pro rata share of the supplemental lump-sum payment adjustments. Except, however, in the case of a nonpublic hospital that, as of July 1, 1997, meets the definition of a children's hospital, the pro rata share otherwise determined shall be multiplied by a factor of 1.09, yielding a modified pro rata share. The pro rata share for the other nonpublic hospitals shall be reduced accordingly, yielding a modified pro rata share, so that the maximum portion of the funds allocated to the nonpublic hospitals group will not be exceeded. The pro rata share or modified pro rata share, as applicable, for each hospital, as computed under this clause, shall also be used for all purposes relating to descending pro rata distributions under clause (viii).

(viii) In no event shall a hospital receive supplemental lump-sum payment adjustment amounts in excess of the difference between the OBRA 1993 payment limitation for the hospital and the amount computed for the hospital under clause (i). Any supplemental lump-sum payment adjustment amount, or portion thereof, that otherwise would have been payable under this paragraph to a hospital, but that is barred by this limitation, shall be distributed on a descending pro rata basis to those hospitals within the same group.

(D) The department shall make interim and final payments of the supplemental lump-sum payment adjustments to hospitals on or before August 15, 1998.

(4) The department shall implement this subdivision only if consistent with federal medicaid law and the Medi-Cal State Plan, and only if the department determines that federal financial participation is available.

(5) Notwithstanding any other provision of law, the payment adjustments, data, and related aspects of subdivision (af) shall not be taken into account for any purpose under this subdivision, subdivision (ab), or subdivision (ac).

(ae) (1) In the event that any provision of subdivision (ab), (ac), or (ad), as reflected in a proposed Medi-Cal State Plan amendment, is not approved by the federal Health Care Financing Administration, the director shall modify the proposed Medi-Cal State Plan amendment in a manner intended to be consistent with all applicable federal requirements. Subject to the requirements of federal law, in developing the modified proposed Medi-Cal State Plan amendment, the director shall, to the extent practicable, incorporate, implement, and modify, as necessary, the payment methodologies applicable to the 1997–98 payment adjustment year in a manner that is as consistent as possible with the approach and intent of subdivisions (ab), (ac), and (ad), respectively.

(2) In the event that any provision of subdivision (af), (ag), (ah), (ai), (aj), or (ak), as reflected in a proposed Medi-Cal State Plan amendment, is not approved by the federal Health Care Financing Administration, the director shall modify that proposed Medi-Cal State Plan amendment in a manner intended to be consistent with

all applicable federal requirements. Subject to the requirements of federal law, in developing the modified proposed Medi-Cal State Plan amendment, the director shall, to the extent practicable, incorporate, implement, and modify, as necessary, the payment methodologies applicable to the 1997–98, 1998–99, 1999–2000 and 2000–01 payment adjustment years in a manner that is as consistent as possible with the approach and intent of subdivisions (af), (ag), (ah), (ai), (aj), and (ak), respectively.

(af) (1) The provisions of this subdivision shall apply for the 1997–98 payment adjustment year, and, for all purposes under the program, shall be implemented subsequent to the provisions of subdivisions (ab), (ac), and (ad). Under this subdivision, eligible hospitals that, as of October 1, 1997, were part of a county-operated health system of three or more eligible hospitals licensed to the county, and that are in operation as of June 30, 1998, shall be eligible to receive an additional supplemental lump-sum payment adjustment, which shall be payable as a result of the facility being a disproportionate share hospital in operation as of that date, but only if the hospital has remained in operation for the period October 1, 1997, through June 30, 1998.

(2) The maximum amount of additional supplemental lump-sum payment adjustments under this subdivision shall be one hundred sixty-six million dollars ($166,000,000).

(3) The maximum amount of funds specified under paragraph (2) shall be distributed as additional supplemental lump-sum payment adjustments among the hospitals eligible under this subdivision as follows:

(A) The department shall identify for each eligible hospital the total amount of payment adjustments under this section (exclusive of any payments under this subdivision) applicable to the 1997–98 payment adjustment year, whether paid or payable. The applicability of the payment adjustment amounts to this period of time shall be determined in accordance with federal medicaid rules, including Sections 447.297(d)(3) and 447.298 of Title 42 of the Code of Federal Regulations.

(B) The amount identified for each hospital under subparagraph (A) shall be compared to the OBRA 1993 payment limitation that, in accordance with applicable provisions of the Medi-Cal State Plan, the department has computed for the particular hospital for the 1997–98 payment adjustment year.

(C) Where the amount computed under subparagraph (A) for the particular hospital is equal to or exceeds the OBRA 1993 payment limitation for the hospital, the hospital shall not receive an additional supplemental lump-sum payment adjustment. Data regarding hospitals that have reached this limitation shall not be used for purposes of subparagraphs (E) through (H).

(D) Where the amount computed under subparagraph (A) for the particular hospital is less than the OBRA 1993 payment limitation

for the hospital, the amount computed under subparagraph (A) shall be used for purposes of subparagraphs (E) through (H).

(E) The figures determined under subparagraph (D) for each hospital eligible to receive additional supplemental lump-sum payment adjustments under this subdivision shall be added together to determine an aggregate total.

(F) The figures determined for each hospital under subparagraph (D) shall be divided by the aggregate total determined under subparagraph (E), yielding a percentage figure for each hospital.

(G) The percentage figure determined for each hospital under subparagraph (F) shall be applied to the maximum amount specified in paragraph (2), to determine the hospital's pro rata share of the additional supplemental lump-sum payment adjustments.

(H) In no event shall a hospital receive additional supplemental lump-sum payment adjustment amounts in excess of the difference between the OBRA 1993 payment limitation for the hospital and the amount computed for the hospital under subparagraph (A). Any additional supplemental lump-sum payment adjustment amount, or portion thereof, that otherwise would have been payable under this paragraph to a hospital, but that is barred by this limitation, shall be distributed on a descending pro rata basis to those hospitals eligible for distributions under this subdivision that have not reached their OBRA 1993 payment limitation.

(4) The department shall make interim and final payments of the additional supplemental lump-sum payment adjustments to hospitals on or before August 15, 1998.

(5) The department shall implement this subdivision only to the extent consistent with federal medicaid law and the Medi-Cal State Plan, and only to the extent that the department determines that federal financial participation is available.

(ag) Notwithstanding any other provision of law, the payment adjustment program for the 1998–99 payment adjustment year shall be structured as set forth below and in subdivision (ah).

(1) (A) The department shall compute the projected total payment adjustment amounts for all eligible hospitals for the 1998–99 payment adjustment year by determining for each eligible hospital its total per diem composite amount and multiplying that figure by the maximum number of the hospital's Medi-Cal inpatient paid days determined under paragraph (2) of subdivision (*l*). For purposes of this subparagraph, these determinations shall be without regard to the OBRA 1993 payment limitations. With respect to a public hospital that, as of July 1, 1998, is part of a county-operated health system of three or more eligible hospitals licensed to the county, the projected total payment adjustment amount shall be reduced by an amount equal to the amount paid or payable to the hospital under subdivision (af).

(B) The computed amount referred to in subparagraph (A) for each hospital shall be compared to the OBRA 1993 payment

limitation that, in accordance with applicable provisions of the Medi-Cal State Plan, the department has computed for the particular hospital.

(C) Where the computed amount referred to in subparagraph (A) for the particular hospital exceeds the OBRA 1993 payment limitation for the hospital, the amount computed under subparagraph (A) shall be reduced to an amount equal to the OBRA 1993 payment limitation for the particular hospital. The amount so reduced shall be used for purposes of subparagraph (E). Except, however, with respect to a public hospital that, as of July 1, 1998, is part of a county-operated health system of three or more eligible hospitals licensed to the county, the amount as so reduced shall be increased by an amount equal to the amount paid or payable to the hospital under subdivision (af), and used for purposes of subparagraph (E).

(D) Where the computed amount referred to in subparagraph (A) for the particular hospital is equal to or less than the OBRA 1993 payment limitation for the hospital, the computed amount referred to in subparagraph (A) shall be used for purposes of subparagraph (E). Except, however, with respect to a public hospital that, as of July 1, 1998, is part of a county-operated health system of three or more eligible hospitals licensed to the county, the computed amount shall be increased by an amount equal to the amount paid or payable to the hospital under subdivision (af), and used for purposes of subparagraph (E).

(E) The amounts determined under subparagraphs (C) and (D) for all eligible hospitals shall be added together, yielding an aggregate sum. The aggregate sum shall be the unadjusted projected total payment adjustment program for the 1998–99 payment adjustment year, exclusive of any supplemental payment adjustments under subdivision (ah).

(2) The initial maximum size of the payment adjustment program for the 1998–99 payment adjustment program shall be set at one billion seven hundred fifty million dollars ($1,750,000,000), exclusive of any supplemental payment adjustments under subdivision (ah).

(3) (A) The department shall increase or decrease the amount determined for each eligible hospital under subparagraph (C) or (D) of paragraph (1), as applicable, by multiplying the amount by an identical percentage, yielding the hospital's tentative adjusted projected total payment adjustment amount for the 1998–99 payment adjustment year. The identical percentage figure to be used for this purpose shall be that percentage that is derived by dividing the amount set forth in paragraph (2) by the aggregate sum determined under subparagraph (E) of paragraph (1). Except, however, the amount determined for a hospital under subparagraph (C) or (D) of paragraph (1), as applicable, shall not be increased so that it would exceed the OBRA 1993 payment limitation for the hospital, and, where that would otherwise occur, the remaining amount that would

have been allocated to the particular hospital shall be reallocated to all other hospitals (that have not reached their OBRA 1993 payment limitation) on a pro rata basis so that the aggregate sum of the tentative adjusted projected total payment adjustment amounts for all hospitals equals the amount set forth in paragraph (2).

(B) (i) With respect to a public hospital that, as of July 1, 1998, is part of a county-operated health system of three or more eligible hospitals licensed to the county, the amount determined under subparagraph (C) or (D) of paragraph (1), as applicable, shall be reduced by an amount equal to the amount paid or payable to the hospital under subdivision (af), prior to applying the OBRA 1993 payment limitation under subparagraph (A).

(ii) Notwithstanding clause (i), all other computations under subparagraph (A), including the determination of the hospital's pro rata share of any reallocations, shall be made as though the reduction described in clause (i) had not occurred.

(4) The tentative adjusted projected total payment adjustment amount computed for each eligible hospital under paragraph (3) shall be further adjusted as follows:

(A) (i) For each eligible hospital that meets the definition of a nonpublic-converted hospital as of July 1, 1998, the hospital's tentative adjusted projected total payment adjustment amount shall be multiplied by a "nonpublic-converted hospital adjustment factor." The applicable adjustment factor shall be that which is necessary to result for each such hospital in an amount equal to the amount used for the particular hospital under subparagraph (E) of paragraph (1).

(ii) The resulting product shall be the final adjusted projected total payment adjustment amount for the hospital for the 1998–99 payment adjustment year, which shall be paid to the hospital in accordance with paragraph (5).

(B) (i) For each eligible hospital that meets the definition of a converted hospital as of July 1, 1998, the hospital's tentative adjusted projected total payment adjustment amount shall be multiplied by a "converted hospital adjustment factor." The applicable adjustment factor shall be that which is necessary to result for each such hospital in an amount equal to: (I) the maximum number of the hospital's annualized Medi-Cal inpatient paid days determined under paragraph (2) of subdivision (*l*); multiplied by (II) the total per diem composite amount determined for the hospital, the calculation of the per diem composite amount being restricted by a maximum low-income number of 40 percent for the hospital, regardless if the hospital's low-income number would otherwise be higher. In no case shall the product of this calculation exceed the amount used for the particular hospital under subparagraph (E) of paragraph (1).

(ii) The resulting product shall be the final adjusted projected total payment adjustment amount for the hospital for the 1998–99

payment adjustment year, which shall be paid to the hospital in accordance with paragraph (5).

(C) (i) For each eligible hospital that meets the definition of a nonpublic hospital as of July 1, 1998, the hospital's tentative adjusted projected total payment adjustment amount shall be multiplied by a "nonpublic hospital adjustment factor." The applicable adjustment factor shall be derived as follows:

(I) The tentative adjusted projected total payment adjustment amounts determined under paragraph (3) for each nonpublic hospital described above shall be added together.

(II) The amount identified in paragraph (2) shall be divided by 2.347. The resulting figure shall then be reduced by the sum of the amounts determined for all nonpublic-converted hospitals under clause (ii) of subparagraph (A) and the amounts determined for all converted hospitals under clause (ii) of subparagraph (B).

(III) The amount computed under subclause (II) shall be divided by 2, and the result thereof further reduced by the amount of thirty-seven million five hundred thousand dollars ($37,500,000).

(IV) The applicable adjustment factor shall be that ratio that results from dividing the amount derived in subclause (III) by the amount derived in subclause (I).

(ii) The resulting product shall be the final adjusted projected total payment adjustment amount for the hospital for the 1998–99 payment adjustment year, which shall be paid to the hospital in accordance with paragraph (5). Except, however, in no case shall the final adjusted projected total payment adjustment amount exceed the hospital's OBRA 1993 payment limitation, and, where that would otherwise occur, the remaining amount that would have been allocated to the particular hospital shall be reallocated to all other nonpublic hospitals (that have not reached their OBRA 1993 payment limitation) on a pro rata basis so that the aggregate sum of the final adjusted projected total payment adjustment amounts for all nonpublic hospitals equals the amount derived in subclause (III) of clause (i).

(D) (i) For each eligible hospital that meets the definition of a public hospital as of July 1, 1998, the hospital's tentative adjusted projected total payment adjustment amount shall be multiplied by a "public hospital adjustment factor." The applicable adjustment factor shall be derived as follows:

(I) The tentative adjusted projected total payment adjustment amounts determined under paragraph (3) for each public hospital described above shall be added together.

(II) The amount identified in paragraph (2) shall be reduced by the sum of the amounts determined for all nonpublic-converted hospitals under clause (ii) of subparagraph (A), the amounts determined for all converted hospitals under clause (ii) of subparagraph (B) and the amounts determined for all nonpublic hospitals under clause (ii) of subparagraph (C).

(III) The applicable adjustment factor shall be that ratio that results from dividing the amount derived in subclause (II) by the amount derived in subclause (I).

(ii) The product determined for each hospital under clause (i) shall be further adjusted as follows:

(I) The product shall be reduced as necessary so as not to exceed the hospital's OBRA 1993 payment limitation.

(II) With respect to a public hospital that, as of July 1, 1998, is part of a county-operated health system of three or more eligible hospitals licensed to the county, the product shall, prior to the application of subclause (I), be reduced by an amount equal to the amount paid or payable to the hospital under subdivision (af).

(III) Any amounts that would otherwise have been allocated to a hospital but for the hospital's OBRA 1993 payment limitation as applied under subclause (I) shall be reallocated to all other public hospitals (that have not reached their OBRA 1993 payment limitation) on a pro rata basis. With respect to a public hospital described in subclause (II), the hospital's pro rata share of any reallocated amounts shall be based on the product derived for the hospital under clause (i).

(IV) The amount determined for each hospital pursuant to subclause (I) and subclause (II), as applicable (including the reduction under subclause (II)), plus any reallocations to the hospital under subclause (III), shall be the final adjusted projected total payment adjustment amount for the hospital for the 1998–99 payment adjustment year, which shall be paid to the hospital in accordance with paragraph (5).

(5) The final adjusted projected total payment adjustment amount determined for each eligible hospital for the 1998–99 payment adjustment year shall be distributed as set forth below.

(A) With respect to the period July 1, 1998, through September 30, 1998, payment adjustment amounts shall be payable only to those eligible hospitals that, as of July 1, 1998, were not part of a county-operated health system of three or more eligible hospitals licensed to the county.

(i) The maximum amount of payment adjustments payable to eligible hospitals under this paragraph for the period of July 1, 1998, through September 30, 1998, shall be determined as follows:

(I) The maximum state disproportionate share hospitals allotment for California under the provisions of applicable federal medicaid rules shall be identified for the 1998 federal fiscal year. This maximum allotment is two billion one hundred seventeen million eight hundred ninety-nine thousand six hundred sixty-eight dollars ($2,117,899,668).

(II) The total amount of all payment adjustments under this section (exclusive of any payments under this subparagraph) applicable to the 1998 federal fiscal year, whether paid or payable, shall be determined. The applicability of payment adjustment

amounts to the 1998 federal fiscal year shall be determined in accordance with federal medicaid rules, including Sections 447.297(d)(3) and 447.298 of Title 42 of the Code of Federal Regulations.

(III) The figure determined under subclause (II) shall be subtracted from the figure identified under subclause (I). The positive remainder shall be the maximum amount of payment adjustments payable with respect to the period July 1, 1998, through September 30, 1998, under this subparagraph.

(ii) With respect to an eligible hospital that, as of July 1, 1998, meets the definition of a nonpublic-converted hospital, the maximum amount payable for the period July 1, 1998, through September 30, 1998, shall be equal to the product of the final adjusted projected total payment adjustment amount determined for the hospital pursuant to paragraph (4), multiplied by a fraction that is computed as follows:

(I) The maximum amount derived in subclause (III) of clause (i) shall be increased by an amount equal to the total amount of payment adjustments paid or payable under subdivision (af).

(II) The figure derived in subclause (I) shall be divided by the amount specified in paragraph (2).

(iii) With respect to an eligible hospital that, as of July 1, 1998, meets the definition of a converted hospital, the maximum amount payable for the period July 1, 1998, through September 30, 1998, shall be equal to the product of the final adjusted projected total payment adjustment amount determined for the hospital pursuant to paragraph (4), multiplied by a fraction that is computed as follows:

(I) The maximum amount derived in subclause (III) of clause (i) shall be increased by an amount equal to the total amount of payment adjustments paid or payable under subdivision (af).

(II) The figure derived in subclause (I) shall be divided by the amount specified in paragraph (2).

(iv) With respect to an eligible hospital that, as of July 1, 1998, meets the definition of a nonpublic hospital, the maximum amount payable for the period July 1, 1998, through September 30, 1998, shall be equal to the product of the final adjusted projected total payment adjustment amount determined for the hospital pursuant to paragraph (4), multiplied by a fraction that is computed as follows:

(I) The maximum amount derived in subclause (III) of clause (i) shall be increased by an amount equal to the total amount of payment adjustments paid or payable under subdivision (af).

(II) The figure derived in subclause (I) shall be divided by the amount specified in paragraph (2).

(v) With respect to an eligible hospital that, as of July 1, 1998, meets the definition of a public hospital, the maximum amount payable for the period July 1, 1998, through September 30, 1998, shall be equal to the product of the final adjusted projected total payment adjustment amount determined for the hospital pursuant to paragraph (4), multiplied by a fraction that is computed as follows:

(I) The maximum amount derived in subclause (III) of clause (i) shall be reduced by the sum of the amounts determined for all nonpublic-converted hospitals under clause (ii), the amounts determined for all converted hospitals under clause (iii) and the amounts determined for all nonpublic hospitals under clause (iv).

(II) The amounts computed under paragraph (4) with respect to all public hospitals that are subject to this subparagraph (A) shall be added together, yielding an aggregate sum.

(III) The figure derived in subclause (I) shall be divided by the aggregate sum derived in subclause (II).

(vi) The resulting product determined for each hospital pursuant to clauses (ii) through (v), as applicable, shall be distributed to the hospital in three equal installments, each payable as of the last day of each month from July 1998 through September 1998. However, no hospital shall receive an installment for any month in which the hospital does not remain in operation for the entire month. To the extent that any hospital is not entitled to receive an installment that otherwise would be payable but for the hospital's failure to remain in operation through the last day of a particular month, the amount that would have been paid to the hospital shall be redistributed among those hospitals within the same hospital group (as those groups are described in clauses (ii) through (v)) that remain in operation from July 1, 1998, through September 30, 1998, to be distributed on a pro rata basis. The redistributed amounts shall be payable as of September 30, 1998.

(B) (i) With respect to the period October 1, 1998, through June 30, 1999, payment adjustment amounts shall be payable to each eligible hospital in the amount equal to the final adjusted projected total payment adjustment amount determined for the hospital pursuant to paragraph (4), less any payment adjustments paid or payable to the hospital, or payment adjustments that would have been payable but for the hospital's failure to remain in operation for a particular month, under subparagraph (A). The payment adjustments shall be distributed in eight equal amounts, each payable as of the last day of each month from October 1998 through May 1999. However, no hospital shall receive an installment for any month in which the hospital does not remain in operation for the entire month.

(ii) To the extent that any hospital of either of the hospital types described in clause (iv) or (v) of subparagraph (A) is not entitled to receive an installment that otherwise would be payable but for the hospital's failure to remain in operation through the last day of a particular month, the amount that would have been paid to the hospital shall be redistributed among those hospitals of the same hospital type that remain in operation from October 1, 1998, through June 30, 1999, to be distributed on a pro rata basis. The redistributed amounts shall be payable as of June 30, 1999.

(iii) With respect to a public hospital that, as of July 1, 1998, is part of a county-operated health system of three or more eligible hospitals

licensed to the county, the hospital's pro rata share of any reallocations under clause (ii) shall be based on the final adjusted projected total payment adjustment amount determined for the hospital pursuant to paragraph (4), as increased by an amount equal to the amount paid or payable to the hospital under subdivision (af).

(6) Notwithstanding any other provision of law, for the 1998–99 payment adjustment year, no eligible hospital shall receive total payment adjustments in excess of the hospital's OBRA 1993 payment limitation as computed by the department pursuant to the Medi-Cal State Plan.

(7) The aggregate sum of the final adjusted projected total payment adjustment amounts computed under paragraph (4) for each eligible hospital shall be the maximum size of the payment adjustment program for the 1998–99 payment adjustment year, exclusive of the supplemental payment adjustments provided for under subdivision (ah).

(8) The department shall implement this subdivision only to the extent consistent with federal medicaid law and the Medi-Cal State Plan, and only to the extent that the department determines that federal financial participation is available.

(ah) (1) For the 1998–99 payment adjustment year, eligible hospitals that meet the requirements of this subdivision and that are in operation as of June 30, 1999, shall be eligible to receive a supplemental lump-sum payment adjustment, which shall be payable as a result of the facility being a disproportionate share hospital in operation as of that date, but only if the hospital has remained in operation for the period October 1, 1998, through June 30, 1999.

(2) The availability of supplemental lump-sum payment adjustments under this subdivision shall be determined as follows:

(A) The maximum state disproportionate share hospital allotment for California under the provisions of applicable federal medicaid rules shall be identified for the 1999 federal fiscal year. It is estimated that this amount will be two billion seventy-one million seven hundred seventy-four thousand nine hundred seventy-six dollars ($2,071,774,976).

(B) The total amount of all payment adjustment amounts under this section (exclusive of any payments under this subdivision) applicable to the 1999 federal fiscal year, whether paid or payable, shall be determined. The applicability of payment adjustment amounts to the 1999 federal fiscal year shall be determined in accordance with federal medicaid rules, including Sections 447.297(d)(3) and 447.298 of Title 42 of the Code of Federal Regulations.

(C) The figure determined under subparagraph (B) shall be subtracted from the figure identified under subparagraph (A). If the remainder is a positive figure, supplemental lump-sum payment adjustments shall be made under this subdivision in accordance with

paragraph (3). The positive remainder shall be the maximum amount of supplemental lump-sum payment adjustments under this subdivision.

(3) (A) For purposes of supplemental lump-sum payment adjustments under this subdivision, only hospitals that can be categorized into either of the two groups specified in clauses (i) and (ii) below shall be eligible to receive the supplemental payment adjustments, and no hospital may qualify for more than one of the two groups. The following groups of hospitals shall be recognized:

(i) "Public hospitals," which shall include all eligible hospitals that, as of July 1, 1998, met the definition of a public hospital.

(ii) "Nonpublic hospitals," which shall include all eligible hospitals that, as of July 1, 1998, met the definition of a nonpublic hospital.

(B) The amount determined to be the maximum amount of supplemental lump-sum payment adjustments under subparagraph (C) of paragraph (2) shall first be allocated between the two groups of hospitals referred to in subparagraph (A) as follows:

(i) "Public hospitals": 72.78 percent of the maximum amount.

(ii) "Nonpublic hospitals": 27.22 percent of the maximum amount.

(C) The amount of funds allocated pursuant to subparagraph (B) to each of the particular groups of hospitals referred to in subparagraphs (A) and (B) shall then be distributed as supplemental lump-sum payment adjustments among the eligible hospitals within each particular group as follows:

(i) The department shall identify for each eligible hospital the total amount of payment adjustments under this section (exclusive of any payments under this subdivision) applicable to the 1998–99 payment adjustment year, whether paid or payable. The applicability of the payment adjustment amounts to this period of time shall be determined in accordance with federal medicaid rules, including Sections 447.297(d)(3) and 447.298 of Title 42 of the Code of Federal Regulations.

(ii) The amount identified for each hospital under clause (i) shall be compared to the OBRA 1993 payment limitation that, in accordance with applicable provisions of the Medi-Cal State Plan, the department has computed for the particular hospital for the 1998–99 payment adjustment year.

(iii) Where the amount computed under clause (i) for the particular hospital is equal to or exceeds the OBRA 1993 payment limitation for the hospital, the hospital shall not receive a supplemental lump-sum payment adjustment. Data regarding hospitals that have reached this limitation shall not be used for purposes of clauses (v) through (viii).

(iv) Where the amount computed under clause (i) for the particular hospital is less than the OBRA 1993 payment limitation for the hospital, the amount computed under clause (i) shall be used for purposes of clauses (v) through (viii). Except, however, with respect to a public hospital that, as of July 1, 1998, was part of a

county-operated health system of three or more eligible hospitals licensed to the county, the amount computed under clause (i) plus the amounts paid or payable to the hospital pursuant to subdivision (af) shall be used for purposes of clauses (v) through (vii), while the amount computed under clause (i) only shall be used for purposes of applying the limitation described in clause (viii).

(v) The figures determined under clause (iv) for each hospital in the particular group shall be added together to determine an aggregate total for each group.

(vi) The figures determined for each hospital under clause (iv) shall be divided by the aggregate total determined under clause (v) for the particular group, yielding a percentage figure for each hospital.

(vii) The percentage figure determined for each hospital under clause (vi) shall be applied to the maximum portion of the funds allocated to the particular group under subparagraph (B), to determine the hospital's pro rata share of the supplemental lump-sum payment adjustments. Except, however, in the case of a nonpublic hospital that, as of July 1, 1998, met the definition of a children's hospital, the pro rata share otherwise determined shall be multiplied by a factor of 1.09, yielding a modified pro rata share. The pro rata share for the other nonpublic hospitals shall be reduced accordingly, yielding a modified pro rata share, so that the maximum portion of the funds allocated to the nonpublic hospitals group will not be exceeded. The pro rata share or modified pro rata share, as applicable, for each hospital, as computed under this clause, shall also be used for all purposes relating to descending pro rata distributions under clause (viii).

(viii) In no event shall a hospital receive supplemental lump-sum payment adjustment amounts in excess of the difference between the OBRA 1993 payment limitation for the hospital and the amount computed for the hospital under clause (i). Any supplemental lump-sum payment adjustment amount, or portion thereof, that otherwise would have been payable under this paragraph to a hospital, but that is barred by this limitation, shall be distributed on a descending pro rata basis to those hospitals within the same group.

(D) The department shall make interim and final payments of the supplemental lump-sum payment adjustments to hospitals on or before August 15, 1999.

(4) The department shall implement this subdivision only to the extent consistent with federal medicaid law and the Medi-Cal State Plan, and only to the extent that the department determines that federal financial participation is available.

(ai) Notwithstanding any other provision of law, no payment adjustment amounts shall be payable in connection with the period of July 1 through September 30 of the 1999–2000 payment adjustment year. The payment adjustment program with respect to the period

October 1, 1999, through June 30, 2000, shall be structured as set forth below and in subdivision (aj).

(1) (A) The department shall compute the projected total payment adjustment amounts for all eligible hospitals for the 1999–2000 payment adjustment year, by determining for each eligible hospital its total per diem composite amount and multiplying that figure by the maximum number of the hospital's Medi-Cal inpatient paid days determined under paragraph (2) of subdivision (*l*). For purposes of this subparagraph, these determinations shall be without regard to the OBRA 1993 payment limitations.

(B) The computed amount referred to in subparagraph (A) for each hospital shall be compared to the OBRA 1993 payment limitation that, in accordance with applicable provisions of the Medi-Cal State Plan, the department has computed for the particular hospital.

(C) Where the computed amount referred to in subparagraph (A) for the particular hospital exceeds the OBRA 1993 payment limitation for the hospital, the amount computed under subparagraph (A) shall be reduced to an amount equal to the OBRA 1993 payment limitation for the particular hospital. The amount so reduced shall be used for purposes of subparagraph (E).

(D) Where the computed amount referred to in subparagraph (A) for the particular hospital is equal to or less than the OBRA 1993 payment limitation for the hospital, the computed amount referred to in subparagraph (A) shall be used for purposes of subparagraph (E).

(E) The amounts determined under subparagraphs (C) and (D) for all eligible hospitals shall be added together, yielding an aggregate sum. The aggregate sum shall be the unadjusted projected total payment adjustment program for the period of October 1, 1999, through June 30, 2000, exclusive of any supplemental payment adjustments under subdivision (aj).

(2) The initial maximum size of the payment adjustment program for the period October 1, 1999, through June 30, 2000, shall be set at one billion seven hundred fifty million dollars ($1,750,000,000), exclusive of any supplemental payment adjustments under subdivision (aj).

(3) The department shall increase or decrease the amount determined for each eligible hospital under subparagraph (C) or (D) of paragraph (1), as applicable, by multiplying the amount by an identical percentage, yielding the hospital's tentative adjusted projected total payment adjustment amount for the period October 1, 1999, through June 30, 2000. The identical percentage figure to be used for this purpose shall be that percentage that is derived by dividing the amount set forth in paragraph (2) by the aggregate sum determined under subparagraph (E) of paragraph (1). Except, however, the amount determined for a hospital under subparagraphs (C) or (D) of paragraph (1) shall not be increased so that it would

exceed the OBRA 1993 payment limitation for the hospital, and, where that would otherwise occur, the remaining amount that would have been allocated to the particular hospital shall be reallocated to all other hospitals (that have not reached their OBRA 1993 payment limitation) on a pro rata basis so that the aggregate sum of the tentative adjusted projected total payment adjustment amount for all hospitals equals the amounts set forth in paragraph (2).

(4) The tentative adjusted projected total payment adjustment amount computed for each eligible hospital under paragraph (3) shall be further adjusted as follows:

(A) (i) For each eligible hospital that meets the definition of a nonpublic-converted hospital as of July 1, 1999, the hospital's tentative adjusted projected total payment adjustment amount shall be multiplied by a "nonpublic-converted hospital adjustment factor." The applicable adjustment factor shall be that which is necessary to result in an amount for each such hospital equal to the amount used for the particular hospital under subparagraph (E) of paragraph (1).

(ii) The resulting product shall be the final adjusted projected total payment adjustment amount for the hospital for the period October 1, 1999, through June 30, 2000, which shall be paid to the hospital in accordance with paragraph (5).

(B) (i) For each eligible hospital that meets the definition of a converted hospital as of July 1, 1999, the hospital's tentative adjusted projected total payment adjustment amount shall be multiplied by a "converted hospital adjustment factor." The applicable adjustment factor shall be that which is necessary to result for each such hospital in an amount equal to: (I) the maximum number of the hospital's annualized Medi-Cal inpatient paid days determined under paragraph (2) of subdivision (*l*); multiplied by (II) the total per diem composite amount determined for the hospital, the calculation of the per diem composite amount being restricted by a maximum low-income number of 40 percent for the hospital, regardless if the hospital's low-income number would otherwise be higher. In no case shall the product of this calculation exceed the amount used for the particular hospital under subparagraph (E) of paragraph (1).

(ii) The resulting product shall be the final adjusted projected total payment adjustment amount for the hospital for the period October 1, 1999, through June 30, 2000, which shall be paid to the hospital in accordance with paragraph (5).

(C) (i) For each eligible hospital that meets the definition of a nonpublic hospital as of July 1, 1999, the hospital's tentative adjusted projected total payment adjustment amount shall be multiplied by a "nonpublic hospital adjustment factor." The applicable adjustment factor shall be derived as follows:

(I) The tentative adjusted projected total payment adjustment amounts determined under paragraph (3) for each nonpublic hospital shall be added together.

(II) The amount identified in paragraph (2) shall be divided by 2.130. The resulting figure shall then be reduced by the sums of the amounts determined for all nonpublic-converted hospitals under clause (ii) of subparagraph (A) and all converted hospitals under clause (ii) of subparagraph (B).

(III) The amount computed under subclause (II) shall be divided by 2, and the result thereof further reduced by the amount of thirty-seven million five hundred thousand dollars ($37,500,000).

(IV) The applicable adjustment factor shall be that ratio that results from dividing the amount derived in subclause (III) by the amount derived in subclause (I).

(ii) The resulting product shall be the final adjusted projected total payment adjustment amount for the hospital for the period October 1, 1999, through June 30, 2000, which shall be paid to the hospital in accordance with paragraph (5). Except, however, in no case shall the final adjusted projected total payment adjustment amount exceed the hospital's OBRA 1993 payment limitation, and, where that would otherwise occur, the remaining amount that would have been allocated to the particular hospital shall be reallocated to all other nonpublic hospitals (that have not reached their OBRA 1993 payment limitation) on a pro rata basis so that the aggregate sum of the final adjusted projected total payment adjustment amounts for all nonpublic hospitals equals the amount derived in subclause (III) of clause (i).

(D) (i) For each eligible hospital that meets the definition of a public hospital as of July 1, 1999, the hospital's tentative adjusted projected total payment adjustment amount shall be multiplied by a "public hospital adjustment factor." The applicable adjustment factor shall be derived as follows:

(I) The tentative adjusted projected total payment adjustment amounts determined under paragraph (3) for each public hospital described above shall be added together.

(II) The amount identified in paragraph (2) shall be reduced by the sums of the amounts determined for all nonpublic-converted hospitals under clause (ii) of subparagraph (A) and all converted hospitals under clause (ii) of subparagraph (B), and the sum of the amounts determined for all nonpublic hospitals under clause (ii) of subparagraph (C).

(III) The applicable adjustment factor shall be that ratio that results from dividing the amount derived in subclause (II) by the amount derived in subclause (I).

(ii) The resulting product shall be the final adjusted projected total payment adjustment amount for the hospital for the period October 1, 1999, through June 30, 2000, which shall be paid to the hospital in accordance with paragraph (5). Except, however, in no case shall the final adjusted projected total payment adjustment amount exceed the hospital's OBRA 1993 payment limitation, and, where that would otherwise occur, the remaining amount that would

have been allocated to the particular hospital shall be reallocated to all other public hospitals (that have not reached their OBRA 1993 payment limitation) on a pro rata basis so that the aggregate sum of the final adjusted projected total payment adjustment amounts for all public hospitals equals the amount derived in subclause (II) of clause (i).

(5) (A) The final adjusted projected total payment adjustment amount determined for each eligible hospital for the period October 1, 1999, through June 30, 2000, shall be distributed to the hospital in 8 equal installments, each payable as of the last day of each month from October 1999 through May 2000. However, no hospital shall receive an installment for any month in which the hospital does not remain in operation for the entire month.

(B) To the extent that any hospital of either of the hospital types described in subparagraph (C) or (D) of paragraph (4) is not entitled to receive an installment that otherwise would be payable but for the hospital's failure to remain in operation through the last day of a particular month, the amount that would have been paid to the hospital shall be redistributed among those hospitals of the same hospital type that remain in operation from October 1, 1999, through June 30, 2000, to be distributed on a pro rata basis. The redistributed amounts shall be payable as of June 30, 2000.

(6) Notwithstanding any other provision of law, with respect to a hospital that meets the definition of a public hospital as of July 1, 1999, the provisions of paragraphs (1) through (5) shall initially be implemented for the period October 1, 1999, through December 31, 1999, without application of the OBRA 1993 payment limitations. As of January 1, 2000, the department shall recalculate all determinations under paragraphs (1) through (5) for the payment adjustment year, taking into account the hospital's OBRA 1993 payment limitation as determined pursuant to federal medicaid law in existence as of January 1, 2000, and adjust, as necessary, the monthly payment installments from January 2000 through May 2000 to take into account any modifications to the recalculated amounts payable for the period October 1999 through December 1999 as may arise from the application of this paragraph.

(7) Notwithstanding any other provision of law, for the entire 1999–2000 payment adjustment year, no eligible hospital shall receive total payment adjustments in excess of the hospital's OBRA 1993 payment limitation as computed by the department pursuant to the Medi-Cal State Plan.

(8) The aggregate sum of the final adjusted projected total payment adjustment amounts computed under paragraph (4) for each eligible hospital for the period October 1, 1999, through June 30, 2000, shall be the maximum size of the payment adjustment program for the entire 1999–2000 payment adjustment year, exclusive of the supplemental payment adjustments provided for under subdivision (aj).

(9) The department shall implement this subdivision only to the extent consistent with federal medicaid law and the Medi-Cal State Plan, and only to the extent that the department determines that federal financial participation is available.

(aj) (1) For the 1999–2000 payment adjustment year, eligible hospitals that meet the requirements of this subdivision and that are in operation as of June 30, 2000, shall be eligible to receive a supplemental lump-sum payment adjustment, which shall be payable as a result of the facility being a disproportionate share hospital in operation as of that date, but only if the hospital has remained in operation for the period October 1, 1999, through June 30, 2000.

(2) The availability of supplemental lump-sum payment adjustments under this subdivision shall be determined as follows:

(A) The maximum state disproportionate share hospital allotment for California under the provisions of applicable federal medicaid rules shall be identified for the 2000 federal fiscal year.

(B) The total amount of all payment adjustment amounts under this section (exclusive of any payments under this subdivision) applicable to the 2000 federal fiscal year, whether paid or payable, shall be determined. The applicability of payment adjustment amounts to the 2000 federal fiscal year shall be determined in accordance with federal medicaid rules, including Sections 447.297(d)(3) and 447.298 of Title 42 of the Code of Federal Regulations.

(C) (i) The figure determined under subparagraph (B) shall be subtracted from the figure identified under subparagraph (A). If the remainder is a positive figure, supplemental lump-sum payment adjustments shall be made under this subdivision in accordance with this subparagraph and paragraph (3).

(ii) The positive remainder derived under clause (i) shall be the maximum amount of supplemental lump-sum payment adjustments under this subdivision where: (I) effective for at least the 1999–2000 payment adjustment year, federal legislation is enacted regarding the application of the OBRA 1993 payment limitation with provisions substantially similar in effect to Section 4721(e) of the federal Balanced Budget Act of 1997 (P.L. 105-33) as that related to the 1997–98 and 1998–99 payment adjustment years; and (II) all necessary amendments to the Medi-Cal State Plan implementing that federal legislation as it relates to the 1999–2000 payment adjustment year have been approved by the federal Health Care Financing Administration.

(iii) If any element set forth in clause (ii) is not satisfied, the maximum amount of supplemental lump-sum payment adjustments under this subdivision shall be the lesser of: (I) the positive remainder derived in clause (i); or (II) one hundred six million dollars ($106,000,000).

(3) (A) For purposes of supplemental lump-sum payment adjustments under this subdivision, only hospitals that can be categorized into either of the two groups specified in clauses (i) and (ii) below shall be eligible to receive the supplemental payment adjustments, and no hospital may qualify for more than one of the two groups. The following groups of hospitals shall be recognized:

(i) "Public hospitals," which shall include all eligible hospitals that, as of July 1, 1999, met the definition of a public hospital.

(ii) "Nonpublic hospitals," which shall include all eligible hospitals that, as of July 1, 1999, met the definition of a nonpublic hospital.

(B) The amount determined to be the maximum amount of supplemental lump-sum payment adjustments under subparagraph (C) of paragraph (2) shall first be allocated between the two groups of hospitals referred to in subparagraph (A) as follows:

(i) "Public hospitals": 71.64 percent of the maximum amount.

(ii) "Nonpublic hospitals": 28.36 percent of the maximum amount.

(C) The amount of funds allocated pursuant to subparagraph (B) to each of the particular groups of hospitals referred to in subparagraphs (A) and (B) shall then be distributed as supplemental lump-sum payment adjustments among the eligible hospitals within each particular group as follows:

(i) The department shall identify for each eligible hospital the total amount of payment adjustments under this section (exclusive of any payments under this subdivision) applicable to the 1999–2000 payment adjustment year, whether paid or payable. The applicability of the payment adjustment amounts to this period of time shall be determined in accordance with federal medicaid rules, including Sections 447.297(d)(3) and 447.298 of Title 42 of the Code of Federal Regulations.

(ii) The amount identified for each hospital under clause (i) shall be compared to the OBRA 1993 payment limitation that, in accordance with applicable provisions of the Medi-Cal State Plan, the department has computed for the particular hospital for the 1999-2000 payment adjustment year. For all purposes under this subdivision, calculations of the OBRA 1993 payment limitations for public hospitals shall not be performed prior to January 1, 2000, as referred to in paragraph (6) of subdivision (ai).

(iii) Where the amount computed under clause (i) for the particular hospital is equal to or exceeds the OBRA 1993 payment limitation for the hospital, the hospital shall not receive a supplemental lump-sum payment adjustment. Data regarding hospitals that have reached this limitation shall not be used for purposes of clauses (v) through (viii).

(iv) Where the amount computed under clause (i) for the particular hospital is less than the OBRA 1993 payment limitation for the hospital, the amount computed under clause (i) shall be used for purposes of clauses (v) through (viii).

(v) The figures determined under clause (iv) for each hospital in the particular group shall be added together to determine an aggregate total for each group.

(vi) The figures determined for each hospital under clause (iv) shall be divided by the aggregate total determined under clause (v) for the particular group, yielding a percentage figure for each hospital.

(vii) The percentage figure determined for each hospital under clause (vi) shall be applied to the maximum portion of the funds allocated to the particular group under subparagraph (B), to determine the hospital's pro rata share of the supplemental lump-sum payment adjustments. Except, however, in the case of a nonpublic hospital that, as of July 1, 1999, met the definition of a children's hospital, that pro rata share otherwise determined shall be multiplied by a factor of 1.09, yielding a modified pro rata share. The pro rata share for the other nonpublic hospitals shall be reduced accordingly, yielding a modified pro rata share, so that the maximum portion of the funds allocated to the nonpublic hospitals group will not be exceeded. The pro rata share or modified pro rata share, as applicable, for each hospital, as computed under this clause, shall also be used for all purposes relating to descending pro rata distributions under clause (viii).

(viii) In no event shall a hospital receive supplemental lump-sum payment adjustment amounts in excess of the difference between the OBRA 1993 payment limitation for the hospital and the amount computed for the hospital under clause (i). Any supplemental lump-sum payment adjustment amount, or portion thereof, that otherwise would have been payable under this paragraph to a hospital, but that is barred by this limitation, shall be distributed on a descending pro rata basis to those hospitals within the same group.

(D) The department shall make interim and final payments of the supplemental lump-sum payment adjustments to hospitals on or before August 15, 2000.

(4) The department shall implement this subdivision only to the extent consistent with federal medicaid law and the Medi-Cal State Plan, and only to the extent that the department determines that federal financial participation is available.

(ak) (1) Notwithstanding any other provision of law, except as set forth in paragraph (2), with respect to the 2000–01 payment adjustment year and subsequent payment adjustment years, no payment adjustment amounts shall be payable in connection with the period from July 1 through September 30 of each payment adjustment year.

(2) To the extent that any portion of the maximum state disproportionate share hospital allotment for California for the 2000 federal fiscal year or any subsequent federal fiscal year is not otherwise expended under the program with respect to the period from October 1 through June 30 of the particular federal fiscal year,

the remaining portion of the allotment shall be expended with respect to the period from July 1 through September 30 of the particular federal fiscal year.

(3) With respect to the 2000–01 payment adjustment year and subsequent payment adjustment years, the department shall take all reasonable steps as are necessary to align the program with the federal allotment for the period from October 1 through June 30 of each payment adjustment year.

SEC. 2. On or before June 29, 1999, the State Department of Health Services shall take all necessary steps to arrange for the publication of any public notices that are required or appropriate under federal or state law, in order to ensure an effective date for this act of no later than June 30, 1999, for federal medicaid purposes. Notwithstanding any other provision of law, the department may arrange for the publication of any notice through a private vendor, on a bid or nonbid basis, on an exclusive or nonexclusive basis, and without review or approval by any other department, agency, or instrumentality of the state. The costs of publishing any notice through a private vendor shall be recovered by the department from the Medi-Cal Inpatient Payment Adjustment Fund.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to ensure sufficient funding for disproportionate share providers in the Medi-Cal program, to enable them to provide sufficient access to Medi-Cal benefits as soon as possible, it is necessary that this act take effect immediately.

CHAPTER 45

An act relating to local government finance.

[Approved by Governor June 28, 1999. Filed with Secretary of State June 28, 1999.]

The people of the State of California do enact as follows:

SECTION 1. Notwithstanding any other provision of law, the County of San Bernardino and the City of Chino Hills may enter into a written agreement, for the annual transfer of ad valorem property tax revenue from that county to that city, that does all of the following:

(a) Applies to the 2000–2001 fiscal year to the 2036–37 fiscal year, inclusive, or any of those fiscal years.

(b) (1) Specifies the amount of the transfer as 5.43 percent of those additional property tax revenues that are derived from

improvements to commercial and industrial real properties, made on or after January 1, 1999, that are specified in the agreement and are either of the following:

(A) A renovation or expansion of an existing structure or structures that results in an increase in assessed value of at least one million dollars ($1,000,000).

(B) A new structure or structures.

(2) Allows the percentage specified in paragraph (1) to be renegotiated upon the written request of either the County of San Bernardino or the City of Chino Hills. Any percentage that is determined pursuant to a renegotiation entered into under this paragraph shall be deemed to be included in this section in lieu of any conflicting percentage set forth in this section.

(c) Directs the county auditor-controller to implement the revenue transfer from the county to the city by commensurately adjusting the amounts of apportionments of ad valorem property tax revenue, previously determined as otherwise provided by law by the County Auditor-Controller for the County of San Bernardino and the City of Chino Hills. The revenue transfer from the county to the city shall be made after all required allocations have been made.

(d) Provides that it may be terminated under specified circumstances, that shall include, but are not limited to, the following:

(1) Any land located in the city is included within a redevelopment project area.

(2) Written notice of termination being given by either the County of San Bernardino or the City of Chino Hills in the 2001–02 fiscal year, or any fiscal year thereafter, if any modification by the Legislature of the requirements for the allocation or apportionment of ad valorem property tax revenues necessarily requires a change, from the immediately preceding fiscal year, in the ratio of the total amount of ad valorem property tax revenue received by that county to the total amount of ad valorem property tax revenue received by that city.

SEC. 2. The Legislature finds and declares that a special law is necessary and that a general law cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of the unique funding, public service, and jurisdictional concerns involving the County of San Bernardino and the City of Chino Hills.

CHAPTER 46

An act to amend Section 132 of the Metropolitan Water District Act (Chapter 209 of the Statutes of 1969), relating to metropolitan water districts.

[Approved by Governor June 28, 1999. Filed with
Secretary of State June 28, 1999.]

The people of the State of California do enact as follows:

SECTION 1. Section 132 of the Metropolitan Water District Act (Chapter 209 of the Statutes of 1969) is amended to read:

Sec. 132. (a) A district may provide, sell, and deliver surplus water not needed or required for domestic or municipal uses within the district for beneficial purposes, but shall give preference to uses within the district. The supplying of surplus water shall be subject to the paramount right of the district to discontinue that supply in whole or in part, and to take and hold, or to provide, sell, and deliver, that water for domestic or municipal uses within the district, upon one year's written notice to the purchaser or user of that surplus water. The notice shall be given by the board whenever the board determines and declares, by resolution adopted by a two-thirds vote , that the water is needed or required for domestic or municipal uses within the district.

(b) For the purposes of this act, any water purchased at the uniform rate or rates established by a district for domestic or municipal uses and used for beneficial purposes within that district shall be deemed to be water for domestic or municipal uses and not surplus water.

CHAPTER 47

An act to add and repeal Sections 2602.5 and 2602.7 of, and to repeal Chapter 16 (commencing with Section 2600) of Division 3 of, the Streets and Highways Code, relating to transportation, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 28, 1999. Filed with
Secretary of State June 28, 1999.]

The people of the State of California do enact as follows:

SECTION 1. Section 2602.5 is added to the Streets and Highways Code, to read:

2602.5. (a) Notwithstanding any other provision of law, construction contracts for any project approved for the final funding cycle of the state-local transportation partnership program implemented under Section 2602, as amended by Section 31 of Chapter 877 of the Statutes of 1998, may be let until, but not later than, June 30, 2000.

(b) Funds appropriated for the projects described in subdivision (a) shall be expended not later than June 30, 2003.

(c) This section shall remain in effect only until January 1, 2004, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2004, deletes or extends that date.

SEC. 2. Section 2602.7 is added to the Streets and Highways Code, to read:

2602.7. This chapter shall remain in effect only until January 1, 2004, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2004, deletes or extends that date.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to provide, at the earliest possible time, continuation of the authority to let contracts for certain vital transportation projects after the expiration of the State-Local Transportation Partnership Program, it is necessary that this act take effect immediately.

CHAPTER 48

An act to amend Section 2031 of the Code of Civil Procedure, relating to discovery.

[Approved by Governor June 28, 1999. Filed with Secretary of State June 28, 1999.]

The people of the State of California do enact as follows:

SECTION 1. Section 2031 of the Code of Civil Procedure is amended to read:

2031. (a) Any party may obtain discovery within the scope delimited by Section 2017, and subject to the restrictions set forth in Section 2019, by inspecting documents, tangible things, and land or other property that are in the possession, custody, or control of any other party to the action.

(1) A party may demand that any other party produce and permit the party making the demand, or someone acting on that party's behalf, to inspect and to copy a document that is in the possession, custody, or control of the party on whom the demand is made.

(2) A party may demand that any other party produce and permit the party making the demand, or someone acting on that party's behalf, to inspect and to photograph, test, or sample any tangible things that are in the possession, custody, or control of the party on whom the demand is made.

(3) A party may demand that any other party allow the party making the demand, or someone acting on that party's behalf, to enter on any land or other property that is in the possession, custody, or control of the party on whom the demand is made, and to inspect

and to measure, survey, photograph, test, or sample the land or other property, or any designated object or operation on it.

(b) A defendant may make a demand for inspection without leave of court at any time. A plaintiff may make a demand for inspection without leave of court at any time that is 10 days after the service of the summons on, or in unlawful detainer actions within five days after service of the summons on or appearance by, the party to whom the demand is directed, whichever occurs first. However, on motion with or without notice, the court, for good cause shown, may grant leave to a plaintiff to make an inspection demand at an earlier time.

(c) A party demanding an inspection shall number each set of demands consecutively. In the first paragraph immediately below the title of the case, there shall appear the identity of the demanding party, the set number, and the identity of the responding party. Each demand in a set shall be separately set forth, identified by number or letter, and shall do all of the following:

(1) Designate the documents, tangible things, or land or other property to be inspected either by specifically describing each individual item or by reasonably particularizing each category of item.

(2) Specify a reasonable time for the inspection that is at least 30 days after service of the demand, or in unlawful detainer actions at least five days after service of the demand, unless the court for good cause shown has granted leave to specify an earlier date.

(3) Specify a reasonable place for making the inspection, copying, and performing any related activity.

(4) Specify any related activity that is being demanded in addition to an inspection and copying, as well as the manner in which that related activity will be performed, and whether that activity will permanently alter or destroy the item involved.

(d) The party demanding an inspection shall serve a copy of the inspection demand on the party to whom it is directed and on all other parties who have appeared in the action.

(e) In addition to the inspection demands permitted by this section, a party may propound a supplemental demand to inspect any later acquired or discovered documents, tangible things, or land or other property that are in the possession, custody, or control of the party on whom the demand is made, provided that a demand for inspection was previously served by the demanding party (1) twice prior to the initial setting of a trial date, and (2) subject to the time limits on discovery proceedings and motions provided in Section 2024, once after the initial setting of a trial date. However, on motion, for good cause shown, the court may grant leave to a party to propound an additional number of supplemental demands for inspection.

(f) When an inspection of documents, tangible things or places has been demanded, the party to whom the demand has been directed, and any other party or affected person or organization, may

promptly move for a protective order. This motion shall be accompanied by a declaration stating facts showing a reasonable and good faith attempt at an informal resolution of each issue presented by the motion.

The court, for good cause shown, may make any order that justice requires to protect any party or other natural person or organization from unwarranted annoyance, embarrassment, or oppression, or undue burden and expense. This protective order may include, but is not limited to, one or more of the following directions:

(1) That all or some of the items or categories of items in the inspection demand need not be produced or made available at all.

(2) That the time specified in subdivision (i) to respond to the set of inspection demands, or to a particular item or category in the set, be extended.

(3) That the place of production be other than that specified in the inspection demand.

(4) That the inspection be made only on specified terms and conditions.

(5) That a trade secret or other confidential research, development, or commercial information not be disclosed, or be disclosed only to specified persons or only in a specified way.

(6) That the items produced be sealed and thereafter opened only on order of the court.

If the motion for a protective order is denied in whole or in part, the court may order that the party to whom the demand was directed provide or permit the discovery against which protection was sought on terms and conditions that are just.

The court shall impose a monetary sanction under Section 2023 against any party, person, or attorney who unsuccessfully makes or opposes a motion for a protective order, unless it finds that the one subject to the sanction acted with substantial justification or that other circumstances make the imposition of the sanction unjust.

(g) The party to whom an inspection demand has been directed shall respond separately to each item or category of item by a statement that the party will comply with the particular demand for inspection and any related activities, a representation that the party lacks the ability to comply with the demand for inspection of a particular item or category of item, or an objection to the particular demand.

In the first paragraph of the response immediately below the title of the case, there shall appear the identity of the responding party, the set number, and the identity of the demanding party. Each statement of compliance, each representation, and each objection in the response shall bear the same number and be in the same sequence as the corresponding item or category in the demand, but the text of that item or category need not be repeated.

(1) A statement that the party to whom an inspection demand has been directed will comply with the particular demand shall state that

the production, inspection, and related activity demanded will be allowed either in whole or in part, and that all documents or things in the demanded category that are in the possession, custody, or control of that party and to which no objection is being made will be included in the production.

Any documents demanded shall either be produced as they are kept in the usual course of business, or be organized and labeled to correspond with the categories in the demand. If necessary, the responding party at the reasonable expense of the demanding party shall, through detection devices, translate any data compilations included in the demand into reasonably usable form.

(2) A representation of inability to comply with the particular demand for inspection shall affirm that a diligent search and a reasonable inquiry has been made in an effort to comply with that demand. This statement shall also specify whether the inability to comply is because the particular item or category has never existed, has been destroyed, has been lost, misplaced, or stolen, or has never been, or is no longer, in the possession, custody, or control of the responding party. The statement shall set forth the name and address of any natural person or organization known or believed by that party to have possession, custody, or control of that item or category of item.

(3) If only part of an item or category of item in an inspection demand is objectionable, the response shall contain a statement of compliance, or a representation of inability to comply with respect to the remainder of that item or category. If the responding party objects to the demand for inspection of an item or category of item, the response shall (A) identify with particularity any document, tangible thing, or land falling within any category of item in the demand to which an objection is being made, and (B) set forth clearly the extent of, and the specific ground for, the objection. If an objection is based on a claim of privilege, the particular privilege invoked shall be stated. If an objection is based on a claim that the information sought is protected work product under Section 2018, that claim shall be expressly asserted.

(h) The party to whom the demand for inspection is directed shall sign the response under oath unless the response contains only objections. If that party is a public or private corporation or a partnership or association or governmental agency, one of its officers or agents shall sign the response under oath on behalf of that party. If the officer or agent signing the response on behalf of that party is an attorney acting in that capacity for a party, that party waives any lawyer-client privilege and any protection for work product under Section 2018 during any subsequent discovery from that attorney concerning the identity of the sources of the information contained in the response. The attorney for the responding party shall sign any responses that contain an objection.

(i) Within 30 days after service of an inspection demand, or in unlawful detainer actions within five days of an inspection demand, the party to whom the demand is directed shall serve the original of the response to it on the party making the demand, and a copy of the response on all other parties who have appeared in the action, unless on motion of the party making the demand the court has shortened the time for response, or unless on motion of the party to whom the demand has been directed, the court has extended the time for response. In unlawful detainer actions, the party to whom the demand is directed shall have at least five days from the date of service of the demand to respond unless on motion of the party making the demand the court has shortened the time for the response.

(j) The party demanding an inspection and the responding party may agree to extend the time for service of a response to a set of inspection demands, or to particular items or categories of items in a set, to a date beyond that provided in subdivision (i). This agreement may be informal, but it shall be confirmed in a writing that specifies the extended date for service of a response. Unless this agreement expressly states otherwise, it is effective to preserve to the responding party the right to respond to any item or category of item in the demand to which the agreement applies in any manner specified in subdivision (g).

(k) The inspection demand and the response to it shall not be filed with the court. The party demanding an inspection shall retain both the original of the inspection demand, with the original proof of service affixed to it, and the original of the sworn response until six months after final disposition of the action. At that time, both originals may be destroyed, unless the court, on motion of any party and for good cause shown, orders that the originals be preserved for a longer period.

(*l*) If a party to whom an inspection demand has been directed fails to serve a timely response to it, that party waives any objection to the demand, including one based on privilege or on the protection for work product under Section 2018. However, the court, on motion, may relieve that party from this waiver on its determination that (1) the party has subsequently served a response that is in substantial compliance with subdivision (g), and (2) the party's failure to serve a timely response was the result of mistake, inadvertence, or excusable neglect.

The party making the demand may move for an order compelling response to the inspection demand. The court shall impose a monetary sanction under Section 2023 against any party, person, or attorney who unsuccessfully makes or opposes a motion to compel a response to an inspection demand, unless it finds that the one subject to the sanction acted with substantial justification or that other circumstances make the imposition of the sanction unjust. If a party then fails to obey the order compelling a response, the court may

make those orders that are just, including the imposition of an issue sanction, an evidence sanction, or a terminating sanction under Section 2023. In lieu of or in addition to that sanction, the court may impose a monetary sanction under Section 2023.

(m) If the party demanding an inspection, on receipt of a response to an inspection demand, deems that (1) a statement of compliance with the demand is incomplete, (2) a representation of inability to comply is inadequate, incomplete, or evasive, or (3) an objection in the response is without merit or too general, that party may move for an order compelling further response to the demand. This motion (A) shall set forth specific facts showing good cause justifying the discovery sought by the inspection demand, and (B) shall be accompanied by a declaration stating facts showing a reasonable and good faith attempt at an informal resolution of any issue presented by it.

Unless notice of this motion is given within 45 days of the service of the response, or any supplemental response, or on or before any specific later date to which the demanding party and the responding party have agreed in writing, the demanding party waives any right to compel a further response to the inspection demand.

The court shall impose a monetary sanction under Section 2023 against any party, person, or attorney who unsuccessfully makes or opposes a motion to compel further response to an inspection demand, unless it finds that the one subject to the sanction acted with substantial justification or that other circumstances make the imposition of the sanction unjust.

If a party fails to obey an order compelling further response, the court may make those orders that are just, including the imposition of an issue sanction, an evidence sanction, or a terminating sanction under Section 2023. In lieu of or in addition to that sanction, the court may impose a monetary sanction under Section 2023.

(n) If a party filing a response to a demand for inspection under subdivision (g) thereafter fails to permit the inspection in accordance with that party's statement of compliance, the party demanding the inspection may move for an order compelling compliance.

The court shall impose a monetary sanction under Section 2023 against any party, person, or attorney who unsuccessfully makes or opposes a motion to compel compliance with an inspection demand, unless it finds that the one subject to the sanction acted with substantial justification or that other circumstances make the imposition of the sanction unjust.

If a party then fails to obey an order compelling inspection, the court may make those orders that are just, including the imposition of an issue sanction, an evidence sanction, or a terminating sanction

under Section 2023. In lieu of or in addition to that sanction, the court may impose a monetary sanction under Section 2023.

CHAPTER 49

An act to add Section 1094.8 to the Code of Civil Procedure, relating to judicial review, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 28, 1999. Filed with Secretary of State June 28, 1999.]

The people of the State of California do enact as follows:

SECTION 1. Section 1094.8 is added to the Code of Civil Procedure, to read:

1094.8. (a) Notwithstanding anything to the contrary in this chapter, an action or proceeding to review the issuance, revocation, suspension, or denial of a permit or other entitlement for expressive conduct protected by the First Amendment to the United States Constitution shall be conducted in accordance with subdivision (d).

(b) For purposes of this section, the following definitions shall apply:

(1) The terms "permit" and "entitlement" are used interchangeably.

(2) The term "permit applicant" means both an applicant for a permit and a permitholder.

(3) The term "public agency" means a city, county, city and county, a joint powers authority or similar public entity formed pursuant to Section 65850.4 of the Government Code, or any other public entity authorized by law to issue permits for expressive conduct protected by the First Amendment to the United States Constitution.

(c) A public agency may, if it so chooses, designate the permits or entitlements to which this section applies by adopting an ordinance or resolution which contains a specific listing or other description of the permits or entitlements issued by the public agency which are eligible for expedited judicial review pursuant to this section because the permits regulate expressive conduct protected by the First Amendment to the United States Constitution.

(d) The procedure set forth in this subdivision, when applicable, shall supersede anything to the contrary set forth in this chapter.

(1) Within five court days after receipt of written notification from a permit applicant that the permit applicant will seek judicial review of a public agency's action on the permit, the public agency shall prepare, certify, and make available the administrative record to the permit applicant.

(2) Either the public agency or the permit applicant may bring an action in accordance with the procedure set forth in this section. If the permit applicant brings the action, the action shall be in the form of a petition for writ of mandate pursuant to Section 1085 or 1094.5, as appropriate.

(3) The party bringing the action pursuant to this section shall file and serve the petition on the respondent no later than 21 calendar days following the public agency's final decision on the permit. The title page of the petition shall contain the following language in 18-point type:

"ATTENTION: THIS MATTER IS ENTITLED TO PRIORITY AND SUBJECT TO THE EXPEDITED HEARING AND REVIEW PROCEDURES CONTAINED IN SECTION 1094.8 OF THE CODE OF CIVIL PROCEDURE."

(4) The clerk of the court shall set a hearing for review of the petition no later than 25 calendar days from the date the petition is filed. Moving, opposition, and reply papers shall be filed as provided in the California Rules of Court. The petitioner shall lodge the administrative record with the court no later than 10 calendar days in advance of the hearing date.

(5) Following the conclusion of the hearing, the court shall render its decision in an expeditious manner consistent with constitutional requirements in view of the particular facts and circumstances. In no event shall the decision be rendered later than 20 calendar days after the matter is submitted or 50 calendar days after the date the petition is filed pursuant to paragraph (4), whichever is earlier.

(e) If the presiding judge of the court in which the action is filed determines that, as a result of either the press of other court business or other factors, the court will be unable to meet any one or more of the deadlines provided within this section, the presiding judge shall request the temporary assignment of a judicial officer to hear the petition and render a decision within the time limits contained herein, pursuant to Section 68543.8 of the Government Code. Given the short time period involved, the request shall be entitled to priority.

(f) In any action challenging the issuance, revocation, suspension, or denial of a permit or entitlement, the parties to the action shall be permitted to jointly waive the time limits provided for herein.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order for a judicial action or proceeding reviewing the issuance, revocation, suspension, or denial of a permit or other entitlement for expressive conduct protected by the First Amendment to the United States Constitution to proceed to hearing and have a decision rendered in an expeditious manner consistent with constitutional requirements in view of the holding in Baby Tam & Co., Inc. v. City

of Las Vegas (1998) 154 F.3d 1097, it is necessary that this act take effect immediately.

CHAPTER 50

An act making appropriations for the support of the government of the State of California and for several public purposes in accordance with the provisions of Section 12 of Article IV of the Constitution of the State of California, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 29, 1999. Filed with Secretary of State June 29, 1999.]

I object to the following appropriations contained in Senate Bill 160.

Item 0250-001-0001—For support of Judiciary. I reduce this item from $239,105,000 to $239,104,000 by reducing:

(c) 30-Judicial Council from $58,996,000 to $58,995,000,

and by deleting Provision 6.

I am deleting Provision 6 which would require the Judicial Council to develop and support a strategic committee on drug court strategy in the Judicial Council's drug court program and the Department of Alcohol and Drug Programs (DADP) Partnership Program. The DADP Partnership Program already has an existing committee assigned to determining administration of the Partnership Program, and the Judicial Council administers the drug court program. Therefore, this language is unnecessary because it would create duplicative activities that can best be handled by existing resources and their mutual coordination.

I am reducing $1,000 from this item to reflect savings that will be achieved based on vetoing Provision 6 of this Item.

Item 0250-101-0001—For local assistance, Judiciary. I reduce this item from $11,875,000 to $11,775,000 by reducing the following:

(b) 30.20-California Drug Court Project from $1,958,000 to $1,858,000.

I am deleting the $100,000 legislative augmentation which would have supported establishment of a drug court program in the City of Fontana. This proposal would have created a local exception to the statewide application process to the Department of Alcohol and Drug Programs' Partnership Program and the Judicial Council's drug court program. Such an exception is not conducive to the already existing support program and evaluation system that is in place. However, if the County of San Bernardino wishes to tailor its own drug court program for the City of Fontana, the authority to do so exists pursuant to Chapter 1132, Statutes of 1996.

I am sustaining the $10,000,000 legislative augmentation to this item for the Equal Access Fund which will provide legal services for indigents in civil matters; however, I am sustaining this augmentation on a one-time basis.

Item 0450-101-0932—For local assistance, State Trial Court Funding. I reduce this item from $1,776,178,000 to $1,771,678,000 by reducing:

(d) 45-Court Interpreters from $51,619,000 to $47,119,000.

I am reducing the $7,000,000 legislative augmentation, which would have increased trial court interpreter compensation from the current level of $200 per day to $250 per day, by $4,500,000 and sustaining $2,500,000 of the augmentation. This will provide sufficient funding to allow the Judicial Council to ensure certified and registered interpreters are available for trial court criminal proceedings only to avoid criminal trials from being dismissed or re-tried due to lack of available certified interpreters.

Item 0450-111-0001—For transfer by the Controller to the Trial Court Trust Fund. I reduce this item from $890,370,000 to $885,870,000.

I am reducing this item to conform to the actions I have taken in Item 0450-101-0932.

Item 0540-001-0001—For support of Secretary for Resources. I revise this item by reducing:

(a) 10-Administration of Resources Agency from $4,244,000 to $3,494,000, and

(f) Amount payable from the Forest Resources Improvement Fund (Item 0540-001-0928) from −$1,000,000 to −$250,000.

I am revising this item to conform to the action I have taken in Item 0540-001-0928.

Item 0540-001-0928—For support of Secretary for Resources. I reduce this item from $1,000,000 to $250,000 and revise Provision 1.

I am reducing this item by $750,000 and sustaining $250,000 for the Secretary for Resources to develop a detailed strategy on how to best obtain a statewide assessment of the State's natural resources and habitat, and develop a long-term set of priorities and targets for future investment in resource protection and habitat acquisition and preservation. I believe that this effort is meritorious and will be useful in developing and implementing a strategy where growth is welcome in the State and at the same time identify where California's natural resources need to be protected. Because this will be a significant, multiyear effort, I believe that $250,000 is a sufficient level of resources to begin this important task.

I am revising Provision 1 to conform to this action.

"1. Notwithstanding Section 4799.13 of the Public Resources Code, of the amount appropriated by this item, ~~$1,000,000~~ *$250,000* shall be used by the Secretary for Resources for the development and publishing of a statewide Conservation and habitat blueprint. The blueprint shall assess the current condition of the state's natural resources and habitat and establish a long-term set of funding and policy priorities and targets for future for investment in resource protection and habitat acquisition or preservation. On or before January 10, 2000, the Secretary for Resources shall report to the chairs of the fiscal and policy committees of the Legislature on the development of the blueprint and when it anticipates the blueprint will be published."

Item 0540-103-0001—For local assistance, Secretary for Resources. I reduce this item from $4,200,000 to $3,200,000 by deleting:

(c) County of Los Angeles-Tujunga Wash River Parkway ($1,000,000)

Although this project may be meritorious, I am deleting funding for it to ensure the State maintains a prudent reserve.

Item 0550-005-0001—For support of the Secretary for the Youth and Adult Correctional Agency. I reduce this item from $1,622,000 to $622,000 by reducing:

(a) 15-Commission on Correctional Peace Officers' Standards and Training from $1,622,000 to $622,000.

and by revising Provision 1.

I am reducing the $1,200,000 Legislative augmentation for the Commission on Correctional Peace Officers' Standards and Training (CPOST) by $1,000,000 because I believe the remaining $200,000 will be sufficient to address the requirements of Chapter 762, Statutes of 1998. While I am strongly supportive of training for state correctional officers, and have provided sufficient funding in the Budget to increase new correctional officer training from 6 to 10 weeks, I believe it is premature to develop a 16 week training curriculum until the issue of further increase in training time has been addressed. I believe it would be prudent to allow CPOST to complete the training review and make recommendations regarding the appropriate number of training hours prior to developing and approving the curriculum.

I am revising Provision 1 to conform to this action.

"1. Of the funds appropriated in this item, ~~$1,200,000~~ $200,000 shall be available only to carry out duties assigned to the Commission on Correctional Peace Officer Standards and Training under Chapter 762 of the Statutes of 1998 ~~, and to review and approve curriculum for a future expansion of the Basic Correctional Peace Officer Training Academy to 16 weeks per training cohort~~ . Any funds not used for these specific purposes shall revert to the General Fund.

Item 0555-001-0001—For support of Secretary for Environmental Protection. I reduce this item from $5,710,000 to $3,710,000 and revise Provision 1 and delete Provision 2.

I am reducing $1,500,000 of the $2,000,000 legislative augmentation to implement a trailer bill that would authorize the Deputy Secretary for Law Enforcement and Counsel to enforce laws administered by CalEPA boards and departments. I am, however, supportive of the new enforcement authority provided in the trailer bill, and the $500,000 of this augmentation I have sustained should be more than adequate to fulfill this new responsibility.

I am revising Provision 1 to conform to this action.

"1. Of the ~~funds~~ *amount* appropriated in this item, ~~$2,000,000~~ *$500,000* shall be available only for the implementation of a statute that authorizes the Deputy Secretary for Law Enforcement and Counsel in the office of the secretary to enforce the laws administered by the boards, departments, and office that comprise the California Environmental Protection Agency, provided that 60 days prior to the expenditure of any of these funds, the secretary shall notify the Chair of the Joint Legislative Budget Committee of the secretary's expenditure plan for the funds."

I am deleting the $500,000 legislative augmentation to implement a Presidential Executive Order on environmental justice. The Secretary for Environmental Protection is reviewing the structure, funding, and delivery of environmental programs and therefore this augmentation is premature.

I am deleting Provision 2 to conform to this action.

Item 0555-001-0044—For support of Secretary for Environmental Protection. I revise this item by reducing:

(b) 20-Special Environmental Programs from $8,259,000 to $6,259,000;

(5) 20.30-Environmental Enforcement ($1,500,000);

(6) 20.35-Environmental Justice ($500,000).

and (d) Amount payable from the General Fund (Item 0555-001-0001) from −$5,710,000 to −$3,710,000;

I am revising the schedules in this item to conform to the action I have taken in Item 0555-001-0001.

Item 0650-001-0001—For support of Office of Planning and Research. I delete Provision 1.

I am deleting Provision 1, which would require the Office of Planning and Research to fund the Innovation in Government Project within existing resources. This provision would not allow the Office of Planning and Research to receive reimbursements for this Project from the existing resources of participant departments, which is inconsistent with the Legislature's intent language in connection with the same project in the Department of General Services, the Department of Motor Vehicles, and the Franchise Tax Board. Clearly, the Legislature approved moving forward with the project, and Provision 1 conflicts with its intent and approval.

Therefore, because I am in agreement with the Legislature's intent that the Innovation in Government Project be funded within existing resources, I am vetoing the related funding appropriated to the Employment Development Department and the Department of Social Services. Further, I am directing that all five participant departments involved provide reimbursements to the Office of Planning and Research, as necessary to review projects in their area.

Item 0690-101-0001—For local assistance, Office of Emergency Services. I reduce this item from $1,299,000 to $1,249,000 by deleting:

(e) City of Garden Grove-Emergency Operations Center ($50,000)

I am deleting this legislative augmentation for a generator at the City of Garden Grove Emergency Operations Center. Although this augmentation may be meritorious, I am deleting the funding for it to ensure the State maintains a prudent reserve.

Item 0750-001-0001—For support of Office of the Lieutenant Governor. I reduce this item from $2,572,000 to $1,740,000.

I am deleting the $532,000 legislative augmentation for the Commission for Economic Development. The Commission was created by Chapter 1230, Statutes of 1971, ostensibly to assist in furthering the economic development of the state. Since 1971, other state agencies, including the Trade and Commerce Agency, have been charged with the responsibility for stimulating economic development in the state and funding for this Commission was eliminated in the 1994 Budget Act and has not since been funded.

I am also reducing the $510,000 legislative augmentation for additional staffing for this Office to $210,000. This funding will provide for two Principal Assistant positions: one to staff the Lieutenant Governor in his role on the Governor's State Housing Task Force and one to staff the Lieutenant Governor in his capacity as co-chair of the Commission on Building for the 21st Century. With this action, I have approved total increases over the prior level of staffing and funding for this Office of almost 25 percent.

Item 0820-001-0001—For support of Department of Justice. I reduce this item from $239,971,000 to $238,729,000 by reducing:

(4) 30-Civil Law from $87,922,000 to $87,422,000; and

(6) 45-Public Rights from $38,156,000 to $37,414,000.

I am deleting the $742,000 legislative augmentation for the Environmental Law Section. I have already proposed augmentations for the Public Rights Division that total over $4 million, which are sufficient to address the needs of the Public Rights Division, including the Environmental Law Section.

I am also deleting the $500,000 legislative augmentation to fund the implementation of SB 48, which would create a procedure under which the Attorney General could review a denial by a public agency of a request for disclosure of information under the Public Records Act. While I fully endorse strict compliance with the Public Records Act, there has been no demonstration that this amount would be necessary to implement the legislation. Providing this funding would be premature since this legislation has not been enacted.

Item 0820-101-0001—For local assistance, Department of Justice. I reduce this item from $7,774,000 to $6,524,000 by reducing:

(b) 40-Criminal Law from $3,855,000 to $3,355,000;

(c) 50-Law Enforcement from $1,000,000 to $250,000;

and by deleting Provision 3.

I am deleting a $500,000 legislative augmentation to provide funding for the Family Violence Unit of the County of Merced District Attorney's Office. While I fully support the intent of this program, this is an ongoing program for which funding should be a local responsibility.

I am reducing a $1,000,000 legislative augmentation for Sexual Assault Felony Enforcement (SAFE) teams by $750,000. The effect of this action is to approve $250,000 on a one-time basis to provide grants to local law enforcement agencies on a competitive basis to support SAFE teams. While I fully support the intent of this program, this is an ongoing program for which funding should be a local responsibility

I am deleting Provision 3 which would provide definitions of violence prevention and violence prevention programs, and require the Department to perform evaluations of its local assistance, violence prevention programs to ensure that they meet the definitions, maximize efficiency among programs, and establish meaningful performance goals. New violence prevention programs, which are often intended to address long standing social problems with creative and innovative approaches, is unnecessarily restricted by the predetermined definitions contained in this language.

Item 0845-001-0217—For support of Department of Insurance. I reduce this item from $102,582,000 to $101,582,000 by reducing:

(b) 12-Consumer Protection from $29,572,000 to $28,572,000.

This technical veto conforms to the Legislature's intent, and is consistent with the legislative action taken in Item 0845-011-0001, which included a $4,668,000 General Fund loan to the Insurance Fund which fully funds the Holocaust Era Insurance Claims

Project. This veto will eliminate a $1,000,000 appropriation from the Insurance Fund that was inadvertently left in this item.

Item 0950-001-0001—For support of State Treasurer. I reduce this item from $5,119,000 to $5,079,000 by reducing:

(a) 100000-Personal Services from $13,721,000 to $13,579,000; and

(c) Reimbursements from –$13,056,000 to –$12,954,000.

I am deleting the $142,000 ($40,000 General Fund and $102,000 reimbursements) legislative augmentation for the restructuring of the Treasury Program Manager series. There is no question that I value the work performed by all state employees. Moreover, I recognize recruitment and retention of state employees is a widespread concern. However, this issue is more appropriately the responsibility of the Department of Personnel Administration.

Item 1100-301-0001—For capital outlay, California Science Center. I reduce this item from $788,000 to $538,000 by reducing:

(2) 11.00.004-Technology Hall and Hall of Health-Remodel—Preliminary plans, working drawings and construction from $750,000 to $500,000.

I am reducing the $750,000 legislative augmentation for the remodel of Technology Hall and Hall of Health at the California Science Center to $500,000. While I understand the need to relocate the administrative offices out of the armory related to the K–5 school project, the plans for the office relocation have not been fully developed. I am directing the Science Center to develop a relocation proposal, including justification for the scope, all support and capital outlay costs and schedules. The Science Center is further directed to provide the proposal to the Department of Finance for review by September 15, 1999.

I delete Provision 1 to conform with this action.

Item 1730-001-0001—For support of Franchise Tax Board. I delete Provision 5.

I am deleting Provision 5, which requires the Franchise Tax Board to provide notification to the Legislature upon approval by the Department of Information Technology of a special project report on the Board's acquisition of disaster recovery capability for its mainframe computer applications.

The special project report relating to this program was approved by the Department of Information Technology on June 4, 1999, and was forwarded to legislative committees and staff. Retention of this language would unnecessarily delay this project.

Item 1760-001-0001—For support of Department of General Services. I reduce this item from $10,735,000 to $10,535,000.

I am deleting the legislative augmentation of $200,000 for Capitol Commemorative Seals. Although this project may be meritorious, I am deleting the funding for it to ensure the State maintains a prudent reserve.

Item 1760-001-0666—For support of Department of General Services. I revise this item by reducing:

(a) Program support from $521,593,000 to $521,393,000, and

(c) Amount payable from the General Fund (Item 1760-001-0001) from –$10,735,000 to –$10,535,000.

I am revising this item to conform to the action I have taken in Item 1760-001-0001.

Item 1760-101-0001—For local assistance, Department of General Services. I am reducing this item from $580,000 to $230,000 by deleting:

(a) Bookmobile Vehicles $350,000.

I am deleting the legislative augmentation of $350,000 for purchase of bookmobile vehicles in the County of Tulare. Although this augmentation may be meritorious, I am deleting this funding because this is essentially a local responsibility.

Item 1760-302-0001—For capital outlay, Department of General Services. I delete this item and Provision 1.

I am deleting the $3,000,000 legislative augmentation.

I do not believe it is appropriate to spend $3,000,000 in additional public funds for construction of a Governor's residence. Instead, I believe private funds should be sought to complete this project.

Item 2240-101-0001—For local assistance, Department of Housing and Community Development. I reduce this item from $7,354,000 to $7,054,000 by reducing:

(a) 20-Community Affairs Program from 113,189,000 to $112,889,000.

I am sustaining $500,000 for a specific farmworker housing development in Salinas. The budget also provides $3,500,000 from the General Fund for the Farmworker Housing Grant program in Item 2240-104-0001 for similar projects, making a total of $4,000,000 for housing for farm workers and their families. Thus I am deleting the $300,000 balance of the augmentation for this project.

Item 2240-104-0001—For transfer by the Controller to the Farmworker Housing Grant Fund (0927). I reduce this item from $5,000,000 to $3,500,000.

I am reducing the $3,000,000 legislative augmentation to expand the farmworker housing grant program by $1,500,000. Including the funds I am sustaining in Item 2240-101-0001, this program will have a total funding level of $4,000,000 in 1999–00. This is a substantial increase over the funding average of about $1.2 million per year over the past few years.

Item 2240-105-0001—For transfer by the Controller to the Emergency Housing and Assistance Fund (0985). I delete Provision 1.

I am deleting Provision 1 to conform to the action taken in Item 2240-109-0001.

Item 2240-107-0001—For transfer by the Controller to the Housing Rehabilitation Loan Fund (0929). I reduce this item from $12,500,000 to $6,000,000 and revise Provision 1.

I am reducing this $12,500,000 legislative augmentation for housing rehabilitation, acquisition, and code enforcement activities by $6,500,000. The $6,000,000 I am retaining in this item is intended to provide funds for loans for preserving, rehabilitating and building new housing for low-income families. I expect these funds to be used to efficiently leverage federal, local and private-sector funds available for housing. I have not retained funds for local code enforcement programs, pending a review by my Housing Task Force of the priorities for housing funding.

In addition to these funds, the Budget provides $2,500,000 for predevelopment loans for affordable housing, with a focus on coordinating available housing resources. Moreover, I understand that the federal government has recently modified its policies that threatened to produce large numbers of conversions of low cost rental housing to market rate housing and that it has identified $40 million for additional assistance to preserve existing low cost housing. This is a positive development, and I strongly encourage the federal government to allocate a more equitable share of resources for low cost housing to California.

I am revising Provision 1 to conform with this action.

"1. The funds transferred by this item shall be utilized for the purposes set forth in Chapter 6.5 (commencing with Section 50660) of Part 2 of Division 31 of the Health and Safety Code for multifamily housing rehabilitation or acquisition, or rehabilitation and acquisition ~~, or for support of local code enforcement programs~~. First priority for the funds shall be the conservation of affordable housing for existing tenants. The funds shall be subject to the following provisions:

(a) Principal and accumulated interest is due and payable upon completion of the term of the loan. The loan shall bear interest at the rate of 3 percent per annum on the unpaid principal balance. At the time of loan closing, the Department of Housing and Community Development, ~~or the local government for code enforcement activities~~, may defer up to 2 percent of the interest rate if necessary to provide affordable rents to households of very-low and low income. "Affordable rent" for the purposes of this item shall be established by the department to be consistent with the rent limitations imposed by the Low Income Housing Tax Credit Program, as administered by the California Tax Credit Allocation Committee.

(b) For projects receiving low-income housing tax credits, a sponsor may set income limits that match those required under any regulatory agreement entered into with the California Housing Tax Credit Allocation Committee.

(c) The department shall endeavor to achieve a reasonable geographic distribution of these funds and may waive any requirements of Chapter 6.5 (commencing with Section 50660) of Part 2 of Division 31 of the Health and Safety Code and any regulations adopted thereunder that are in conflict with the provisions of this item or that are necessary for prompt and effective implementation of the programs described in this item. Any rule, policy, or standard of general application employed by the department in implementing this section shall not be subject to the requirements of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

(d) The department may use up to ~~$800,000~~ *$400,000* of the amount transferred by this item for program administration."

Item 2240-109-0001—For local assistance, Department of Housing Community Development; for transfer by the Controller to the Emergency Housing and Assistance Fund (0985). I delete this item and Provision 1.

I am deleting the $1,000,000 legislative augmentation and the $365,000 that the Legislature shifted from the Military Department's armory-based shelter program to this item for the Department of Housing and Community Development's weather-based homeless shelter grant program. I am setting aside these funds for appropriation by subsequent legislation that would expand the availability of the armories as a resource for homeless assistance as well as address the needs for homeless shelter funds in counties without armories. Under existing law, these funds would be distributed pursuant to a formula that takes into consideration the employment rates and relative poverty of the population of a county. All counties would be allocated a share of this amount, whether or not a Department of Military armory also serves the homeless population of that county.

I am also deleting Provision 1 of this item which raises the minimum county grant to $40,000, in conformance with this action. The existing minimum grant level of $10,000 is appropriate for the funding level I am retaining for the program.

Item 2660-001-0042—For support of Department of Transportation. I revise this item by deleting Provisions 8 and 15.

I am deleting Provision 8 which prohibits Caltrans from spending any funds for support, right-of-way, acquisition or construction of the 'Hatton Canyon Freeway' on Highway 1, between Carmel River Bridge and State Route 68, except funds necessary to obtain permits. In May, 1999, an amendment to the 1998 State Transportation Improvement Program was approved by the California Transportation Commission (CTC) to delete this project and reprogram the funding for the Route 101 Prunedale Bypass project. Consequently, this provision is unnecessary. If this project were to be reinstated in future years, existing law already requires Caltrans to obtain these permits before actual construction, making this language duplicative. Additionally, I view this language as inconsistent with Section 167 of the Streets and Highways Code which prohibits legislative selection for transportation projects.

I am deleting Provision 15 which prohibits the Department from spending any funds for right-of-way or for construction of the State Route 58 project in Kern County, until the Department produces reports on the project's effects on local water resources and agriculture. The Department of Transportation is already required by state and federal law to satisfy all local, state, and federal environmental review and permitting requirements and processes. The requirement to perform an agricultural study prior to proceeding with any support or right-of-way activities is a new requirement and represents a substantive change in law which can only be included within a single subject bill, not the budget act. I believe that the CTC has established adequate safeguards to be met prior to the construction of this project and any additional study requirements could delay the project unnecessarily.

Item 2660-101-0001—For local assistance, Department of Transportation. I reduce this item from $21,000,000 to $20,000,000 and revise Provision 1.

This legislative augmentation would partially fund the construction of a three-story 850-space parking structure adjacent to the Altamont Commuter Express rail station and the Livermore Valley Center Project by the City of Livermore. This project

benefits a local public/private hotel and commercial space development more than parking for train riders. The budget includes $14 million that I proposed in the May Revision for a new engine and cars which will expand capacity for the Altamont Commuter Express by 50 percent and more directly serve the needs of commuters. Additionally, to the extent that the garage serves commuters, it should be included in the Regional Transportation Improvement Plan and proposed for funding through the normal transportation project budgeting process. As such, I view this augmentation as project-specific budgeting by the Legislature, which is inconsistent with Section 167 (e) of the Streets and Highways Code.

I am revising Provision 1 to conform to this action.

"1. Of the amount appropriated in this item, $14,000,000 shall be used for grants for the purchase of rolling stock for the Altamont Commuter Express, ~~$1,000,000 shall be used by the City of Livermore for the construction of a parking lot adjacent to the Altamont Commuter Express rail system,~~ and $6,000,000 shall be used for assistance to local government ferry operators in the San Francisco Bay Area in acquiring additional ferry boats. The Department of Transportation shall award one or more grants for ferry boats on a competitive basis. The availability of matching funds may be used as one means of ranking proposals."

Item 2660-103-0001—For local assistance, Department of Transportation. I delete this item.

I am deleting the legislative augmentation of $200,000 for allocation to the City of West Covina to purchase vacant property adjacent to Interstate 10 to use as an additional Park-n-Ride site. This project would be eligible for funding through the State Transportation Improvement Program (STIP); and thus there is no need to use General Fund for this project. Because this project is eligible for funding through the STIP, I view this as project-specific budgeting by the Legislature, which is inconsistent with Section 167 (e) of the Streets and Highways Code.

Item 2660-104-0001—For local assistance, Department of Transportation. I reduce this item from $1,630,000 to $835,000 by reducing:

(a) 20.30-Local Assistance Grants from $1,630,000 to $835,000 by deleting $795,000 for the following projects:
  (1) City of Firebaugh, Street Sweeper Purchase (125,000)
  (2) City of McFarland Bus Stop Installation (25,000)
  (4) Bay Area Rapid Transit Mitigation Work in Millbrae School District (475,000)
  (6) Crescent City Airport Renovation (70,000)
  (7) State Highway 62 Repair (100,000)

I am deleting $795,000 for five local assistance grants in this item. The legislative augmentations for the City of McFarland Bus Stop Installation ($25,000), the Crescent City Airport Renovation ($70,000), and the State Highway 62 Repair ($100,000) should have been considered for inclusion in the State Transportation Improvement Program (STIP), and thus it is inappropriate to use the General Fund as a funding source. Since these projects are eligible for the STIP, I view their designation in this item as project-specific budgeting by the Legislature, which is inconsistent with subdivision (e) of Section 167 of the Streets and Highways Code. Additionally, I object to inclusion of $125,000 for a street sweeper for the City of Firebaugh on the basis that routine maintenance of local streets should remain exclusively a local responsibility. I am deleting the legislative augmentation of $475,000 to Millbrae Elementary School District to fund district revenue decreases associated with declining enrollment in the district due to construction related to the BART expansion to the airport. Current law allows districts a one-year "hold-harmless" provision, called the declining enrollment adjustment, for districts which experience a loss of students. Millbrae Elementary School District is eligible for and will automatically receive this funding, which allows school districts to receive funding based upon the greater of current year or prior year average daily attendance numbers, in order to allow the district sufficient time to make the necessary budget changes to accommodate permanent enrollment decreases. One

year should be sufficient time for Millbrae Elementary School District to adjust expenditure levels to reflect the provision of services to fewer students.

Item 2660-301-0042—For capital outlay, Department of Transportation. I delete Provision 3.

Provision 3 identifies the source of revenues for the appropriation of the $22 million in this item for rail capital improvements. The definition of the revenue source referenced in this provision was to be established through separate legislation. However, these references no longer exist in the proposed legislation, rendering this provision meaningless.

Item 2740-001-0044—For support of Department of Motor Vehicles. I delete Provision 3.

I am deleting Provision 3 because this language is unduly restrictive and interferes with executive branch discretion regarding the implementation and continuation of new information technology projects. Detailed departmental assessments of Year 2000 readiness should proceed as currently planned, and a decision should be made on a case-by-case basis as to whether critical information technology projects can proceed, pending completion of Year 2000 related activities. This is consistent with my action taken on Section 11.10.

Item 2920-001-0001—For support of Trade and Commerce Agency. I reduce this item from $26,040,000 to $25,555,000 by reducing:

(a) 10-Economic Development from $10,459,000 to $10,359,000,

(d) 30-Tourism from $8,581,000 to $8,196,000.

I am deleting the legislative augmentation of $100,000 to study the economic benefits of an Inland Empire distribution center. The general feasibility of extending ship-going freight breakdown and repacking activities to the Inland Empire has already been studied by Caltrans at the Legislature's request. This study of a private freight distribution center would be more appropriately funded through private resources.

I am reducing by $385,000 the legislative augmentation of $950,000 for the California Film Commission. I am retaining $565,000 to provide assistance to film companies seeking California locations through the use of the CinemaScout computerized location database, by working to provide permits for film companies to use state property quickly and providing more assistance to local film liaisons. I am vetoing the remaining funds at this time until the need for them has been clearly demonstrated.

Item 2920-101-0001—For local assistance, Trade and Commerce Agency. I reduce this item from $26,453,000 to $22,903,000 by reducing.

(a) 10.30 Economic Development (Strategic Technology Program) from $21,088,000 to $17,788,000;

and by deleting:

(d) 40 - Contracts, Grants and Loans ($250,000);

and by deleting Provision 3 as a conforming action.

I am deleting the $150,000 General Fund augmentation for support of a San Bernardino Regional Technology Alliance. Regional technology alliances conduct peer reviews of applications for the Manufacturing Technology Grant program and provide assistance to regional manufacturing concerns developing new technology. Regions should compete on an equitable basis for creation of new technology alliances through the Trade and Commerce Agency process rather than being provided earmarked funding.

I am also reducing the California Unified Space Development program by $3,150,000 and deleting Provision 3 that allocates these funds as a conforming action. However, I am enthusiastic about the emerging commercial space flight industry that has the potential to add materially to California's economy and therefore sustaining only the appropriations of $1,250,000 for the California Space Flight Competitive Grant Program administered by the California Space and Technology Alliance, $1,100,000 for the Highway to Space Competitive Grant Program administered by the Western Commercial Space Center, and $1,000,000 for efforts to attract the VentureStar reusable launch vehicle project to a California site.

While I applaud the efforts of industry groups and local and regional government entities in providing direction to the development of this industry, however, there is a

need to improve California's competitiveness with respect to other states and countries by establishing a more focused strategy for state government involvement. Before committing to an expansion of funding, legislation is needed which better articulates state government's goals and role in stimulating the development of this unique industry.

I am deleting the $250,000 augmentation for the California Institute for Federal Policy Research, a private, non-profit organization. These funds would provide support to the institute for policy research, a cash reserve for contingencies, and the implementation of a "California House" in Washington, DC. It is appropriate for state funds to be used to support California's official presence on federal policy issues through the Governor's Washington, DC office.

Item 2920-111-0001—For transfer, upon order of the Director of Finance, to the California Infrastructure and Economic Development Bank Fund (0649). For local assistance, California Trade and Commerce Agency. I delete Provision 1.

I am deleting Provision 1 that makes expenditure of the $425 million appropriated to the California Infrastructure and Economic Development Bank in this item contingent on enactment of a trailer bill.

AB 1661 appears to be the trailer bill that Provision 1 refers to, but the bill also includes a program to provide ongoing financial assistance for general local government purposes. The Infrastructure Bank program is already authorized in statute, and the provisions of AB 1661 are not essential with respect to the Bank. By linking the availability of these funds appropriated in the budget to the approval of this legislation, the Legislature has attempted to constrain my constitutional authority should I choose to veto AB 1661. While I am approving the $150 million one-time appropriation in Item 9210-118-0001 for local government in this budget, consideration of ongoing funding for local government should occur in the context of a broader local government discussion. I cannot be required to sign AB 1661 in order to preserve the availability of the funds appropriated in this item of the Budget Bill.

Tying the availability of the funds appropriated in the budget bill to separate legislation, which is unnecessary to authorize the expenditures contemplated in the budget bill, conflicts with the provisions of the State Constitution.

Item 3340-001-0001—For support of California Conservation Corps. I reduce this item from $33,807,000 to $32,195,000 by reducing:

(a) 10-Training and Work Program from $40,911,000 to $39,299,000,

and by deleting Provision 5.

I am reducing this item by $1,612,000 for the Bay Area Ridge Trail Project. Although this project may be meritorious, I am deleting funding for it to ensure the State maintains a prudent reserve.

I am deleting Provision 5 to conform to this action.

Item 3360-001-0001—For support of Energy Resources, Conservation and Development Commission. I reduce this item from $5,000,000 to $4,000,000.

I am reducing this item by $1,000,000 and sustaining $4,000,000 for a diesel emissions incentive program. This augmentation, together with the actions I am taking in the Air Resources Board budget, represents a considerable $23 million investment in this program, which represents a sufficient increase within available resources.

Item 3360-001-0465—For support of Energy Resources, Conservation and Development Commission. I revise this item by reducing:

(c) 30-Development from $93,827,000 to $92,827,000;

(fx) Amount payable from the General Fund (Item 3360-001-0001) from −$5,000,000 to −$4,000,000;

and by revising Provision 3.

I am revising Provision 3, which specifies the allocation of the amount appropriated in Item 3360-001-0001 for the diesel emissions incentive program, to conform with my action taken in Item 3360-001-0001.

"3. Of the funds appropriated in Schedule (fx), ~~$5,000,000~~ *$4,000,000* shall be expended for the support of the Diesel Emissions Incentive Program. Of this amount, ~~$2,500,000~~ *$2,000,000* shall be used for advanced technology projects and ~~$2,500,000~~ *$2,000,000* shall be used for alternative fuels infrastructure."

I am sustaining Provisions 1 and 2 which requires the Energy Resources, Conservation and Development Commission to evaluate the efficacy of the State's Renewable Energy Resources Program. I am also sustaining Provision 5, which requires the Commission to prepare a plan regarding the post-transition administrative structure to achieve cost-effective energy efficiency and conservation in the State's energy markets. I believe that both reports will be useful. However, the reporting requirements outlined in these provisions fall short of providing a complete, objective assessment of the affected programs. The provisions prejudge the evaluations by assuming program continuation without first providing consideration for whether there is a need for the programs. Additionally, the provisions do not provide for adequate independent review to ensure the studies are valid, reliable, statistically sound, and based on performance measures. Therefore, I am directing the California Energy Commission to include these factors in the evaluations.

I am revising this item to conform to the action taken in Item 3360-001-0001.

Item 3360-102-0001—For local assistance, Energy Resources, Conservation and Development Commission. I reduce this item from $1,342,000 to $600,000 by deleting:

(a) Ventura County Air Pollution Control District—Clean Fuel Vehicles ($250,000);

(e) Santa Cruz Metropolitan Transit District—Alternative Fuel Program ($100,000); and

(f) Kern County—Convert Traffic Pedestrian Light to LED ($392,000).

Although these projects may be meritorious, I am deleting the funding at this time for these three projects to ensure the State maintains a prudent reserve.

Item 3480-102-0001—For local assistance, Department of Conservation. I delete this item.

I am deleting the $150,000 legislative augmentation for a local assistance grant to the City of Irwindale for the Manning Pit Reclamation project. Funding the reclamation of this city-owned abandoned mining site is a local responsibility. Additionally, it is my understanding that not all of the funds to complete the project have been committed, and there may be significant costs in future years. I am concerned about the precedent of providing state funding for this potentially costly local responsibility.

Item 3540-001-0001—For support of Department of Forestry and Fire Protection. I revise this item by reducing:

(b) 300000-Operating expenses and equipment from $169,737,000 to $168,237,000; and

(o) Amount payable from the Forest Resources Improvement Fund (Item 3540-001-0928) from –$17,189,000 to –$15,689,000;

and by deleting Provisions 4 and 5.

I am deleting Provision 4 which directs the Department of Forestry and Fire Protection to reactivate a fire crew at the Delta Conservation Camp to perform fire prevention and presuppression activities in the East Bay. As part of the California Fire Plan, the Department already assists communities in identifying prefire management projects that reduce total costs and losses from a major fire. Consequently, I have sustained the legislative augmentation of $220,000 to allow the Department to begin an assessment of the need for more firecrews in the East Bay.

I am deleting Provision 5 which would authorize the Department to begin a site selection process for a new fire camp in the Santa Clara Ranger Unit. I am not aware of any critical need for a new fire camp in the Santa Clara Ranger Unit. Given that the Department is fully staffed for its initial attack efforts, I question the need for additional fire camps. Moreover, a statewide assessment of fire camp needs should be conducted prior to selecting sites for any new fire camps.

I am revising this item to conform to the action I have taken in Item 3540-001-0928.

Item 3540-001-0928—For support of Department of Forestry and Fire Protection. I reduce this item from $17,189,000 to $15,689,000 and revise Provision 5.

I am reducing this item by $1,500,000 which provides that a fuel load reduction program be carried out by the California Conservation Corps and certified local community conservation corps. The Department of Forestry and Fire Protection does not have an expenditure plan for the use of these funds. I believe, however, that there

is some need to increase the Department's fuel load reduction efforts for fire prevention purposes. Consequently, I am sustaining $500,000 and directing the Department to address the most critical areas in need of fuel load reduction and, where possible, to use the services of the state and local conservation corpsmember crews.

I am also revising Provision 5 to conform with the reduction I have made in this item and because it is unnecessarily restrictive and hinders the ability of the Department to achieve its goals related to wildland fire suppression.

"5. Notwithstanding Section 4799.13 of the Public Resources Code, of the amount appropriated in this item, ~~$2,000,000~~ *$500,000* shall be available for a fuel load reduction program to reduce the damage from wildfires spreading into urban areas. ~~To carry out this program, the Department of Forestry and Fire Protection shall use up to $1,000,000 of these funds to contract for the services of the California Conservation Corps and not less than $1,000,000 for grants to certified community conservation corps.~~ "

Item 3560-001-0001—For support of State Lands Commission. I reduce this item from $11,407,000 to $11,342,000 by reducing:

(b) 20-Land Management from 6,803,000 to $6,738,000,

and by deleting Provision 3.

I am deleting the $65,000 legislative augmentation for the museum display of artifacts recovered from the Brother Jonathan shipwreck. Although this project may be meritorious, I am deleting the funding for it to ensure the State maintains a prudent reserve.

I am also deleting Provision 3 to conform to this action.

Item 3600-001-0001—For support of Department of Fish and Game. I reduce this item from $35,128,000 to $34,128,000.

I am deleting the legislative augmentation of $1,000,000 and five biologist positions and five botanist positions. No specific workload has been identified to support the need for these positions at this time. The Department has identified a significant number of vacancies in comparable classifications that will be filled in the near future. The 1998 Budget Act also provided $1.2 million to increase operational support for field biologists. The programmatic efficacy of the 1998–99 funding augmentation and filling the vacant positions should be assessed before consideration is given to any additional increases.

Item 3600-001-0200—For support of Department of Fish and Game. I revise this item by reducing:

(a) 20-Biodiversity Conservation Program from $73,641,000 to $72,641,000; and

(i) Amount payable from the General Fund (Item 3600-001-0001) from –$35,128,000 to –$34,128,000.

I am revising this item to conform to the action I have taken in Item 3600-001-0001.

Item 3600-102-0001—For local assistance, Department of Fish and Game. I reduce this item from $360,000 to $350,000 by deleting:

(2) 20.01-Calaveras County: New Hogan Lake Conservancy ($10,000).

Although this project may be meritorious, I am reducing the funding for it to ensure the State maintains a prudent reserve.

Item 3640-301-0001—For capital outlay, Wildlife Conservation Board. I reduce this item from $34,100,000 to $33,100,000 by reducing:

(2) 80.10-Wildlife Conservation Board Projects (Unscheduled) from $19,500,000 to $18,500,000.

I am strongly supportive of additional funding for acquisitions aimed at protecting wildlife habitat. However, I am making this modest reduction in the Board's funding to ensure the State maintains a prudent reserve. Overall, the Budget Act provides $158 million for wildlife habitat, land conservation, and public access to our State's natural resources.

Item 3680-101-0001—For local assistance, Department of Boating and Waterways. I delete this item and Provisions 1 and 2.

I am deleting the legislative augmentation of $3,500,000 for beach erosion control projects. This program activity is typically not funded from the General Fund.

However, I am sustaining $500,000 from the Harbors and Watercraft Revolving Fund (Item 3680-101-0516) for this purpose.

I am deleting Provision 1 to conform to my action in this item.

I am also deleting the legislative augmentation of $12,000,000 for port dredging projects. The port and harbor authorities have the ability to generate operating revenue from their port activities. This legislative augmentation would constitute a subsidy for a revenue generating enterprise, which I do not believe is appropriate.

I am also deleting Provision 2 to conform to this action.

Item 3680-101-0516—For local assistance, Department of Boating and Waterways. I reduce this item from $58,254,000 to $55,134,000 by reducing:

(a) 10-Boating Facilities from $59,952,000 to $47,832,000 by revising and deleting the following subschedules:

Launching Facility Grants from (18,286,000) to (18,166,000)

(33) Kern County: Lake Isabella patrol boat dock and covering (120,000); Port Dredging Grants (12,000,000)

Port Dredging Grants (12,000,000)

(c) 30-Beach Erosion Control from $7,255,000 to $755,000;

by deleting:

(cx) Amount payable from the General Fund (Item 3680-101-0001) (–$15,500,000);

and by revising Provision 3.

I am reducing this item by $3,000,000 for the beach erosion control project and $120,000 for the Kern County Lake Isabella project due to inadequate revenues in the Harbors and Watercraft Revolving Fund to fund these projects. This action is necessary to continue funding for previously approved projects.

I am revising Provision 3 to conform to this action.

"3. Of the amount appropriated in Schedule (c), *$500,000* ~~$7,000,000~~ is for one-time funding of beach erosion control programs. ~~Of the amount specified in this provision, $3,500,000 is funded by the Harbors and Watercraft Revolving Fund, and $3,500,000 is funded by the General Fund.~~ Of the amount specified in this provision, 60 percent shall be available for allocation by the Department of Boating and Waterways for projects south of the point at which the Pacific Ocean meets the border between the County of San Luis Obispo and County of Monterey and 40 percent shall be available for allocation to projects located north of that point. Prior to the allocation of any of these funds, the department shall develop guidelines that include application requirements and criteria, consistent with the Resources Agency's policies for shoreline erosion protection."

I am revising this item to conform to the action taken in Item 3680-101-0001.

Item 3760-302-0001—For capital outlay, State Coastal Conservancy. I reduce this item from $46,435,000 to $38,750,000 by reducing:

(1) 80.97.030-Conservancy Programs from $46,435,000 to $38,750,000,

and by revising Provision 3.

Since the State Budget includes approximately $158 million for conservancy programs and wildlife habitat preservation, I am deleting or reducing $7,685,000 in legislative augmentations from this item at this time to ensure the State maintains a prudent reserve. I am deleting funding for the following projects: Big Sur Scenic View Shed acquisition ($900,000), Capitola Wharf Public Access Project Rehabilitation ($285,000), and Monterey County Window by the Bay ($1,000,000). I am reducing the following projects: Elysian Valley from $5,000,000 to $1,500,000 and Mendocino Coast acquisitions from $5,000,000 to $3,000,000.

I am revising Provision 3 to conform to this action.

"3. The funds available in this item are available for activities consistent with Division 21 (commencing with Section 31000) of the Public Resources Code for the following projects: Association of Bay Area Governments: S.F. Bay Trail $2,500,000; City of Seal Beach: Ocean Water Quality Program, $150,000; City of Seal Beach planning, design, and construction of debris boom, $300,000; Bay Area Conservancy, $10,000,000; Palo Corona Ranch, $5,000,000; Union

Point Park, $1,500,000; Otay River Valley acquisition, $3,250,000; Gaviota Coast acquisition, $5,000,000; City of Maywood: Maywood River Park, $1,800,000; Elysian Valley, ~~$5,000,000~~ *$1,500,000* ; Mendocino Coast acquisitions, ~~$5,000,000~~ *$3,000,000* ; Tijuana River Valley acquisition, $2,000,000; Bolina Lagoon restoration, $1,500,000; ~~Big Sur Scenic View Shed acquisition, $900,000~~ ; ~~Capitola: Wharf Public Access Project Rehabilitation, $285,000~~ ; Chollas Creek projects, $1,250,000; and ~~Monterey County: Window by the Bay, $1,000,000~~ ."

Item 3790-001-0001—For support of Department of Parks and Recreation. I reduce this item from $66,876,000 to $66,676,000 and delete Provision 1.

I am deleting the $200,000 legislative augmentation to undertake a study of the best ecological management of the Pescadero Marsh Natural Preserve. Although this project may be meritorious, I am deleting funding for it at this time to ensure the State maintains a prudent reserve.

I am deleting Provision 1 to conform to this action.

Item 3790-001-0392—For support of Department of Parks and Recreation. I revise this item by reducing:

(a) For support of the Department of Parks and Recreation from $194,219,000 to $194,019,000, and

(c) Amount payable from the General Fund (Item 3790-001-0001) from –$66,876,000 to –$66,676,000.

I am revising this item to conform to the action taken in Item 3790-001-0001.

Item 3790-101-0001—For local assistance, Department of Parks and Recreation. I reduce this item from $55,783,000 to $47,452,000 by reducing:

(a) 80.25-Recreational Grants from $55,783,000 to $47,452,000,

by deleting $6,106,000 for the following subschedules:

(3) City of Anaheim: Rehabilitate Hansen Park and School Children's Playground (150,000)

(4) City of Anaheim: Rehabilitate Maxwell Park's Playground (100,000)

(6) Antelope Valley High School District: Agricultural Vocational Center (350,000)

(11) City of Buena Park: Bellis Park Renovations (150,000)

(14) Carmichael Recreation and Park District: Renovation and Remodel for the Carmichael Park Swimming Pool (50,000)

(27) East Bay Regional Park District: Finish Iron Horse Trail (275,000)

(32) City of Folsom: Bicycle/Pedestrian Bridge (75,000)

(45) City of Garden Grove: Replace Marquee Sign at Garden Grove Gem Theater (25,000)

(47) City of Garden Grove: Upgrade Village Green Amphitheater (250,000)

(57) Highway 50 Association: Funding for Historic Wagon Train Activities (5,000)

(59) Jurupa Park and Recreation District: Memorial Park Swimming Pool Rehabilitation or Construction (200,000)

(60) Jurupa Park and Recreation District: Paramount Park (150,000)

(61) Jurupa Park and Recreation District: Rehabilitation of Memorial Park Community Center (200,000)

(70) City of Lancaster: National Soccer Center Activity Building (200,000)

(71) City of Lancaster: Antelope Valley Fairgrounds Exhibit Hall (800,000)

(72) City of Lancaster: Land Acquisition for YMCA/Lancaster Park (450,000)

(90) Los Angeles County: Hanson Dam Skateboard Park Construction (141,000)

(95) Mariposa County: Construction of paved walkways, parking, restrooms, and information outlets (125,000)

(102) City of Norco: Ingall Regional Park (200,000)

(104) North Highlands Recreation and Park District: Youth Center at McClellan Airbase (20,000)

(105) City of North Hollywood: Valley View Park Improvements (100,000)

(110) Orangevale Recreation and Park District: Upgrades and ADA Compliance to the Orangevale Community Park (65,000)

(113) City of Pomona: Community Center at Central Park-Funds for Design and Building (200,000)

(114) City of Pomona: Harrison Park (200,000)
(123) County of Sacramento: Bank Stabilization Project at Discovery Park (100,000)
(125) San Benito County: Veterans Memorial Park (100,000)
(126) San Benito Youth Services: Youth Center Land Acquisition (25,000)
(142) City of San Fernando: Renovation and Construction Projects at Brand Park (450,000)
(146) City and County of San Francisco: Edgehill Mountain Open Space Park acquisition (300,000)
(167) City of Scotts Valley: Civic Center renovation (25,000)
(173) Sunrise Park and Recreation District: Play Equipment and Surfacing Material at Antelope Station Park and Blue Oak Park (100,000)
(177) Tulare County: Creation of the Tulare Santa Fe Trail (250,000)
(178) Tuolumne County: Funding to Repair Check Dams in the Emigrant Wilderness Area (25,000)
(185) City of Yucaipa: Community Swimming Pool (250,000)

and by reducing $2,125,000 from the following subschedules:

(13) City of Campbell: Heritage Theater Restoration Project from $500,000 to $250,000;
(31) City of El Monte: Durfee Recreational Facility Project from $800,000 to $300,000;
(97) Mission San Juan Capistrano Preservation Society: Mission San Juan Capistrano Restoration from $2,000,000 to $1,000,000;
(106) City of Oakland: Conduct Engineering Study for the Concrete Walls Surrounding Lake Merritt from $750,000 to $500,000; and
(183) City of Westminster: Little Saigon Cultural Heritage Museum from $250,000 to $125,000.

Although these projects may be meritorious, I am deleting and reducing the funding for them to ensure the State maintains a prudent reserve. The reduction to subschedule (31) City of El Monte: Durfee Recreational Facility Project is to reflect an appropriate level of state participation in the project.

I am also deleting $100,000 for the City of Fresno: Replacement Underground Storage Tank of the Historic Van Ness Chevron (subschedule (39)) in Fresno because removal of underground storage tanks is the responsibility of the property owner. Additionally, by law, public and private property owners were required to remove underground storage tanks by December 1998.

Item 3790-301-0263—For capital outlay, Department of Parks and Recreation. I reduce this item from $10,815,000 to $10,814,000 by reducing:

(3) 90.RS.414-Guzman Ranch Project—Acquisition and Study from $5,305,000 to $5,304,000,

and by deleting Provision 3.

I am reducing this item by $1,000 and deleting Provision 3, which would require the Department of Parks and Recreation to notify the Legislature which property would be acquired for the Fresno Area Off-Highway Recreation Area not less than 30 days prior to the acquisition. The Budget already includes funding in this item to specifically purchase the Guzman property in Madera County for the Fresno Area Off-Highway Recreation Area. Therefore, this notification is redundant and unnecessary.

Item 3790-302-0001—For capital outlay, Department of Parks and Recreation. I reduce this item from $20,697,000 to $11,447,000 by reducing:

(1.1) 90.9H.120-Colonel Allensworth State Historic Park: Restorations—Preliminary plans, working drawings, and construction from $12,000,000 to $4,000,000;
(1.2) 90.CO.402-Henry W. Coe State Park: Mt. Hamilton—Acquisition from $2,000,000 to $1,000,000;

by deleting:

(1.3) 90.5N.411-Mount Diablo State Park: Open Space—Acquisition (250,000);

and by deleting Provision 1.

Although these projects may be meritorious, I am deleting or reducing $9,250,000 in legislative augmentations from this item to ensure the State maintains a prudent reserve.

Item 3860-002-0001—For support of Department of Water Resources. I reduce this item from $3,000,000 to $1,000,000 by reducing:

(a) 10-Continuing Formulation of the California Water Plan from $3,000,000 to $1,000,000,

and by revising Provision 1.

I am reducing this item because the multiyear appropriation provided in this augmentation is not consistent with Section 2 of the Budget Act, which provides that unless otherwise specified (such as capital outlay), the appropriations in the Budget Act are to be one year in nature. While I support the concept of updating the State's inventory of groundwater resources, and have retained $1,000,000 in this item to begin that process, I believe the Department of Water Resources should submit a comprehensive multiyear plan for the updating of Bulletin 118-80 that addresses the future year costs of this effort.

I am revising Provision 1 to conform to this action.

"1. Of the amount appropriated in this item, $1,000,000 shall be used ~~annually, in each of the 1999–00, 2000–01, and 2001–02 fiscal years,~~ to pay for the statewide update of the inventory of groundwater basins contained in Bulletin 118-80, which includes, but is not limited to, the following: the review and summary of boundaries and hydrographic features, hydrogeologic units, yield data, water budgets, well protection characteristics, and water quality and active monitoring data; development of a water budget for each groundwater basin; development of a format and procedures for publication of water budgets on the Internet; development of the model groundwater management ordinance; and development of guidelines for evaluating local groundwater management plans."

Item 3860-101-0001—For local assistance, Department of Water Resources. I reduce this item from $8,000,000 to $7,000,000 by reducing:

(a) 30.20-Flood Control Subventions from $2,000,000 to $1,000,000.

I am reducing the $2,000,000 legislative augmentation to fund local flood control projects authorized in the Flood Control Subventions Program to $1,000,000. I note that $44,000,000 is already appropriated for fiscal year 1999–00 for local flood control subventions and believe that additional state funding should include programmatic reforms that reexamine the State's role in funding these projects.

Item 3860-201-0001—For local assistance, Department of Water Resources. I reduce this item from $9,025,000 to $5,725,000 by deleting:

(e) City of Chico-Flood Study ($100,000),

(g) Colusa Basin Drainage District ($3,000,000),

and by reducing:

(i) Bethel Island Municipal District-Levees from $250,000 to $100,000,

Although these projects may be meritorious, I am deleting and reducing the funding for them to ensure the State maintains a prudent reserve.

I am also deleting the $50,000 legislative augmentation for the Anaheim Bay/Pacific Coast Highway debris removal project (Schedule (b)) because this is an issue which should be resolved between the City of Seal Beach and the California Department of Transportation. I am also directing the Department of Transportation to remove any debris for which it is responsible from the property at issue.

I delete Provision 1 to conform to this action.

Item 3900-001-0001—For support of State Air Resources Board. I reduce this item from $30,334,000 to $29,334,000 and revise Provision 3.

I am reducing $1,000,000 of the $6,000,000 legislative augmentation to provide grants for the purchase of new, low-emission technology for heavy-duty engines. Although this program is very important, this reduction is necessitated by the need to maintain a prudent reserve. Nevertheless, the $5 million sustained in this item, when combined with $14 million from a settlement with diesel engine manufacturers and $4 million in the Energy Commission's budget, provides a total of $23 million for the

program. In addition, I am deleting language that would tie this augmentation to specific legislation. However, I am amenable to considering legislation that would establish this type of program in statute.

I am revising Provision 3 to conform to this action. This provision needs to be revised to conform the dollar amount and delete the language tying the money to legislation.

"3. Of the amount appropriated in this item, ~~$6,000,000~~ *$5,000,000* shall be used for the Diesel Emissions Incentives Program~~; and shall only be available for expenditure if legislation that establishes the Carl Moyer Memorial Air Standards Program is enacted by January 1, 2000~~."

Item 3900-001-0044—For support of State Air Resources Board. I revise this item by reducing:

(a) 15-Mobile Source from $90,420,000 to $89,420,000

(f) Amount payable from the General Fund (Item 3900-001-0001) from –$30,334,000 to –$29,334,000.

I am revising the schedules in this item to conform to the actions I have taken in Item 3900-001-0001.

Item 3900-001-0115—For support of State Air Resources Board. I revise Provision 1.

I am revising Provision 1 because it would tie the expenditure of $14 million in this item to the enactment of specific legislation. Although the Air Resources Board already is implementing a diesel emissions incentive program under its basic statutory authority, I am willing to consider legislation that would establish this program specifically in statute.

"1. Of the amount appropriated in this item, $14,000,000 shall be used for the Diesel Emissions Incentives Program ~~; and shall be contingent on the availability of funds from a settlement with diesel engine manufacturers and the enactment of legislation by January 1, 2000, that establishes the Carl Moyer Memorial Air Standards Program~~."

Item 3900-101-0044—For local assistance, State Air Resources Board. I reduce this item from $15,111,000 to $7,511,000 by reducing:

(a) 35-Subvention from $15,111,000 to $7,511,000,

and by deleting Provision 1.

I am deleting the $7,600,000 legislative augmentation to provide additional financial assistance to local air pollution control districts for enforcement and compliance activities. Local air pollution control districts have the authority to charge fees to cover their administrative costs.

I am deleting Provision 1 to conform to this action.

Item 3930-001-0001—For support of Department of Pesticide Regulation. I reduce this item from $13,246,000 to $11,246,000 by reducing:

(b) 17-Enforcement, Environmental Monitoring and Data Management from $28,811,000 to $26,811,000,

and by revising Provision 1.

I am reducing $2,000,000 of the $3,000,000 legislative augmentation for the Pest Management Alliance Program, which provides grants for demonstration projects that promote reduced-risk pest management practices. The $1,000,000 sustained in this item, when combined with $500,000 budgeted in the Food Safety Account, will provide total program resources of $1,500,000, which equals the amount expended in each of the past two years. This action is necessary to ensure a prudent reserve

I am revising Provision 1 to conform to this action.

"1. Of the amount appropriated in this item, ~~$2,700,000~~ *$900,000* shall be used for grants administered through the Pest Management Alliance Program, and ~~$300,000~~ *$100,000* for administration of the program."

Item 3940-001-0001—For support of State Water Resources Control Board. I reduce this item from $59,639,000 to $56,239,0000 by reducing:

(a) 10-Water Quality from $337,763,000 to $334,363,000,

and by deleting Provisions 3, 4, and 8 and revising Provision 7.

I am reducing $3,000,000 of the $4,000,000 legislative augmentation for ambient surface and groundwater quality monitoring in order to ensure a prudent reserve. This leaves a net augmentation of $1,000,000, which essentially doubles existing funding available for this meritorious effort.

I am revising Provision 7 to conform to this action.

"7. Of the amount appropriated in this item, ~~$1,000,000~~ *$250,000* shall be allocated to expand the existing toxicity testing program to test all priority watersheds identified by the State Water Resources Control Board in its annual priority watershed list where such testing would be beneficial ~~,~~ *;* ~~$1,000,000~~ *$250,000* shall be allocated to expand the existing Toxic Substances Monitoring Program, the State Mussel Watch Program, and the Coastal Fish Contamination Study ~~,~~ *;* and ~~$2,000,000~~ *$500,000* shall be allocated to contract with the United States Geological Service to monitor groundwater basins on a rotating basis."

I am deleting the $400,000 legislative augmentation for completion of Phase I of the California Inland Waters Plan and the Bays and Estuaries Plan, because this activity already is being accomplished with existing resources.

I am deleting Provision 8 to conform to this action.

I am sustaining, on a one-time basis, the $3,000,000 legislative augmentation for the update and renewal of Waste Discharge Requirements and National Pollutant Discharge Elimination System permits and the $3,500,000 legislative augmentation for inspections of waste dischargers to address backlogs in these activities. Nevertheless, I am concerned about the use of the General Fund for these purposes since it appears appropriate that those who are regulated should pay for the cost of regulation under the "polluter pays" principle. Accordingly, I am asking the Water Resources Control Board to review the adequacy of the core regulatory program fee structure and future funding needs.

I am sustaining Provisions 6 and 9 to conform to this action.

I am deleting Provision 3 because it would prohibit the expenditure of $3,923,000 for TMDL activities prior to enactment of a statute that defines and codifies the Board's Impaired Water Bodies Restoration Program. The Board already has general statutory authority to implement this Program. Therefore, additional statutory authority is unnecessary.

I am deleting Provision 4 because it would condition the expenditure of one-third of the Board's budget on the adoption of legislation. This restriction is an infringement on the Executive Branch's ability to administer programs pursuant to existing law.

Item 3940-001-0890—For support of State Water Resources Control Board. I delete Provision 1.

I am deleting Provision 1 because it would prohibit the expenditure of $6,000,000 for TMDL activities prior to enactment of a statute that defines and codifies the Board's Impaired Water Bodies Restoration Program. The Board already has general statutory authority to implement this Program. Therefore, additional statutory authority is unnecessary.

Item 3940-011-0740—For transfer by the Controller from the 1984 State Clean Water Bond Fund to the State Water Pollution Control Revolving Fund. I delete Provision 1.

I am deleting Provision 1 because it would condition the expenditure of one-third of the Board's budget on the adoption of legislation. This restriction is an infringement on the Executive Branch's ability to administer programs pursuant to existing law.

Item 3940-101-0744—For local assistance, State Water Resources Control Board. I delete Provision 1.

I am deleting Provision 1 because it would condition the expenditure of one-third of the Board's budget on the adoption of legislation. This restriction is an infringement on the Executive Branch's ability to administer programs pursuant to existing law.

Item 3940-102-0001—For local assistance, State Water Resources Control Board. I delete this item.

I am deleting the $272,000 legislative augmentation for the forgiveness of a Water Quality Control loan obtained by Ventura County because the Board's statutory authority does not provide for the forgiveness of grants and loans issued for the

building, replacement or modification of municipal wastewater collection and treatment systems. In addition, this augmentation would be inequitable to other similarly situated localities which retain a legal obligation for loan repayment.

Item 3960-001-0001—For support of Department of Toxic Substances Control. I reduce this item from $36,374,000 to $32,270,000 and delete Provisions 4 and 5.

I am deleting and setting aside the $1,000,000 legislative augmentation for the assessment of toxic exposure in schools. While the specific purposes of this augmentation were not delineated by the Legislature, the Site Mitigation program is currently addressing, on a priority basis, school sites with identified contamination problems. In addition, I applaud the efforts of local school districts to address this problem.

There is a need, however, to address the issue of possible toxic contamination in portable classrooms. Therefore, I am setting aside these funds and will be seeking legislation for that purpose.

I am deleting the $400,000 General Fund legislative augmentation to fund community assistance offices. Chapter 23, Statutes of 1999, which reestablished and revised the State Superfund Law, requires the Department to create two community service offices. Under the terms of Chapter 23, these offices are to be funded by a $400,000 annual appropriation from the Orphan Share Reimbursement Trust Fund; consequently, it would be inconsistent with statutory direction to fund the offices from the General Fund. It is my understanding that legislation has been introduced which would identify a source of funding for the Orphan Share Reimbursement Trust Fund, and the community assistance offices could be funded under the authority of that legislation upon enactment.

I am reducing $300,000 of the $500,000 legislative augmentation for increased inspection and enforcement at oil refineries. The net augmentation of $200,000 will increase inspection resources by over 70 percent, which I believe is an appropriate increase.

I am reducing $1,750,000 of the $2,000,000 legislative augmentation for increased hazardous waste management enforcement staff. I am concerned about the use of the General Fund for this purpose. It is appropriate that those who are regulated should pay for the cost of regulation under the "polluter pays" principle. Accordingly, I am asking the Director of the Department of Toxic Substances Control to review the adequacy of the Hazardous Waste Management Program fee structure and future funding needs.

I am deleting Provision 4 to conform to this action.

I am deleting the $654,000 legislative augmentation for new regulatory standards for unregulated chemicals. I believe that the enforcement of existing standards is a higher priority than developing new standards at this time. Also, I am concerned about the use of the General Fund for this purpose. It is appropriate that those who are regulated should pay for the cost of regulation under the "polluter pays" principle. Accordingly, I am asking the Director of the Department of Toxic Substances Control to review the adequacy of the Hazardous Waste Management Program fee structure and future funding needs.

I am deleting Provision 5 to conform to this action.

Item 3960-001-0014—For support of Department of Toxic Substances Control. I revise this item by reducing:

(a) 12-Site Mitigation from $74,077,000 to $72,677,000.

(b) 13-Hazardous Waste Management from $41,206,000 to $38,502,000.

(h) Amount payable from the General Fund (Item 3960-001-0001) from −$36,374,000 to −$32,270,000.

I am revising the schedules in this item to conform to the actions I have taken in Item 3960-001-0001.

Item 3980-001-0001—For support of Office of Environmental Health Hazard Assessment. I reduce this item from $11,262,000 to $9,162,000 by reducing:

(a) 10-Health Risk Assessment from $15,499,000 to $13,399,000,

and by deleting Provision 1.

I am reducing the $2,000,000 legislative augmentation for the scientific review of chemicals for various programs by $1,000,000 to ensure the State maintains a prudent reserve. I believe that a net augmentation of $1,000,000, combined with $2,000,000 of

existing funding will be sufficient to address the most critical needs related to air toxic contaminants, public health goals, and bays and estuaries.

I am reducing $350,000 of the $700,000 legislative augmentation to develop regulations relating to pesticide worker safety, investigate reported illnesses, and provide physician training on pesticide-related illnesses due to lack of utilization of these funds in the past. In addition, investigating pesticide-related illnesses is the responsibility of the Department of Pesticide Regulation, and it would be inappropriate to transfer this responsibility to the Office of Environmental Health Hazard Assessment.

I am deleting the $500,000 legislative augmentation to develop guidelines for risk assessment procedures for chemical contaminants in food. While this is an important health issue the need for additional funds to incorporate new federal food safety requirements into dietary risk assessment guidelines has not been fully demonstrated and therefore this augmentation may not be necessary.

I am deleting the $250,000 legislative augmentation to evaluate exposure to diesel exhaust and develop related regulations. The state budget already contains $23,000,000 to address diesel exhaust. After extensive research, it is generally acknowledged that diesel exhaust constitutes a serious health risk. I believe that funds should be directed toward reducing exhaust emissions rather than more studies.

I am deleting Provision 1 to conform to this action.

Item 4140-001-0001—For support of Office of Statewide Health Planning and Development. I reduce this item from $2,006,000 to $826,000 by reducing:

30-Health Professions Development from $4,623,000 to $3,443,000,

and by deleting Provision 1.

I am deleting the $1,115,000 legislative augmentation to expand the Health Professions Career Opportunity Program and $65,000 and one position to expand the Song Brown Family Practice Residency Program. The 1999–00 Budget provides $9.7 million for health professions development, and given our other competing health care funding needs, I do not support this augmentation.

I am deleting Provision 1 to conform to this action.

Item 4140-101-0001—For local assistance, Office of Statewide Health Planning and Development. I am reducing this item from $7,420,000 to $7,235,000 by reducing:

(a) 30-Health Professions Development (Family Physician Training) from $6,820,000 to $6,635,000,

and by deleting Provision 2.

I am deleting the $185,000 legislative augmentation to expand the Song Brown Family Physician Program. The Song Brown Program has a base budget of $5.6 million, and given the need for funding in other health care priority programs, I do not support this augmentation.

I am deleting Provision 2 to conform with this action.

Item 4170-001-0001—For support of Department of Aging. I reduce this item from $3,892,000 to $3,742,000 by reducing:

(d) 40-Special Projects from $4,655,000 to $4,350,000; and

(g) Reimbursements from –$2,054,000 to –$1,899,000;

and by deleting Provision 1.

I am deleting the legislative augmentation of $150,000 and 3.8 personnel years to increase state staff for the Multipurpose Senior Services Program, which is administered by the Department of Aging but funded in the Medi-Cal budget. This conforms with my action to delete the augmentation for this program in Items 4260-101-0001 and 4260-101-0890.

I am also reducing reimbursements in this item by $155,000 to conform to the action taken in this item and in Item 4260-101-0890.

I am deleting Provision 1 to conform to actions taken in Item 4170-101-0001.

Item 4170-101-0001—For local assistance, Department of Aging. I reduce this item from $34,052,000 to $32,085,000 by reducing:

(a) 10-Nutrition from $65,980,000 to $64,980,000;

(c) 30-Supportive Services and Centers from $37,012,000 to $36,712,000; and

(d) 40-Special Projects from $22,755,000 to $22,088,000;

and by deleting Provision 3 and revising Provision 4.

I am sustaining the $4,196,000 legislative augmentation for the Linkages, Long-Term Care Ombudsman, Respite, Brown Bag, Senior Companion and Foster Grandparent programs. The Budget I am approving for the Nutrition Program includes an increase of $474,000 to meet increased demand for services; therefore, I am deleting the legislative augmentation of $1,000,000. Also, the Health Insurance Counseling and Advisory Program includes an increase of $501,000 to meet the increased demand for services, therefore I am deleting the $667,000 legislative augmentation.

I am deleting Provision 3 and revising Provision 4 to conform to this action.

"4. Of the funds appropriated in this item, ~~$3,196,000~~ *$2,196,000* shall be available for the expansion of community-based programs. These funds shall be allocated according to the following schedule: $1,500,000 for Linkages ~~, $1,000,000 for the home -delivered meals nutrition program~~ , $200,000 for Brown Bag, $187,000 for Respite purchase of service, $183,000 for Senior Companion, and $126,000 for Foster Grandparents. Included in this funding are administrative costs for participating Area Agencies on Aging, as provided for in subdivision (b) of Section 9536 of the Welfare and Institutions Code. An Area Agency on Aging shall not quality [sic] for community-based service program expansions funded in this act for any program from which they have transferred funds as allowed by subdivision (e) of Section 9535 of the Welfare and Institutions Code."

I am deleting the $300,000 legislative augmentation for the Westminster Senior Center to purchase passenger vans. The Budget allocates $31,514,000 to local Area Agencies on Aging for older adult supportive services. The Area Agencies on Aging may allocate their funding to senior centers and/or transportation assistance projects as part of the competitive grant process if these services are a local priority.

Item 4200-001-0001—For support of Department of Alcohol and Drug Programs. I reduce this item from $4,946,000 to $4,646,000 by reducing:

(a) 15-Alcohol and Other Drug Services Program from $29,144,000 to $28,844,000.

I am reducing the $300,000 legislative augmentation for the administrative costs associated with the expansion of Drug Courts to conform to action taken in item 4200-101-0001.

Item 4200-101-0001—For local assistance, Department of Alcohol and Drug Programs. I reduce this item from $38,028,000 to $32,328,000 by reducing:

(a) 15-Alcohol and Other Drug Services Program from $302,286,000 to $296,586,000.

I am deleting the $5,700,000 legislative augmentation to expand Drug Courts to include Juvenile, Dependency, Pre- and Post-Conviction Drug Courts. The 1999–00 Budget provides an increase of $8,000,000 for the Drug Court Partnership Program, a 200 percent increase above the base funding of $4,000,000. This increase for Drug Courts is provided as specified in Chapter 1007, Statutes of 1998.

Item 4260-001-0001—For support of Department of Health Services. I reduce this item from $188,357,000 to $183,217,000 by reducing:

(1) 10-Public and Environmental Health from $275,283,000 to $258,925,000;

(2) 20-Health Care Services from $397,402,000 to $397,042,000;

(25) Amount payable from the Health Education Account, Cigarette and Tobacco Products Surtax Fund (Item 4260-001-0231) from −$36,353,000 to −$25,045,000;

(43) Amount payable from the Federal Trust Fund (Item 4260-001-0890) from −$263,057,000 to −$262,787,000;

and by deleting Provisions 7 and 11.

I am reducing $2,500,000 of the $5,000,000 General Fund legislative augmentation for certain cancer research expansions. While I support this important program, the Budget contains approximately $32.5 million General Fund, including $25.0 million in recent increases and $2.5 million in 1999–00 for enhancing cancer-related services. The Budget also contains $5.0 million General Fund for a one-year breast cancer treatment program that will provide services through a contract to a nonprofit organization

with prior successful experience administering such a program. I am deleting Provision 11 to conform to this action.

I am deleting the $2,400,000 General Fund legislative augmentation for the California Cancer Registry. While I am supportive of the services provided by this program, the Budget already contains approximately $6,700,000 ($4,000,000 General Fund) for the Cancer Registry and additional resources for expansions of other high-priority cancer-related services, as indicated above.

I am deleting the $150,000 General Fund legislative augmentation for evaluating the State's capacity to collect ethnicity data. The Budget includes $2,000,000 ($1,000,000 General Fund) to improve data collection and analysis efforts, including services for ethnic communities. I am deleting Provision 7 to conform to this action.

I am reducing the $13,308,000 legislative augmentation from the Cigarette and Tobacco Products Surtax Fund (CTPSF) litigation reserves by $11,308,000 for the anti-tobacco media campaign ($10,000,000) and program administration ($1,308,000). These reserves were originally set aside for the Americans for Non-Smokers Rights II v. State of California case. Additional state exposure exists in the related and outstanding Just Say No To Tobacco Dough Campaign et al. v. State of California case. Accordingly, these funds are being held in reserve to minimize fiscal exposure until a settlement has been reached in both cases.

I am deleting the $90,000 General Fund Legislative augmentation to review treatment authorization requests (TARs) at Southern California hospitals. This augmentation is unnecessary because the budget already includes sufficient funding to meet TAR workload. Further, the Department of Health Services already has the flexibility to redirect TAR review staff to hospital locations. In addition, I am deleting $270,000 from the Federal Trust Fund 4260-001-0890 to conform to this action.

Item 4260-001-0231—For support of Department of Health Services. I reduce this item from $36,353,000 to $25,045,000 by reducing:

I am reducing this item by $11,308,000 from the Cigarette and Tobacco Products Surtax Fund litigation reserves to conform to actions taken in Item 4260-001-0001.

Item 4260-001-0890—For support of Department of Health Services. I reduce this item from $263,057,000 to $262,787,000 by reducing:

I am reducing this item by $270,000 to conform with actions taken in Item 4260-001-0001.

Item 4260-101-0001—For local assistance, Department of Health Services. I reduce this item from $7,628,395,000 to $7,586,720,000 by reducing:

(a) 20.10.030-Benefits (Medical Care and Services) from $18,702,607,000 to $18,548,063,000;

(b) 20.10.010-Eligibility (County Administration) from $1,027,134,000 to $1,025,286,000;

(c) Amount payable from Federal Trust Fund (Item 4260-101-0890) from –$12,297,525,000 to –$12,182,808,000;

and by deleting Provisions 14,18, 20,21 and 22.

I am deleting the $2,000,000 General Fund legislative augmentation which requires the Department of Health Services (DHS) in conjunction with the University of California to conduct and evaluate pilot projects for dental care. Private foundation or Proposition 10 funds are a more appropriate funding source for this research.

I am reducing by $1,400,000 the $2,800,000 General Fund legislative augmentation to increase Medi-Cal optometry rates. The remaining augmentation is expected to provide Medi-Cal beneficiaries with greater access to optometry services. In addition, I am deleting $1,400,000 from the Federal Trust Fund, Item 4260-101-0890, to conform to this action.

I am deleting the $400,000 General Fund legislative augmentation for the Plaza Community Center organization to construct a teen center in the City Terrace neighborhood of Los Angeles. Because this augmentation is not for direct health care, it does not fit within the purposes of the Medi-Cal program. However, because this is a commendable endeavor, I would be willing to consider legislation appropriating General Fund for this project.

I am reducing by $2,000,000 the $4,000,000 General Fund legislative augmentation to increase Medi-Cal ambulance rates. The remaining augmentation along with the $4,000,000 General Fund for a rate increase in the 1998–99 budget, which increases rates over a two-year period by 53 percent, is sufficient to ensure the provision of critical ambulance services. In addition, I am deleting $2,000,000 from the Federal Trust Fund, Item 4260-101-0890, to conform to this action.

I am reducing by $175,000 the $262,000 General Fund legislative augmentation for a 30 percent increase in Medi-Cal and Family PACT rates for tubal ligations. In addition, I am deleting $1,331,000 from the Federal Trust Fund, Item 4260-101-0890, to conform to this action. The remaining increase of $753,000 will provide a 10 percent rate increase for tubal ligations in both programs, which is sufficient to maintain access to these important services.

I am deleting the $1,850,000 General Fund legislative augmentation to expand the Multipurpose Senior Services Program (MSSP), which is administered by the Department of Aging but funded in the Medi-Cal budget. The 1999–00 budget includes a 21 percent increase in MSSP funding without this augmentation. This reflects the full-year cost of the program expansion initiated in 1998–99 which provided a 54 percent increase in funding for the MSSP program. With this expansion, MSSP services are available to residents in all counties. In addition, I am deleting $2,000,000 from the Federal Trust Fund, Item 4260-101-0890, to conform to this action.

I am reducing by $5,100,000 the $5,600,000 General Fund legislative augmentation for therapeutic behavioral services to children eligible for early and periodic screening, diagnosis, and treatment. The known current population of children to be served in this program is five or fewer. Therefore, the amount of the augmentation is greater than necessary. However, upon resolution of a pending lawsuit, this program caseload and cost will likely increase. To the extent the magnitude of this increase can be estimated by next fall, I will include expanded funding in the 2000–01 proposed budget. In addition, I am deleting $5,100,000 from the Federal Trust Fund, Item 4260-101-0890, to conform to this action.

I am reducing by $26,700,000 the $67,700,000 General Fund legislative augmentation for expansion of Medi-Cal for low-income families which would have raised to 150 percent of poverty the maximum income levels for applicant families to be made eligible for Medi-Cal services. Instead, I am raising the maximum applicant income level to 100 percent of the federal poverty level which will allow over 250,000 additional persons to be covered by Medi-Cal. This action requires only $41,000,000 of the $67,700,000 augmentation. In addition, I am deleting $26,700,000 from the Federal Trust Fund, Item 4260-101-0890, to conform to this action.

I am reducing by $2,050,000 the $2,734,000 General Fund legislative augmentation to conform to the actions taken in Item 4260-111-0001 related to California Children's Services rates. In addition, I am deleting $2,050,000 from the Federal Trust Fund, Item 4260-101-0890, to conform to this action.

I am reducing by $65,150,000 the $91,035,000 legislative augmentation from the Federal Trust Fund, Item 4260-101-0890, to conform to action taken in Item 5180-111-0001 related to In-Home Supportive Services Public Authority State Share-of-Cost, Department of Social Services.

I am reducing by $8,986,000 the $10,276,000 legislative augmentation from the Federal Trust Fund, Item 4260-101-0890, to conform to action taken in Item 5180-151-0001 related to Adult Protective Services Program expansion, Department of Social Services.

I am deleting Provision 14, which would require the DHS to convene a workgroup comprised of county representatives, consumers, representatives of the Legislature, and children's groups to craft options for streamlining the Medi-Cal application process and related functions. This language is unnecessary as DHS already seeks input on these matters from such groups. Further, I am directing DHS to review the Medi-Cal application process and to develop proposals, with appropriate input, to streamline this process.

I am deleting Provision 18 which would require DHS and the Managed Risk Medical Insurance Board (MRMIB) to convene a workgroup of specified composition

to discuss and craft options to implement a single point of entry for Medi-Cal and Healthy Families child enrollment and related functions. This language is unnecessary as DHS and MRMIB already confer with workgroups, as appropriate. However, I am supportive of cost-effective modifications and simplification in eligibility determination to reduce the burden on both applicants and county administration and am supportive of mail-in applications for eligibility determination by the counties and removal of the need for applicants to apply in person.

I am deleting Provision 20 which would require DHS to convene a work group including drug manufacturers, physicians, health care organizations, and Medi-Cal beneficiary advocates to discuss options to "streamline" the treatment authorization request (TAR) process and to improve patient access to prescription drugs. Additionally, the workgroup would consider authorizing physicians to self-approve their own TARs for prescriptions. The DHS would be required to report to the Legislature on the workgroup's recommendations by March 1, 2000. These requirements are unnecessary. Turnaround time for processing pharmaceutical TARs is currently less than 24 hours. However, I am directing the DHS to consider further improvements to the treatment authorization process.

I am deleting Provision 21 which would require DHS to redirect budgeted resources to complete a public awareness survey to measure the effectiveness of Medi-Cal and Healthy Families Program outreach activities. This language is unnecessary and duplicative. Existing law requires a comprehensive annual outreach plan to be submitted to the Legislature, including results of the previous year's outreach efforts. The DHS has existing authority to conduct any necessary survey without this language.

I am deleting Provision 22 in Item 4260-101-0001 and Provision 14 in Item 4260-111-0001, which would require DHS to withhold the Los Angeles County share of any benefit from the reduction of the "State Administrative Fee," and all funds under the Disproportionate Share Hospital (DSH) program, and the California Health Care for the Indigents Program until Los Angeles County submits plans to construct a 750-bed hospital, as certified by the Office of Statewide Health Planning and Development. There are no funds in Item 4260-101-0001 which represent benefit to the County resulting from the reduction in required contribution and which therefore could be withheld pursuant to this Provision. As Los Angeles County is statutorily required to contribute to the DSH program, such contributions without return may constitute a reimbursable state mandated local cost resulting in the General Fund repaying Los Angeles County. Further, notwithstanding language limiting the impact of this provision only to the "LAC/USC Medical Center," the language would directly affect all private and public hospitals if Los Angeles County elected not to submit its corresponding intergovernmental transfer, substantially reducing the nonfederal portion of the entire DSH Program adversely. Finally, this language would put at risk hundreds of millions of Los Angeles County's health care funding, thereby jeopardizing the health of the residents of the county. I call upon the Los Angeles County Board of Supervisors and all interested parties to reach consensus on the appropriate size for this hospital prior to my submission of the 2000–01 State Budget.

I am sustaining the $36,000,000 General Fund and commensurate federal fund legislative augmentation to increase minimum nursing home staff-to-resident ratios and provide a five percent wage and benefits increase to direct care staff in these facilities. However, I am sustaining this augmentation with the expectation that the nursing home industry work with the Administration, the Legislature, and others to develop and approve meaningful nursing home reforms to accompany these rate increases.

I am sustaining the $500,000 General Fund augmentation for school-based health centers in Alameda County. However, this augmentation is for one-year only in order to allow Alameda County to pursue federal funds potentially available for this purpose or local school district funds.

I am sustaining the $200,000 General Fund augmentation for the South Coast Air Quality Management District (SCAQMD) to conduct face-to-face community educational outreach focused on at-risk children and activities related to chronic illness caused by air pollution. While the efforts of SCAQMD are commendable, this augmentation is for one-year only to allow SCAQMD time to seek funding through other, more

appropriate sources such as private foundation or Proposition 10 funding for these activities.

I am sustaining the $250,000 General Fund augmentation for the Venice Dental Clinic. While these funds are to fill an unfunded deficit in this clinic's operational budget, to the extent these services are provided to those who are Medi-Cal eligible, these services are already funded. Clinic services for the medically indigent are an on-going responsibility of the county. Therefore, these funds are provided on a one-time basis.

Item 4260-101-0890—For local assistance, Department of Health Services. I reduce this item from $12,297,525,000 to $12,182,808,000.

I am reducing this item to conform to the action I have taken in Item 4260-101-0001.

Item 4260-111-0001—For local assistance, Department of Health Services. I reduce this item from $402,303,000 to $346,723,000 by reducing:

(5) 10.30.040-Chronic Diseases from $99,502,000 to $64,506,000;
(7) 10.30.060-AIDS from $232,872,000 to $229,397,000;
(8) 20.30-County Health Services from $124,555,000 to $94,553,000;
(9) 20.40-Primary Care and Family Health from $1,388,370,000 to $1,363,469,000;
(17) Amount Payable from the Health Education Account, Cigarette and Tobacco Products Surtax Fund (Item 4260-111-0231) from –$54,316,000 to –$35,116,000;
(19) Amount Payable from the Physician Services Account, Cigarette and Tobacco Products Surtax Fund (Item 4260-111-0233) from –$10,386,000 to –$7,974,000;
(20) Amount Payable from the Unallocated Account, Cigarette and Tobacco Products Surtax Fund (Item 4260-111-0236) from –$82,311,000 to –$68,129,000;
(26) Amount payable from the Federal Trust Fund (Item 4260-111-0890) from –$1,002,305,000 to –$1,000,305,000;

and by deleting Provisions 5, 6, 8, 9, 10, 11, 12 and 14.

While I am sustaining a $500,000 General Fund augmentation for osteoporosis prevention and treatment, this funding is provided on a one-time basis only for 1999–00.

I am reducing by $6,000,000 the $11,000,000 General Fund legislative augmentation for the following clinical services programs: Rural Health Clinics, Seasonal Agricultural and Migratory Worker Clinics, and Indian Health Clinics. I am also directing the Department of Health Services (DHS) to allocate the remaining $5,000,000 for the areas most in need, as determined by DHS, so that the 21 percent increase in total clinic funding can be used most effectively. I am also deleting Provisions 5, 6, and 8 to conform to this action.

I am reducing by $7,408,000 the $7,700,000 General Fund legislative augmentation for local public health staffing. The remaining $292,000 will provide for a total General Fund budget of $1 million, a 22 percent increase, to enhance local food safety, immunization assistance, and disease control efforts.

I am reducing by $10,102,000 the $18,000,000 General Fund legislative augmentation for Expanded Access to Primary Care (EAPC) clinics. The Budget increases the total program allocation by five percent in recognition of the important services it provides to vulnerable populations statewide. This increase assumes enactment of deficiency legislation which appropriates $1,653,000 Cigarette and Tobacco Products Surtax Fund (CTPSF) for the program, as I originally proposed.

I am deleting the $16,594,000 legislative augmentation from the CTPSF for the California Healthcare for Indigents Program (CHIP) and Rural Health Services. I will sign legislation appropriating the $16,594,000 CTPSF for Breast Cancer Early Detection Program (BCEDP) ($14,941,000) and EAPC ($1,653,000) as I had originally proposed in the Governor's Budget. Consistent with these reductions, I am deleting the $14,941,000 General Fund legislative augmentation to support the BCEDP as the Budget included CTPSF for BCEDP to fully address anticipated demand, without any General Fund expense. The BCEDP should continue to be supported from tobacco tax resources as a priority use of CTPSF, which is diminishing as a result of increased tobacco taxes enacted by Proposition 10 and higher wholesale tobacco prices imposed

by the industry. Moreover, if the State obtains approval of federal funding for the BCEDP and Access for Infants and Mothers programs, additional CTPSF will be available to augment indigent health care programs at that time.

I am deleting the $6,000,000 General Fund legislative augmentation for CHIP. While the program provides valuable services, CTPSF is a diminishing fund source. Also, expansions of the Healthy Families and Medi-Cal programs will decrease the indigent health care burden at the local level. Lastly, increased local revenues (Proposition 10 and tobacco settlement funds, for example) are available at county discretion to augment the program.

I am deleting the $19,200,000 legislative augmentation for Competitive Grants from the CTPSF litigation reserves (Health Education Account) to conform with the actions taken in Item 4260-001-0001.

I am reducing $949,000 of the $1,266,000 General Fund legislative augmentation to increase California Children's Services (CCS) provider rates by 5 percent instead of the proposed 20 percent, to improve access to care. Rates and their impact on access to and quality of care can be better assessed when improved data from the newly implemented CCS management information system is available.

I am deleting the $355,000 General Fund legislative augmentation for a Parkinson's Disease outreach center. While the proposal has merit, resources should be allocated through a competitive process rather than directly to particular agencies. I am deleting Provision 9 to conform to this action.

I am sustaining the $2,500,000 General Fund augmentation to increase funds for the Battered Women's Shelter Program. I am deleting Provision 11, as it conflicts with current law exempting these allocations from the competitive bidding process and could hinder the department from effectively administering services and allocating resources expeditiously.

I am reducing by $500,000 the $2,000,000 General Fund legislative augmentation for Alzheimer's disease research, diagnosis, and treatment. The Budget provides a 44 percent increase in funding for those activities which will substantially enhance services without adding new special projects to the program budget. I am deleting Provision 12 to conform to this action.

I am deleting the $5,000,000 General Fund legislative augmentation to increase rates for the Adolescent Family Life Program. The proposal represents an approximate 40 percent rate increase, intended to expand access to services and address findings of a study indicating that reimbursement rates do not fully cover program costs. However, rates have been established recognizing that local participation is a requirement.

I am deleting the $850,000 General Fund legislative augmentation for the Farmer's Market Program. Chapter 294, Statutes of 1997, shifted authority for the program to DHS to enable continuation of the service without General Fund expense. Furthermore, nutritional services (including fresh fruits and vegetables in some instances) are currently available through other programs such as the Women, Infants, and Children Program, Food Stamps, the California Food Assistance program, and the Emergency Food Assistance Program. I am also reducing the Federal Trust Fund by $2,000,000 in item 4260-111-0890 to conform to this action.

I am sustaining the $4,156,000 General Fund legislative augmentation to reduce transmission of the AIDS virus in high-risk communities. In addition, the Budget (1) includes a $13.4 million General Fund increase for education, prevention, care and treatment services, (2) fully funds anticipated demand for the AIDS Drugs Assistance Program ($140.3 million, of which $46.2 million is General Fund) and (3) expands the Family, Planning, Access, Care and Treatment Program, which will benefit Californians with HIV/AIDS. These expansions will make a significant contribution toward preventing the transmission of HIV and in providing effective treatment. However, I am reducing by $3,475,000 the $6,931,000 General Fund legislative augmentation for HIV/AIDS services: anonymous testing ($1,600,000), partnership counseling ($1,000,000), early intervention ($375,000) and housing ($500,000). I am deleting Provision 10 to conform to this action.

I am deleting Provision 14 to conform with the action taken in Item 4260-101-0001.

Item 4260-111-0231—For local assistance, Department of Health Services. I reduce this item from $54,316,000 to $35,116,000 by reducing:

I am reducing this item by $19,200,000 for competitive grants from Cigarette and Tobacco Products Surtax Fund litigation reserves to conform to actions taken in Item 4260-001-0001.

Item 4260-111-0233—For local assistance, Department of Health Services. I reduce this item from $10,386,000 to $7,974,000 by reducing:

I am reducing this Item by $2,412,000 to conform to actions taken in Item 4260-111-0001.

Item 4260-111-0236—For local assistance, Department of Health Services. I reduce this item from $82,311,000 to $68,129,000 by reducing:

I am reducing this item by $14,182,000 to conform to actions taken in Item 4260-111-0001.

Item 4260-111-0890—For local assistance, Department of Health Services. I reduce this item from $1,002,305,000 to $1,000,305,000 and delete Provision 2.

I am reducing this item by $2,000,000 to conform with actions taken in Item 4260-111-0001.

Item 4280-101-0001—For local assistance, Managed Risk Medical Insurance Board. I delete Provision 2.

I am deleting Provision 2 to conform to action taken in Item 4260-101-0001.

Item 4300-003-0001—For support of Department of Developmental Services. I reduce this item from $53,805,000 to $52,305,000 by reducing:

(a) 20-Developmental Centers Program from $527,807,000 to $526,307,000,

and by deleting Provision 10.

I am deleting the $1,500,000 legislative augmentation which was intended to fund health benefits for janitorial staff at the Developmental Centers. The Developmental Centers have contracted for janitorial staff since January 1987. The contracts for these services have been awarded in accordance with existing State contract guidelines and policies which place responsibility for the provision of health benefits with the contractor, however, the level of benefits currently provided are in some cases inadequate. I will issue an Executive Order directing the Department of General Services to ensure that all state contracts, whether new or being re-bid, provide benefits comparable to those provided for state employees.

I delete Provision 10 to conform to this action.

Item 4440-001-0001—For support of Department of Mental Health. I reduce this item from $25,816,000 to $25,316,000 by reducing:

(a) 10-Community Services from $28,380,000 to $27,880,000,

and by deleting Provision 4.

I am deleting the $500,000 legislative augmentation requiring the Department of Mental Health to contract for the provision of workshops to teach volunteers to work with chronically and terminally ill persons. Counties are currently responsible for the design and implementation of treatment and other services to meet the needs of clients at the local level. Currently, counties have flexibility in the use of their State-Local realignment funds which would allow them to provide workshops for volunteers to work with this client population if they choose to do so.

I am deleting Provision 4 to conform to this action.

Item 4440-011-0001—For support of the State Hospitals Department of Mental Health. I reduce this item from $323,183,454 to $323,084,000 by reducing:

(a) 20.10-Long-Term Care Services - Lanterman-Petris-Short from $109,463,454 to $109,364,000; and

I am deleting the $99,454 legislative augmentation to increase the interagency agreement between the Department of Mental Health and the California Highway Patrol (CHP) for security services at Patton State Hospital. The Commissioner of the California Highway Patrol does not support this augmentation as the increased assessment costs for CHP coverage is funded on a statewide basis in the Budget, including funds for the assessments to the state hospitals.

Item 4440-101-0001—For local assistance, Department of Mental Health. I reduce this item from $64,756,000 to $51,356,000 by reducing:

(a) 10.25-Community Services—Other Treatment from $674,769,000 to $662,569,000;

(c) 10.47-Community Services—Children's Mental Health Services from $37,754,000 to $26,354,000;

(e) Reimbursements from –$668,607,000 to –$658,407,000;

and by deleting Provisions 5 and 7.

I am retaining the $10,000,000 augmentation on a one-time basis for local incentive grants and directing the Department of Mental Health to provide such funding to counties for existing successful programs for provision of integrated services to severely mentally ill adults who would otherwise be at risk of homelessness or incarceration. However, I am deleting provision 7 pertaining to the augmentation and encouraging service delivery rather than further program planning.

Given the augmentation above, I am deleting the $2,000,000 legislative augmentation to provide supportive housing for individuals with special needs. I also note that the Budget provides $1 million in the Department of Mental Health and $5 million in the Department of Housing and Community Development for supportive housing for CalWORKs recipients with special needs. Any augmentation for other special needs clients appears duplicative of existing support programs including health care, substance abuse treatment, education, and counseling which are currently provided through other State agencies.

I am reducing $11,400,000 of the $13,400,000 legislative augmentation for the Children's System of Care. The remaining $2,000,000 augmentation will allow for a expansion of the program. I am also deleting Provision 5 which specified the allocation of the funds in order to allow the Department of Mental Health to allocate the funds based on departmental policy.

I am reducing the legislative augmentation for the Early Periodic Screening, Diagnosis and Treatment (EPSDT) Therapeutic Behavioral Service by $10,200,000 to conform with actions taken in items 4260-101-0001 and 4260-101-0890.

I delete Provisions 1 and 2 to conform with this action.

Item 5100-101-0001—For local assistance, Employment Development Department. I sustain this item.

I am sustaining the $450,000 legislative augmentation for the California Youthbuild Program on a one-time basis only.

Item 5100-001-0185—For support of Employment Development Department. I reduce this item from $37,705,000 to $37,489,000.

I am deleting the $216,000 augmentation for the Innovation in Government Project to conform to action I have taken in Item 0650-001-0001. This action is consistent with the Legislature's intent to fund the project within existing resources.

Item 5100-001-0869—For support of state programs under the Job Training Partnership Act, Employment Development Department. I delete Provisions 4 and 5.

I am deleting Provision 4 which would require the Employment Development Department to use $1.8 million from the Job Training Partnership Act, Title III 40 Percent Governor's discretionary funds to conform current data collection and reporting, and performance management systems to federal Workforce Investment Act requirements. No analysis has been performed to indicate the need to target these funds for data collection and reporting systems. I believe this Provision interferes with the Administration's ability to target funds for needed planning activities or local employment activities.

I am deleting Provision 5 which would require the Employment Development Department to use $5.4 million from the Job Training Partnership Act, Title III 40 Percent Governor's discretionary funds for local Service Delivery Areas or Local Workforce Investment Boards for transition activities related to implementation of the federal Workforce Investment Act. I am deleting this provision for the same reasons cited for Provision 4 above.

Item 5100-001-0870—For support of Employment Development Department. I revise this item by reducing:

(d) 30.01-General Administration from $48,616,000 to $48,400,000, and

(j) Amount payable from the Employment Development Contingent Fund (Item 5100-001-0185) from –$37,705,000 to –$37,489,000.

I am revising this item to conform to the reduction taken in Item 5100-001-0185.

Item 5180-001-0001—For support of Department of Social Services. I reduce this item from $80,991,000 to $79,775,000 by reducing:

(a) 16-Welfare Programs from $80,066,000 to $79,066,000;

(d) 60.01-Administration from $34,471,000 to $34,255,000;

and by revising Provision 4 and deleting Provision 8.

I am deleting the $216,000 augmentation for the Innovation in Government Project to conform to the action I have taken in Item 0650-001-0001. This action is consistent with the Legislature's intent to fund the Project within existing resources.

I am sustaining $1,000,000 of the $2,000,000 one-time legislative augmentation for the Emergency Food Assistance Program for local food bank programs to expand refrigeration space and purchase vehicles and other equipment that would be used directly for the purchase, delivery, or distribution of food. However, I am reducing the legislative augmentation for this program by $1,000,000, the amount to be used for food purchases, because the food purchases under this program traditionally have been 100 percent federally funded, and providing General Fund for this purpose could set a precedent for future General Fund support. Federal funding for this program, the federal Food Stamp program, the federal Women, Infants, and Children program, is available to provide food to qualifying individuals and households, as is the state funding for the California Food Assistance Program.

I am revising Provision 4 to conform to this action.

"4. Of the amount appropriated in this item, ~~$2,000,000~~ *$1,000,000* shall be allocated on a one-time basis ~~as follows: (a) $1,000,000~~ to local food bank programs to expand refrigeration space, purchase vehicles, or purchase other equipment that would be directly used for the purchase, delivery, or distribution of food products or for other uses that would allow food banks to increase the amount of food they can receive and distribute, with the allocation process for this $1,000,000 to be developed by the department in consultation with the Emergency Food Assistance Advisory Board ~~; (b) $900,000 to local food distribution programs; (c) $100,000 for regional and statewide efforts for food purchase or to aid in the collection of donated food~~ ."

I am deleting Provision 8, which would require the Department of Social Services to conduct a study of the key factors that affect the ability of those who owe child support to meet their obligations. Within the context of efforts to reform the child support program I have already directed the department to work with other appropriate state agencies to profile child support obligors in order to gain a better understanding of how the state may improve the collectability of child support obligations. Therefore, this provision is unnecessary.

Item 5180-101-0001—For local assistance, Department of Social Services. I reduce this item from $2,633,896,000 to $2,627,679,000 by reducing:

(a) 16.30-CalWORKs from $4,709,139,000 to $4,704,739,000;

(2) 16.30.020-Services from $507,867,000 to $504,367,000;

(4) 16.30.040-Child Care from $427,673,000 to $426,773,000;

(f) 16.60-Food Stamps from $66,397,000 to $61,080,000;

(i) Amount payable from the Federal Trust Fund (Item 5180-101-0890) from –$3,449,174,000 to –$3,445,674,000;

and by deleting Provision 11.

I am deleting the $3,500,000 Federal Trust Fund legislative augmentation and Provision 11, which would fund county costs of providing wage-based community service or subsidized jobs to CalWORKs recipients. Under current law, the counties have the option and sufficient funding to adopt various approaches for CalWORKs recipients to meet work requirements, including wage-based community service.

I am deleting the $900,000 General Fund legislative augmentation to exempt child care centers from the Department of Justice and Federal Bureau of Investigation fees for background checks and fingerprinting, effective January 1, 2000. The current Department of Justice fee structure includes a surcharge to cover the cost of community care providers who are exempted from paying the fee. I would support legislation to exempt child care volunteers from having to pay the fees for fingerprinting and background checks.

I am reducing the $11,543,000 General Fund legislative augmentation for an expansion of the California Food Assistance program by $5,317,000 to reflect revised cost estimates of the program and the effect of the October 1, 1999, start date of the one-year expanded program.

Item 5180-101-0890—For local assistance, Department of Social Services. I reduce this item from $3,449,174,000 to $3,445,674,000.

I am reducing this item by $3,500,000 to conform with actions taken Item 5180-101-0001 and Item 5180-111-0551.

Item 5180-111-0001—For local assistance, Department of Social Services. I reduce this item from $3,069,663,000 to $3,013,263,000 by reducing:

(b) 25.15-IHSS from $1,766,319,000 to $1,605,473,000;

(1) 25.15.010-Services from $1,625,029,000 to $1,464,183,000; and

(c) Reimbursements from –$1,053,279,000 to –$948,833,000.

I recognize the need for state participation in funding wage increases for IHSS providers and, as a result, I am sustaining $67,885,000, including reimbursements, to provide for a 50 cent wage increase for providers in public authority counties effective July 1, 1999, with an 80 percent State/20 percent county share-of-cost for 1999–00 only. Consistent with this action, I am reducing the $90,000,000 General Fund legislative augmentation for a 100 percent state share-of-cost for In-Home Supportive Services (IHSS) provider wages above the minimum wage by $56,400,000 General Fund. The State has does not participate in IHSS provider wage and benefit negotiations and, therefore, would be unable to manage the program costs in which it would share under a 100 percent state funded increase. A county share-of-cost would provide the incentive for counties to contain program costs and control future major General Fund costs.

I am also reducing reimbursements in this item by $104,446,000 to conform to the action taken in this item and in Item 4260-101-0890.

Item 5180-111-0551—For transfer by the Controller from the federal Temporary Assistance for Needy Families Fund to the Federal Trust Fund. I reduce this item from ($4,149,096,000) to ($4,145,596,000).

I am reducing this item by $3,500,000 to conform with actions taken Item 5180-101-0001 and Item 5180-101-0890.

Item 5180-113-0551—For transfer by the Controller from the federal Temporary Assistance for Needy Families Fund to the Federal Trust Fund. I reduce this item from ($267,300,000) to ($257,300,000).

I am reducing this item by $10,000,000 to conform with actions taken in Item 6110-196-0001.

Item 5180-141-0001—For local assistance, Department of Social Services. I reduce this item from $341,397,000 to $341,291,000 by reducing:

(a) 16.80-County Administration from $843,948,000 to $843,842,000;

and by deleting Provision 8.

I am reducing the $363,000 General Fund legislative augmentation for a one-year expansion of the California Food Assistance program by $106,000 to conform to the action I have taken in Item 5180-101-0001.

I am deleting Provision 8, which removes the discretion of the State to request waivers from the United States Department of Agriculture and requires the department to request such waivers, whether a county has requested the department to do so. Currently, only two counties have requested such waivers, and both of those counties have the waivers in place. However, I am directing the Director of Social Services to evaluate whether a request for a blanket approval of waivers for work requirements

would be expedient in order to have the flexibility to immediately issue waivers in times of disaster or emergency.

Item 5180-151-0001—For local assistance, Department of Social Services. I reduce this item from $661,451,000 to $639,251,000 by reducing:

(a) 25.25-Children's Services from $1,434,040,000 to $1,429,732,000;
  (1) 25.25.010-Child Welfare Services from $1,335,738,000 to $1,331,738,000;
  (2) 25.25.020-Adoptions from $67,181,000 to $66,873,000;
(b) 25.35-Special Programs from $171,227,000 to $142,241,000;
  (5) 25.35.050-County Services Block Grant from $125,801,000 to $96,815,000;
(d) Reimbursements from –$81,733,000 to –$72,747,000;
(f) Amount payable from the Federal Trust Fund (Item 5180-151-0890) from –$876,622,000 to –$874,514,000;

and by deleting Provision 11.

I am deleting the $2,000,000 General Fund and $2,000,000 Federal Trust Fund legislative augmentation for pilot projects to develop placement resources as an alternative to out-of-county/state placements. Current law already permits counties to enter into performance agreements with nonprofit agencies for innovative services delivery. While I am supportive of efforts in this area, the budget provides substantial augmentations for foster care rate increases which should promote expansion of the existing in-state capacity for foster youth.

I am deleting Provision 11 to conform to this action.

I am deleting the $200,000 General Fund and $108,000 Federal Trust Fund legislative augmentation for the Specialized Training for Adoptive Parents program. I am sustaining the reappropriation language in Item 5180-490, which would fully fund the costs of this worthwhile program in 1999–00.

I am reducing the $30,000,000 General Fund and $10,276,000 Reimbursements legislative augmentation for the Adult Protective Services (APS) program by $20,000,000 and by $8,986,000, respectively. The 1999–00 Governor's Budget included a $23,562,000 augmentation to fully fund the APS program based on a recent nationwide study on elder abuse released by American Public Human Services Association. Because unsubstantiated cases had been excluded from that national study, the May Revision included an $11,290,000 augmentation to fund costs relating to the investigation of those cases. As a result, I am reducing APS funding to the level of funding included in the May Revision, and I am sustaining Provision 10 which requires the Department of Social Services to implement a claims processing, payment and reporting system to assess future program funding needs.

I am reducing reimbursements in this item by $8,986,000 to conform to the action taken in this item and in Item 4260-101-0890.

Item 5180-151-0890—For local assistance, Department of Social Services. I reduce this item from $876,622,000 to $874,514,000.

I am revising this item to conform to the actions taken in Item 5180-151-0001.

Item 5240-001-0001—For support of the Department of Corrections. I reduce this item from $3,812,955,000 to $3,812,740,000 by reducing:

(b) 22-Health Care Services Program from $537,431,947 to $537,256,947;
(c) 31-Community Correctional Program from $472,146,220 to $471,306,220;

and by deleting Provisions 9 and 21, and revising Provision 11.

I am deleting Provision 9 which requires that the Department of Corrections prospectively include a funding factor for the Preventing Parolee Crime Program in its population budget change proposal. I believe this provision is an intrusion on the Executive Branch's prerogative to develop future Governor's Budgets.

I am deleting $175,000 for treatment and services for inmates infected with Hepatitis B and C because the budget already includes significant additional funding for medical treatment for inmates which can be used for this purpose. I am revising Provision 11 to conform to this action.

"11. Of the funds appropriated in this item, ~~$500,000~~ *$325,000* shall be expended for prevention, education, treatment, and related tests, for inmates infected with hepatitis B and C. Any funds not used for these purposes shall revert to the General Fund."

The Budget includes substantial increases in services for Parolees and Prevention of Parolee crime. Therefore, I am deleting the $840,000 legislative augmentation for the implementation of a mentoring program for parolees. I am also deleting Provision 21 to conform to this action.

I am also revising this item to correct a technical error in the Budget Bill.

As part of the 1999–00 State Budget, I am approving $38,654,000 in funding for various programs that provide treatment and services for state prison inmates and parolees to assist in their transition back into the community and to reduce recidivism. However, I strongly object to the $1,000,000 augmentation for the community punishment program intended to utilize intermediate sanctions for parole violators. I am directing the Director of Corrections not to use any funding in this item for that purpose. I note that Assembly Bill 1535, which I intend to approve, would authorize the transfer of monies between the programs delineated in the specified provisions of Item 5240-001-0001 in the Budget Act. I am, accordingly, directing the Director of Corrections to utilize these funds to implement or expand those programs that include elements or services that do not jeopardize public safety, while providing the best results in terms of reducing recidivism among the state parolee population.

Additionally, as part of this budget, I am sustaining 45.7 positions which were approved by the Legislature without funding. While the Legislature and I concur about the need for the 45.7 positions, I disagree with the Legislature's action to remove the funding for these positions. In order to fund these positions, the Department would have to redirect significant resources, negatively impacting the Department's ability to provide existing program services at a level consistent with current law. Therefore, I will seek the resources necessary to fully fund these positions through the deficiency process, as provided for in Control Section 27.00 of the 1999–00 Budget Act.

Item 5240-101-0001—For local assistance, Department of Corrections. I reduce this item from $48,583,000 to $48,433,000 by reducing:

(a) 21-Institutions Program from $15,282,000 to $15,132,000.

I am deleting the $150,000 legislative augmentation intended to address the costs incurred by counties for the transportation of prisoners to and between state prisons. The budget I proposed includes increased funding for this purpose, and the need for additional resources beyond that increase has not been demonstrated.

Item 5240-102-0001—For local assistance, Department of Corrections. I delete this item and Provision 1.

I am deleting the $400,000 legislative augmentation provided to Imperial County for the purpose of funding security improvements at the administrative building located in Brawley. Although this project may be meritorious, I am deleting the funding for it to ensure the State maintains a prudent reserve.

I am deleting Provision 1 to conform to this action.

Item 5240-103-0001—For local assistance, Department of Corrections. I delete this item and Provision 1.

I am deleting the $1,748,429 augmentation to the City of Coalinga. This funding is reflective of monies that the city might have received if it had continued as a plaintiff in litigation against the State. The provision of such funding would set an undesirable precedent with regard to other plaintiffs involved in litigation with the State.

I am deleting Provision 1 to conform to this action.

Item 5430-110-0001—For local assistance, Board of Corrections. I delete this item and Provision 1.

I am deleting the $2,000,000 legislative augmentation for expansion of existing jail facilities in Fresno County. The State should not embark upon a direct General Fund program for refurbishing local jail facilities. Additionally, funding for local detention facilities is available through the federally funded Violent Offender Incarceration/ Truth-in-Sentencing grant award program.

I am deleting Provision 1 to conform to this action.

Item 5430-111-0001—For local assistance, Board of Corrections. I reduce this item from $37,700,000 to $27,000,000, and revise Provision 1.

I am reducing this item by $10,700,000. While I am supportive of efforts to address issues related to crime committed by the mentally ill, I believe that a more modest expansion is prudent since this program is in the early stages of implementation and has not yet been evaluated.

"(1) Of the amount appropriated in this item, ~~$37,700,000~~ *$27,000,000* shall be allocated for Mentally Ill Offender Crime Reduction grants, pursuant to Chapter 501 of the Statutes of 1998, as set forth in priority order on the list of projects identified effective May 20, 1999, by the Board of Corrections. Further, no grant shall exceed $5,000,000. Notwithstanding the provisions of Chapter 501 of the Statutes of 1998, the board shall allocate $5,000,000 to the County of Los Angeles and $5,000,000 to the City and County of San Francisco for the purpose of demonstrating the effectiveness of interventions relating to mentally ill offenders who are likely to be committed to state prison."

Item 5460-001-0001—For support of Department of the Youth Authority. I reduce this item from $266,390,000 to $265,390,000 by reducing:

(b) 30-Parole Services from $46,035,000 to $45,035,000

and by deleting Provision 3.

I am deleting the $1,000,000 legislative augmentation for tattoo removal. I believe additional resources are premature because funding provided in previous legislation is sufficient for operation of the existing program.

I am deleting Provision 3 to conform to this action.

Item 6110-001-0001—For support of Department of Education. I reduce this item from $37,748,000 to $35,677,000 by reducing:

(b) 20-Instructional Support from $57,350,000 to $55,279,000,

and by deleting Provisions 16, 20, 21, 23 and 26.

I am reducing Schedule (b) by reducing the augmentation of $221,000 which was proposed to support the Parent Involvement Program. This augmentation was intended to provide technical assistance for school districts that implemented a parent involvement program. Since I am deleting the funding for this program, pending the receipt of a revised legislative proposal, this augmentation is not necessary. I am deleting Provision 16 to conform to this action.

I am also reducing Schedule (b) of this item by eliminating the legislative augmentation of $250,000 for support of the English language learners program established pursuant to legislation enacted during the 1999–00 Regular Session that becomes operative on or before January 1, 2000. This augmentation was approved by the Legislature prior to the development and adoption of the program for English language learners and based on the assumption that the State Department of Education (SDE) would play a greater role in administering the program. However, given that the funding for this program is to be allocated based on a specified formula, state operations costs should be minimal. In addition, the SDE currently has 24 Bilingual Education Consultant positions that could be redirected to provide any necessary support services related to this program. I am deleting Provision 20 to conform to this action.

I am also reducing Schedule (b) by eliminating the legislative augmentation of $150,000 for the SDE to develop the appropriate project approval documents related to the California School Information Services System. These funds cannot be spent until the SDE conducts a management review of its existing data systems, and the Department of Information Technology and the Department of Finance review and approve that review. This funding for the project approval documents is premature because it is estimated that the management review will not be completed and approved to allow sufficient time to develop the project approval documents in the 1999–00 fiscal year. Furthermore, the SDE has not yet received an exemption from the Y2K Executive Order or necessary approval from the Department of Information Technology to develop the project approval documents for this project. I am deleting Provision 21 to conform to this action.

I am also reducing Schedule (b) by eliminating the legislative augmentation of $1,000,000 for a new intersegmental program to provide Advanced Placement (AP)/ honors courses over the Internet. Of this funding, $700,000 was to have been for a sole-source contract to a specified contractor to provide training to high school teachers to become site coordinators for the delivery of the Internet AP/honors courses. The remaining $300,000 was to have been available to the SDE for administrative support of the program. This funding would have been premature since the University of California (UC) is still in the process of developing the AP/honors courses. Moreover, staff development might also be more appropriately provided by UC, and administrative costs of the program would exist primarily at the local level, resulting in minimal costs to the SDE. Finally, sole source contracts are permissible only on a by-exception basis. I am deleting Provision 23 to conform to this action.

I am also reducing Schedule (b) by eliminating the legislative augmentation of $450,000 for evaluations of programs administered by school districts and county offices of education. Requests for funding for evaluations should be submitted in the budget change proposal process with specific justification for the amount of funding requested. I am deleting Provision 26 to conform to this action.

Item 6110-103-0001—For local assistance, Department of Education (Proposition 98). I reduce this item from $10,696,000 to $9,508,000 and revise Provision 6.

I am reducing this item by $1,188,000 for growth funding to Apprentice programs. Over the past several years, the funding for the Apprentice programs has not been fully utilized, therefore, there is no indication that an increase in growth is necessary. However, I am maintaining $1,252,000 of the legislative augmentation for this item to provide a rate increase from $4.22 per hour to $4.86 per hour for Apprentice programs.

I am revising Provision 6 to conform to this action.

"6. Of the funds appropriated in this item, ~~$1,188,000 shall be used to provide an adjustment for growth of enrollment in apprenticeship programs operated by school districts and county offices of education and~~ $1,252,000 shall be used to provide a rate increase from $4.22 per hour, ~~as~~ specified in Provision 2 of this item, to a reimbursement rate of $4.86 per hour consistent with the requirements specified in Provision 2 of this item."

Item 6110-114-0001—For local assistance, Department of Education (Proposition 98). I delete Provision 10.

I am deleting Provision 10 of this item which, requires any savings or unencumbered balances available in the budget year and requires it to be appropriated to reimburse desegregation program deficiencies. Desegregation claims are funded in accordance with an existing statutory formula, as limited by funding appropriated in the Budget Act. Based on these statutory provisions, there is no legal obligation to fund these programs beyond the amount provided in the annual Budget Act.

Item 6110-115-0001—For local assistance, Department of Education (Proposition 98). I delete Provision 11.

I am deleting Provision 11 of this item which, requires any savings or unencumbered balances available in the budget year and requires it to be appropriated to reimburse desegregation program deficiencies. Desegregation claims are funded in accordance with an existing statutory formula, as limited by funding appropriated in the Budget Act. Based on these statutory provisions, there is no legal obligation to fund these programs beyond the amount provided in the annual Budget Act.

Item 6110-120-0001—For local assistance, Department of Education (Proposition 98). I reduce this item from $22,102,000 to $19,202,000.

I am reducing a legislative augmentation of $7,900,000 for the expansion of the existing School-Based Pupil Motivation and Maintenance Program by $2,900,000. In reducing this augmentation, I am providing $5,000,000 to fund the backlog of 100 grant applicants. Prior to further expansion of the program, beyond the level authorized by this expansion, an evaluation of the current program's effectiveness is necessary.

Item 6110-195-0001—For local assistance, Department of Education. I delete this item and Provisions 1 and 2.

I am deleting the $29,000,000 legislative augmentation for high school academic block grants. While the provisional language in this item states legislative intent that funding received pursuant to this item be used to prepare high school students to pass the High School Exit Examination, significant flexibility has already been provided to school districts to utilize summer school and after school funding for this purpose. Moreover, the estimated statewide average high school revenue limit for 1999–00 is $4,614, versus $3,996 for unified schools and $3,840 for elementary schools.

Item 6110-196-0001—For local assistance, Department of Education (Proposition 98). I reduce this item from $904,750,000 to $854,750,000 by reducing:

(b) 30.10.020-Child Care Services from $1,281,964,000 to $1,221,964,000,
  (5.2) 30.10.020.012-Special Program, Child Development, Alternative Payment Program-Stage 3 from $51,714,000 to $1,714,000,
  (11) 30.10.020.901-Special Program, Child Development, Quality Improvement from $35,238,000 to $25,238,000,
(e) Amount Payable from the Federal Trust Fund (Item 6110-196-0890) from –$630,409,000 to –$620,409,000,

and by revising Provision 9 and deleting Provisions 7(c.2.) and Provision 20.

I am deleting $50,000,000 for CalWORKs Stage 3 child care and setting these funds aside for restoration upon enactment of legislation. This amount reflects a legislative augmentation to the proposed May Revision level of services which unnecessarily grants access to a continuous child care slot for some CalWORKs families who are still within their transitional period of entitlement to child care services. This creates an inequity between working poor families and CalWORKs families.

As I indicated in my May Revision proposal, the Administration's policy for increasing permanent child care capacity is to grant at least equal access, based on state level affordability, to working poor populations who must compete for child care benefits on the basis of lowest income. The remaining Stage 3 amount of $1,714,000 understates the remaining funding in Stage 3 due to a technical error that inadvertently shifted funds between Stages 2 and 3 during preparation of the budget bill. The correct amount should be $77,500,000 which will be amended through the technical revision process with the Controller. The remaining amounts are estimated to fully fund permanent slots for the first cohort of CalWORKs families who will exhaust their two year transitional benefit effective January 1, 2000.

While Stage 2 and the child care reserve provide sufficient funds for the estimated numbers of CalWORKs families still covered by the transitional entitlement, I recognize that the estimate is subject to error. I am therefore setting aside this $50 million for restoration upon enactment of legislation which would schedule it for Stage 2 child care with revised control language in Stage 3 developed by the Department of Finance which includes "grandfathering" into continuous care any families served under the current year appropriation who exhaust transitional benefits during the budget year if the new increment of $17.5 million budgeted in Stage 3 proves insufficient.

I am also revising Provision 9 as follows to conform to this action:

"9. $60,000,000 of the funds in Schedule (b)(5.2) are intended to be for families who have been receiving child care services pursuant to Section 8351 or 8353 of the Education Code and who are currently receiving cash assistance or have been off of cash assistance. Alternative payment providers shall continue to replace families receiving child care services through the alternative payment program as set forth in Section 8220.1 of the Education Code until all the federal funds described in this section have been committed to families who have been receiving child care services pursuant to Section 8351 or 8353 of the Education Code and meeting the conditions specified previously. ~~$67,500,000~~ $17,500,000 of the funds in Schedule (b)(5.2) of this item are reserved exclusively for child care for former CalWORKs recipients who have left cash aid, but still meet eligibility requirements for receipt of child care services."

I am also deleting the $10,000,000 federal fund legislative augmentation for initiating a new program of direct state contributions for child care worker compensation.

While turnover in the child care profession may create problems for certain communities in filling vacancies in a timely manner, I am not convinced that this approach is warranted. I am concerned with both introducing direct state subsidies into an occupation or profession which is subject to local market forces as well as establishing a costly new state responsibility that will grow rapidly over time. In addition, this augmentation results in an additional transfer from the TANF surplus which creates additional encroachment on General Fund resources in the future. Proposition 10 provides funding at local discretion to improve early childhood development programs. This source may be an alternative to the extent local commissions believe the problems of staff turnover are of sufficient local priority. In any event, I believe local discretion is preferable to creation of a costly new statewide program.

I am deleting Provision 7(c.2) of this item and revising Provision 4 of subsidiary Item 6110-196-0890 to conform to this action.

Furthermore, I am deleting Provision 20, which specifies, among other activities, an intent that a new family fee schedule for child care be implemented through legislation. Current law already authorizes the Superintendent of Public Instruction to develop and revise the fee schedule. Legislation for this purpose is, therefore, not necessary. As I have indicated previously in both the Governor's Budget Summary and May Revision, reforming the family fee schedule in line with the recent recommendations of two multi-agency task forces is needed to more fairly distribute limited state subsidies and to diminish inappropriate incentives created by the current schedule. While I believe additional legislation is unnecessary, I support the remaining intent statements and encourage the Department of Education to both gather broad-based public input, including input from taxpayers and families on waiting lists, and to work with the Department of Social Services to develop a new schedule and secure the approval of the Secretary of Health and Human Services by April, 2000. It would then be appropriate for the Superintendent to implement the new schedule for the 2000–01 fiscal year.

Item 6110-196-0890—For local assistance, Department of Education. I reduce this item from $630,409,000 to $620,409,000 and revise Provision 4.

I am deleting $10,000,000 from this subsidiary item to conform to my action in Item 6110-196-0001 relative to child care worker compensation.

I am also revising Provision 4 of this item as follows to conform to that action since the additional transfer of funds from TANF is not necessary:

"4. Of the funds appropriated in this item, ~~$267,300,000~~ $257,300,000 is from the transfer of funds from the federal Temporary Assistance for Needy Families (TANF) Block Grant administered by the State Department of Social Services to the federal Child Care and Development Block Grants (CCDBG) for Stage 2 child care. This amount may be increased by transfer from the CalWORKs child care reserve pursuant to Items 5180-111-0551 and 5180-112-0551 of this act, except that funds shall not be first transferred to the Child Care Development Block Grant if those transfers result in an increase to the federal quality requirements beyond the level currently budgeted for quality activities."

Item 6110-250-0001—For local assistance, Department of Education (Proposition 98). I reduce this item from $20,000,000 to $8,239,000, and delete Provision 1 and revise Provision 2:

I am reducing this item by eliminating the funding for the Parent Involvement Program. I am not satisfied that the budget proposal meets my goal of providing teachers the opportunity to visit their students' homes on weekends and evenings to meet with parents or guardians, as well as opening schools on weekends to allow working parents the opportunity to meet with their children's teachers as a means of becoming more involved with their children's education. I will consider legislation to achieve this objective.

The remainder of the funds in this item shall be used for the purpose of providing funds to compensate for the elimination of the transfer of unallocated Educational Revenue Augmentation Funds (ERAF) from Marin County for special education. However, I am reducing that amount by $5 million, and request legislation to cap the

ERAF amount retained by Marin County at $8,239,000 for one year. This action is necessary to ensure that the State maintains a prudent reserve.

I am deleting Provision 1 and making the following changes to conform to this action:

"6110-250-0001-For local assistance, Department of Education, (Proposition 98), for transfer to Section A of the State School Funds, ~~Parent Involvement Grant Program~~..... ~~20,000,000~~ 8,239,000

~~1. The funds appropriated in this item are available to fund the Parent Involvement Grant Program contingent upon the creation of that program pursuant to legislation enacted during the 1999–2000 Regular Session.~~

2. Of the funds appropriated in this item, not more than ~~$13,239,000~~ $8,239,000 may be used for the purpose of providing funds to compensate for the elimination of the remainder of unallocated Education Revenue Augmentation Funds (ERAF) from Marin County for Special Education."

Item 6110-490—Reappropriation, Department of Education. I revise this item by deleting language that is unnecessarily restrictive.

I am deleting language which would have required that specific portions of the reappropriated funds to the Fiscal Crisis and Management Assistance Team (FCMAT) be used for purposes of implementing the recovery plans at Compton Unified School District and for initiating audits of the San Francisco Unified School District and the Oakland Unified School District. FCMAT should have the flexibility to determine its priorities regarding the projects for which the additional funding will be used. Additionally, the education trailer bill specifically appropriates funds for the Oakland School District audit. However, I request that FCMAT conduct a comprehensive review of the San Francisco Unified School District's financial condition and submit a report to the Superintendent of Public Instruction, the Director of Finance, the Secretary for Education, and the district by October 30, 1999. The review should include an assessment on whether the district is capable of meeting its fiscal obligations for the current and two subsequent fiscal years. This review may begin immediately but shall incorporate data from the closing of the 1998–99 fiscal books.

Subdivision 1 is revised as follows:

"(1) The unencumbered balance as of June 30, 1999, from Schedule (c) of Item 6110-107-0001 of Section 2.00 of the Budget Act of 1996 (Ch. 162, Stats. 1996) and the unencumbered balance as of June 30, 1999, from Schedule (c) of Item 6110-107-0001 of Section 2.00 of the Budget Act of 1997 (Ch. 282, Stats. 1997) to augment Schedule (b) of Item 6110-107-0001 of Section 2.00 of this act, for allocation by the Controller directly to the county office of education that is selected pursuant to subdivision (a) of Section 42127.8 of the Education Code to oversee Fiscal Crisis and Management Assistance Team (FCMAT) responsibilities with respect to these funds and to meet the costs of participation under Section 42127.8 of the Education Code. ~~The funds shall be provided to the County Office Fiscal Crisis and Management Assistance Team for the following purposes:~~

~~1. $100,610 shall be provided for the purpose of implementing the recovery plans at Compton Unified School District pursuant to Chapter 767 of the Statutes of 1997.~~

~~2. $66,000 shall be provided for the purposes of initiating an audit of the Oakland Unified School District.~~

~~3. $66,000 shall be provided for the purpose of initiating an audit of the San Francisco Unified School District.~~ "

Item 6120-140-0001—For local assistance, California State Library. I am reducing this item from $937,000 to $400,000

I am reducing $537,000 of the $937,000 legislative augmentation for local library projects. While these projects are all meritorious, I am reducing the funding so that I can ensure the State maintains a prudent reserve.

I am revising Provision 1 to conform to this action.

"1. Funds appropriated in this item are for the purpose of funding local assistance projects at local public libraries. These funds are to be allocated on a one-time basis only.

~~(a) Of the funds appropriated in this item, $150,000 is for the purpose of funding computers and materials at Ventura City Library.~~

~~(b) Of the funds appropriated in this item, $48,000 is for the purpose of funding the Foster Library Homework Center at Ventura City Library.~~

~~(c) Of the funds appropriated in this item, $167,000 is for the purpose of funding a multimedia youth center at Anaheim Public Library.~~

(d) Of the funds appropriated in this item, $120,000 is for the purpose of funding homework materials at nine branch libraries of the San Diego County Library.

(e) Of the funds appropriated in this item, $140,000 is for the purpose of funding a library bookmobile at the Humboldt County Library.

(f) Of the funds appropriated in this item, $140,000 is for the purpose of funding improvements and renovation at McFadden Library.

~~(g) Of the funds appropriated in this item, $160,000 is for the purpose of funding renovation at Foresthill Library.~~

~~(h) Of the funds appropriated in this item, $12,000 is for the purpose of funding the Palmdale City Library~~ ."

Item 6120-221-0001—For local assistance, California State Library. I reduce this item from $58,870,000 to $56,870,000

I am reducing $2,000,000 of the $20,000,000 augmentation provided for the Public Library Foundation. I am very supportive of additional funding for local public libraries and see them as a key component to increasing literacy. With this augmentation, I am increasing the program by more than 45 percent. This amount, coupled with last year's augmentation, increases funding for public libraries by almost 150 percent over the two year period.

Item 6360-001-0407—For support of the Commission on Teacher Credentialing. I reduce this item from $15,091,000 to $14,582,000 by reducing:

(a) 10-Standards for Preparation and Licensing of Teachers from $15,091,000 to $14,582,000;

(b) 10.40.010-Departmental Administration from ($4,766,000) to ($4,257,000);

(c) 10.40.020-Distributed Departmental Administration from (−$4,766,000) to (−$4,257,000); and by deleting Provision 5.

I am deleting the $509,000 augmentation to fund two new information technology projects. The feasibility study reports for these two projects have been disapproved by the Department of Information Technology pending Year 2000 remediation efforts. In my Executive Order D-3-99, I have indicated that Year 2000 remediation is the State's highest priority for information technology for the upcoming year, and have directed the Department of Information Technology to develop and coordinate a comprehensive State solution. Consequently, all new non-Year 2000 computer projects not required by law are being deferred. Therefore, it would be premature to provide funding at this time.

I am deleting Provision 5 to conform to this action.

Item 6420-001-0001—For support of California Postsecondary Education Commission. I reduce this item from $3,397,000 to $2,973,000 by reducing:

(a) 100000-Personal Services from $2,846,000 to $2,629,000, and

(b) 300000-Operating Expenses and Equipment from $850,000 to $683,000.

I am deleting the $424,000 legislative augmentation to expand the scope of the Commission's higher education database to support studies of student progression and outcomes of higher education. It is premature to expand this database because the Commission has not submitted a proposal to the Department of Information Technology or Finance to determine the specific business need to be addressed and whether the proposed information technology project provides a viable solution. In addition, there are unresolved issues dealing with privacy laws and the use of social security numbers to track students. The reduction to Operating Expenses and Equipment is offset by a $40,000 increase that was necessary due to a technical error which occurred

during budget bill preparation that inadvertently understated the Operating Expenses and Equipment schedule by $40,000.

Item 6440-001-0001—For support of University of California. I reduce this item from $2,548,853,000 to $2,541,403,000 by reducing:

(a) Support from $2,426,853,000 to $2,419,403,000,

and revising Provision 10 and deleting Provision 20.

I am sustaining the $25,000,000 augmentation for deferred maintenance ($7.1 million), instructional equipment ($7.1 million), educational technology ($7.1 million), and library materials ($3.7 million). Future funding for these purposes will be agreed upon with the University of California as part of the partnership agreement currently being negotiated. I expect the partnership agreement to encompass funding stability, negotiated goals, measurable performance objectives, and accountability.

I am deleting the $5,300,000 legislative augmentation to backfill a reduction in summer term fees, which is intended as an interim step in moving to year-round operations. I will be directing the Department of Finance to conduct a study on the feasibility and costs of year-round operations at the University of California and California State University. The study will include an analysis of the costs and benefits of fully utilizing existing facilities on a year-round basis. A reduction in summer fees prior to establishing year-round operations would not result in additional enrollment or course offerings, but would simply increase General Fund costs.

I am reducing the $2,000,000 legislative augmentation for professional school outreach by $500,000 to $1,500,000. This $1.5 million augmentation represents a 300 percent increase in funding for professional school outreach, bringing the total to $2,000,000, including the current base funding for this program. I am revising Provision 10 to reflect an allocation of $1,125,000, instead of $1,500,000, for medical school outreach and engineering and science doctoral program outreach. Due to a technical error during preparation of the budget bill, Provision 10 of this item reflects a $500,000 allocation for law school outreach, instead of reflecting $1 million. As reflected below, I am reducing this allocation from $1 million to $750,000. I am revising Provision 10 to conform to the above actions.

"10. Of the amount appropriated in schedule (a), ~~$40,500,000~~ *$40,000,000* is provided for outreach to be used to fund new and existing programs that are aimed at improving the chances for pupils from a wide diversity of backgrounds to become eligible for the University of California, as follows:

(a) The following amounts are for pupil academic development and school partnership programs and shall be matched on a one-to-one basis by the participating schools:

(1) $15,000,000 is to expand pupil academic development programs, including MESA, Puente, and the Early Academic Outreach Program, so that these programs may increase the number of pupils who participate in the programs and may offer services such as college ad-missions test preparation programs, fee waivers for Advance Placement tests, and an increased number of field trips for high school and middle school participants to visit college campuses.

(2) $15,000,000 is provided for the expansion of K–12 school partnership pro-grams to systemically reform partner schools in order to achieve long-term improvements in student success.

$1,000,000 is provided to expand both pupil academic development programs and K–12 partnership programs in the central valley.

(b) $3,500,000 is provided for expansion of services to community college students to promote transfer.

(c) $1,000,000 is provided for informational outreach to pupils, families, and K–12 teachers and counselors.

(d) $1,000,000 is provided for charter schools.

(e) $500,000 is provided for outreach by professional schools to be matched on a one-to-one basis by those professional schools.

(f) ~~$2,000,000~~ *$1,500,000* is provided for systemwide graduate and professional school outreach, to be matched by ~~$2,000,000~~ *$1,500,000* in univer-

sity funds. Of these funds, ~~$1,500,000~~ *$1,125,000* shall be provided for medical school outreach, ~~$1,500,000~~ *$1,125,000* for engineering and science doctoral program outreach, and ~~$500,000~~ *$750,000* for law school outreach.

(g) $1,500,000 is provided for long-term evaluation of the effectiveness of outreach programs, including college graduation rates for pupils who participated in the K–12 programs, regardless of the college attended."

I am sustaining $1,000,000 of the $2,000,000 legislative augmentation for liver and kidney transplant research for people with HIV, which will permit the San Francisco campus to examine organ transplants treatment options for individuals with HIV. Because this is a new undertaking, I am reducing this augmentation by $1,000,000, and asking the University to report to the Administration and the Legislature on the results of this research.

I am deleting the $600,000 legislative augmentation to provide funding for the New Teacher Center at the Santa Cruz campus. This Center should be funded through the University's budget for teacher preparation programs. Alternatively, the Center could charge fees for its services.

I am deleting the $50,000 legislative augmentation for student voter registration information. While voter registration is an important activity, it does not appear necessary to provide funding for an activity that could be easily undertaken by campus groups or other civic groups.

I am sustaining the $4 million legislative augmentation to implement advanced placement on-line courses. I am requesting the University to provide an ongoing evaluation of the program's effectiveness.

I am sustaining the $2,000,000 legislative augmentation for AIDS programs. I am deleting Provision 20 which provides that these funds be used for core infrastructure support for interdisciplinary coordination of AIDS research at University of California medical schools, and provides how funds are to be allocated among campuses. Instead, consistent with the its constitutional autonomy, I am requesting the University of California to appropriately allocate these funds specifically for AIDS research.

Although the Legislature deleted funding for the support of the Internet 2 project, I would support legislation appropriating $1 million for this effort.

Item 6440-001-0234—For support of University of California. I reduce this item from $38,726,000 to $36,726,000.

I am reducing the $9,000,000 legislative augmentation for tobacco use research by $2,000,000 to conform to my action in Items 4260-001-0001 and 4260-001-0231.

Item 6440-301-0574—For capital outlay, University of California. I reduce this item from $9,494,000 to $6,494,000 by deleting:

San Francisco Campus:

(2.2) 99.02.120-Mission Bay Research Building-Preliminary Plans ($3,000,000).

I am deleting the legislative augmentation of $3,000,000 for preliminary plans for the San Francisco Mission Bay Research Building project because it is more appropriately funded from revenue bonds. I am concerned about the use of higher education bond funds for a facility that is not instructionally based, because I believe that those limited bond resources should be utilized first for instructional and instructional support facilities. Because I am supportive of this proposal, however, I am sustaining the authorization provided in Item 6440-401 which will allow the University to construct the research facility at the Mission Bay site using "Garamendi" bonds, and I will propose the adoption of a resolution by the Regents authorizing that approach.

Item 6610-001-0001—For support of California State University. I reduce this item from $2,221,286,000 to $2,190,847,000 by reducing:

(a) Support from 2,977,761,000 to $2,947,422,000

and by revising Provision 10.

I am sustaining the $8,000,000 legislative augmentation to accelerate the development of California State University's (CSU) integrated technology strategy. This augments the $2,000,000 currently allocated to this project. I am also sustaining the $8,000,000 legislative augmentation for deferred maintenance. Future funding for these purposes will be agreed upon with the California State University as part of the

partnership agreement currently being negotiated. I expect the partnership to encompass funding stability, negotiated goals, measurable performance objectives, and accountability.

I am deleting the $10,400,000 legislative augmentation to provide an average of four percent increase in employee compensation to all employees. This augmentation is unnecessary as the May Revision provided sufficient funds for the proposed increase.

I am deleting $9,559,000 in legislative augmentations to provide employee compensation increases above the four percent increase for all employees. The augmentations would provide additional compensation for skilled tradesworkers ($889,000), employees represented by the Statewide University Police Association ($270,000), and for employees represented by the California State Employees Association ($8,400,000) to fund additional raises of between 2 and 2.35 percent. Setting aside funds for salary increases for specific classifications would set an undesirable precedent. Specific increases should be negotiated with each bargaining unit, and I encourage the Trustees to continue collective bargaining negotiations with these employee groups.

I am deleting the $7,500,000 legislative augmentation to supplement high cost academic programs. Funding for the California State University's programs is based on a marginal cost formula that provides for an average student to faculty ratio of 18.9 to 1. While some programs may have lower student to faculty ratios, the University has the ability to offset these costs against programs that have higher student to faculty ratios. Since the University is able to make adjustments to account for the differential costs of various programs, it would be inappropriate to provide supplemental funding above the marginal-cost formula.

I am reducing the $2,000,000 legislative augmentation for the California Academic Partnership Program which supports California State University's participation in partnerships with K–12 schools and community colleges by $1 million. The remaining augmentation will double the existing program. Additionally, $15 million is provided to California State University for other outreach programs, which represents a 250 percent increase over the prior year.

I am revising Provision 10 of Schedule (a) to conform to this action and to correctly reference that a total of $15,000,000 is being provided for outreach. Due to a technical error during the preparation of the budget bill, the total outreach funds referenced in Provision 10 were understated by $12 million. I am revising Provision 10 as follows:

"10. Of the funds appropriated in Schedule (a), ~~$4,000,000~~ *$15,000,000* is provided for outreach to be used to fund new and existing programs that are aimed at improving the chances for K–12 pupils from a wide diversity of backgrounds to become eligible and prepared for the California State University. Of this total, $5,000,000 is provided for faculty-to-faculty alliance with high school teachers of English and mathematics, $4,000,000 is provided for learning assistance programs in high schools, and $2,000,000 is provided for the Precollegiate Academic Development Program at the California State University, $2,000,000 is for the California State University Educational Opportunity Program (Art. 6 (commencing with Sec. 89521), Ch. 2, Pt. 55, Ed. C.), and ~~$3,000,000~~ *$2,000,000* is for the California Academic Partnership Program (Ch. 11 (commencing with Sec. 11000), Pt. 7, Ed. C.)."

I am deleting the $1,300,000 legislative augmentation to backfill a shortfall in lease revenues at the Stockton Off-Campus Center. I am setting these funds aside for legislation to provide a loan as an interim measure until the redevelopment agency includes the Center within its redevelopment zone, and California State University is able to increase the number of tenants and lease revenue.

I am deleting the $380,000 augmentation for the Coachella Valley Off-Campus Center. Routine workload adjustments for internally adopted standards should be funded from within California State University's base funding.

I am deleting the $100,000 legislative augmentation for student voter registration information. While voter registration is an important activity, it does not appear necessary to provide funding for an activity that could be easily undertaken by campus groups or other civic groups.

I am deleting the $200,000 for new engineering equipment at the Pomona campus. Although the augmentation for this equipment may be meritorious, equipment purchases for standard University use should be funded from CSU's base funding.

I am also revising Schedule (a) of this item to correct a $100,000 understatement due to a technical error in the Budget Bill.

I am sustaining the $360,000 legislative augmentation to fund the Royball Institute for Applied Gerontology. However, this is a one-time augmentation, and the University needs to address the need for a reliable funding source for this program.

Item 6610-002-0001—For support of California State University. I reduce this item from $2,454,000 to $2,314,000 by reducing:

(f) Judicial Fellows from $341,000 to $201,000

I am deleting the $140,000 legislative augmentation to add five additional judicial fellows. This program currently supports five judicial fellows and there is no compelling need to expand the program at this time.

Item 6870-001-0001—For support of Board of Governors of the California Community Colleges. I reduce this item from $11,140,000 to $11,006,000 by reducing:

(b) 20-Special Services and Operations from $17,332,000 to $17,198,000.

I am reducing the legislative augmentation of $184,000 for the Student Senate by $134,000 including the two new permanent full time positions. I am willing to sustain $50,000 which will double the current budget for support of student representatives in the consultation process. Noting that the other higher education segments support similar activities from voluntary student assessments, the Student Senate may wish to promote this concept at their campuses if additional support for this function is desired.

Item 6870-101-0001—For local assistance, Board of Governors of the California Community Colleges (Proposition 98). I reduce this item from $2,259,249,000 to $2,236,714,000 by reducing:

(e) 20.10.005-Student Financial Aid Administration from $6,518,000 to $6,416,000
(f) 20.10.010-Extended Opportunity Programs and Services and Special Services from $76,577,000 to $70,077,000
(h) 20.10.040-Fund for Student Success from $18,578,000 to $15,218,000
(j) 20.10.060-Foster Care Education Program from $1,892,000 to $1,866,000
(n) 20.20.020-Academic Senate for the Community Colleges from $504,000 to $497,000
(o) 20.20.040-Faculty and Staff Diversity from $1,885,000 to $1,859,000
(p) 20.20.050-Part-Time Faculty Health Insurance from $1,000,000 to $500,000
(r) 20.30.010-Faculty and Staff Development from $5,307,000 to $5,233,000
(s) 20.30.011-Telecommunications and Technology Infrastructure from $28,220,000 to $28,000,000
(y) 20.40.035-Instructional Equipment and Library Materials Replacement from $44,620,000 to $44,000,000.

by deleting

(dx) 10.10.055-Full-Time Faculty ($10,600,000)
(zz) 20.40.047.002-College of the Desert ($500,000)

and by revising Provisions 8, 10, and 18

I am deleting the legislative augmentation of $10,600,000 in schedule (dx) for converting part-time faculty positions to full-time. While I am supportive of growth in full-time faculty, the community college system is utilizing part-time faculty in numbers consistent with the national average. Moreover, substantial growth in full-time hires is already taking place at district discretion through general purpose growth funding increases and augmentations for the Partnership for Excellence, both of which are substantially increased in this budget and which require accountability for increased student outcomes, consistent with my overall policy for the higher education segments.

I am supportive of improved working conditions for part-time faculty; therefore, I am deleting and setting aside the $500,000 legislative augmentation in schedule (p) for the Part-Time Faculty Health Benefits program for legislation designed to improve utilization of the state health benefit incentive, targeted at those part-time faculty members who do not have access to health coverage through another existing employer

or their spouse's employer. I am also sustaining the $500,000 augmentation for the Part-Time Office Hours program to expand teacher-student interaction at community college campuses.

I am reducing the $2,000,000 legislative augmentation for the Cooperative Agencies Resources for Education (CARE) program in schedule (f) by $1,500,000 because, while this program is meritorious to the target population, the magnitude of this increase is inconsistent with the growth rate in the target population eligible for these services.

I am revising Provision 8 to conform to this action in context of other actions to schedule (f) described below.

I am deleting the $500,000 legislative augmentation for the Desert Community College District in schedule (zz). Although this additional augmentation may be meritorious, I am deleting the funding in this item to ensure the State maintains a prudent reserve.

I am deleting legislative augmentations totaling $8,360,000 in schedules (f) and (h) for Extended Opportunity Programs and Services ($5,000,000) and the Puente Program ($3,360,000), respectively. Partnership for Excellence funding has already been augmented by $45 million in this budget, which provides resources for all districts to initiate and expand these successful categorical programs or any others which increase student outcomes at their discretion.

I am revising Provisions 8 and 10 as follows to conform with these actions:

"8. Of the funds appropriated in Schedule (f), ~~$64,720,000~~ $59,720,000 is for Extended Opportunity Programs and Services in accordance with Article 8 (commencing with Section 69640) of Chapter 2 of Part 42 of the Education Code; ~~$11,857,000~~ $10,357,000 is for funding, at all colleges, the Cooperative Agencies Resources for Education (CARE) program in accordance with Article 4 (commencing with Section 79150) of Chapter 9 of Part 48 of the Education Code. The board of governors shall allocate funds on a priority basis and to local programs on the basis of need for student services."

"10. The funds in Schedule (h), with the exception of the funds identified in subdivisions (c) and (d) of this provision, shall be used for competitive grants to increase student success based on an analysis of student outcomes. The funds used for these grants shall be available for a limited duration, after which colleges shall institutionalize the programs within their budgets. The chancellor shall develop criteria for allocation of the competitive grants. Of the funds appropriated in Schedule (h):

(a) $1,000,000 shall be available for small planning grants of up to one year duration.

(b) $8,985,000 shall be available for the initial year of two or three year projects where the state share shall be no greater than 75% of the costs of the first year and no more than 25 in the last.

(c) Up to ~~$4,304,000~~ $944,000 is for the Puente Project if these funds are matched by $100,000 of private funds and the participating community colleges and University of California campuses maintain their 1995–96 support level for the Puente Project. These funds are not required to be allocated on a temporary basis and may be allocated on a permanent basis to support a Puente Project that meets the conditions of the Puente Project contract agreement.

(d) Up to $2,489,000 is for the Mathematics, Engineering and Science Achievement/Minority Engineering (MESA/MEP) Programs. These funds are not required to be allocated on a temporary basis and maybe allocated on a permanent basis provided the conditions for receipt of funds continue to be met. For each dollar allocated, the recipient district shall provide one dollar in matching funds.

(e) No less than $1.8 million is reserved for expansion of middle colleges pursuant to the Governor's initiative. Of the funds provided herein, the chancellor shall have the discretion to extend the grant period beyond the

normal pattern for the Fund for Student Success as necessary to meet the goals of the initiative.

(f) With the exception of special part-time students at the community colleges pursuant to Section 48802 of the Education Code, student workload based on participation in the Middle College High School Program shall not be eligible for community college state apportionment. As a condition of receipt of funds pursuant to Provision 15 (a) and (b), colleges must submit to the chancellor's office a yearly report including: an expenditure plan, a progress report detailing number of students served, and the ability of the college to increase student success based on an analysis of student outcomes. It is the intent that the chancellor's office submit an annual report to the Legislature and Department of Finance by November 1, of each year. The report shall include an analysis of the programs funded at each campus, including the effects on student outcomes. The chancellor shall also identify any colleges which did not continue operation of the program after state funds have ceased and the reasons therefore."

I am reducing the $1,075,000 legislative augmentation for seven specialized categorical programs in schedules (j),(r),(n),(o),(e),(s) and (y) for cost-of-living (COLA) increases. These programs are not primarily salary nor student-growth driven and, as such, do not present a compelling case for COLA adjustments.

I am revising Provision 18 to conform to this action as follows:

"18. (a) $15,600,000 of the funds provided in Schedule (s) shall be for the purpose of providing allocations to all districts. It is the intent that colleges receiving these funds shall maintain all of the capabilities specified in the 1996–97, 1997–98 and 1998–99 Budget Acts for the Telecommunications and Technology Infrastructure program. The funds appropriated in this item shall be allocated by the chancellor, shall not supplant existing funds used for technology and networking purposes, and shall be subject to established fiscal controls, annual reporting and accountability requirements specified by the chancellor. It is the intent that this allocation shall enable further development of networks. Therefore, colleges shall match maintenance and ongoing costs with other funds, after installation, for the following required purposes: (1) maintenance of communication lines, software and other costs associated with connecting to the collaborative California State University/California Community College telecommunications wide area network (C Net); (2) video conference connectivity, transport, maintenance, and training; (3) local planning and development for improving library technology including library automation, connections to college local area networks and connections to external data bases; (4) digital satellite systems and the following optional purposes: (A) the development and expansion of local area networks both within and between buildings:

(B) development of district-wide area networks for interconnecting multiple campuses and off-campus centers within a district; and

(C) implementation of local technology applications that are intended to improve student learning and other services.

The chancellor shall allocate the ~~$15,820,000~~ $15,600,000 by providing ~~$140,701~~ $138,645 for each of the 107 colleges and $45,000 for each of the 17 governing sites that are not colocated (sic) with the colleges. All provisions related to technology standards and telecommunication plans as specified in Provision 17(a) of Item 6870-101-0001 of Section 2.00 of the Budget Act of 1996 (Ch. 162, Stats. 1996) and Provision 14(a) of Item 6870-101-0001 of Section 2.00 of the Budget Act of 1997 (Ch. 282, Stats. 1997), shall apply.

(b) $6,400,000 of the funds provided in Schedule (s) of this item shall be for the purpose of supporting technical and application innovations and for coordination of activities that serve to maximize the utility of the technology investments of the community college system toward improving

learning outcomes. Allocations shall be made by the chancellor, based on criteria and guidelines as developed by the chancellor, on a competitive basis through the RFA/RFP application process as follows:

(1) At least $700,000 shall be available for technical and application pilot projects that improve intercollege relationships in the areas of: (a) learning and instructional services; (b) student services; and (c) administrative services, however not more than 25 percent of the amount shall be allocated for this purpose.

(2) All provisions as specified in Provision 17(b)(2) of Item 6870-101-0001 of Section 2.00 of the Budget Act of 1996 (Ch. 162, Stats. 1996) shall apply to Provision (1) above.

Not more than $3,700,000 shall be available for centers to provide regional coordination for technical assistance and planning, cooperative purchase agreements, and faculty and staff development. All other provisions as specified in Provision 17( )b)(3) of Item 6870-101-0001 of Section 2.00 of the Budget Act of 1996 (Ch. 162, Stats. 1996) shall apply. The $1.5 million increase from the previous year for this subdivision is intended to fund the segment's share of upgrading the 4C Net backbone from an OC-3 to an OC-12 Network and shall be matched dollar for dollar by the CSU. If this condition is not met, the chancellor shall report the reasons the expenditure should still be made on any other use of the funds using the reporting provisions of the Section 28.00 process.

(4) $2,000,000, or as much as necessary, shall be available for a statewide digital uplink for the purpose of delivering statewide satellite services to system colleges and districts related to instruction, student support, and administration.

(c) $6,000,000 of the funds provided in Schedule (s), shall be for allocations to community college districts to fund faculty and staff training in the use of technology to assist learning (including distance education and online courses), expand access, and contribute to student success. The chancellor shall develop an allocation formula that reflects the number of faculty and provides a minimum grant for small sites. The disbursement of funds shall be contingent upon inclusion of a satisfactory staff development component by each district within its telecommunications and technology use plan, as specified by the chancellor. Districts may not use these funds to supplant existing training and staff development efforts related to technology; the chancellor shall ensure that these funds are used for additional training and development in the use of technology. The use of technology training allocations shall be included in reports required for this program.

(d) The chancellor shall submit an annual report to the Legislative Analyst, the budget and fiscal committees of the Legislature, and the Department of Finance no later than November 1, 1999, identifying any changes to the standards developed pursuant to the control provisions for this program in the Budget Act of 1997 (Ch. 282, Stats. 1997), the status of the implementation of the telecommunication and technology infrastructure program to date and any additional needs, including the reasons therefore."

Item 7980-001-0001—For support of Student Aid Commission. I reduce this item from $9,256,000 to $8,006,000 by reducing:

(a) 15-Financial Aid Grants Program from $9,302,000 to $8,052,000,

and deleting Provision 1.

I am deleting the $250,000 legislative augmentation to fund the Commission's costs of adjusting its systems to provide Cal Grants for summer programs. I will be directing the Department of Finance to conduct a study on the feasibility and costs of year-round operations at the University of California and California State University. The study will include an analysis of the costs and benefits of fully utilizing existing facilities on a year-round basis. It would be premature to expand financial aid for year-round operations prior to completing this study. I am deleting Provision 1 to conform to this action.

I am deleting the $1,000,000 legislative augmentation to expand the College Making It Happen outreach program. This program is administered by the Intersegmental Coordinating Committee (ICC) of the California Education Roundtable. ICC activities are currently funded by its members, which include the Association of Independent Colleges and Universities, the California Community Colleges, the California Department of Education, the California Postsecondary Education Commission, the California State University, and the University of California. I encourage members to continue funding ICC activities, such as College Making It Happen, and to raise additional private funds to expand ICC activities.

Item 7980-101-0001—For local assistance, Student Aid Commission. I reduce this item from $384,429,000 to $379,429,000 by reducing:

(a) 15-Financial Aid Grants Program from $393,656,000 to $388,656,000,

and by deleting Provision 6.

I am deleting the $5,000,000 legislative augmentation for additional Cal Grant T awards beginning in 1999–00. This program provides Cal Grants to individuals enrolled in teacher preparation programs. As an alternative, my Budget proposed, and the higher education trailer bill includes, authorization for an additional 1,000 awards under the Assumption Program of Loans for Education (APLE). APLE provides loan forgiveness for each year of teaching service in a recognized shortage area, up to a maximum of $11,000 for four years of teaching service. This provides a stronger incentive for individuals receiving financial aid to provide the required teaching service. I am deleting Provision 6 to conform to this action.

Item 8100-101-0001—For local assistance, Office of Criminal Justice Planning. I reduce this item from $75,661,000 to $71,581,000 by reducing:

(vx) 50.30.700-Special Projects-Public Safety from $6,218,000 to $2,138,000

and I am deleting Provisions 3 and 4.

I am reducing this item by $300,000 by deleting the augmentation to purchase a mobile emergency center for the City of Palmdale because providing equipment for law enforcement is primarily a local responsibility. In addition, the budget includes $30 million in order to address one-time local law enforcement equipment needs through competitive grants.

I am reducing this item by $1,265,000 by deleting the following legislative augmentations because these funds are proposed to fund ongoing programs that are local responsibilities and should be provided on a priority basis from local funds:

$500,000 for the Orange County Multi-Agency Task Force.

$500,000 for Ventura County Violence Prevention.

$150,000 for the Elk Grove Gang Prevention Program.

$115,000 for City of Oceanside "Gangbusters."

I am further reducing this item by $2,515,000 by deleting the following legislative augmentations. Although these programs may be meritorious, I am deleting the funding for them because these funds are proposed to fund programs that are local responsibilities and should be provided on a priority basis from local funds:

$1,850,000 for MUNI Cameras.

$500,000 for Antelope Valley Gang Prevention.

$100,000 for Antelope Valley Courthouse Security.

$50,000 for Anaheim Laboratory Design.

$15,000 for City of Danville Public Safety Equipment.

I am also deleting Provisions 3 and 4. Provision 3 would define "violence prevention" and "violence prevention programs" for the purposes of programs operated by the Office of Criminal Justice Planning. Provision 4 would require the Office of Criminal Justice Planning to evaluate its violence prevention programs. These provisions are unnecessarily restrictive and confusing, and would infringe upon the ability of the Executive Branch to properly prioritize and address its responsibilities.

Item 8260-103-0001—For local assistance, California Arts Council. I reduce this item from $35,347,000 to $26,187,000 by deleting or reducing allocations for various projects in this item.

Although these projects may be meritorious, I am reducing or deleting the funding for them to ensure that the State maintains a prudent reserve. I am deleting funding for

the Children's Museum of La Habra Edwards Air Force Base Flight Test Museum, the Fender Museum and Education Center, the Historical Air Museum, the Los Angeles Children's Museum, the Miner's Foundry Cultural Center, the Northern Los Angeles County Historic Agricultural Museum, the Palmdale Historic Airpark and the Port San Luis Marine Institute. I am also reducing the appropriation for the Los Angeles Civic Center by $5,000,000 from $10,000,000 to $5,000,000.

I am revising Provision 1 to conform to this action.

"1. Of the funds appropriated in this item, the following allocations shall be made to museums and cultural institutions: $464,000 for the Armenian Film Foundation; $250,000 for Arte Americas; $1,600,000 for the Asian Art Museum; $162,000 for the Bonita Historical Museum; $500,000 for the Brava Theater Youth Outreach; ~~$410,000 for the Children's Museum of La Habra;~~ $1,000,000 for the Chinese-American Museum and Italian Hall; ~~$100,000 for the Edwards Air Force Base Flight Test Museum;~~ $750,000 for the El Pueblo de Los Angeles Historic Monument; ~~$200,000 for the Fender Museum and Education Center;~~ $34,000 for the Harry Sweet Film Archives; $40,000 for the historic transportation system in Old Sacramento; ~~$500,000 for the Historical Air Museum;~~ $1,000,000 for the Hollywood Entertainment Museum; $1,000,000 for the Japanese-American National Museum; $800,000 for the Latino Museum of History, Art and Culture; ~~$2,000,000 for the Los Angeles Children's Museum; $10,000,000~~ *$5,000,000* for the Los Angeles Civic Center; $250,000 for the Mexican-American Heritage Museum; $1,250,000 for the Mid-Peninsula Jewish Community Center; ~~$200,000 for the Miner's Foundry Cultural Center;~~ $250,000 for the Model Railroad Museum at Balboa Park; $540,000 for the Museum of Latin American Art; $1,500,000 for the Natural History Museum of Los Angeles County; ~~$200,000 for the Northern Los Angeles County Historic Agricultural Museum;~~ $1,000,000 for the Orange County Marine Institute ; ~~$50,000 for the Palmdale Heritage Airpark; $350,000 for the Port San Luis Marine Institute~~ ; $145,000 for the Randall Museum; $72,000 for the Redding Old City Hall Arts Center; $200,000 for the San Bernardino County traveling museum exhibit; $500,000 for the San Diego Maritime Museum; $2,000,000 for the San Francisco Jewish Museum; $1,000,000 for the San Francisco Mexican Museum; $45,000 for the San Francisco Philharmonic; $35,000 for the Santa Clarita Historical Steam Engine; $200,000 for the Santa Maria Children's Museum; $2,000,000 for the Simon Weisenthal Center Museum of Tolerance; $2,000,000 for the Skirball Museum; and $400,000 for the Zimmer Museum.

I am also reducing the amount specified in Provision 5 for administrative costs of the Arts Council from $350,000 to $200,000 to reflect the fact that I am reducing from funding for these projects.

I am revising Provision 5 to conform to this action.

"5. Of the funds appropriated by this item, ~~$350,000~~ *$200,000* shall be used by the California Arts Council to defray it for support and related expenses for performing its responsibilities under this item. The council may enter into an interagency agreement to obtain personnel services relating to the review and approval of capital outlay expenditure plans."

Item 8350-001-0001—For support of Department of Industrial Relations. I reduce this item from $141,265,000 to $140,765,000 by reducing:

(5) 36-Commission on Health and Safety and Workers' Compensation, from $1,169,000 to $981,000,

(8) 60-Promotion, Development, and Administration of Apprenticeship and other On-the-Job Training, from $4,983,000 to $4,483,000,

(19) Amount payable from the Workplace Health and Safety Revolving Fund (Item 8350-001-0222), from –$1,169,000 to –$981,000.

I am reducing the $1,000,000 legislative augmentation and 15 positions for the Division of Apprenticeship Standards by $500,000 and 7.5 positions. With this action I am approving additional resources to oversee the operation of apprenticeship programs in the state and ensure these programs are in compliance with the rules and regulations established by the California Apprenticeship Council.

I am revising this item to conform to the action taken in Item 8350-001-0222.

Item 8350-001-0222—For support of Department of Industrial Relations. I reduce this item from $1,169,000 to $981,000.

I am deleting the $188,000 legislative augmentation and three positions for the Commission on Health, Safety, and Workers' Compensation. The need for this augmentation has not been demonstrated.

Item 8570-101-0001—For local assistance, Department of Food and Agriculture. I reduce this item from $14,015,000 to $10,515,000 by reducing:

(a) 11-Agricultural Plant and Animal, Pest and Disease Prevention from $14,015,000 to $10,515,000.

I am reducing the $4,000,000 legislative augmentation to the County High Risk Pest Exclusion Program to $500,000. The Budget I submitted in January provided for a continuation of the $5 million legislative augmentation which had been included in the 1998 Budget Act. I believe that the additional $5.5 million, coupled with the apportionment to counties of approximately $17 million annually in unclaimed refundable gas tax revenues, which is designated for this and other county agricultural programs, provides an adequate level of state support for county pest exclusion activities.

Item 8570-103-0001—For local assistance, Department of Food and Agriculture. I delete this item.

This augmentation would provide a portion of the costs of building a horse arena at the Antelope Valley Polo Grounds, which is planned for construction in the City of Lancaster. Although this project may be meritorious, I am deleting the funding for it to ensure that the State maintains a prudent reserve and because it is primarily a local project that should be funded from local resources.

Item 8955-102-0001—For local assistance, Department of Veterans Affairs. I am reducing this item from $295,000 to $135,000 by deleting:

(c) Foresthill Veterans Hall ($160,000)

I am deleting the $160,000 Legislative augmentation for renovation of the veterans hall in Foresthill. Although this augmentation may be meritorious, it is a local project that should be funded from local resources.

Item 9210-115-0001—For local assistance, Local Government Financing. I reduce this item from $4,266,000 to $3,766,000 by reducing:

(2) City of Pacifica: Police Facility from $1,000,000 to $500,000.

I am reducing the $1,000,000 legislative augmentation for the City of Pacifica to construct a police facility by $500,000 because the funding for this project should include a matching local obligation. Police services are fundamentally a local responsibility. Thus, I am sustaining $500,000 of this augmentation on the assumption that the City of Pacifica will fulfill its local government responsibility by providing for the remainder of the funds needed to complete the project.

Item 9210-116-0001—For local assistance, Local Government Financing. I reduce this item from $600,000 to $200,000 by deleting:

(1) Burbank-Glendale-Pasadena Airport Flight Path: Residential Acoustic Treatment Program ($400,000).

I am deleting this $400,000 legislative augmentation for Burbank-Glendale-Pasadena Airport Flight Path Residential Acoustic Treatment Program because this is a local federal matching issue that should be locally funded based on local priorities. Furthermore, this project has not been reviewed and evaluated in the context of competing needs for limited state resources.

Item 9210-117-0001—For local assistance, Local Government Financing, Local Services. I delete this item.

I am deleting the $120,000 legislative augmentation for the County of Imperial to fund the purchase of two ambulances and the $500,000 legislative augmentation for the County of Ventura to assist in the construction of two job training centers. I am deleting this item and its two legislative augmentations totaling $620,000 because these are local issues that should be locally funded based on local priorities.

SEC. 4.40—Federal Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA). I delete this control section.

This language would prohibit use of funds in the budget to implement restrictions on eligibility of aliens for state and local benefit programs contained in the Federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996. I am striking this language because it is inconsistent with federal law. Appropriate action by state agencies and departments should await the promulgation of relevant federal regulations.

SEC. 5.00—Reporting of Claims, Judgements, and Settlements. Legislative Claims and Settlement Reporting. I delete this control section.

I am deleting Control Section 5.00 because its reporting requirements are overly broad and duplicative.

As introduced, the Budget Bill proposed that state agencies prepare a schedule which includes each claim, judgment, compromise, and settlement, by category and fund for the 1998–99 fiscal year, for which the payment was the lesser of (1) $400,000 or more, or (2) five percent of the agency's 1998 Budget Act appropriation for the fund from which the payment was made. I am directing state agencies to comply with the reporting requirements that I had originally proposed. This action will result in reports concerning the more significant claims, judgments, compromises, and settlements to assist the Legislature in its oversight responsibilities.

SEC. 11.10—Deferred Information Technology Projects. I delete this control section.

I am deleting this control section because the language as modified by the Legislature is unduly restrictive and interferes with executive branch discretion regarding the implementation and continuation of new information technology projects. It remains my intention to require the completion of detailed departmental assessments of Year 2000 readiness and then, on a case by case basis, determine whether to allow critical new development projects to move forward.

SEC. 24.35—Allowable Uses for Lease Revenues. I delete this control section.

I am deleting Control Section 24.35 because it is unduly restrictive and interferes with executive branch discretion. This section is narrow in scope, recognizing only one of many possible uses for funds administered by the State Allocation Board. It is questionable whether the revenues derived from the lease of portable classrooms would be used at all under the limitations contained in this control section. Therefore, in order to ensure that funds are available in the programs where they are most needed, I must delete this control section.

With the above deletions, revisions and reductions, I hereby approve Senate Bill 160.

GRAY DAVIS

The people of the State of California do enact as follows:

SECTION 1.00. This act shall be known and may be cited as the "Budget Act of 1999."

SEC. 1.50. (a) In accordance with Section 13338 of the Government Code, as added by Chapter 1284, Statutes of 1978, and as amended by Chapter 1286, Statutes of 1984, it is the intent of the Leg-

islature that this act utilize a coding scheme compatible with the Governor's Budget and the records of the State Controller, and provide for the appropriation of federal funds received by the state and deposited in the State Treasury.

(b) Essentially, the format and style are as follows:

(1) Appropriation item numbers have a code which is common to all the state's fiscal systems. The meaning of this common coded item number is as follows:

2720—Organization Code (this code represents the California Highway Patrol)

001—Reference Code (first appropriation for a particular fund for support of each department)

0044—Fund Code (Motor Vehicle Account, State Transportation Fund)

(2) Appropriation items are organized in organization code order as reflected in the Governor's Budget.

(3) All the appropriation items, reappropriation items, and reversion items, if any, for each department or entity are adjacent to one another.

(4) Federal funds received by the state and deposited in the State Treasury are appropriated in separate items.

(c) The Department of Finance may authorize revisions to the codes used in this act in order to provide compatibility between the codes used in this act and those used in the Governor's Budget and in the records of the State Controller.

(d) Notwithstanding any other provision of this act, the Department of Finance may revise the schedule of any appropriation made in this act where the revision is of a technical nature and is consistent with legislative intent. These revisions may include, but shall not be limited to, the substitution of category for program or program for category limitations, the proper categorization of allocated administration costs and cost recoveries, the distribution of any unallocated amounts within an appropriation and the adjustment of schedules to facilitate departmental accounting operations, including the elimination of categories providing for amounts payable from other items or other appropriations and the distribution of unscheduled amounts to programs or categories. These revisions shall include a certification that the revisions comply with the intent and limitation of expenditures as appropriated by the Legislature.

(e) Notwithstanding any other provision of this act, when the Department of Finance, pursuant to subdivision (d), approves the schedule or revision of any appropriation relating to the elimination of amounts payable, the language authorizing the transfer shall also be eliminated.

SEC. 2.00. (a) The following sums of money and those appropriated by any other sections of this act, or so much thereof as may be necessary unless otherwise provided herein, are hereby appropriated for

the use and support of the State of California for the 1999–00 fiscal year beginning July 1, 1999, and ending June 30, 2000. All of these appropriations, unless otherwise provided herein, shall be paid out of the General Fund in the State Treasury.

(b) Appropriations and reappropriations for capital outlay, unless otherwise provided herein, shall be available for expenditure during the 1999–00, 2000–01, and 2001–02 fiscal years, except that appropriations and reappropriations for studies, preliminary plans, working drawings, or minor capital outlay, except as provided herein, shall be available for expenditure only during the 1999–00 fiscal year. In addition, the balance of every appropriation or reappropriation made in this act that contains funding for construction that has not been allocated, through fund transfer or approval to proceed to bid, by the Department of Finance on or before June 30, 2000, except as provided herein, shall revert as of that date to the fund from which the appropriation was made.

(c) Whenever by constitutional or statutory provision the revenues or receipts of any institution, department, board, bureau, commission, officer, employee, or other agency, or any moneys in any special fund created by law therefor, are to be used for salaries, support or any proper purpose, expenditures shall be made therefrom for any such purpose only to the extent of the amount therein appropriated, unless otherwise stated herein, or authorized pursuant to Section 11006 of the Government Code.

(d) Appropriations for purposes not otherwise provided for herein that have been heretofore made by any existing constitutional or statutory provision shall continue to be governed thereby.

LEGISLATIVE/JUDICIAL/EXECUTIVE

Legislative

Item		Amount
0110-001-0001—For support of Senate		71,518,000
Schedule:		
(a) 101001-Salaries of Senators	4,694,000	
(b) 317295-Mileage	10,000	
(c) 317292-Expenses	1,150,000	
(d) 500004-Operating Expenses	65,053,000	
(e) 317296-Automotive Expenses	611,000	

Provisions:

1. The funds appropriated in Schedule (d) are for operating expenses of the Senate, including personal services for officers, clerks, and all other employees, and legislative committees thereof composed in whole or in part of Members of the Senate, and

Item		Amount
for support of joint expenses of the Legislature, to be transferred by the Controller to the Senate Operating Fund.		
2. The funds appropriated in Schedule (e) are for operating expenses of the Senate relating to the purchase, maintenance, repair, insurance, and other costs of operating automobiles for the use of Members of the Senate, to be transferred by the Controller to the Senate Operating Fund.		
3. The funds appropriated in Schedules (a), (b), (c), and (e) may be transferred to or from the Senate Operating Fund.		
0120-011-0001—For support of Assembly		97,143,000
Schedule:		
(a) 101001-Salaries of Assembly Members	9,055,000	
(b) 317295-Mileage	8,000	
(c) 317292-Expenses.....	2,318,000	
(d) 500004-Operating Expenses.....	85,216,000	
(e) 317296-Automotive Expenses.....	546,000	
Provisions:		
1. The funds appropriated in Schedule (d) are for operating expenses of the Assembly, including personal services for officers, clerks, and all other employees, and legislative committees thereof composed in whole or in part of Members of the Assembly, and for support of joint expenses of the Legislature, to be transferred by the Controller to the Assembly Operating Fund.		
2. The funds appropriated in Schedule (e) are for operating expenses of the Assembly relating to the lease, maintenance, repair, insurance, and other costs of operating automobiles for the use of Members of the Assembly, to be transferred by the Controller to the Assembly Operating Fund.		
3. The funds appropriated by Schedules (a), (b), (c), and (e) may be transferred to or from the Assembly Operating Fund.		
0130-021-0001—For support of Office of the Legislative Analyst.....		0
Schedule:		
(a) Expenses of the Office of the Legislative Analyst	4,646,000	

Item		Amount
(b) Transferred from Item 0110-001-0001	−2,323,000	
(c) Transferred from Item 0120-011-0001	−2,323,000	
Provisions:		
1. The funds appropriated in Schedule (a) are for the expenses of the Office of the Legislative Analyst and of the Joint Legislative Budget Committee for any charges, expenses, or claims either may incur, available without regard to fiscal years, to be paid on certification of the Chairperson of the Joint Legislative Budget Committee.		
2. Funds identified in Schedules (b) and (c) may be transferred from the Senate Operating Fund, by the Senate Committee on Rules, and the Assembly Operating Fund, by the Assembly Committee on Rules.		
0160-001-0001—For support of Legislative Counsel Bureau		62,320,000
Schedule:		
(a) Support	62,451,000	
(b) Reimbursements	−131,000	

Judicial

0250-001-0001—For support of Judiciary		239,105,000
Schedule:		
(a) 10-Supreme Court	30,971,000	
(b) 20-Courts of Appeal	145,724,000	
(c) 30-Judicial Council	58,996,000	
(d) 50-Habeas Resource Center	9,854,000	
(e) Reimbursements	−2,407,000	
(f) Amount payable from the Motor Vehicle Account, State Transportation Fund (Item 0250-001-0044)	−127,000	
(g) Amount payable from the Court Interpreters' Fund (Item 0250-001-0327)	−256,000	
(h) Amount payable from the Federal Trust Fund (Item 0250-001-0890)	−3,650,000	
Provisions:		
1. Notwithstanding Section 26.00 of this act, the funds appropriated or scheduled in this item may be allocated or reallocated among categories by order of the Judicial Council.		

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2. Of the funds appropriated in this item, $200,000 is available for reimbursement to the Attorney General, or for hiring outside counsel, for litigation fees and costs, including any judgment, stipulated judgment, offer of judgment or settlement. This amount is for use in connection with employment litigation arising from 1) the actions of appellate courts or trial courts, of appellate court or trial court bench officers, or of appellate court or trial court employees; 2) the actions of the Judicial Council, council members, or council employees or agents; or 3) the actions of the Administrative Office of the Courts or its employees. Either the state or the Judicial Council must be named as a defendant or alleged to be the responsible party. Any funds not used for this purpose shall revert to the General Fund.
3. Notwithstanding any other provision of law, up to $5,000,000 appropriated in this item may be transferred to Item 0250-101-0001 by the Controller at the request of the Administrative Office of the Courts, to cover any short-term cash-flow issues that occur. Any funds transferred shall be repaid to this item from Item 0250-101-0001. The Judicial Council shall notify the Department of Finance and the Joint Legislative Budget Committee when any transfer is made pursuant to this provision, and upon repayment of the transfer.
4. The funds appropriated by this item include an augmentation of $1,575,000 for the Court-Appointed (CAC) Program of the California Supreme Court. It is the intent of the Legislature that these funds are only used for the CAC Program. Any funds not used for this purpose shall revert to the General Fund.
5. The funds appropriated by Schedule (d) shall be available for costs associated directly or indirectly with the California Habeas Resource Center (CHRC). The CHRC shall report quarterly on expenditures, specifically detailing personal services expenditures, and operating expenses and equipment expenditures.

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6. No later than 30 days after this act is enacted, the Judicial Council shall convene a workgroup consisting of representatives from the judicial system, the substance abuse treatment system, treatment providers, and other interested parties. This workgroup shall submit a report by March 1, 2000, to the appropriate fiscal and policy committee of the Legislature containing policy recommendations regarding future growth of drug courts and community-based treatment courts in the State of California.		
0250-001-0044—For support of Judiciary, for payment to Item 0250-001-0001, payable from the Motor Vehicle Account, State Transportation Fund		127,000
0250-001-0327—For support of Judiciary, for payment to Item 0250-001-0001, payable from the Court Interpreters' Fund		256,000
0250-001-0890—For support of Judiciary, for payment to Item 0250-001-0001, payable from the Federal Trust Fund		3,650,000
0250-101-0001—For local assistance, Judiciary		11,875,000
Schedule:		
(a) 30.10-Child Support Commissioner Program (AB 1058)	39,590,000	
(b) 30.20-California Drug Court Project	1,958,000	
(c) 30.30-Child Access and Visitation Grant Program	791,000	
(d) 30.40-Family Assessment, Intervention, and Resources Grant Program	150,000	
(e) 30.50-Court Improvement Grant Program	700,000	
(f) 30.60-Court Appointed Special Advocate (CASA) Program	1,350,000	
(g) 30.70-Trial Court Coordination Assistance Grants	125,000	
(h) 30.80-Federal Grants	675,000	
(hx) 30.90-Equal Access Fund	10,000,000	
(hy) 30.95-Family Law Information Centers	300,000	
(i) Reimbursements	-42,239,000	

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(j) Amount payable from Federal Trust Fund (Item 0250-101-0890)..... −1,525,000

Provisions:

1. Notwithstanding any other provision of law, up to $5,000,000 appropriated in Item 0250-001-0001 may be transferred to Item 0250-101-0001 by the Controller at the request of the Administrative Office of the Courts, to cover any short-term cashflow issues that occur. Any funds transferred shall be repaid from this item to Item 0250-001-0001. The Judicial Council shall notify the Department of Finance and the Joint Legislative Budget Committee when any transfer is made pursuant to this provision, and upon repayment of the transfer.
2. In order to improve equal access and the fair administration of justice, the funds appropriated in Schedule (hx) are to be distributed by the Judicial Council through the Legal Services Trust Fund Commission to qualified legal services projects and support centers as defined in Sections 6213 through 6215 of the Business and Professions Code, to be used for legal services in civil matters for indigent persons. This distribution is subject to rules being amended to provide that one-third of the appointments to the commission to oversee this fund shall be made by the Chair of the Judicial Council, pursuant to Judicial Council appointment procedures, consistent with current geographical requirements and current requirements as to the ratio of public and bar members. Also, the chair shall appoint three nonvoting judges, one of whom shall be an appellate justice. The Judicial Council shall approve awards made by the commission if the council determines that the awards comply with statutory and other relevant guidelines. No more than 5 percent of the funds shall be expended for administrative expenses. Ten percent of the funds remaining after administrative costs shall be for joint projects of courts and legal services programs to make legal assistance available to proper litigants and 90 percent of the funds remaining after administrative costs shall be distributed consistent with Sections 6216 through 6223 of the Business and Professions Code. The Judicial Council may establish additional reporting or quality control require-

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ments consistent with Sections 6213 through 6223 of the Business and Professions Code.	
0250-101-0890—For local assistance of Judiciary, for payment to Item 0250-101-0001, payable from the Federal Trust Fund	1,525,000
0280-001-0001—For support of the Commission on Judicial Performance, Program 10	3,626,000
0390-001-0001—For transfer by the Controller to the Judges' Retirement Fund, for Supreme Court and Appellate Court Justices	1,100,000
Provisions:	
1. Upon order of the Department of Finance, the Controller shall transfer such funds as are necessary between Item 0390-001-0001 and Item 0390-101-0001.	
0390-101-0001—For transfer by the Controller to the Judges' Retirement Fund for Superior Court and Municipal Court Judges	61,250,000
Provisions:	
1. Upon order of the Department of Finance, the Controller shall transfer such funds as are necessary between Item 0390-001-0001 and Item 0390-101-0001.	
0450-101-0932—For local assistance, State Trial Court Funding, payable from Trial Court Trust Fund....	1,776,178,000
Schedule:	
(a) 10-Support for operation of the Trial Courts 1,565,873,000	
(b) 25-Compensation of Superior Court Judges 144,717,000	
(c) 35-Assigned Judges 13,969,000	
(d) 45-Court Interpreters 51,619,000	
Provisions:	
1. Notwithstanding Section 26.00 of this act, the funds appropriated or scheduled in this item may be allocated or reallocated among categories by the Judicial Council.	
2. The amount appropriated in Schedule (c) shall be made available for all judicial assignments. Schedule (c) expenditures for necessary chamber staff may not exceed the staffing level that is necessary to support the equivalent of three judicial officers sitting on assignments at the appellate court level.	
3. The funds appropriated in Schedule (b) shall be made available for the payment of workers' compensation claims for trial court judges.	

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4. The funds appropriated in Schedule (d) shall be for payments for services of contractual court interpreters, certified court interpreters employed by the courts, and the following court interpreter coordinators: one each in counties of the 1st through the 15th classes, 0.5 each in counties of the 16th through the 31st classes, and 0.25 each in counties of the 32nd through 58th classes. Courts in counties with a population of 500,000 or less are encouraged, but not required, to coordinate interpreter services on a regional basis. For the purposes of this provision, "court interpreter coordinators" may be full- or part-time court employees, or those contracted by the court to perform these services.

   The Judicial Council shall set statewide or regional rates and policies for payment of court interpreters, not to exceed the rate paid to interpreters in the federal court system. The Judicial Council shall adopt appropriate rules and procedures for the administration of these funds. The Judicial Council shall report to the Legislature and Director of the Department of Finance quarterly regarding expenditures from this schedule and projections for annual expenditures for the use of interpreters in the courts and the use and administration of these funds.
5. Of the amount appropriated in this item, $43,000,000 shall not be available for allocation to the trial courts except to the extent that civil fee revenues above the $158,000,000 that is currently projected for 1999–00 are deposited in the Trial Court Trust Fund.
6. Of the amount appropriated in Schedule (a) of this item, $1,000,000 is for grants to support existing drug court programs in Alameda, Butte, Mendocino, Monterey, and San Diego Counties. None of these funds shall be available for adult, postplea drug courts, or for courts that also receive funding from the Department of Alcohol and Drug Programs' Drug Court Partnership pursuant to Chapter 1007 of the Statutes of 1998. Any funds not expended for this specific purpose shall revert to the General Fund. In addition, the Judicial Council shall submit to the Joint Legislative Budget Committee and the Legislature's fiscal committees a report by March 1, 2000, on how much money

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was spent, and on the effectiveness of these drug court programs.		
0450-111-0001—For transfer by the Controller to the Trial Court Trust Fund		890,370,000
0450-112-0001—For transfer by the Controller to the Judicial Administration Efficiency and Modernization Fund		35,211,000
0450-112-0556—For local assistance, State Trial Court Funding, payable from the Judicial Administration Efficiency and Modernization Fund		35,211,000
Provisions:		
1. Of the funds appropriated in this item, not more than $2,900,000 may be expended to support mandated training and education for judicial officers and court staff.		
0450-490—Reappropriation, local assistance, State Trial Court Funding. $1,000,000 of the appropriation provided in the following citation is reappropriated for a court interpreter pilot project to provide interpreter services in family law and domestic violence cases and shall be available for encumbrance and expenditure until June 30, 2000.		
(1) Item 0450-101-0932, Budget Act of 1998 (Ch. 324, Stats. 1998).		
Executive		
0500-001-0001—For support of Governor and of Governor's office		4,995,000
Schedule:		
(a) Support	4,920,000	
(b) Governor's Residence (Support)	35,000	
(c) Special Contingent Expenses	40,000	
Provisions:		
1. The funds appropriated in Schedules (b) and (c) of this item are exempt from the provisions of Sections 925.6, 12410, and 13320 of the Government Code.		
0505-001-0001—For support of the Department of Information Technology		27,084,000
Schedule:		
(a) Support	27,834,000	
(b) Reimbursements	−750,000	
Provisions:		
1. Of the funds appropriated in this item, any unencumbered funds associated with limited-term po-		

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sitions scheduled to expire on June 30, 2000, shall revert back to the General Fund.

2. The Department of Information Technology shall provide the Legislature, on a quarterly basis, starting on July 15, 1999, a Year 2000 Quarterly Report. The report, to be submitted to the fiscal committees in each house and the Joint Legislative Budget Committee, shall include information concerning the state's progress in remediating mission-critical systems, system interfaces, and business continuity planning. The report specifically shall include the names of the departments that provide mission-critical services that are being monitored by the Y2K program, the names or titles of the information technology systems that provide those mission critical services, the status of the Y2K remediation activity for those particular systems, the status of the remediation activity for any related system interface for those particular systems, and the status of the remediation activity for any embedded system that is associated with that mission-critical system or service. In addition to the detailed information, the report shall include a summary of that same information. The report shall include a section addressing the status of business continuity planning, specifically the name of the department, the program functions being addressed in the business continuity plan, and the status of the business continuity plan.
3. On July 1, 1999, the Department of Information Technology shall submit to the fiscal committees in each house and the Joint Legislative Budget Committee a report detailing the testing schedules for the Event Management Center (EMC). No funds shall be expended on the EMC until this report is submitted. The report shall include the testing schedules for mission-critical systems and system interfaces. The mission-critical testing schedule shall include the name of the mission-critical system that will be tested at the EMC, the name of the department that supports and operates the mission-critical system, and the date that the mission-critical system will be tested at the EMC. The EMC's system interface testing schedule shall include the title of the system interface, the name of the mission-critical system that will send the interface, what level of government (federal,

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state, county, or city) the sending interface is with, the name of the mission-critical system that will receive the interface, what level of government (federal, state, county, or city) the receiving interface is with, and the date that the mission-critical system interface will be tested at the EMC.		
4. For purposes of developing and implementing the Events Management Center, the Department of Information Technology shall not enter into or amend an existing contract with a company that is currently managing or providing independent verification and validation services for the department's Year 2000 Project Management Office.		
5. On a monthly basis, starting August 1, 1999, the Department of Information Technology shall submit to the fiscal committees in each house and the Joint Legislative Budget Committee a monthly report that includes the names of the mission-critical systems tested during that month, the titles of the system interfaces that were tested at the EMC during that month, an expenditure report that includes the amount of General Fund moneys expended for EMC for that month, and what is expected to be expended in the following month by EMC for personal services and operating expenses and equipment.		
0510-001-0001—For support of Secretary of State and Consumer Services		731,000
Schedule:		
(a) Support	1,221,000	
(b) Reimbursements	−490,000	
0520-001-0001—For support of Secretary of Business, Transportation and Housing, for payment to Item 0520-001-0044, payable from the General Fund		200,000
0520-001-0044—For support of Secretary of Business, Transportation and Housing, payable from the Motor Vehicle Account, State Transportation Fund		907,000
Schedule:		
(a) 10-Administration of Business, Transportation and Housing Agency	2,221,000	
(b) 30-Agency Audits Office	301,000	
(c) Reimbursements	−1,415,000	
(d) Amount payable from General Fund (Item 0520-001-0001)	−200,000	
0530-001-0001—For support of Secretary for California Health and Human Services Agency		1,340,000

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Schedule:		
(a) 10-Secretary for California Health and Human Services Agency	2,316,000	
(b) Reimbursements	−976,000	
0540-001-0001—For support of Secretary for Resources		1,575,000
Schedule:		
(a) 10-Administration of Resources Agency	4,244,000	
(b) Reimbursements	−471,000	
(c) Amount payable from the California Environmental License Plate Fund (Item 0540-001-0140)	−763,000	
(d) Amount payable from the Environmental Enhancement and Mitigation Demonstration Program Fund (Item 0540-001-0183)	−115,000	
(e) Amount payable from the Federal Trust Fund (Item 0540-001-0890).	−320,000	
(f) Amount payable from the Forest Resources Improvement Fund (Item 0540-001-0928)	−1,000,000	
Provisions:		
1. Notwithstanding Section 28.00 of this act, if federal funds which are not appropriated in this act become available from the Pacific Coastal Salmon Recovery Account administered by the National Marine Fisheries Service or from any other source for the Watershed and Salmon Restoration Strategy Program, those funds shall not be expended unless and until a statute is enacted authorizing and defining that program and specifying the use of the federal funds. This restriction shall apply regardless of the state agency, department, or other entity designated to receive the federal funds.		
2. Of the amount appropriated in this item, $200,000 shall be available for the support and development of an environmental website through a public—private partnership with Global Cities Online.		
0540-001-0140—For support of Secretary for Resources, for payment to Item 0540-001-0001, payable from the California Environmental License Plate Fund		763,000
0540-001-0183—For support of Secretary for Resources, for payment to Item 0540-001-0001, payable from the Environmental Enhancement and Mitigation Demonstration Program Fund		115,000

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0540-001-0890—For support of Secretary for Resources, for payment to Item 0540-001-0001, payable from the Federal Trust Fund	320,000
0540-001-0928—For support of Secretary for Resources, for payment to Item 0540-001-0001, payable from the Forest Resources Improvement Fund	1,000,000
Provisions: 1. Notwithstanding Section 4799.13 of the Public Resources Code, of the amount appropriated by this item, $1,000,000 shall be used by the Secretary for Resources for the development and publishing of a statewide Conservation and habitat blueprint. The blueprint shall assess the current condition of the state's natural resources and habitat and establish a long-term set of funding and policy priorities and targets for future for investment in resource protection and habitat acquisition or preservation. On or before January 10, 2000, the Secretary for Resources shall report to the chairs of the fiscal and policy committees of the Legislature on the development of the blueprint and when it anticipates the blueprint will be published.	
0540-101-0001—For local assistance, Secretary for Resources	2,711,000
Provisions: 1. The funds appropriated in this item are for the Coastal County and City Offshore Energy Assistance Program as required by Chapter 977 of the Statutes of 1996.	
0540-102-0001—For local assistance, Secretary for Resources	2,500,000
Schedule: (a) River Parkway Program 2,500,000	
Provisions: 1. Of the amount appropriated in this item, $2,500,000 may be allocated for expenditure by the Resources Agency for projects consistent with Section 78682.2 of the Water Code. Funds received by other state agencies from this item for acquisition or restoration projects are exempt from the reporting requirements of Section 28.50 of this act.	
0540-103-0001—For local assistance, Secretary for Resources	4,200,000

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Schedule:		
(a) City of San Jose—Guadalupe River Parkway	2,000,000	
(b) San Gabriel River Conservancy	700,000	
(c) County of Los Angeles—Tujunga Wash River Parkway	1,000,000	
(d) County of Sacramento—American River Parkway	500,000	
0550-001-0001—For support of Secretary for Youth and Adult Correctional Agency		833,000
Schedule:		
(a) 10-Secretary for Youth and Adult Correctional Agency	1,091,000	
(b) Reimbursements	−258,000	
0550-005-0001—For support of Secretary for Youth and Adult Correctional Agency		1,622,000
Schedule:		
(a) 15-Commission on Correctional Peace Officers' Standards and Training	1,622,000	
Provisions:		
1. Of the funds appropriated in this item, $1,200,000 shall be available only to carry out duties assigned to the Commission on Correctional Peace Officer Standards and Training under Chapter 762 of the Statutes of 1998, and to review and approve curriculum for a future expansion of the Basic Correctional Peace Officer Training Academy to 16 weeks per training cohort. Any funds not used for these specific purposes shall revert to the General Fund.		
0552-001-0001—For support of Office of the Inspector General, Program 10		7,294,000
0555-001-0001—For support of Secretary for Environmental Protection, for payment to Item 0555-001-0044		5,710,000
Provisions:		
1. Of the funds appropriated in this item, $2,000,000 shall be available only for the implementation of a statute that authorizes the Deputy Secretary for Law Enforcement and Counsel in the office of the secretary to enforce the laws administered by the boards, departments, and office that comprise the California Environmental Protection Agency, provided that 60 days prior to the expenditure of any of these funds, the secretary shall notify the Chair		

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of the Joint Legislative Budget Committee of the secretary's expenditure plan for the funds.			
2. Of the funds appropriated in this item, $500,000 shall be used to implement an agency-wide environmental justice program based on Presidential Executive Order 12898 issued February 11, 1994.			
3. Of the funds appropriated in this item, $150,000 shall be used for the Santa Susana Field Laboratory Advisory Panel.			
4. Of the funds appropriated in this item, $109,000 shall be available for ISO 14000 environmental management system projects, subject to the enactment of a statute establishing ISO 14000 program parameters.			
0555-001-0014—For support of Secretary for Environmental Protection, for payment to Item 0555-001-0044, payable from the Hazardous Waste Control Account			298,000
0555-001-0044—For support of Secretary for Environmental Protection, payable from the Motor Vehicle Account, State Transportation Fund			1,012,000
Schedule:			
(a) 10-Environmental Protection Programs		2,519,000	
(b) 20-Special Environmental Programs		8,259,000	
(1) 20.10-Permit Assistance Centers	2,317,000		
(2) 20.15-Scientific Peer Review	1,120,000		
(3) 20.20-Circuit Prosecutor Project	404,000		
(4) 20.25-Information Technology	1,600,000		
(5) 20.30-Environmental Enforcement	2,000,000		
(6) 20.35-Environmental Justice	500,000		
(7) 20.45-ISO 14000/ Permit Consolidation Zones	168,000		
(8) 20.50-Santa Susanna Advisory Panel	150,000		
(c) Reimbursements		−2,093,000	
(d) Amount payable from the General Fund (Item 0555-001-0001)		−5,710,000	

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(e) Amount payable from the Hazardous Waste Control Account (Item 0555-001-0014)		−298,000
(f) Amount payable from the California Used Oil Recycling Fund (Item 0555-001-0100)		−55,000
(g) Amount payable from the Pesticide Regulation Fund (Item 0555-001-0106)		−184,000
(h) Amount payable from the Waste Discharge Permit Fund (Item 0555-001-0193)		−432,000
(i) Amount payable from the California Tire Recycling Management Fund (Item 0555-001-0226)		−9,000
(j) Amount payable from the Recycling Market Development Revolving Loan Account (Item 0555-001-0281)		−135,000
(k) Amount payable from the Integrated Waste Management Account, Integrated Waste Management Fund (Item 0555-001-0387).		−668,000
(*l*) Amount payable from the Underground Storage Tank Cleanup Fund (Item 0555-001-0439)		−48,000
(m) Amount payable from the State Water Quality Control Fund (Item 0555-001-0679)		−134,000

Provisions:

1. Notwithstanding subdivisions (b) and (c) of Section 48653 of the Public Resources Code, funds appropriated in this item shall be available for purposes of administration.
2. Of the funds appropriated in this item, $1,600,000 shall be used for the development and installation of a data communications infrastructure in the CalEPA headquarters building. Of this amount, up to $393,000 may be expended for a staff position and to contract with an outside vendor to evaluate equipment needs, recommend equipment purchases, and oversee the installation of the procurement and installation of the networking infrastructure. Funds may be expended for equipment purchases no sooner than 15 days after the secretary notifies the Chairperson of the Joint Legislative Budget Committee and the chairpersons of

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	the legislative fiscal committees of the equipment to be purchased and any written approvals from the Department of Information Technology and the Department of Finance for equipment purchases to the extent that approvals are required.	
0555-001-0100—For support of Secretary for Environmental Protection, for payment to Item 0555-001-0044, payable from the California Used Oil Recycling Fund		55,000
0555-001-0106—For support of Secretary for Environmental Protection, for payment to Item 0555-001-0044, payable from the Department of Pesticide Regulation Fund		184,000
0555-001-0193—For support of Secretary for Environmental Protection, for payment to Item 0555-001-0044, payable from the Waste Discharge Permit Fund		432,000
0555-001-0226—For support of Secretary for Environmental Protection, for payment to Item 0555-001-0044, payable from the California Tire Recycling Management Fund		9,000
0555-001-0281—For support of Secretary for Environmental Protection, for payment to Item 0555-001-0044, payable from the Recycling Market Development Revolving Loan Account, Integrated Waste Management Fund		135,000
0555-001-0387—For support of Secretary for Environmental Protection, for payment to Item 0555-001-0044, payable from the Integrated Waste Management Account, Integrated Waste Management Fund.		668,000
0555-001-0439—For support of Secretary for Environmental Protection, for payment to Item 0555-001-0044, payable from the Underground Storage Tank Cleanup Fund		48,000
0555-001-0679—For support of Secretary for Environmental Protection, for payment to Item 0555-001-0044, payable from the State Water Quality Control Fund		134,000
0558-001-0001—For support of the Office of the Secretary for Education		1,188,000
Schedule:		
(a) Secretary for Education	1,188,000	
Provisions:		
1. The amount appropriated in this item is intended for support of the Education Agency. The appropriation is an estimate of the funding needs from January 1, 2000, to June 30, 2000, inclusive. Leg-		

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islation establishing the agency will be introduced and, if enacted, would be effective on or before January 1, 2000. In the event that legislation creating the agency is not effective on or before January 1, 2000, or the funds are needed prior to January 1, 2000, the unexpended balance of the funds appropriated by this item shall be available for expenditure pursuant to Item 0650-011-0001, as authorized by the Director of Finance.		
0650-001-0001—For support of Office of Planning and Research		4,008,000
Schedule:		
(a) 11-State Planning and Policy Development	4,327,000	
(aa) 21-California Commission on Improving Life Through Service (CCILTS)	2,354,000	
(b) Reimbursements	−334,000	
(c) Amount payable from the Property Acquisition Law Money Account (Item 0650-001-0002)	−470,000	
(d) Amount payable from the Federal Trust Fund (Item 0650-001-0890).	−1,869,000	
Provisions:		
1. It is the intent of the Legislature that the Innovation in Government Project be funded utilizing existing resources.		
0650-001-0002—For support of Office of Planning and Research, for payment to Item 0650-001-0001, payable from the Property Acquisition Law Money Account		470,000
0650-001-0890—For support of Office of Planning and Research, for payment to Item 0650-001-0001, payable from the Federal Trust Fund		1,869,000
0650-011-0001—For support of Office of Planning and Research		1,093,000
Schedule:		
(a) Office of the Secretary for Education	1,103,000	
(b) Reimbursements	−10,000	
Provisions:		
1. The funds appropriated in this item are intended for support of the Education Agency. The appropriation is an estimate of the funding needs from July 1, 1999, to December 31, 1999, inclusive. Legislation establishing the agency will be introduced and, if enacted, would be effective on or be-		

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fore January 1, 2000. After the effective date of such legislation, and upon the determination that all obligations of the agency in the Office of Planning and Research have been met, the unexpended balance of the funds appropriated by this item shall be available for expenditure pursuant to Item 0558-001-0001, as authorized by the Director of Finance.		
0650-101-0890—For local assistance, Office of Planning and Research, payable from the Federal Trust Fund. Provisions:		31,900,000
1. The funds appropriated in this item are for local assistance allocations approved by the California Commission on Improving Life Through Service (CCILTS).		
0650-111-0001—For local assistance, Office of Planning and Research for the Office of the Secretary for Education (Proposition 98), for the Academic Volunteer and Mentor Service Program..... Provisions:		10,000,000
1. Legislation to establish the Office of the Secretary for Education will be introduced and, if enacted, would be effective on or before January 1, 2000. After the effective date of such legislation, and upon determination that all obligations of the Secretary for Education in the Office of Planning and Research have been met, the unexpended balance of the funds appropriated in this item shall be available for expenditure by the Office of the Secretary for Education as authorized by the Director of Finance.		
0690-001-0001—For support of Office of Emergency Services ..... Schedule:		34,965,000
(a) 15-Mutual Aid Response	12,921,000	
(b) 35-Plans and Preparedness.....	23,948,000	
(c) 45-Disaster Assistance	20,590,000	
(d) 55.01-Administration and Executive.....	4,633,000	
(e) 55.02-Distributed Administration and Executive	–4,633,000	
(f) Reimbursements	–3,958,000	
(g) Amount payable from the Unified Program Account (Item 0690-001-0028).....	–563,000	

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(h) Amount payable from the Nuclear Planning Assessment Special Account (Item 0690-001-0029).....	−817,000	
(i) Amount payable from the Federal Trust Fund (Item 0690-001-0890).....	−17,156,000	

Provisions:

1. Funds appropriated in this item may be reduced by the Director of Finance, after giving notice to the Chairperson of the Joint Legislative Budget Committee, by the amount of federal funds made available for the purposes of this item in excess of the federal funds scheduled in Item 0690-001-0890.
2. The Office of Emergency Services shall charge tuition for all training offered through the California Specialized Training Institute.
3. Upon the approval by the Department of Finance, the Controller shall transfer such funds as are necessary between this item and Item 0690-101-0890.

0690-001-0028—For support of Office of Emergency Services, for payment to Item 0690-001-0001, payable from the Unified Program Account.....	563,000
0690-001-0029—For support of Office of Emergency Services, for payment to Item 0690-001-0001, payable from the Nuclear Planning Assessment Special Account	817,000
0690-001-0890—For support of Office of Emergency Services, for payment to Item 0690-001-0001, payable from the Federal Trust Fund	17,156,000

Provisions:

1. Any funds that may become available, in addition to the funds appropriated in this item, for disaster response and recovery may be allocated by the Department of Finance subject to the conditions of Section 28.00 of this act, except that, notwithstanding subdivision (d) of that section, the allocations may be made 30 days or less after notification of the Legislature.
2. Notwithstanding any other provision of law, the funds appropriated in this item may be expended without regard to the fiscal year in which the application for reimbursement was submitted to the Federal Emergency Management Agency.

0690-101-0001—For local assistance, Office of Emergency Services.....	1,299,000

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Schedule:		
(a) Police/Fire Mobile Data Terminals.	150,000	
(b) Hillside Drive Landslide Repairs ...	1,000,000	
(c) Kings City Fire Department.....	19,000	
(d) City of Firebaugh.....	80,000	
(e) City of Garden Grove-Emergency Operations Center.....	50,000	
0690-101-0029—For local assistance, Office of Emergency Services, Program 35—Plans and Preparedness, payable from the Nuclear Planning Assessment Special Account.....		1,981,000
0690-101-0890—For local assistance, Office of Emergency Services, payable from the Federal Trust Fund		254,950,000
Schedule:		
(a) 15-Mutual Aid Response	150,000	
(b) 35-Plans and Preparedness.....	4,800,000	
(c) 45-Disaster Assistance	250,000,000	
Provisions:		
1. Any federal funds that may become available in addition to the funds appropriated in this item for Program 45—Disaster Assistance are exempt from Section 28.00 of this act.		
0690-102-0372—For local assistance, Office of Emergency Services, payable from Disaster Relief Fund, notwithstanding Section 16419 of the Government Code, for disaster relief costs related to Loma Prieta earthquake.....		340,000
Provisions:		
1. The funds appropriated in this item are for the state's share of response and recovery costs for the Loma Prieta earthquake.		
0690-112-0001—For local assistance, Office of Emergency Services, for disaster recovery costs		61,993,000
Provisions:		
1. The funds appropriated in this item are for the state's share of response and recovery costs for disasters.		
0690-295-0001—For local assistance, Office of Emergency Services, for reimbursement, in accordance with the provision in Section 6 of Article XIII B of the California Constitution or Section 17561 of the Government Code, of the costs of any new program or increased level of service of an existing program mandated by statute or executive order, Controller .		0

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Schedule:		
(1) 98.01.103.280-Deaf Teletype Equipment (Ch. 1032, Stats. 1980)	0	
Provisions:		
1. Pursuant to Section 17581 of the Government Code, the mandate identified in the appropriation schedule of this item with an appropriation of $0 and included in the language of this provision is specifically identified by the Legislature for suspension during the 1999–00 fiscal year:		
(a) Deaf Teletype Equipment (Ch. 1032, Stats. 1980).		
0690-301-0660—For capital outlay, Office of Emergency Services, payable from the Public Building Construction Fund		6,720,000
Schedule:		
(1) 80.10.001-Sacramento OES Headquarters and State Operations Center—Equipment	6,720,000	
Provisions:		
1. The State Public Works Board may issue lease-revenue bonds, notes, or bond anticipation notes pursuant to Chapter 5 (commencing with Section 15830) of Part 10b of Division 3 of Title 2 of the Government Code to finance the equipment of the project authorized in this item.		
2. The State Public Works Board and the Office of Emergency Services may obtain interim financing for the project costs authorized in this item from any appropriate source including, but not limited to, the Pooled Money Investment Account pursuant to Sections 16312 and 16313 of the Government Code.		
3. The maximum amount of bonds, notes, or bond anticipation notes to be sold shall not exceed the cost of equipment and any additional amounts necessary to pay interim and permanent financing costs.		
0690-401—In the event the bonds authorized for the project scheduled in Item 0690-301-0660, Budget Act of 1998 (Ch. 324, Stats. 1998), are not sold, the Office of Emergency Services shall commit a sufficient portion of its support appropriation provided for in this Budget Act to repay any loans from the Pooled Money Investment Account. It is the intent of the Legislature that this commitment shall be in-		

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	cluded in future Budget Acts until outstanding loans are repaid either through the sale of bonds or from an appropriation.	
0690-490—Reappropriation, Office of Emergency Services. The balance of the appropriation provided for in the following citation is reappropriated for the purposes and subject to the limitations, unless otherwise specified, provided for in the appropriation: 0660—Public Buildings Construction Fund Item 0690-301-0660-Budget Act of 1998 (Ch. 324, Stats. 1998).		
	(1) 80.10.001-Sacramento OES Headquarters and State Operations Center-Construction.	
0750-001-0001—For support of Office of the Lieutenant Governor		2,572,000
0820-001-0001—For support of Department of Justice		239,971,000
Schedule:		
	(1) 11.01-Directorate-Administration	16,476,000
	(2) 11.02-Distributed Directorate-Administration	−16,476,000
	(2.5) 12.01-Legal Support and Technology	34,273,000
	(2.6) 12.02-Distributed Legal Support and Technology	−34,273,000
	(3) 25-Executive Programs	5,737,000
	(4) 30-Civil Law	87,922,000
	(5) 40-Criminal Law	76,506,000
	(6) 45-Public Rights	38,156,000
	(7) 50-Law Enforcement	121,067,000
	(8) 60-Criminal Justice Information Services	131,995,000
	(9) 65-Gambling Control	5,450,000
	(10) Reimbursements	−105,154,000
	(11) Amount payable from the Attorney General Antitrust Account (Item 0820-001-0012)	−1,018,000
	(12) Amount payable from Hazardous Waste Control Account (Item 0820-001-0014)	−1,631,000
	(13) Amount payable from Firearms Safety Training Fund Special Account (Item 0820-001-0015)	−451,000
	(14) Amount payable from the Fingerprint Fees Account (Item 0820-001-0017)	−39,610,000

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(15) Amount payable from the Motor Vehicle Account, State Transportation Fund (Item 0820-001-0044)...	−18,095,000
(16) Amount payable from the Department of Justice Sexual Habitual Offender Fund (Item 0820-001-0142).....	−1,518,000
(17) Amount payable from the Travel Seller Fund (Item 0820-001-0158).....	−770,000
(18) Amount payable from the Restitution Fund (Item 0820-001-0214)...	−62,000
(19) Amount payable from the Sexual Predator Public Information Account (Item 0820-001-0256).....	−48,000
(20) Amount payable from the False Claims Act Fund (Item 0820-001-0378).....	−3,161,000
(21) Amount payable from the Dealers' Record of Sale Special Account (Item 0820-001-0460)	−6,660,000
(22) Amount payable from the Toxic Substances Control Account (Item 0820-001-0557)	−1,725,000
(23) Amount payable from the DOJ Child Abuse Fund (Item 0820-001-0566).....	−175,000
(24) Amount payable from the Gambling Control Fund (Item 0820-001-0567).....	−4,134,000
(25) Amount payable from the Gambling Control Fines and Penalties Account (Item 0820-001-0569).....	−242,000
(26) Amount payable from the Federal Trust Fund (Item 0820-001-0890).....	−40,693,000
(27) Amount payable from the Federal Asset Forfeiture Account, Special Deposit Fund (Item 0820-001-0942).....	−1,279,000
(28) Amount payable from the State Asset Forfeiture Account, Special Deposit Fund (Item 0820-011-0942).....	−436,000

Provisions:

1. The Attorney General shall submit to the Legislature, the Department of Finance, and the Gov-

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	ernor the quarterly and annual reports that he or she submits to the federal government on the activities of the Medi-Cal Fraud Unit.	
	2. Notwithstanding any other provision of law, the Department of Justice may purchase or lease vehicles of any type or class that, in the judgment of the Attorney General or his or her designee, are necessary to the performance of the investigatory and enforcement responsibilities of the Department of Justice, from the funds appropriated for that purpose in this item.	
	3. Notwithstanding Section 28.50 of this act, the Attorney General may augment the reimbursement authority provided in this item by up to an aggregate of 10 percent above the amount approved in this act for the Civil Law Division and the Public Rights Division in cases where the legal representation needs of client agencies are secured by an interagency agreement or letter of commitment and the corresponding expenditure authority has not been provided in this item. The Attorney General shall notify the chairpersons of the budget committees, the Joint Legislative Budget Committee and the Department of Finance within 15 days after the augmentation is made as to the amount and justification of the augmentation, and the program that has been augmented.	
	4. Of the amount appropriated in this item, $2,062,000 is for the legal defense costs of the state in cases arising from claims of property losses due to floods. Any funds not used for this purpose shall revert to the General Fund.	
	5. Of the funds appropriated in this item, $561,000 shall be available only for necessary expenditures related to defending the state in the Casmalia superfund lawsuit. Any of these funds not expended for this purpose shall revert to the General Fund.	
	6. Of the funds appropriated in this item, $231,000 is available for the northern California pilot program for investigating inactive homicide cases. Any funds not used for this purpose shall revert to the General Fund.	
0820-001-0012—For support of Department of Justice, for payment to Item 0820-001-0001, payable from the Attorney General Antitrust Account		1,018,000

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0820-001-0014—For support of Department of Justice, for payment to Item 0820-001-0001, payable from the Hazardous Waste Control Account	1,631,000
0820-001-0015—For support of Department of Justice, for payment to Item 0820-001-0001, payable from the Firearms Safety Training Fund Special Account	451,000
0820-001-0017—For support of Department of Justice, for payment to Item 0820-001-0001, payable from the Fingerprint Fees Account, pursuant to subdivision (e) of Section 11105 of the Penal Code	39,610,000
0820-001-0044—For support of Department of Justice, for payment to Item 0820-001-0001, payable from the Motor Vehicle Account, State Transportation Fund	18,095,000
0820-001-0142—For support of Department of Justice, for payment to Item 0820-001-0001, payable from the Department of Justice Sexual Habitual Offender Fund	1,518,000
Provisions: 1. The amount appropriated in this item includes revenues derived from the assessment of fines and penalties imposed as specified in Section 13332.18 of the Government Code.	
0820-001-0158—For support of Department of Justice, for payment to Item 0820-001-0001, payable from the Travel Seller Fund	770,000
0820-001-0214—For support of Department of Justice, for payment to Item 0820-001-0001, payable from Restitution Fund	62,000
0820-001-0256—For support of Department of Justice, for payment to Item 0820-001-0001, payable from the Sexual Predator Public Information Account	48,000
0820-001-0378—For support of Department of Justice, for payment to Item 0820-001-0001, payable from the False Claims Act Fund	3,161,000
0820-001-0460—For support of Department of Justice, for payment to Item 0820-001-0001, payable from the Dealers' Record of Sale Special Account	6,660,000
Provisions: 1. Dealers' Record of Sale fees collected pursuant to the state law for the registration of assault weapons shall not exceed $20 per registrant.	
0820-001-0557—For support of Department of Justice, for payment to Item 0820-001-0001, payable from the Toxics Substances Control Account	1,725,000

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0820-001-0566—For support of Department of Justice, for payment to Item 0820-001-0001, payable from Department of Justice Child Abuse Fund	175,000
0820-001-0567—For support of Department of Justice, for payment to Item 0820-001-0001, payable from Gambling Control Fund	4,134,000
0820-001-0569—For support of Department of Justice, for payment to Item 0820-001-0001, payable from Gambling Control Fines and Penalties Account	242,000
0820-001-0890—For support of Department of Justice, for payment to Item 0820-001-0001, payable from the Federal Trust Fund	40,693,000
0820-001-0942—For support of Department of Justice, for payment to Item 0820-001-0001, payable from the Federal Asset Forfeiture Account, Special Deposit Fund	1,279,000
0820-011-0378—For transfer by the Controller to the General Fund from the False Claims Act Fund	(25,000,000)
0820-011-0942—For support of Department of Justice, for payment to Item 0820-001-0001, payable from the State Asset Forfeiture Account, Special Deposit Fund	436,000
0820-101-0001—For local assistance, Department of Justice.	7,774,000

Schedule:

(a) 25-Executive Programs	2,919,000
(b) 40-Criminal Law	3,855,000
(c) 50-Law Enforcement	1,000,000

Provisions:

1. The funds appropriated in Schedule (a) shall be allocated to community-based violence prevention activities related to the California Gang, Crime and Violence Prevention Partnership Program, pursuant to Chapter 885 of the Statutes of 1997.
2. Of the funds appropriated in Schedule (b), $3,355,000 shall be allocated to district attorneys for vertical prosecution activities related to implementation of the Battered Women Protection Act of 1994, pursuant to Chapter 140 of the Statutes of 1994.
3. (a) For the purposes of violence prevention programs operated by the Department of Justice, the following definitions apply:
   (1) "Violence prevention" means a comprehensive effort to address the multiple root causes of violent behavior among young

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people, including, but not limited to, poverty, unemployment, discrimination, substance abuse, educational failure, fragmented families, domestic abuse, internalized shame, and felt powerlessness. Violence prevention as defined in this provision is distinct from violence containment or suppression, which is a foremost duty of law enforcement.

(2) "Violence prevention programs" means programs that contribute to empowerment and improved life management skills for young people, that foster healthy communities in which young people can grow in dignity and safety, and that realign institutions to be more inclusive and receptive in responding to, and enfranchising young people so that the potential for creative expression that exists in every young person is realized to the fullest.

(b) The Department of Justice shall perform evaluations of its violence prevention programs for the purpose of ensuring that these programs: (1) conform to the definition of violence prevention, (2) maximize efficiency and synergy among programs, and (3) establish meaningful performance goals. It is the intent of the Legislature to provide a common and consistent definition of violence prevention and violence prevention programs by which all programs can be measured and evaluated.

0820-101-0214—For local assistance, Department of Justice, payable from the Restitution Fund 2,938,000

Schedule:

(a) 50-Law Enforcement 2,938,000

Provisions:

1. The funds appropriated in Schedule (a) are for allocation in support of the California Witness Protection Program, pursuant to Chapter 507 of the Statutes of 1997. Any funds not expended for this specific purpose shall revert to the Restitution Fund.
2. Of the amount appropriated in this item and the amount appropriated in Item 0820-001-0214, the department may expend up to $150,000 for the

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	administration of the California Witness Protection Program, including the review of appropriate policies and procedures for the submittal and review of claims.	
	3. The Bureau of State Audits shall audit the Department of Justice's claims review process for the California Witness Protection Program to ensure that all criteria for program eligibility are met and shall report annually to the Legislature by January 1 on the results of its audits. The bureau shall also recommend changes to criteria for the program to ensure accountability as part of its annual report to the Legislature.	
0820-101-0460—For local assistance, Department of Justice payable from Dealers' Record of Sale Special Account		85,000
	Schedule:	
	(a) 50-Law Enforcement 85,000	
0820-101-0641—For local assistance, Department of Justice, payable from the Domestic Violence Restraining Order Reimbursement Fund		600,000
	Provisions:	
	1. The funds appropriated in this item shall be expended to reimburse local law enforcement or other criminal justice agencies pursuant to Chapter 707 of the Statutes of 1998.	
	2. Notwithstanding any other provision of law, of the amount appropriated in this item, $200,000 is to reimburse local law enforcement or other criminal justice agencies for costs incurred for the purposes of Provision 1 during the 1998–99 fiscal year.	
0820-111-0001—For transfer by the Controller to the Department of Justice DNA Testing Fund		225,000
	Provisions:	
	1. The amount transferred in this item shall be expended to reimburse counties pursuant to Chapter 696 of the Statutes of 1998.	
0820-111-0255—For local assistance, Department of Justice, payable from the Department of Justice DNA Testing Fund		225,000
	Provisions:	
	1. The funds appropriated in this item shall be expended to reimburse counties pursuant to Chapter 696 of the Statutes of 1998.	

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0820-295-0001—For local assistance, Department of Justice, for reimbursement, in accordance with the provisions of Section 6 of Article XIII B of the California Constitution or of Section 17561 of the Government Code, of the costs of any new program or increased level of service of an existing program mandated by statute or executive order, Controller.		11,215,000
Schedule:		
(1) 98.01.139.976-Custody of Minors (Ch. 1399, Stats. 1976)	9,909,000	
(2) 98.01.033.790-Stolen Vehicle Notification (Ch. 337, Stats. 1990)	342,000	
(3) 98.01.110.592-Misdemeanors: Booking/Fingerprinting (Ch. 1105, Stats. 1992)	964,000	
Provisions:		
1. Except as provided in Provision 2 of this item, allocations of funds provided in this item to the appropriate local entities shall be made by the Controller in accordance with the provisions of each statute or executive order that mandates the reimbursement of the costs, and shall be audited to verify the actual amount of the mandated costs in accordance with subdivision (d) of Section 17561 of the Government Code. Audit adjustments to prior year claims may be paid from this item. Funds appropriated in this item may be used to provide reimbursement pursuant to Article 5 (commencing with Section 17615) of Chapter 4 of Part 7 of Division 4 of Title 2 of the Government Code.		
2. If any of the scheduled amounts are insufficient to provide full reimbursement of costs, the State Controller may, upon notifying the Director of Finance in writing, augment those deficient amounts from the unencumbered balance of any other scheduled amounts therein. No order may be issued pursuant to this provision unless written notification of the necessity therefor is provided to the chairperson of the committee in each house which considers appropriation and the Chairperson of the Joint Legislative Budget Committee or his or her designee.		
0820-301-0001—For capital outlay, Department of Justice		2,048,000

Item		Amount
Schedule:		
(1) 85.60.010-Santa Barbara Replacement Laboratory—Working drawings	263,000	
(2) 85.60.020-Santa Rosa Replacement Laboratory—Acquisition and working drawings	460,000	
(3) 85.60.030-Fresno Replacement Laboratory—Working drawings	615,000	
(4) 85.60.060-Redding Replacement Laboratory—Acquisition and preliminary plans	710,000	
0820-301-0660—For capital outlay, Department of Justice, payable from the Public Building Construction Fund		39,969,000
Schedule:		
(1) 85.50.070-Central Valley Replacement Laboratory—Construction	10,669,000	
(2) 85.50.080-Riverside Replacement Laboratory—Construction	12,573,000	
(3) 85.60.010-Santa Barbara Replacement Laboratory—Construction	5,057,000	
(5) 85.60.030-Fresno Replacement Laboratory—Construction	11,670,000	
Provisions:		
1. The State Public Works Board may issue lease-revenue bonds, notes or bond anticipation notes pursuant to Chapter 5 (commencing with Section 15830) of Part 10b of Division 3 of Title 2 of the Government Code to finance the construction for the projects authorized by this item.		
2. The State Public Works Board and the Department of Justice may obtain interim financing for the project costs authorized in this item from any appropriate source including but not limited to the Pooled Money Investment Account pursuant to Sections 16312 and 16313 of the Government Code. Proceeds from the sale of the bonds authorized in Provision 1 of this item may be used to reimburse any outstanding interim financing costs for the project identified in Schedule (1) of this item. If the bonds authorized in this item are not sold, the Department of Justice shall commit a sufficient portion of its support appropriation provided in this act to repay any outstanding interim financing debt incurred on the project identified in Schedule (1).		

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3. The maximum amount of bonds, notes or bond anticipation notes to be sold shall not exceed the cost of construction and any additional amounts necessary to pay interim and permanent financing costs.

0820-490—Reappropriation, Department of Justice. Notwithstanding any other provision of law, the balance of funds provided in the following citation is reappropriated on the effective date of this act for the purposes and subject to the limitations, unless otherwise specified, provided for in the appropriation, and shall be available for expenditure until June 30, 2000.

0001—General Fund

(1) The balance of the $350,000 appropriated from Item 0820-001-0001, Budget Act of 1997, as reappropriated by Item 0820-490, Budget Act of 1998, for the necessary expenditures pursuant to the trial of State ex rel State Lands Commission v. City of Los Angeles in accordance with Provision 4 of Item 0820-001-0001 of the Budget Act of 1997.

0820-492—Reappropriation, Department of Justice. The balance of the appropriations provided for in the following citation is reappropriated for the purposes and subject to the limitations, unless otherwise specified, provided for in these appropriations.

0001—General Fund

(1) Item 0820-301-0001, Budget Act of 1998 (Ch. 324, Stats. 1998)

(5) 85.60.050-Hawkins Data Center—Replace/Upgrade Computer Room Emergency Power Configuration-Working drawings, construction, and equipment

0820-495—Reversion, Department of Justice. As of June 30, 1999, the unencumbered balances of the appropriations provided in the following citations shall revert to the Public Building Construction Fund.

0660—Public Building Construction Fund

(1) Item 0820-301-0660—Budget Act of 1997 (Ch. 282, Stats. 1997), Schedule (1), as reappropriated by Item 0820-491, Budget Act of 1998 (Ch. 324, Stats. 1998), 85.50.070—Department of Justice, Central Valley Replacement Laboratory—Construction

(2) Item 0820-301-0660—Budget Act of 1997 (Ch. 282, Stats. 1997), Schedule (2), as reappro-

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priated by Item 0820-491, Budget Act of 1998 (Ch. 324, Stats. 1998), 85.50.080—Department of Justice, Riverside Replacement Laboratory—Construction		
Provisions:		
1. The reversions authorized in this item shall only be effective if the identified projects receive construction funding in other items of this act.		
0840-001-0001—For support of State Controller		60,391,000
Schedule:		
(a) 100000-Personal Services	64,672,000	
(b) 300000-Operating Expenses and Equipment	34,481,000	
(c) Less funding provided by State Controller's Statewide Information Technology Projects (Item 0841-001-0001)	−3,597,000	
(d) Reimbursements	−27,730,000	
(e) Amount payable from the Motor Vehicle Fuel Account, Transportation Tax Fund (Item 0840-001-0061)	−2,915,000	
(f) Amount payable from the Highway Users Tax Account, Transportation Tax Fund (Item 0840-001-0062)	−804,000	
(g) Amount payable from the Local Revenue Fund (Item 0840-001-0330)	−387,000	
(h) Amount payable from the State School Building Lease-Purchase Fund (Item 0840-001-0344)	−699,000	
(i) Amount payable from the Federal Trust Fund (Item 0840-001-0890)	−1,273,000	
(j) Amount payable from the State Penalty Fund (Item 0840-001-0903)	−936,000	
(k) Amount payable from nongovernmental cost funds, (Retail Sales Tax Fund) (Item 0840-001-0988)	−178,000	
(*l*) Amount payable from various special funds (Item 0840-011-0494)	−41,000	
(m) Amount payable from various bond funds (Item 0840-011-0797)	−162,000	
(n) Amount payable from various nongovernmental cost funds (Item 0840-011-0988)	−40,000	

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Provisions:

1. The appropriation made in this item shall be in lieu of the appropriation in Section 1564 of the Code of Civil Procedure for all costs, expenses, or obligations connected with the administration of the Unclaimed Property Law, with the exception of payment of owners' or holders' claims pursuant to Section 1540, 1542, 1560, or 1561 of the Code of Civil Procedure, or of payment of the costs of compensating contractors for locating and recovering unclaimed property due the state.
2. Of the claims received for reimbursement of court-ordered or voluntary desegregation programs pursuant to Sections 42243.6, 42247, and 42249 of the Education Code, the Controller shall pay only those claims that have been subjected to audit by school districts in accordance with the Controller's procedures manual for conducting audits of education desegregation claims. Furthermore, the Controller shall pay only those past-year actual claims for desegregation program costs that are accompanied by all reports issued by the auditing entity, unless the auditing entity was the Controller.
3. No less than 0.9 personnel-year in the Audits Division shall be used to audit education desegregation claims.
4. The Controller may, with the concurrence of the Director of Finance and the Chairperson of the Joint Legislative Budget Committee, bill affected state departments for activities required by Section 20050 of the State Administrative Manual, relating to the administration of federal pass-through funds.

   No billing may be sent to affected departments sooner than 30 days after the Chairperson of the Joint Legislative Budget Committee has been notified by the Director of Finance that he or she concurs with the amounts specified in the billings.
5. (a) Notwithstanding subdivision (b) of Section 1531 of the Code of Civil Procedure, the Controller may publish notice in any manner that the Controller determines reasonable, provided that (1) none of the moneys used for this purpose is redirected from funding for the Controller's audit activities, (2) no photograph is used in the publication of notice, and

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(3) no elected official's name is used in the publication of notice.

(b) No funds appropriated in this act may be expended by the Controller to provide information to the public, other than holders of unclaimed property as defined in subdivision (e) of Section 1501 of the Code of Civil Procedure concerning the unclaimed property program or possible existence of unclaimed property held by the Controller's office, except for informational announcements to the news media, through the exchange of information on electronic bulletin boards, or no more than $15,000 per year to inform the public about this program in activities already organized by the Controller for other purposes.

6. The Controller's office shall, through audits of Medi-Cal program and providers, enhance the General Fund resources or reduce the General Fund expenditures in the amount of $22,100,000, through identification of overpayments, cost avoidance, and other appropriate measures.
7. Of the moneys appropriated to the Controller in this act, the Controller shall not expend more than $500,000 to conduct posteligibility fraud audits of the Supplemental Security Income/State Supplementary Payment Program (SSI/SSP).
8. The Commission on State Mandates shall provide, in applicable parameters and guidelines, as follows:
   (a) If a local agency or school district contracts with an independent contractor for the preparation and submission of reimbursement claims, the costs reimbursable by the state for that purpose shall not exceed the lesser of (1) 10 percent of the amount of the claims prepared and submitted by the independent contractor, or (2) the actual costs that would necessarily have been incurred for that purpose if performed by employees of the local agency or school district.
   (b) The maximum amount of reimbursement provided in subdivision (a) may be exceeded only if the local agency or school district establishes, by appropriate documentation, that the preparation and submission of these

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	claims could not have been accomplished without incurring the additional costs claimed by the local agency or school district.	
	9. The funds appropriated to the Controller in this act may not be expended for any performance review or performance audit except pursuant to specific statutory authority. It is the intent of the Legislature that audits conducted by the Controller, or under the direction of the Controller, shall be fiscal audits that focus on claims and disbursements, as provided for in Section 12410 of the Government Code. Any report, audit, analysis, or evaluation issued by the Controller for the 1999–00 fiscal year shall cite the specific statutory or constitutional provision authorizing the preparation and release of the report, audit, analysis, or evaluation.	
	10. The Controller shall deliver his or her monthly report on General Fund cash receipts and disbursements within 10 days after the close of each month to the Joint Legislative Budget Committee, the fiscal committees of the Legislature, the Department of Finance, the Treasurer's office, and the Office of the Legislative Analyst.	
	11. For purposes of the review and payment of any claim for reimbursement by local government submitted pursuant to Section 54954.4 of the Government Code, the Controller shall use the procedures that were in effect at the time the claim was submitted.	
	12. Pursuant to Section 1564 (c) of the Code of Civil Procedure, the State Controller shall transfer all money in the Abandoned Property Account in excess of fifty thousand dollars ($50,000) to the General Fund no less frequently than at the end of each month. This transfer shall include unclaimed Proposition 103 insurance rebate moneys pursuant to Section 1861.01 of the Insurance Code and Section 1523 of the Code of Civil Procedure.	
0840-001-0061—For support of State Controller, for payment to Item 0840-001-0001, payable from the Motor Vehicle Fuel Account, Transportation Tax Fund		2,915,000

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0840-001-0062—For support of State Controller, for payment to Item 0840-001-0001, payable from the Highway Users Tax Account, Transportation Tax Fund	804,000
0840-001-0330—For support of State Controller, for payment to Item 0840-001-0001, payable from the Local Revenue Fund	387,000
0840-001-0344—For support of State Controller, for payment to Item 0840-001-0001, payable from the State School Building Lease-Purchase Fund	699,000
0840-001-0890—For support of State Controller, for payment to Item 0840-001-0001, payable from the Federal Trust Fund	1,273,000
0840-001-0903—For support of State Controller, for payment to Item 0840-001-0001, payable from the State Penalty Fund	936,000
0840-001-0988—For support of State Controller, for payment to Item 0840-001-0001, payable from Unallocated nongovernmental cost funds (Retail Sales Tax Fund)	178,000
0840-011-0494—For support of State Controller, for payment to Item 0840-001-0001, payable from the unallocated special funds	41,000
Provisions: 1. Notwithstanding any other provision of law, the Director of Finance may authorize expenditures in excess of the amount appropriated in this item not sooner than 30 days after notification in writing of the necessity therefor is provided to the chairpersons of the fiscal committees and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the chairperson of the committee, or his or her designee, may in each instance determine.	
0840-011-0797—For support of State Controller, for payment to Item 0840-001-0001, payable from the unallocated bond funds	162,000
Provisions: 1. Notwithstanding any other provision of law, the Director of the Department of Finance may authorize expenditures in excess of the amount appropriated in this item not sooner than 30 days after notification in writing of the necessity therefor is provided to the chairpersons of the fiscal committees and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the chairperson of the committee,	

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or his or her designee, may in each instance determine.		
0840-011-0988—For support of State Controller, for payment to Item 0840-001-0001, payable from the unallocated nongovernmental cost funds.....		40,000
Provisions:		
1. Notwithstanding any other provision of law, the Director of the Department of Finance may authorize expenditures in excess of the amount appropriated in this item not sooner than 30 days after notification in writing of the necessity therefor is provided to the chairpersons of the fiscal committees and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the chairperson of the committee, or his or her designee, may in each instance determine.		
0840-101-0071—For local assistance, State Controller, payable from the Yosemite Foundation Account, California Environmental License Plate Fund.....		840,000
Provisions:		
1. There is hereby appropriated to the Controller for allocation to the Yosemite Foundation all moneys deposited in the account for activities authorized pursuant to Article 8.4 (commencing with Section 5060) of Chapter 1 of Division 3 of the Vehicle Code (Ch. 1273, Stats. 1992).		
0840-101-0979—For allocation by the Controller from the California Firefighters' Memorial Fund.....		95,000
Provisions:		
1. The funds appropriated in this item are to be allocated as follows:		
(a) To the Franchise Tax Board and Controller for reimbursement of costs incurred in connection with duties under Article 9 (commencing with Section 18801) of Chapter 3 of Part 10.2 of Division 2 of the Revenue and Taxation Code.		
(b) To the California Fire Foundation the balance in that fund for the construction of a memorial as authorized in that article.		
0841-001-0001—For support of State Controller's Statewide Information Technology Projects.....		1,813,000
(a) Human Resource Management System and Travel Expense Claim Reimbursements System.....	3,597,000	
(b) Reimbursements.....	−1,784,000	

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0845-001-0001—For support of Department of Insurance		735,000
Schedule:		
(a) 30-Tax Collection and Audit	735,000	
0845-001-0217—For support of Department of Insurance, payable from the Insurance Fund		102,582,000
Schedule:		
(a) 10-Regulation of Insurance Companies and Insurance Producers	51,707,000	
(b) 12-Consumer Protection	29,572,000	
(c) 20-Fraud Control	22,013,000	
(d) 50.01-Administration	15,179,000	
(e) 50.02-Distributed Administration	-15,179,000	
(f) Reimbursements	-710,000	
Provisions:		
1. Of the funds appropriated in this item, the Controller shall transfer $2,257,000 as of July 1, 1999, to the Department of Aging for support of the Health Insurance Counseling and Advocacy Program.		
2. Of the funds appropriated in this item, the Controller shall transfer $478,000 as of July 1, 1999, to the State and Consumer Services Agency for support of the Office of Insurance Advisor, to provide assistance to the Governor on insurance-related matters.		
3. Of the funds appropriated in this item, an amount not to exceed $600,000 shall be used solely to cover intervenor compensation costs allowable under subdivision (b) of Section 1861.10 of the Insurance Code.		
4. Of the amount appropriated in this item, $5,016,000 is for conducting activities pursuant to Chapter 963 of the Statutes of 1998. It is the intent of the Legislature that the Department of Insurance be reimbursed for the cost associated with the investigation and enforcement actions relating to Holocaust era insurance claims. Accordingly, it is the intent of the Legislature that the Department of Insurance repay the funding specified above to the General Fund and the Insurance Fund from reimbursements received for costs associated with the investigation and enforcement actions relating to Holocaust era insurance claims. Further, it is the intent of the Legislature that reimbursement of state costs shall first be delivered to the Controller to be deposited in the General Fund for the repay-		

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ment of funds appropriated by Chapter 963 of the Statutes of 1998 and next for repayment of funds transferred from the General Fund as a loan to the Insurance Fund by Item 0845-011-0001 of this act, consistent with Provision 1 of that item. Any subsequent reimbursements received up to the $348,000 appropriated by this item from Insurance Fund unrestricted revenues shall be delivered to the Controller for deposit into the Insurance Fund.

5. Notwithstanding any other provision of law, the Insurance Commissioner shall not require the relocation of attorneys and related staff from San Francisco to Sacramento.
6. The amount identified in Provision 4 for conducting activities pursuant to Chapter 963 of the Statutes of 1998 includes funding to support the activities of the Holocaust Era Insurance Claims Oversight Committee created pursuant to that chapter. The committee shall review and make recommendations on the priorities for the allocation of funds by the Department of Insurance for Holocaust era insurance claims-related activities. Further, in the event of a proposed settlement of a policy or group of policies, the Commissioner of Insurance shall confer with the committee, which shall recommend whether the preopposed settlement is equitable before a settlement agreement is finalized. It is the intent of the Legislature to enact legislation to further define the appointment procedure and responsibilities of the oversight committee.
7. The Department of Insurance shall evaluate the contract pursuant to which the Health Insurance Plan of California is to be transferred to private operation and shall determine whether the contract calls for activities subject to regulation by the department. The Commissioner of Insurance shall report the results of this evaluation to the chairs and vice-chairs of the Insurance Committees of the Senate and the Assembly.
8. Notwithstanding any other provision of law, the Insurance Commissioner may publish notices relating to Holocaust survivors insurance claim activities in a manner that the commissioner determines reasonable provided that: (a) none of the moneys for this purpose may be redirected from

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other budgeted activities, (b) no photograph is used in the publication of the notice, and (c) no elected official's name is used in the publication of the notice unless otherwise required by law.	
0845-001-0548—For support of Department of Insurance, payable from the Title Insurance Fund	260,000
Schedule:	
(a) 10-Regulation of Insurance Companies and Insurance Producers..... 260,000	
0845-011-0001—For transfer by the Controller to the Insurance Fund	(4,668,000)
Provisions:	
1. The transfer made by this item is a loan to the Insurance Fund for the Department of Insurance to conduct activities pursuant to Chapter 963 of the Statutes of 1998. This loan shall be paid with interest calculated at the rate earned by the Pooled Money Investment Account at the time of the transfer. Principal and interest on the loan shall be paid no later than June 30, 2005.	
2. The funds transferred by this item include funding to support the activities of the Holocaust Era Insurance Claims Oversight Committee created pursuant to Chapter 963 of the Statutes of 1998.	
0845-101-0217—For local assistance, Department of Insurance, Program 20-Fraud Control, payable from the Insurance Fund	27,097,000
0845-490—Reappropriation, Department of Insurance. The balance of the appropriation provided in the following citation is reappropriated for the purposes and subject to the requirements provided for in that appropriation, and shall be available for encumbrance and expenditure until June 30, 2000.	
0217—Insurance Fund	
(1) Subdivision (b) of Section 1523 of the Code of Civil Procedure and subdivision (b) of Section 12967 of the Insurance Code (Secs. 1 and 4, Ch. 963, Stats. 1998).	
0850-001-0562—For support of the California State Lottery Commission, for payment of expenses of the lottery, including all costs incurred in the operation and administration of the lottery, payable from the State Lottery Fund.....	(364,509,000)
Provisions:	
1. Notwithstanding any other provision of law, the California State Lottery Commission shall submit to the Department of Finance, the Joint Legisla-	

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tive Budget Committee, and the budget committees of the Legislature, all of the following: (a) Commencing October 1, 1999, a report comparing estimated administrative costs to budgeted administrative costs for the 1999–00 fiscal year shall be submitted on a quarterly basis. These reports shall be in sufficient detail that they may be used for legislative oversight purposes and for sustaining a thorough ongoing review of the expenditures of the California State Lottery Commission. (b) No later than January 10, 2000, a copy of the proposed administrative budget for the California State Lottery Commission for the 2000–01 fiscal year that is included in the Governor's Budget. (c) No later than May 7, 2000, a copy of the proposed administrative budget for the California State Lottery Commission for the 2000–01 fiscal year that is submitted to the California State Lottery Commission's Budget Committee. (d) Any revision and supporting documentation to the May 7 administrative budget that the California State Lottery Commission approves in adopting the 2000–01 administrative budget. This information shall be submitted when the California State Lottery Commission adopts the 2000–01 administrative budget.		
0855-001-0567—For support of California Gambling Control Commission, payable from the Gambling Control Fund		1,128,000
Schedule:		
(a) 10-California Gambling Control Commission	1,128,000	
0860-001-0001—For support of State Board of Equalization		179,762,000
Schedule:		
(a) 100000-Personal Services	211,598,000	
(b) 300000-Operating Expenses and Equipment	73,531,000	
(c) Reimbursements	–81,459,000	
(d) Amount payable from the Breast Cancer Fund (Item 0860-001-0004)	–101,000	

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(e) Amount payable from the State Emergency Telephone Number Account (Item 0860-001-0022)		−674,000
(f) Amount payable from the Motor Vehicle Fuel Account, Transportation Tax Fund (Item 0860-001-0061)		−15,114,000
(g) Amount payable from the Occupational Lead Poisoning Prevention Account, General Fund (Item 0860-001-0070)		−490,000
(h) Amount payable from the Childhood Lead Poisoning Prevention Fund (Item 0860-001-0080)		−533,000
(j) Amount payable from the Cigarette and Tobacco Products Surtax Fund (Item 0860-001-0230)		−1,211,000
(k) Amount payable from the Oil Spill Prevention and Administration Fund (Item 0860-001-0320)		−228,000
(*l*) Amount payable from the Integrated Waste Management Account, Integrated Waste Management Fund (Item 0860-001-0387)		−332,000
(m) Amount payable from the Underground Storage Tank Cleanup Fund, (Item 0860-001-0439)		−1,506,000
(n) Amount payable from the Energy Resources Programs Account, General Fund (Item 0860-001-0465)		−167,000
(o) Amount payable from the California Children and Families First Trust Fund (Item 0860-001-0623)		−712,000
(p) Amount payable from the Federal Trust Fund (Item 0860-001-0890)		−102,000
(q) Amount payable from the Timber Tax Fund (Item 0860-001-0965)		−2,738,000

Provisions:

1. It is the intent of the Legislature that all funds appropriated to the Board of Equalization for processing tax returns, auditing, and collecting owed tax amounts be used in a manner consistent with the board's authorized budget and the documents that were presented to the Legislature for its review in support of that budget. The Board of Equalization may not reduce expenditures or redirect either funding or personnel resources away

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	from direct auditing or collection activities without prior approval of the Director of Finance. The Director of Finance shall not approve any reduction or redirection sooner than 30 days after notification is provided to the Joint Legislative Budget Committee. No position may be transferred from the organizational unit to which it was assigned in the 1999–00 Governor's Budget and the Salaries and Wages Supplement as revised by legislative actions without the approval of the Department of Finance. Furthermore, upon enactment of the Budget Act of 1999, the Executive Director of the Board of Equalization shall promptly submit to the Department of Finance documents to establish or reestablish all budgeted positions in the units reflected in the 1999–00 Salaries and Wages Supplement as revised by legislative budget actions and shall expeditiously fill budgeted positions consistent with the funding provided in this act.	
	2. Of the amount appropriated in this item, $250,000 is available only for assessment studies preliminary to obtaining data to update replacement cost factors and useful life tables used in the valuation of equipment and other business property for property tax purposes. It is the intent of the Legislature that the Board of Equalization perform, during the 1999–00 fiscal year, preliminary assessment studies for industry areas and present the results to the committees in each house of the Legislature that consider taxation measures. Each preliminary assessment shall estimate the potential range of the impact on state and local revenues from the adoption of new replacement cost factors and useful life tables, discuss the frequency with which the factors and tables should be updated to remain reasonably accurate, and provide an analysis of any methodological issues that may be faced in designing data collection and analysis methods for each study.	
0860-001-0004—For support of State Board of Equalization, for payment to Item 0860-001-0001, payable from the Breast Cancer Fund		101,000
	Provisions:	
	1. Notwithstanding Section 30461.6 of the Revenue and Taxation Code, or any other provision of law, sufficient funds to cover the costs of the State	

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Board of Equalization for the collection and enforcement of fees to be deposited in the Breast Cancer Fund shall be retained in the fund, and be available to be appropriated to the board.	
0860-001-0022—For support of State Board of Equalization, for payment to Item 0860-001-0001, payable from the State Emergency Telephone Number Account	674,000
0860-001-0061—For support of State Board of Equalization, for payment to Item 0860-001-0001, payable from the Motor Vehicle Fuel Account, Transportation Tax Fund	15,114,000
0860-001-0070—For support of State Board of Equalization, for payment to Item 0860-001-0001, payable from the Occupational Lead Poisoning Prevention Account, General Fund	490,000
Provisions:	
1. The amount appropriated in this item includes revenues derived from the assessment of fines and penalties imposed as specified by Section 13332.18 of the Government Code.	
0860-001-0080—For support of State Board of Equalization, for payment to Item 0860-001-0001, payable from the Childhood Lead Poisoning Prevention Fund	533,000
Provisions:	
1. The amount appropriated in this item includes revenues derived from the assessment of fines and penalties imposed as specified by Section 13332.18 of the Government Code.	
0860-001-0230—For support of State Board of Equalization, for payment to Item 0860-001-0001, payable from the Cigarette and Tobacco Products Surtax Fund	1,211,000
0860-001-0320—For support of State Board of Equalization, for payment to Item 0860-001-0001, payable from the Oil Spill Prevention and Administration Fund	228,000
0860-001-0387—For support of State Board of Equalization, for payment to Item 0860-001-0001, payable from the Integrated Waste Management Account, Integrated Waste Management Fund	332,000
Provisions:	
1. The amount appropriated in this item includes revenues derived from the assessment of fines and penalties imposed as specified by Section 13332.18 of the Government Code.	

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0860-001-0439—For support of State Board of Equalization, for payment to Item 0860-001-0001, payable from the Underground Storage Tank Cleanup Fund		1,506,000
Provisions:		
1. The amount appropriated in this item includes revenues derived from the assessment of fines and penalties imposed as specified in Section 13332.18 of the Government Code.		
0860-001-0465—For support of State Board of Equalization, for payment to Item 0860-001-0001, payable from the Energy Resources Programs Account, General Fund		167,000
0860-001-0623—For support of State Board of Equalization, for payment to Item 0860-001-0001, payable from the California Children and Families First Trust Fund		712,000
0860-001-0890—For support of State Board of Equalization, for payment to Item 0860-001-0001, payable from the Federal Trust Fund		102,000
0860-001-0965—For support of State Board of Equalization, for payment to Item 0860-001-0001, payable from the Timber Tax Fund		2,738,000
0890-001-0001—For support of Secretary of State		20,258,000
Schedule:		
(a) 100000-Personal Services	20,056,888	
(b) 300000-Operating Expenses and Equipment	16,274,112	
(c) Special Item of Expense-Election Related Costs	9,223,000	
(d) Reimbursements	–6,155,000	
(e) Amount payable from the Secretary of State's Business Fees Fund (Item 0890-001-0228)	–18,766,000	
(f) Amount payable from the Business Reinvestment Fund (Item 0890-001-0274)	–375,000	
Provisions:		
1. Notwithstanding the Governor's Executive Order W-173-1998, the Secretary of State shall no longer serve as the Chief Executive Officer of the California Gold Discovery to Statehood Sesquicentennial Commission (CGDSS). The Secretary of State's staff shall no longer provide support services for the CGDSS. No funds appropriated to the Secretary of State shall be expended for any purposes under Executive Order W-173-1998.		

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0890-001-0228—For support of Secretary of State, for payment to Item 0890-001-0001, payable from the Secretary of State's Business Fees Fund		18,766,000
Provisions:		
1. Notwithstanding any other provision of law, the Secretary of State may expend an amount not to exceed $538,000 of the funds appropriated in this item for the investigation and prosecution of voter fraud in California.		
0890-001-0274—For support of Secretary of State, for payment to Item 0890-001-0001, payable from the Business Reinvestment Fund		375,000
0890-003-0001—For support of Secretary of State for rental payments on lease revenue bonds		85,000
Schedule:		
(a) Base Rental and Fees	9,549,000	
(b) Structural Insurance	40,000	
(c) Reimbursements	−9,504,000	
0890-003-0228—For support of Secretary of State for rental payments on lease revenue bonds, payable from the Secretary of State's Business Fees Fund		27,000
Schedule:		
(a) Base Rental and Fees	2,949,000	
(b) Structural Insurance	13,000	
(c) Reimbursements	−2,935,000	
0890-295-0001—For local assistance, Secretary of State, for reimbursement, in accordance with Section 6 of Article XIII B of the California Constitution or Section 17561 of the Government Code, of the costs of any new program or increased level of service of an existing program mandated by statute or executive order, State Controller		7,853,000
Schedule:		
(1) 98.01.007.778-Absentee ballots (Ch. 77, Stats. 78)	6,111,000	
(2) 98.01.039.188-Brendon Maguire Act (Ch. 391, Stats. 88)	1,000	
(3) 98.01.049.479-Handicapped voter access (Ch. 494, Stats. 79)	0	
(4) 98.01.070.475-Voter registration procedures (Ch. 704, Stats. 75)	1,416,000	
(5) 98.01.101.381-Local elections (Ch. 1013, Stats. 81)	0	
(6) 98.01.104.285-Election materials (Ch. 1042, Stats. 85)	0	
(7) 98.01.140.176-Voter registration roll purge (Ch. 1401, Stats. 76)	0	

Item		Amount
(8)	98.01.142.282-Permanent absent voters (Ch. 1422, Stats. 82).....	325,000
(9)	98.01.160.382-Democratic presidential delegates (Ch. 1603, Stats. 82)	0

Provisions:

1. Except as provided in Provision 2 of this item, allocations of funds provided in this item to the appropriate local entities shall be made by the State Controller in accordance with the provisions of each statute or executive order that mandates the reimbursement of the costs, and shall be audited to verify the actual amount of the mandated costs in accordance with subdivision (d) of Section 17561 of the Government Code. Audit adjustments to prior year claims may be paid from this item. Funds appropriated in this item may be used to provide reimbursement pursuant to Article 5 (commencing with Section 17615) of Chapter 4 of Part 7 of Division 4 of Title 2 of the Government Code.
2. If any of the scheduled amounts are insufficient to provide full reimbursement of costs, the State Controller may, upon notifying the Director of Finance in writing, augment those deficient amounts from the unencumbered balance of any other scheduled amounts in this item. No order may be issued pursuant to this provision unless written notification of the necessity therefor is provided to the chairperson of the committee in each house that considers appropriations and the Chairperson of the Joint Legislative Budget Committee or his or her designee.
3. Pursuant to Section 17581 of the Government Code, mandates identified in the appropriation schedule of this item with an appropriation of $0 and included in the language of this provision are specifically identified by the Legislature for suspension during the 1999–00 fiscal year:
   (a) Handicapped voter access (Ch. 494, Stats. 1979).
   (b) Local elections (Ch. 1013, Stats. 1981).
   (c) Voter registration roll purge (Ch. 1401, Stats. 1976).
   (d) Election materials (Ch. 1042, Stats. 1985)
   (e) Democratic presidential delegates (Ch. 1603, Stats. 1982, and Ch. 8; Stats. 1988).

Item		Amount
0950-001-0001—For support of State Treasurer		5,119,000
Schedule:		
(a) 100000-Personal Services	13,721,000	
(b) 300000-Operating Expenses and Equipment	4,756,000	
(c) Reimbursements	−13,056,000	
(d) Amount payable from the Local Agency Deposit Security Fund (Item 0950-001-0240)	−302,000	
Provisions:		
1. The State Treasurer shall seek to increase the reimbursement rates charged to those departments or programs that receive services from the State Treasurer's Office's Item Processing system by an amount sufficient to recover from those departments or programs, over a five-year period, beginning not later than fiscal year 1999–00, their fair share of the $3.78 million cost of upgrading the system to be Year 2000 compliant. Those departments or programs include, but are not limited to, the Department of Health Services' Women, Infant and Children's Program, and the Employment Development Department's Unemployment and Disability Insurance Program.		
0950-001-0240—For support of the State Treasurer, for payment to Item 0950-001-0001, payable from the Local Agency Deposit Security Fund		302,000
0956-001-0171—For support of California Debt and Investment Advisory Commission, payable from the California Debt and Investment Advisory Commission Fund		1,641,000
Schedule:		
(a) 10-California Debt and Investment Advisory Commission	1,741,000	
(b) Reimbursements	−100,000	
Provisions:		
1. Notwithstanding any other provision of law, the Director of Finance may authorize expenditures for the California Debt and Investment Advisory Commission in excess of the amount appropriated not sooner than 30 days after notification in writing of the necessity therefor is provided to the chairpersons of the fiscal committees and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the chairperson of the committee, or his or her designee, may in each instance determine.		

Item Amount

0959-001-0169—For support of California Debt Limit Allocation Committee, payable from the California Debt Limit Allocation Committee Fund 676,000
Schedule:
(a) 10-Debt Limit Allocation Committee 676,000
Provisions:
1. Notwithstanding any other provision of law, the Director of Finance may authorize expenditures for the California Debt Limit Allocation Committee in excess of the amount appropriated not sooner than 30 days after notification in writing of the necessity therefor is provided to the chairpersons of the fiscal committees and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the chairperson of the committee, or his or her designee, may in each instance determine.

0965-001-0215—For support of California Industrial Development Financing Advisory Commission, payable from the Industrial Development Fund 447,000
Schedule:
(a) 10-Industrial Development Financing Advisory Commission 447,000
Provisions:
1. Notwithstanding any other provision of law, the Director of Finance may authorize expenditures for the California Industrial Development Financing Advisory Commission in excess of the amount appropriated not sooner than 30 days after notification in writing of the necessity therefor is provided to the chairpersons of the fiscal committees and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the chairperson of the committee, or his or her designee, may in each instance determine.

0968-001-0448—For support of California Tax Credit Allocation Committee, payable from the Occupancy Compliance Monitoring Account, Tax Credit Allocation Fee Account 647,500
Schedule:
(a) 10-California Tax Credit Allocation Committee 662,500
(b) Reimbursements ..... −15,000
Provisions:
1. Notwithstanding any other provision of law, the Director of Finance may authorize expenditures

Item		Amount
for the California Tax Credit Allocation Committee in excess of the amount appropriated not sooner than 30 days after notification in writing of the necessity therefor is provided to the chairpersons of the fiscal committees and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the chairperson of the committee, or his or her designee, may in each instance determine.		
0968-001-0457—For support of California Tax Credit Allocation Committee, payable from the Tax Credit Allocation Fee Account		1,257,500
Schedule:		
(a) 10-California Tax Credit Allocation Committee	1,272,500	
(b) Reimbursements	−15,000	
Provisions:		
1. Notwithstanding any other provision of law, the Director of Finance may authorize expenditures for the California Tax Credit Allocation Committee in excess of the amount appropriated not sooner than 30 days after notification in writing of the necessity therefor is provided to the chairpersons of the fiscal committees and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the chairperson of the committee, or his or her designee, may in each instance determine.		
0971-001-0528—For support of California Alternative Energy and Advanced Transportation Financing Authority, payable from the California Alternative Energy Authority Fund		125,000
Schedule:		
(a) 10-California Alternative Energy and Advanced Transportation Financing Authority	125,000	
Provisions:		
1. Notwithstanding any other provision of law, the Director of Finance may authorize expenditures for the California Alternative Energy and Advanced Transportation Financing Authority in excess of the amount appropriated not sooner than 30 days after notification in writing of the necessity therefor is provided to the chairpersons of the fiscal committees and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the chairperson of the joint		

Item		Amount
committee, or his or her designee, may in each instance determine.		
0977-101-0001—For local assistance, California Health Facilities Financing Authority		5,000,000
Schedule:		
(a) 10-Help II Loan Program	5,000,000	

STATE AND CONSUMER SERVICES

1100-001-0001—For support of California Science Center		9,814,000
Schedule:		
(a) 10-Education	10,198,000	
(ax) 20-Exposition Park Management	339,000	
(b) 30-California African-American Museum	2,239,000	
(c) 40.01-Administration	1,038,000	
(d) 40.02-Distributed Administration	−1,038,000	
(e) Reimbursements	−234,000	
(f) Amount payable from the Exposition Park Improvement Fund (Item 1100-001-0267)	−2,728,000	
Provisions:		
1. The Director of General Services shall not approve a contract, permit, or lease agreement by the museum (excluding those for museum exhibits) that reduces state revenues or increases state costs by $25,000 or more unless, not sooner than 30 days prior to giving his or her approval, the director submits in writing to the Chairperson of the Joint Legislative Budget Committee notification of the director's intent to approve that contract, permit, or lease, or not sooner than such lesser time as the chairperson may in each instance determine. This provision shall have no effect as to those contracts that the legislative fiscal committees have examined as part of the budget process or otherwise.		
1100-001-0267—For support of California Science Center for payment to Item 1100-001-0001, payable from the Exposition Park Improvement Fund		2,728,000
Provisions:		
1. Funds appropriated in this item shall be expended for legal services relating to the negotiation of any leases pertaining to the Los Angeles Memorial Coliseum or Exposition Park, or both. The Legislature declares that Exposition Park is a valuable		

Item		Amount
asset of the State of California and that any lease regarding the state-owned real property or improvements, or both, shall provide adequate consideration to the state and optimal use of the park to the citizens of California. Notwithstanding any other provisions of law, the California Science Center shall represent the interests of the state in any lease negotiations. The California Science Center shall obtain an appraisal of the value of the park and the worth of the park operations. No lease shall become effective sooner than 30 days after written notification from the California Science Center to the chairs of the committees of each house of the Legislature that consider appropriations and the Chair of the Joint Legislative Budget Committee. The California Science Center shall report quarterly to the Legislature commencing on October 1, 1999, on the status of, and the progress being made in, lease negotiations.		
1100-003-0001—For support of the California Science Center for rental payments on lease revenue bonds		2,423,000
Schedule:		
(a) Base rental	2,404,000	
(b) Insurance	19,000	
1100-301-0001—For capital outlay, California Science Center		788,000
Schedule:		
(1) 11.00.003-California African-American Museum—Minor projects	38,000	
(2) 11.00.004-Technology Hall and Hall of Health—Remodel—Preliminary plans, working drawings, and construction	750,000	
Provisions:		
1. Notwithstanding Section 4 of Chapter 252 of the Statutes of 1998, for the project identified in Schedule 2, the Department of General Services may enter into an agreement with the California Science Center, using the design-build construction procurement process specified in Sections 13332.19 and 14661 of the Government Code, to provide for the relocation of, and planning, acquisition, construction, equipping, and furnishing of, the administrative facilities for the staff of the California Science Center. The design-build		

Item		Amount
method to be used for this project is the design-build competition specified in clause (ii) of subparagraph (A) of paragraph (3) of subdivision (d) of Section 14661 of the Government Code.		
1100-401—Interim financing for the Masterplan Parking Facility.		
Provisions:		
1. The California Science Center may apply to the California Infrastructure and Economic Development Bank for a bridge loan for federal funds for the Masterplan Parking Facility project pursuant to the loan program requirements. This authorization is intended to meet the requirements of Section 63041 of the Government Code.		
1100-490—Reappropriation, California Science Center. The balances of the appropriations provided for in the following citations are reappropriated for the purposes and subject to the limitations, unless otherwise specified, provided for in those appropriations:		
0001—General Fund		
(1) Item 1100-301-0001, Budget Act of 1998 (Ch. 324, Stats. 1998)		
(2) 11.00.002-Masterplan Parking Facility, Phase I—Preliminary plans, working drawings, and construction.		
0890—Federal Trust Fund		
(1) Item 1100-301-0890, Budget Act of 1998 (Ch. 324, Stats. 1998)		
(1) 11.00.002-Masterplan Parking Facility, Phase I—Preliminary plans, working drawings, and construction.		
1111-001-0001—For support of the Department of Consumer Affairs to administer the activities of the California Complete Count Committee		24,715,000
Schedule:		
(a) Administration	5,165,000	
(b) State Agency Outreach	2,000,000	
(c) County Complete Count Committees	5,000,000	
(d) School-based Outreach Programs	1,250,000	
(e) Nonprofit Questionnaire Assistance Centers	1,300,000	
(f) Media Campaign	10,000,000	
1111-001-0069—For transfer by the Controller from the State Board of Barbering and Cosmetology Fund to the Consumer Affairs Fund		8,125,000

Item	Amount
Provisions:	
1. The amount appropriated in this item may include revenues derived from the assessment of fines and penalties imposed as specified in Section 13332.18 of the Government Code.	
1111-001-0166—For transfer by the Controller from the Certification Account to the Consumer Affairs Fund	574,000
Provisions:	
1. The amount appropriated in this item may include revenues derived from the assessment of fines and penalties imposed as specified in Section 13332.18 of the Government Code.	
1111-001-0208—For transfer by the Controller from the Hearing Aid Dispensers Fund to the Consumer Affairs Fund	471,000
Provisions:	
1. The amount appropriated in this item may include revenues derived from the assessment of fines and penalties imposed as specified in Section 13332.18 of the Government Code.	
1111-001-0239—For transfer by the Controller from the Private Security Services Fund to the Consumer Affairs Fund	5,290,000
Provisions:	
1. The amount appropriated in this item may include revenues derived from the assessment of fines and penalties imposed as specified in Section 13332.18 of the Government Code.	
1111-001-0260—For transfer by the Controller from the Nursing Home Administrators' State License Examining Board Fund to the Consumer Affairs Fund	458,000
Provisions:	
1. The amount appropriated in this item may include revenues derived from the assessment of fines and penalties imposed as specified in Section 13332.18 of the Government Code.	
1111-001-0305—For transfer by the Controller from the Private Postsecondary Education Administration Fund to the Consumer Affairs Fund	7,846,000
Provisions:	
1. The amount appropriated in this item may include revenues derived from the assessment of fines and penalties imposed as specified in Section 13332.18 of the Government Code.	

Item		Amount
1111-001-0325—For transfer by the Controller from the Electronic and Appliance Repair Fund to the Consumer Affairs Fund		1,430,000
Provisions:		
1. The amount appropriated in this item may include revenues derived from the assessment of fines and penalties imposed as specified in Section 13332.18 of the Government Code.		
1111-001-0376—For transfer by the Controller from the Speech-Language Pathology and Audiology Fund to the Consumer Affairs Fund		431,000
Provisions:		
1. The amount appropriated in this item may include revenues derived from the assessment of fines and penalties imposed as specified in Section 13332.18 of the Government Code.		
1111-001-0421—For transfer by the Controller from the Vehicle Inspection and Repair Fund to the Consumer Affairs Fund		93,565,000
Provisions:		
1. The funds appropriated in this item are scheduled as follows:		
(a) Education	742,000	
(b) Smog Quality Assurance and Engineering	34,448,000	
(c) Licensing	1,632,000	
(d) Intake	7,433,000	
(e) Mediation	4,945,000	
(f) Enforcement	17,855,000	
(g) Special Projects	4,159,000	
(h) Consumer Protection Operations	22,351,000	
(i) Administration	(13,396,000)	
2. Each of the programs scheduled under Provision 1 may be increased or decreased by an amount not to exceed 25 percent of the amount scheduled for that program.		
3. The funds appropriated for transfer in this item shall only be available for expenditure pursuant to Provisions 1 and 2.		
4. The amount appropriated in this item may include revenues derived from the assessment of fines and penalties imposed as specified in Section 13332.18 of the Government Code.		
1111-001-0582—For transfer by the Controller from the High Polluter Repair or Removal Account to the Consumer Affairs Fund		62,267,000

Item		Amount
Provisions:		
1. The funds appropriated in this item shall be allocated in accordance with the following schedule:		
(a) Consumer education	1,478,000	
(b) Smog check engineering and operations	4,685,000	
(c) Call intake	1,023,000	
(d) Enforcement	3,081,000	
(e) Repair assistance disbursements	26,000,000	
(f) Vehicle retirement disbursements	26,000,000	
2. Each of the programs listed under Provision 1 may be increased or decreased by an amount not to exceed 25 percent of the amount allocated for that program.		
3. The funds appropriated for transfer in this item shall only be available for expenditure pursuant to Provisions 1 and 2.		
4. The amount appropriated in this item may include revenues derived from the assessment of fines and penalties imposed as specified in Section 13332.18 of the Government Code.		
1111-001-0717—For transfer by the Controller from the Cemetery Fund, Professions and Vocations Fund to the Consumer Affairs Fund		1,168,000
Provisions:		
1. The amount appropriated in this item may include revenues derived from the assessment of fines and penalties imposed as specified in Section 13332.18 of the Government Code.		
1111-001-0750—For transfer by the Controller from the State Funeral Directors and Embalmers Fund, Professions and Vocations Fund to the Consumer Affairs Fund		771,000
Provisions:		
1. The amount appropriated in this item may include revenues derived from the assessment of fines and penalties imposed as specified in Section 13332.18 of the Government Code.		
1111-001-0752—For transfer by the Controller from the Bureau of Home Furnishings and Thermal Insulation Fund to the Consumer Affairs Fund		2,984,000
Provisions:		
1. The amount appropriated in this item may include revenues derived from the assessment of fines and penalties imposed as specified in Section 13332.18 of the Government Code.		

Item	Amount
1111-001-0769—For transfer by the Controller from the Private Investigator Fund to the Consumer Affairs Fund ..... Provisions: 1. The amount appropriated in this item may include revenues derived from the assessment of fines and penalties imposed as specified in Section 13332.18 of the Government Code.	744,000
1111-001-0890—For transfer by the Controller from the Federal Trust Fund to the Consumer Affairs Fund .. Provisions: 1. Notwithstanding any other provision of law, the Federal Trust Fund Account of the Bureau for Private Postsecondary and Vocational Education may borrow from the Private Postsecondary and Vocational Education Administration Fund an amount not to exceed a cumulative total of $500,000 for the purpose of meeting cash-flow needs for the purposes funded in this item due to delays in collecting federal funds. Any loan made pursuant to this provision shall be made only upon approval of the Department of Finance, and only if the Bureau demonstrates and certifies that a sufficient surplus exists in the Private Postsecondary and Vocational Education Administration Fund to support the amount of the loan, and that funds will be available from the federal government to repay the loan. All money transferred shall be repaid to the fund as soon as possible, but not later than one year from the date of the loan.	1,000,000
1111-001-0960—For transfer by the Controller from the Student Tuition Recovery Fund to the Consumer Affairs Fund..... Provisions: 1. The amount appropriated in this item may include revenues derived from the assessment of fines and penalties imposed as specified in Section 13332.18 of the Government Code.	(312,000)
1111-010-0702—For support of Department of Consumer Affairs—Administrative and Consumer Services; Bureau of Automotive Repair; Bureau of Electronic and Appliance Repair; Bureau of Home Furnishings and Thermal Insulation; Bureau of Security and Investigative Services; Arbitration Review Program; Cemetery Program; Funeral Program; Barbering and Cosmetology Program; Bureau	

Item		Amount
for Private Postsecondary and Vocational Education; Hearing Aid Dispensers Program; Speech-Language Pathology and Audiology Program; and Nursing Home Administrator's Program—payable from the Consumer Affairs Fund, Professions and Vocations Fund		187,436,000
Schedule:		
(a) 01.01-Support for Department of Consumer Affairs—Administrative and Consumer Services; Bureau of Automotive Repair; Bureau of Electronic and Appliance Repair; Bureau of Home Furnishings and Thermal Insulation; Bureau of Security and Investigative Services; Arbitration Review Program; Cemetery Program; Funeral Program; Barbering and Cosmetology Program; Bureau of Private Postsecondary and Vocational Education; Hearing Aid Dispensers Program; Speech-Language Pathology and Audiology Program; and Nursing Home Administrator's Program	210,950,000	
(b) Reimbursements	–23,514,000	
Provisions:		
1. Each transfer from Items 1111-001-0069, 1111-001-0166, 1111-001-0208, 1111-001-0239, 1111-001-0260, 1111-001-0305, 1111-001-0325, 1111-001-0376, 1111-001-0421, 1111-001-0582, 1111-001-0717, 1111-001-0750, 1111-001-0752, 1111-001-0769, 1111-001-0890, and 1111-001-0960 may be increased or decreased by an amount not to exceed 15 percent of the total of each transfer, without further authorization, to reflect the actual distributed costs of the program. In no case shall the total transfers exceed the total appropriation in this item.		
2. The funds transferred in the items specified in Provision 1 shall be used only for the purposes authorized under any law enacted prior to January 1, 1999.		
3. The amount appropriated in this item may include revenues derived from the assessment of fines and penalties imposed as specified in Section 13332.18 of the Government Code.		

Item		Amount
1111-101-0001—For local assistance, Department of Consumer Affairs, for contribution to City of Downey, Downey Cemetery, for the construction of a memorial wall and garden		75,000
1120-001-0704—For support of Board of Accountancy, payable from the Accountancy Fund, Professions and Vocations Fund		9,205,000
Schedule:		
(a) 3-Board of Accountancy	9,409,000	
(b) Reimbursements	−204,000	
Provisions:		
1. The amount appropriated in this item may include revenues derived from the assessment of fines and penalties imposed as specified in Section 13332.18 of the Government Code.		
1130-001-0706—For support of California Board of Architectural Examiners, payable from the California Board of Architectural Examiners' Fund		2,861,000
Schedule:		
(a) 6-Board of Architectural Examiners	2,866,000	
(b) Reimbursements	−5,000	
Provisions:		
1. The amount appropriated in this item may include revenues derived from the assessment of fines and penalties imposed as specified in Section 13332.18 of the Government Code.		
1130-001-0757—For support of California Board of Architectural Examiners, Landscape Architect Technical Committee, payable from California Board of Architectural Examiners-Landscape Architects Fund		557,000
Provisions:		
1. The amount appropriated in this item may include revenues derived from the assessment of fines and penalties imposed as specified in Section 13332.18 of the Government Code.		
1140-001-0001—For support of Athletic Commission		761,000
Schedule:		
(a) 9-State Athletic Commission	937,000	
(b) Amount payable from the Boxer's Pension Account (Item 1140-002-0008)	−79,000	
(c) Amount payable from the Boxer's Neurological Examinations Account (Item 1140-001-0492)	−97,000	

Item	Amount
Provisions:	
1. The amount appropriated in this item may include revenues derived from the assessment of fines and penalties imposed as specified in Section 13332.18 of the Government Code.	
1140-001-0492—For support of Athletic Commission, for payment to Item 1140-001-0001, payable from the Boxer's Neurological Examination Account	97,000
Provisions:	
1. The amount appropriated in this item may include revenues derived from the assessment of fines and penalties imposed as specified in Section 13332.18 of the Government Code.	
1140-002-0008—For support of Athletic Commission, for payment to Item 1140-001-0001, payable from the Boxer's Pension Account	79,000
Provisions:	
1. The amount appropriated in this item may include revenues derived from the assessment of fines and penalties imposed as specified in Section 13332.18 of the Government Code.	
1170-001-0773—For support of Board of Behavioral Science Examiners, payable from the Behavioral Science Examiners Fund, Professions and Vocations Fund	4,252,000
Schedule:	
(a) 18-Board of Behavioral Science Examiners 4,428,000	
(b) Reimbursements −176,000	
Provisions:	
1. The amount appropriated in this item may include revenues derived from the assessment of fines and penalties imposed as specified in Section 13332.18 of the Government Code.	
1230-001-0093—For support of Contractors State License Board, for payment to Item 1230-001-0735, payable from the Construction Management Education Account	15,000
Provisions:	
1. The amount appropriated in this item may include revenues derived from the assessment of fines and penalties imposed as specified in Section 13332.18 of the Government Code.	
1230-001-0735—For support of Contractors State License Board, payable from the Contractors License Fund	43,345,000

Item		Amount
Schedule:		
(a) 30-Contractors State License Board	43,613,000	
(b) Reimbursements	−253,000	
(c) Amount payable from the Construction Management Education Account (Item 1230-001-0093)	−15,000	
Provisions:		
1. The amount appropriated in this item may include revenues derived from the assessment of fines and penalties imposed as specified in Section 13332.18 of the Government Code.		
1260-001-0741—For support of Board of Dental Examiners, payable from the State Dentistry Fund		5,978,000
Schedule:		
(a) 36-Board of Dental Examiners	6,107,000	
(b) Reimbursements	−129,000	
Provisions:		
1. The amount appropriated in this item may include revenues derived from the assessment of fines and penalties imposed as specified in Section 13332.18 of the Government Code.		
1270-001-0380—For support of Board of Dental Examiners, payable from the State Dental Auxiliary Fund		1,165,000
Schedule:		
(a) 36-Board of Dental Examiners	1,387,000	
(b) Reimbursements	−222,000	
Provisions:		
1. The amount appropriated in this item may include revenues derived from the assessment of fines and penalties imposed as specified in Section 13332.18 of the Government Code.		
1340-001-0205—For support of Board of Registration for Geologists and Geophysicists, Program 51, payable from the Geology and Geophysics Fund		918,000
Provisions:		
1. The amount appropriated in this item may include revenues derived from the assessment of fines and penalties imposed as specified in Section 13332.18 of the Government Code.		
1350-001-0024—For support of Board of Guide Dogs for the Blind, Program 54, payable from the State Board of Guide Dogs for the Blind Fund		111,000
Provisions:		
1. The amount appropriated in this item may include revenues derived from the assessment of fines and		

Item		Amount
penalties imposed as specified in Section 13332.18 of the Government Code.		
1390-001-0175—For support of Medical Board of California, Dispensing Opticians, for payment to Item 1390-001-0758, payable from the Dispensing Opticians Fund		279,000
Provisions:		
1. The amount appropriated in this item may include revenues derived from the assessment of fines and penalties imposed as specified in Section 13332.18 of the Government Code.		
1390-001-0210—For support of Medical Board of California, Outpatient Settings, for payment to Item 1390-001-0758, payable from the Outpatient Setting Fund of the Medical Board of California		23,000
Provisions:		
1. The amount appropriated in this item may include revenues derived from the assessment of fines and penalties imposed as specified in Section 13332.18 of the Government Code.		
1390-001-0758—For support of Medical Board of California, payable from the Contingent Fund of the Medical Board of California		32,661,000
Schedule:		
(a) 63.10.010-Medical Board of California	33,806,000	
(b) 63.15-Registered Dispensing Opticians	279,000	
(c) 63.17-Outpatient Setting	23,000	
(e) 63.10.020-Distributed Medical Board of California	−838,000	
(f) Reimbursements	−307,000	
(g) Amount payable from the Dispensing Opticians Fund (Item 1390-001-0175)	−279,000	
(h) Amount payable from the Outpatient Setting Fund of the Medical Board of California (Item 1390-001-0210)	−23,000	
Provisions:		
1. The amount appropriated in this item may include revenues derived from the assessment of fines and penalties imposed as specified in Section 13332.18 of the Government Code.		
1400-001-0108—For support of Medical Board of California, Acupuncture Examining Committee, payable from the Acupuncture Fund		1,777,000

Item		Amount
Schedule:		
(a) 63.20-Acupuncture Committee	1,800,000	
(b) Reimbursements	−23,000	
Provisions:		
1. The amount appropriated in this item may include revenues derived from the assessment of fines and penalties imposed as specified in Section 13332.18 of the Government Code.		
1420-001-0759—For support of Medical Board of California, Physical Therapy Examining Committee, payable from the Physical Therapy Fund		1,410,000
Schedule:		
(a) 63.40-Physical Therapy Examining Committee	1,509,000	
(b) Reimbursements	−99,000	
Provisions:		
1. The amount appropriated in this item may include revenues derived from the assessment of fines and penalties imposed as specified in Section 13332.18 of the Government Code.		
1430-001-0280—For support of Medical Board of California, Physician Assistant Examining Committee, payable from the Physician Assistant Fund		776,000
Schedule:		
(a) 63.50-Physician Assistant Examining Committee	801,000	
(b) Reimbursements	−25,000	
Provisions:		
1. The amount appropriated in this item may include revenues derived from the assessment of fines and penalties imposed as specified in Section 13332.18 of the Government Code.		
1440-001-0295—For support of Board of Podiatric Medicine, payable from the Board of Podiatric Medicine Fund		985,000
Schedule:		
(a) 63.60-Board of Podiatric Medicine.	989,000	
(b) Reimbursements	−4,000	
Provisions:		
1. The amount appropriated in this item may include revenues derived from the assessment of fines and penalties imposed as specified in Section 13332.18 of the Government Code.		
1450-001-0310—For support of Medical Board of California, Board of Psychology, payable from the Psychology Fund		2,869,000

Item		Amount
Schedule:		
(a) 63.70-Board of Psychology	2,908,000	
(b) Reimbursements	−39,000	
Provisions:		
1. The amount appropriated in this item may include revenues derived from the assessment of fines and penalties imposed as specified in Section 13332.18 of the Government Code.		
1455-001-0319—For support of Medical Board of California, Respiratory Care Examining Committee, payable from the Respiratory Care Fund		1,679,000
Schedule:		
(a) 63.75-Respiratory Care Examining Committee	1,745,000	
(b) Reimbursements	−66,000	
Provisions:		
1. The amount appropriated in this item may include revenues derived from the assessment of fines and penalties imposed as specified in Section 13332.18 of the Government Code.		
1480-001-0763—For support of Board of Optometry, payable from the State Optometry Fund, Professions and Vocations Fund		1,066,000
Schedule:		
(a) 69-Board of Optometry	1,072,000	
(b) Reimbursements	−6,000	
Provisions:		
1. The amount appropriated in this item may include revenues derived from the assessment of fines and penalties imposed as specified in Section 13332.18 of the Government Code.		
1490-001-0767—For support of Board of Pharmacy, payable from the Pharmacy Board Contingent Fund, Professions and Vocations Fund		5,755,000
Schedule:		
(a) 72-Board of Pharmacy	5,965,000	
(b) Reimbursements	−210,000	
Provisions:		
1. The amount appropriated in this item may include revenues derived from the assessment of fines and penalties imposed as specified in Section 13332.18 of the Government Code.		
1500-001-0770—For support of Board of Registration for Professional Engineers and Land Surveyors, payable from the Professional Engineer and Land Surveyor Fund		6,948,000

Item		Amount
Schedule:		
(a) 75-State Board of Registration for Professional Engineers and Land Surveyors	6,964,000	
(b) Reimbursements	−16,000	
Provisions:		
1. The amount appropriated in this item may include revenues derived from the assessment of fines and penalties imposed as specified in Section 13332.18 of the Government Code.		
1510-001-0761—For support of Board of Registered Nursing, payable from the Board of Registered Nursing Fund, Professions and Vocations Fund		12,508,000
Schedule:		
(a) 78-Board of Registered Nursing	13,051,000	
(b) Reimbursements	−543,000	
Provisions:		
1. The amount appropriated in this item may include revenues derived from the assessment of fines and penalties imposed as specified in Section 13332.18 of the Government Code.		
1520-001-0771—For support of Court Reporters Board of California, payable from the Court Reporters' Fund		655,000
Schedule:		
(a) 81-Court Reporters Board	656,000	
(b) Reimbursements	−1,000	
Provisions:		
1. The amount appropriated in this item may include revenues derived from the assessment of fines and penalties imposed as specified in Section 13332.18 of the Government Code.		
1530-001-0399—For support of Structural Pest Control Board, for payment to Item 1530-001-0775, payable from the Structural Pest Control Education and Enforcement Fund		274,000
Provisions:		
1. The amount appropriated in this item may include revenues derived from the assessment of fines and penalties imposed as specified in Section 13332.18 of the Government Code.		
1530-001-0775—For support of Structural Pest Control Board, payable from the Structural Pest Control Fund, Professions and Vocations Fund		2,866,000
Schedule:		
(a) 84-Structural Pest Control Board	3,142,000	
(b) Reimbursements	−2,000	

Item		Amount
(c) Amount payable from the Structural Pest Control Education and Enforcement Fund (Item 1530-001-0399)	−274,000	
Provisions:		
1. The amount appropriated in this item may include revenues derived from the assessment of fines and penalties imposed as specified in Section 13332.18 of the Government Code.		
1560-001-0777—For support of Veterinary Medical Board and the Registered Veterinary Technician Examining Committee, payable from the Veterinary Medical Board Contingent Fund		1,488,000
Schedule:		
(a) 90.10.010-Veterinary Medical Board	1,514,000	
(b) Reimbursements	−26,000	
Provisions:		
1. The amount appropriated in this item may include revenues derived from the assessment of fines and penalties imposed as specified in Section 13332.18 of the Government Code.		
1590-001-0779—For support of Board of Vocational Nurse and Psychiatric Technician Examiners, payable from the Vocational Nurse Examiners Fund		3,651,000
Schedule:		
(a) 91.10.010-Vocational Nurses	4,040,000	
(b) 91.10.020-Distributed Vocational Nurses	−37,000	
(c) Reimbursements	−352,000	
Provisions:		
1. The amount appropriated in this item may include revenues derived from the assessment of fines and penalties imposed as specified in Section 13332.18 of the Government Code.		
1600-001-0780—For support of Board of Vocational Nurse and Psychiatric Technician Examiners, payable from the Psychiatric Technicians Account, Vocational Nurse and Psychiatric Technician Examiners Fund		989,000
Schedule:		
(a) 91-Board of Vocational Nurse and Psychiatric Technician Examiners.	1,011,000	
(b) Reimbursements	−22,000	

Item		Amount
Provisions:		
1. The funds appropriated in this item are from the moneys deposited pursuant to Section 4547 of the Business and Professions Code.		
2. The amount appropriated in this item may include revenues derived from the assessment of fines and penalties imposed as specified in Section 13332.18 of the Government Code.		
1700-001-0001—For support of Department of Fair Employment and Housing		14,803,000
Schedule:		
(a) 50-Administration of Civil Rights Law	18,723,000	
(b) Reimbursements	−15,000	
(c) Amount payable from the Federal Trust Fund (Item 1700-001-0890).	−3,905,000	
1700-001-0890—For support of Department of Fair Employment and Housing, for payment to Item 1700-001-0001, payable from the Federal Trust Fund		3,905,000
1705-001-0001—For support of the Fair Employment and Housing Commission		1,232,000
Schedule:		
(a) 10-Fair Employment and Housing Commission	1,383,000	
(b) Reimbursements	−151,000	
1730-001-0001—For support of Franchise Tax Board		341,095,000
Schedule:		
(a) 10-Tax Programs	335,113,968	
(b) 20-Homeowners and Renters Assistance	2,864,448	
(c) 30-Political Reform Audit (1,246,000)	0	
(d) 40-Child Support Collections	10,579,120	
(e) 50-DMV Collections	8,190,528	
(f) 60-Court Collections	2,490,816	
(g) 70-Contract Work	8,744,120	
(h) 80.01-Administration	21,490,000	
(i) 80.02-Distributed Administration	−21,490,000	
(j) Reimbursements	−15,717,000	
(k) Amount payable from the State Highway Account, State Transportation Fund (Item 1730-001-0042)	−1,000	
(*l*) Amount payable from the Motor Vehicle Account, State Transportation Fund (Item 1730-001-0044)	−2,844,000	

Item	Amount
(m) Amount payable from the Motor Vehicle License Fee Account, Transportation Tax Fund (Item 1730-001-0064)	−5,339,000
(m1) Amount payable from the California Mexican American Veteran's Memorial Beautification and Enhancement Fund (Item 1730-001-0120)	−4,000
(m2) Amount payable from the Emergency Food Assistance Program Fund (Item 1730-001-0122)	−6,000
(n) Amount payable from the Delinquent Tax Collection Fund (Section 19378 of the Revenue and Taxation Code)	−404,000
(o) Amount payable from the Rare Fish, Wildlife, and Plant Species Conservation and Enhancement Account, Fish and Game Preservation Fund (Item 1730-001-0200)	−13,000
(p) Amount payable from the Court Collection Account (Item 1730-001-0242)	−2,490,000
(r) Amount payable from the State Children's Trust Fund (Item 1730-001-0803)	−11,000
(s) Amount payable from the California Alzheimer's Disease and Related Disorders Research Fund (Item 1730-001-0823)	−11,000
(t) Amount payable from the California Military Museum Fund (Item 1730-001-0875)	−6,000
(u) Amount payable from the D.A.R.E. California (Drug Abuse Resistance Education) Fund (Item 1730-001-0876)	−6,000
(v) Amount payable from the California Seniors Special Fund (Item 1730-001-0886)	−4,000
(w) Amount payable from the California Breast Cancer Research Fund (Item 1730-001-0945)	−7,000
(x) Amount payable from the California Public Schools Library Protection Fund (Item 1730-001-0975)	−11,000

Item		Amount
(y)	Amount payable from the Firefighters' Memorial Fund (Item 1730-001-0979)	−7,000
(z)	Amount payable from the California Fund for Senior Citizens (Item 1730-001-0983)	−7,000

Provisions:

1. It is the intent of the Legislature that all funds appropriated to the Franchise Tax Board for processing tax returns, auditing and collecting owed tax amounts, shall be used in a manner consistent with its authorized budget and the documents which support the budget as enacted which were presented to the Legislature for its review. The Franchise Tax Board shall not reduce expenditures or redirect either funding or personnel resources away from direct auditing or collection activities without the prior approval of the Director of Finance. The director shall not approve any such reduction or redirection sooner than 30 days after providing notification to the Joint Legislative Budget Committee. No position may be transferred from the organizational unit to which it was assigned in the 1999–00 Governor's Budget and the Salaries and Wages Supplement as revised by legislative budget actions without the approval of the Department of Finance. Furthermore, upon enactment of this act, the Executive Officer of the Franchise Tax Board shall promptly submit to the Department of Finance documents to establish or reestablish all budgeted positions, in the units reflected in the 1999–00 Salaries and Wages Supplement as revised by legislative budget actions, and shall expeditiously fill budgeted positions consistent with the funding provided in this act.
2. It is the intent of the Legislature that the Franchise Tax Board resolve tax controversies, without litigation, on a basis that is fair to both the state and the taxpayer and in a manner that will enhance voluntary compliance and public confidence in the integrity and efficiency of the board.
3. During the 1999–00 fiscal year, the collection cost recovery fee for purposes of subparagraph (A) of paragraph (1) of subdivision (a) of Section 19254 of the Revenue and Taxation Code shall be $109, and the filing enforcement cost recovery fee for

Item		Amount
	purposes of subparagraph (A) of paragraph (2) of that subdivision shall be $69.	
	4. During the 1999–00 fiscal year, the collection cost recovery fee for purposes of subparagraph (B) of paragraph (1) of subdivision (a) of Section 19254 of the Revenue and Taxation Code shall be $141, and the filing enforcement cost recovery fee for purposes of subparagraph (B) of paragraph (2) of that subdivision shall be $206.	
	5. Of the amount appropriated in this item, $280,000 is allocated for the Franchise Tax Board to contract for access to a hot-site facility to provide recovery of critical automated applications within 48 hours of a disaster. These funds shall be available for expenditure no sooner than 30 days after notification to the Legislature of approval by the Department of Information Technology of the special project report.	
	6. It is the intent of the Legislature that the Innovation in Government Project be funded utilizing existing resources.	
1730-001-0042—For support of Franchise Tax Board, for payment to Item 1730-001-0001, payable from the State Highway Account, State Transportation Fund		1,000
1730-001-0044—For support of Franchise Tax Board, for payment to Item 1730-001-0001, payable from the Motor Vehicle Account, State Transportation Fund		2,844,000
1730-001-0064—For support of Franchise Tax Board, for payment to Item 1730-001-0001, payable from the Motor Vehicle License Fee Account, Transportation Tax Fund		5,339,000
1730-001-0120—For support of Franchise Tax Board, for payment to Item 1730-001-0001, payable from the California Mexican American Veteran's Memorial Beautification and Enhancement Fund		4,000
1730-001-0122—For support of Franchise Tax Board, for payment to Item 1730-001-0001, payable from the Emergency Food Assistance Program Fund		6,000
1730-001-0200—For support of Franchise Tax Board, for payment to Item 1730-001-0001, payable from the Fish and Game Preservation Fund (Rare Fish, Wildlife, and Plant Species Conservation and Enhancement Account)		13,000

Item	Amount
1730-001-0242—For support of Franchise Tax Board, for payment to Item 1730-001-0001, payable from the Court Collection Account	2,490,000
1730-001-0803—For support of Franchise Tax Board, for payment to Item 1730-001-0001, payable from the State Children's Trust Fund	11,000
1730-001-0823—For support of Franchise Tax Board, for payment to Item 1730-001-0001, payable from the California Alzheimer's Disease and Related Disorders Research Fund	11,000
1730-001-0875—For support of Franchise Tax Board, for payment to Item 1730-001-0001, payable from the California Military Museum Fund	6,000
1730-001-0876—For support of Franchise Tax Board, for payment to Item 1730-001-0001, payable from the D.A.R.E. California (Drug Abuse Resistance Education) Fund	6,000
1730-001-0886—For support of Franchise Tax Board, for payment to Item 1730-001-0001, payable from the California Seniors Special Fund	4,000
1730-001-0945—For support of Franchise Tax Board, for payment to Item 1730-001-0001, payable from the California Breast Cancer Research Fund	7,000
1730-001-0975—For support of Franchise Tax Board, for payment to Item 1730-001-0001, payable from the California Public Schools Library Protection Fund	11,000
1730-001-0979—For support of Franchise Tax Board, for payment to Item 1730-001-0001, payable from the Firefighters' Memorial Fund	7,000
1730-001-0983—For support of Franchise Tax Board, for payment to Item 1730-001-0001, payable from the California Fund for Senior Citizens	7,000
1730-002-0001—For support of the Franchise Tax Board for rental payments on lease revenue bonds	5,786,000
(a) Central Office—Building 1 and 2 .. 5,726,000	
(b) Insurance 60,000	
1730-295-0001—For local assistance, Franchise Tax Board, for reimbursement, in accordance with the provisions of Section 6 of Article XIII B of the California Constitution or of Section 17561 of the Government Code, of the costs of any new program or increased level of service of an existing program mandated by statute or executive order, State Controller	0
Schedule:	
(1) 98.01.023.874-Substandard Housing (Ch. 238, Stats. 1974) 0	

Item		Amount
(2) 98.01.149.084-Business Tax Reporting Requirements (Ch. 1490, Stats. 1984)	0	
Provisions:		
1. Pursuant to Section 17581 of the Government Code, mandates identified in the appropriation schedule of this item with an appropriation of $0 and included in the language of this provision are specifically identified by the Legislature for suspension during the 1999–00 fiscal year:		
(a) Substandard Housing (Ch. 238, Stats. 1974).		
(b) Business Tax Reporting Requirements (Ch. 1490, Stats. 1984).		
1730-301-0001—For capital outlay, Franchise Tax Board		963,000
Schedule:		
(1) 90.01.020-Stockton Field Office: Security Improvements—Preliminary plans, working drawings, and construction	276,000	
(2) 90.01.030-Los Angeles Field Office: Security Improvements—Preliminary plans, working drawings, and construction	438,000	
(3) 90.01.040-Minor projects	249,000	
1730-490—Reappropriation, Franchise Tax Board. The balance of the appropriation provided for in the following citation is reappropriated for the purposes, and subject to the limitations, unless otherwise specified, provided for in that appropriation:		
0001—General Fund		
Item 1730-301-0001-Budget Act of 1998 (Ch. 324, Stats. 1998)		
(1) 90.00.010-Major Projects, Sacramento Central Office Security Improvements-Construction		
1760-001-0001—For support of Department of General Services, for payment to Item 1760-001-0666		10,735,000
Provisions:		
1. In addition to the funds appropriated in this item, any amounts received from the sale of the Governor's Budget and related publications funded from this item are available for expenditure.		
1760-001-0002—For support of Department of General Services, for payment to Item 1760-001-0666, payable from the Property Acquisition Law Money Account		2,628,000

Item	Amount
1760-001-0003—For support of Department of General Services, for payment to Item 1760-001-0666, payable from the Motor Vehicle Parking Facilities Moneys Account	4,198,000
1760-001-0006—For support of Department of General Services, for payment to Item 1760-001-0666, payable from the Access for Handicapped Account	2,130,000
1760-001-0022—For support of Department of General Services, for payment to Item 1760-001-0666, payable from the State Emergency Telephone Number Account	1,197,000
1760-001-0026—For support of Department of General Services, for payment to Item 1760-001-0666, payable from the State Motor Vehicle Insurance Account	3,699,000
Provisions:	
1. Notwithstanding any other provision of law, Section 16379 of the Government Code shall govern the payment of claims for the purposes of this item.	
1760-001-0119—For support of Department of General Services, for payment to Item 1760-001-0666, payable from the 1998 State School Facilities Fund	775,000
Provisions:	
1. Notwithstanding Item 9840-001-0494, the Director of Finance may authorize the creation of deficiencies pursuant to Section 11006 of the Government Code for the purposes of this item.	
1760-001-0344—For support of Department of General Services, for payment to Item 1760-001-0666, payable from the State School Building Lease-Purchase Fund	9,409,000
Provisions:	
1. Notwithstanding Item 9840-001-0494, the Director of Finance may authorize the creation of deficiencies pursuant to Section 11006 of the Government Code for the purposes of this item.	
1760-001-0450—For support of Department of General Services, for payment to Item 1760-001-0666, payable from the Seismic Gas Valve Certification Fee Account	75,000
1760-001-0465—For support of Department of General Services, for payment to Item 1760-001-0666, payable from the Energy Resources Programs Account	1,293,000
1760-001-0602—For support of Department of General Services, for payment to Item 1760-001-0666, payable from the Architecture Revolving Fund	25,245,000

Item		Amount
1760-001-0666—For support of Department of General Services, payable from the Service Revolving Fund		375,874,000
Schedule:		
(a) Program support	521,593,000	
(b) Distributed services	−14,194,000	
(c) Amount payable from the General Fund (Item 1760-001-0001)	−10,735,000	
(d) Amount payable from the General Fund (Item 1760-011-0001)	−3,357,000	
(e) Amount payable from the Property Acquisition Law Money Account (Item 1760-001-0002)	−2,628,000	
(f) Amount payable from the Motor Vehicle Parking Facilities Moneys Account (Item 1760-001-0003)	−4,198,000	
(g) Amount payable from the Access for Handicapped Account (Item 1760-001-0006)	−2,130,000	
(h) Amount payable from the State Emergency Telephone Number Account (Item 1760-001-0022)	−1,197,000	
(i) Amount payable from the State Motor Vehicle Insurance Account (Item 1760-001-0026)	−3,699,000	
(ix) Amount payable from the 1998 State School Facilities Fund (Item 1760-001-0119)	−775,000	
(j) Amount payable from the State School Building Lease-Purchase Fund (Item 1760-001-0344)	−9,409,000	
(k) Amount payable from the Seismic Gas Valve Certification Fee Account (Item 1760-001-0450)	−75,000	
(*l*) Amount payable from the Energy Resources Programs Account (Item 1760-001-0465)	−1,293,000	
(m) Amount payable from the Architecture Revolving Fund (Item 1760-001-0602)	−25,245,000	
(n) Amount payable from the Earthquake Safety and Public Buildings Rehabilitation Fund of 1990 (Item 1760-001-0768)	−709,000	
(o) Amount payable from the State School Deferred Maintenance Fund (Item 1760-001-0961)	−134,000	

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(p) Amount payable from the Service Revolving Fund (Item 1760-002-0666).....–64,836,000

(q) Amount payable from the Motor Vehicle Parking Facilities Money Account (Item 1760-002-0003)..... –1,105,000

Provisions:

1. Notwithstanding any other provision of law, revenues from the sale of legislative bills and publications received by the Bill Room shall be deposited in the Service Revolving Fund.
2. Notwithstanding any other provision of law, if the Director of the Department of General Services determines in writing that there is insufficient cash in a special fund under his or her authority to make one or more payments currently due and payable, he or she may order the transfer of moneys to that special fund in the amount necessary to make payment or payments, as a loan from the Service Revolving Fund. That loan shall be subject to all of the following conditions:
   (a) No loan shall be made that would interfere with the carrying out of the object for which the Service Revolving Fund was created.
   (b) The loan shall be repaid as soon as there is sufficient money in the recipient fund to repay the amount loaned, but no later than 18 months after the date of the loan, except that the loan to the Motor Vehicle Parking Fund shall be repaid no later than five years after the date of the loan. The Department of General Services may impose a parking rate increase as necessary for the repayment of the loan only if the increase is approved by a memorandum of understanding entered into by each collective bargaining unit that represents state employees to be affected by the increase, and the memorandum of understanding is ratified by statute. Any parking rate increase imposed pursuant to this provision shall apply equally to state employees who are affected by the increase whether or not they are represented by a collective bargaining unit. The amount loaned shall not exceed the amount that the fund or program is authorized at the time of the loan to expend during the 1999–00 fiscal year from the recipient

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fund except as otherwise provided in Provisions 4, 5, and 6 of this item.

(c) The terms and conditions of the loan are approved, prior to the transfer of funds, by the Department of Finance pursuant to appropriate fiscal standards.

3. Notwithstanding any other provision of law, the Director of the Department of General Services may authorize a loan from the Service Revolving Fund to the Public School Planning, Design and Construction Review Revolving Fund for the purpose of meeting the cash needs of the Structural Safety and Fire and Life Safety Sections in the Division of the State Architect. The loan shall not exceed $4,000,000. As a condition of the loan, the Division of the State Architect shall reduce its school plan review and inspection staff to a level commensurate with expected workload, and shall maintain that staffing level. This loan shall be repaid as soon as there is sufficient money in the recipient fund to repay the amount loaned, but no later than June 30, 2002. No loan shall be made that would interfere with the carrying out of the objectives for which the Service Revolving Fund was created.

4. Notwithstanding Item 9840-001-0988, Item 9840-001-0494, and Section 27.00 of this act, the Director of General Services may augment this item or any of Items 1760-001-0002, 1760-001-0003, 1760-001-0006, 1760-001-0026, and 1760-001-0602, by up to an aggregate of 10 percent in cases where (a) the Legislature has approved funds for a customer for the purchase of services or equipment through the Department of General Services (DGS) and the corresponding expenditure authority has not been provided in this item or (b) a local government entity or the federal government has requested services from the DGS. Any augmentation that is deemed to be necessary on a permanent basis shall be identified in the Governor's Budget for the subsequent fiscal year. If the Director of the Department of General Services augments this item or Item 1760-001-0002, 1760-001-0003, 1760-001-0006, 1760-001-0026, or 1760-001-0602 the DGS shall notify the Department of Finance within 30 days after that augmentation is made as to the amount, justification,

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and the program augmented. Any augmentation made in accordance with this provision shall not result in an increase in any rate charged to other departments for services or the purchase of goods without the prior written consent of the Department of Finance.

5. Notwithstanding Item 9840-001-0988, Item 9840-001-0494, and Section 27.00 of this act, if this item or Item 1760-001-0002, 1760-001-0003, 1760-001-0006, 1760-001-0026, or 1760-001-0602, is augmented pursuant to Provision 4 by the maximum allowed under that provision, the Director of Finance may further augment the item or items in cases where (a) the Legislature has approved funds for a customer for the purchase of services or equipment through the DGS and the corresponding expenditure authority has not been provided in these items, or (b) a local government entity or the federal government has requested services from the DGS. Any augmentation that is deemed to be necessary on a permanent basis shall be identified in the Governor's Budget for the subsequent fiscal year.
6. Notwithstanding Item 9840-001-0988, Item 9840-001-0494, and Section 27.00 of this act, the Director of General Services may augment this item and Items 1760-001-0026 and Item 1760-001-0003 to increase authorized expenditures by the Office of State Printing, the Office of Risk and Insurance Management, the Office of Fleet Administration, the Energy Assessments Section of the Professional Services Branch, and the Office of Public Safety Radio Services. The augmentation shall be for the specific purpose of enabling the Office of State Printing, the Office of Risk and Insurance Management, the Office of Fleet Administration, the Energy Assessments Section of the Professional Services Branch, and the Office of Public Safety Radio Services to provide competitive services to their customers (including local government entitles or the federal government) and may be made only if the office has sufficient operating reserves available to fund the augmentation. If the Director of General Services augments either of the items in this provision, the DGS shall notify the Department of Finance within 30 days after that augmentation is made as

Item		Amount
	to the amount, justification, and the office augmented. Any augmentation that is necessary on a permanent basis shall be identified in the Governor's Budget for the subsequent fiscal year.	
	7. Any augmentation made pursuant to Provision 4, 5, and 6 of this item shall be reported in writing to the chairpersons of the fiscal committees of each house and the Chairperson of the Joint Legislative Budget Committee within 30 days of the date the augmentation is approved. This notification shall identify the amount of, and justification for, the augmentation, and the program that has been augmented.	
	8. Notwithstanding any other provision of law, the Director of General Services or his or her designee, in lieu of the Director of Finance, is authorized to carry out the provisions of Section 26.00 of this act as it pertains to category transfers.	
	9. Notwithstanding any other provision of law, the Director of General Services or his or her designee, in lieu of the Director of Finance, is authorized to approve Budget Revision, Standard Form 26.	
	10. Notwithstanding any other provision of law, the Director of General Services or his or her designee, in lieu of the Director of Finance, is authorized to carry out Section 31.00 of this act as it pertains to the positions funded by this act and is not required to notify the Chairperson of the Joint Legislative Budget Committee regarding any position authorizations, blanket transfers, or reclassification of positions.	
	11. It is the intent of the Legislature that the Innovation in Government Project be funded utilizing existing revenues.	
1760-001-0768—For support of Department of General Services, for payment to Item 1760-001-0666, payable from the Earthquake Safety and Public Buildings Rehabilitation Fund of 1990		709,000
1760-001-0961—For support of Department of General Services for payment to Item 1760-001-0666, payable from the State School Deferred Maintenance Fund		134,000

Item			Amount
1760-002-0003—For support of Department of General Services, for rental payments on lease revenue bonds, for payment to Item 1760-001-0666, payable from the Motor Vehicle Parking Facilities Moneys Account			1,105,000
Provisions:			
1. The funds appropriated in this item are for the following:			
(a) Base Rental and Fees		1,100,000	
(b) Insurance		5,000	
1760-002-0666—For support of Department of General Services, for rental payments on lease revenue bonds, for payment to Item 1760-001-0666, payable from the Service Revolving Fund			64,836,000
Provisions:			
1. The funds appropriated in this item are for the following:			
(a) Base rental and fees		64,614,000	
(1) Capitol Area Development Authority, Sacramento	699,000		
(2) State Office Building, Riverside	2,065,000		
(3) Department of Justice Building, Sacramento	4,924,000		
(4) San Francisco Civic Center Building	24,137,000		
(5) Ronald Reagan Building, Los Angeles	17,742,000		
(6) Elihu M. Harris Building, Oakland	11,509,000		
(7) LA Junipero Serra II	2,630,000		
(8) Riverside Courts.	908,000		
(b) Insurance		372,000	
(c) Reimbursements		−150,000	
1760-011-0001—For support of Department of General Services, for payment to Item 1760-001-0666			3,357,000

Item		Amount
Provisions:		
1. The funds appropriated in this item are for the following:		
(a) Asbestos Abatement	1,631,000	
(b) Underground Storage Tank Program	1,726,000	
2. The funds appropriated in this item may also be used for purposes related to the remediation of toxic sites for which the state is responsible, provided that proposals to transfer funds between these programs or for such other purposes shall be submitted in accordance with Section 26.00 of this act. These proposals shall detail the reasons for the transfer and the impact on the programs for which the transfer is proposed.		
3. The unencumbered balance of any funds transferred from this item into the Architecture Revolving Fund will be reverted at the close of the fiscal year.		
1760-101-0001—For Local Assistance, Department of General Services		580,000
(A) Bookmobile Vehicles	350,000	
(B) San Francisco Child Care Center	230,000	
1760-101-0022—For local assistance, Department of General Services, for reimbursement of local agencies and service suppliers or communications equipment companies for costs incurred pursuant to Sections 41137, 41137.1, 41138, and 41140 of the Revenue and Taxation Code, payable from the State Emergency Telephone Number Account		81,679,000
1760-101-0768—For local assistance, Department of General Services, payable from the Earthquake Safety and Public Buildings Rehabilitation Fund of 1990		4,796,147
Schedule:		
(1) 3292-Torrance, Los Angeles—Harbor UCLA Medical Center	4,073,637	
(2) 4114-Tiburon, Marin—Fire Station #10	103,800	
(3) 4226-Moraga, Contra Costa—Moraga Fire Station #42	62,811	
(4) 4189-Sacramento, Sacramento—Emergency Generator	289,838	
(5) 4190-Sacramento, Sacramento—Emergency Generator	148,604	
(6) 4168-Fillmore, Ventura—Fire Station #27—Generator	28,373	

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(7) 4167-Piru, Ventura—Fire Station #28—Generator	29,805	
(8) 4166-Thousand Oaks, Ventura—Fire Station #33—Generator	29,448	
(9) 4170-Camarillo, Ventura—Fire Station #55—Generator	29,831	
1760-301-0001—For capital outlay, Department of General Services		226,000
Schedule:		
(1) 50.10.142-Fire and Life Safety and ADA Corrections, Blue Anchor Building, Sacramento—Preliminary plans	65,000	
(2) 50.10.144-Fire and Life Safety Corrections, Resources Building, Sacramento—Preliminary plans, working drawings	161,000	
1760-301-0666—For capital outlay, Department of General Services, payable from the Service Revolving Fund		275,000
Schedule:		
(1) 50.10.151-Capital East End Backfill Studies, Education Building and Office Building Number 8 Sacramento—Study	275,000	
1760-301-0768—For capital outlay, Department of General Services, payable from the Earthquake Safety and Public Buildings Rehabilitation Fund of 1990		1,870,000
Schedule:		
(1) 50.99.029-Program management	788,000	
(2) 50.99.065-DSA 3963-DMH. Napa, McGrath School: Structural Retrofit-W/D,C.	1,082,000	
1760-302-0001—For capital outlay, Department of General Services		3,000,000
Schedule:		
(1) 50.10.154-Governor's Residence—Study, acquisition, preliminary plans, working drawings, and construction	3,000,000	
Provisions:		
1. Notwithstanding Section 2.00 of this act, funds appropriated in this item shall be available until June 30, 2001.		

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1760-401—In the event the bonds authorized for the Capital Area Plan project in Chapter 761 of the Statutes of 1997 are not sold, the Department of General Services shall commit a sufficient portion of its support appropriation, as determined by the Department of Finance, which is provided for in this Budget Act to repay any interim financing. It is the intent of the Legislature that this commitment shall be included in future Budget Acts until all interim financing is repaid either through the proceeds from the sale of bonds or from an appropriation.

1760-490—Reappropriation, for capital outlay, Department of General Services. The balance of each of the appropriations provided in the following citations is reappropriated for the purposes provided for in those appropriations, and shall be available for encumbrance and expenditure until June 30, 2000.

0768—Earthquake Safety and Public Buildings Rehabilitation Fund of 1990

Item 1760-301-0768, Budget Act of 1998 (Ch. 324, Stats. 1998)

(7) 50.99.051—DSA 4211-Department of Corrections, San Quentin, Neumiller Infirmary: Structural Retrofit—Construction

(8) 50.99.052—DSA 4152-Department of Corrections, San Quentin, North Block: Structural Retrofit—Construction

(9) 50.99.053—DSA 3275, 3276, and 3277-Department of Developmental Services, Fairview, Wards D1516, E3014, F1112: Structural Retrofit—Construction

(10) 50.99.056—DSA 11169-Department of Military, Sacramento Meadowview Armory: Structural Retrofit—Construction

(11) 50.99.057—DSA 4406-Department of Corrections, Folsom, Officers and Guards: Structural Retrofit—Construction

(13) 50.99.059—DSA 872 and 876-Department of Corrections, DVI Tracy, Wings L & R: Structural Retrofit—Construction

(14) 50.99.061—DSA 10788, 10795, and 10819-Department of Corrections, Soledad, North Facility Gym/Dining/Kitchen, VS-1 and Wing V Ed: Structural Retrofit—Working drawings and construction

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(15) 50.99.062—DSA 11178-Department of the Military, Ventura Armory: Structural Retrofit—Construction

(18) 50.99.069—DSA 4348-Department of Corrections, Tehachapi, Van Weston Hall: Structural Retrofit—Working drawings and construction

(19) 50.99.071—DSA 3551-Department of Veterans Affairs, Yountville, Theater/Dining: Structural Retrofit—Working drawings and construction

(20) 50.99.072—DSA 406201-05-Department of Corrections, Chino, Central Guidance Center A: Structural Retrofit—Working drawings and construction

(22) 50.99.047—Statewide Advance—Preliminary plans

Provisions:

1. The funds appropriated for Statewide Advance—Preliminary plans shall be available for expenditure after the department has completed the building risk assessments and has reported its findings to the Chairperson of the Joint Legislative Budget Committee. The funds appropriated for Statewide Advance—Preliminary plans shall be used to develop preliminary plans and associated cost estimates for projects identified by the department as the highest priority risk level V, VI, or VII buildings for which funds have not been previously appropriated, and for which funds from the Earthquake Safety and Public Buildings Rehabilitation Fund of 1990 will be available to complete the working drawings and construction phases of the projects.

Item 1760-301-0768, Schedule (14), Budget Act of 1995 (Ch. 303, Stats. 1995), as reappropriated by Item 1760-492, Budget Act of 1997 (Ch. 282, Stats. 1997), as reappropriated by Item 1760-493, Budget Act of 1998 (Ch. 324, 1998).

(14) 50.99.014—DSA 22-Department of General Services, Los Angeles Junipero Serra State Office Building: Relocation of Public Safety and Emergency Communications Microwave Center—Construction (bid package number 3)

1760-491—Reappropriation, Department of General Services. Notwithstanding any other provision of law, the balance, as of June 30, 1999, of the funds made available pursuant to Item 1760-101-768 of Section 2.00 of the Budget Act of 1994 (Ch. 139,

Item		Amount
	Stats. 1994) and Item 1760-101-0768 of Section 2.00 of the Budget Act of 1998 (Ch. 324, Stats. 1998) are reappropriated for the projects in the following schedule, and shall be available for expenditure through June 30, 2000.	
	Schedule:	
	(a) 3011-Redwood City, San Mateo—Old Courthouse	340,439
	(b) 3088-Big Bear Lake, San Bernardino—Headquarters Fire Station	280,160
	(c) 3089-Big Bear Lake, San Bernardino—Emergency Power Generator Replacement	58,271
	(d) 3116-Richmond, Contra Costa—City Hall	1,149,975
	(e) 3117-Richmond, Contra Costa—Hall of Justice	1,183,613
	(f) 3151-Milpitas, Santa Clara—Fire Station #1	148,110
	(g) 3159-Alameda, Berkeley—Fire Station #4—Other	53,950
	(h) 3164-Berkeley, Alameda—Equipment Maintenance Building at Corp Yard	618,157
	(i) 3175-Sonoma, Sonoma-Schell—Vista Fire Station	479,029
	(j) 3185-Fillmore, Fire Station #53, 51, 22, 35, 45, 50, 23, 32, 42	16,784
	(k) 3193-Berkeley, Alameda—Fire Department Headquarters	3,356,885
	(*l*) 4005-Monterey, Fire Station/EOC—Carmel	335,768
	(m) 4008-San Luis Obispo, Fire Facility—Grover Beach	279,418
	(n) 4012-Santa Clara Loyola Fire Station—Los Altos	167,039
	(o) 4013-Alameda, Fire Station #1—Oakland	151,592
	(p) 4018-Alameda, Fire Station #8—Oakland	184,010
	(q) 4019-Alameda, Fire Station #10—Oakland	175,196
	(r) 4021-Alameda, Fire Station #12—Oakland	140,851
	(s) 4022-Alameda, Fire Station #21—Oakland	131,880

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(t) 4023-Alameda, Fire Station #17—Oakland	157,103
(u) 4024-Alameda, Fire Station #23—Oakland	106,257
(v) 4025-Alameda, Fire Station #6—Oakland	74,355
(w) 4026-Alameda, Fire Station #16—Oakland	64,860
(x) 4027-Alameda, Fire Station #19—Oakland	70,080
(y) 4028-Alameda, Fire Station #27—Oakland	60,519
(z) 4029-Alameda, Oakland Policy Administration Retrofit—Oakland	500,000
(aa) 4036-Orange, Station #34—Placentia	114,164
(bb) 4037-Orange, Station #35—Placentia	64,088
(cc) 4042-Orinda, Contra Costa: Orinda fire Station #44	57,671
(dd) 4071-San Ramon, Contra Costa, Fire Station #34	49,153
(ee) 4072-Danville, Contra Costa, Fire Station #35	73,196
(ff) 4073-San Ramon, Contra Costa, Dougherty Fire Station	161,555
(gg) 4127-Bolinas, Marin: Bolinas Fire Station	37,851
(hh) 4159-Marin Fire Station #13, Corte Madera	118,500
(ii) 4160-Los Altos, Santa Clara: Sequoia Fire Station	213,654
(jj) 4162-Ventura, ECC/Public Safety Bldg., Oxnard	489,745
(kk) 4165-Ventura, Fire Comm. Center, Bldg. #2, Carmarillo	175,725
(*ll*) 4179-Ventura, Fire Station #53 Seismic Retrofit, Port Hueneme	336,600
(mm) 4180-Ventura, Fire Comm. Center, Bldg. #1, Camarillo	60,162
(nn) 4192-Marin, Fire Station #1/ECC, Stinson Beach	29,556
(oo) 4193-Sacramento, Citrus Heights Fire Station #23, Citrus Heights	40,088
(pp) 4203-Grover Beach, San Bernardino: Grover Beach Police Facility	259,775

Item		Amount
(qq)	4224-San Leandro, Alameda: Fire Station #2	110,858
(rr)	4225-San Leandro, Alameda: Fire Station #3	116,810

1760-492—Reappropriation, for capital outlay, Department of General Services. The unliquidated encumbrances for the appropriation provided in the following citation is reappropriated for the purposes provided for in that appropriation, and shall be available to enable continuing liquidation of those encumbrances until June 30, 2000.

0768—Earthquake Safety and Public Building Rehabilitation Fund 1990

Item 1760-301-768, Budget Act of 1995 (Ch. 303, Stats. 1995)

(14) 50.99.014—DSA 22-Department of General Services, Los Angeles Junipero Serra State Office Building: Relocation of Public Safety and Emergency Communications Microwave Center-Construction (bid package number 2)

1760-494—Reappropriation, Department of General Services. Notwithstanding any other provision of law, the balance of the appropriation provided in the following citations is reappropriated for the purposes and subject to the limitations, unless otherwise specified, provided for in the appropriation and shall be available for expenditure until June 30, 2000.

0022—State Emergency Telephone Number Account

(1) The balance of up to $275,000 of the amount appropriated in Item 1760-101-0022 of Section 2.00 of the Budget Act of 1998 (Ch. 324, Stats. 1998) is reapropriated for the purpose of completing the City of San Diego marketing pilot project.

1760-495—Reversion, Department of General Services. As of June 30, 1999, the unencumbered balances of the appropriations provided in the following citations shall revert to the fund of origin.

0768—Earthquake Safety and Public Buildings Rehabilitation Fund of 1990

Item 1760-301-0768—Budget Act of 1998 (Ch. 324, Stats. 1998)

(12) 50.99.058—DSA 347601-04—Department of Developmental Services, Sonoma, Media Center, Gym, Adult Education School: Structural Retrofit—Working drawings and construction.

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(17) 50.99.065—DSA 3963—Department of Mental Health, Napa, McGrath School: Structural Retrofit—Working drawings and construction.		
0002—Property Acquisition Law Account		
Item 1760-301-0002—Budget Act of 1998 (Ch. 324, Stats. 1998)		
(1) 50.50.001—Hazardous Materials Abatement, 107 South Broadway, Los Angeles—preliminary plans and working drawings.		
1880-001-0001—For support of State Personnel Board .		7,143,000
Schedule:		
(a) 10-Merit System Administration	14,532,000	
(b) 40-Local Government Services	1,956,000	
(c) 50.01-Administrative Services.....	3,799,000	
(d) 50.02-Distributed Administrative Services.....	−3,237,000	
(e) Reimbursements.....	−9,907,000	
1900-001-0950—For support of Board of Administration of the Public Employees' Retirement System, payable from the Public Employees' Contingency Reserve Fund		8,522,000
Provisions:		
1. The appropriation made in this item is for support of the Board of Administration pursuant to Section 22840 of the Government Code.		
1900-003-0830—For support of Board of Administration of the Public Employees' Retirement System, payable from the Public Employees' Retirement Fund .		(73,464,000)
Provisions:		
1. The amount displayed in this item is based on the estimate by the Public Employees' Retirement System of expenditures for external investment advisers to be made during the 1999–00 fiscal year pursuant to Section 20210 of the Government Code. The Board of Administration of the Public Employees' Retirement System shall report to the fiscal committees of the Legislature and the Joint Legislative Budget Committee on or before January 10, 2000, regarding any revision of this estimate, including an accounting and explanation of changes, and the amount of, and basis for, investment adviser expenditures proposed for the 2000–01 fiscal year. The Board of Administration of the Public Employees' Retirement System shall report on or before January 10, 2001, on the final expenditures under this item, including		

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an accounting and explanation of changes from estimates previously reported to the Legislature.

2. Each of the two reports described in Provision 1 also shall include all of the following:
   (a) A summary and comparison of the externally managed portfolios, the internally managed portfolios, and the total fund. This information shall include the value of the assets, the gross and net returns, the benchmark returns, and the costs, by dollars and basis points, for these portfolios.
   (b) A description of the actions the Public Employees' Retirement System will take to ensure that any future expenditures for outside advisers will result in a greater return on investments, including costs for these advisers, than if in-house advisers were used.
   (c) Separate listings of adviser contracts in effect, and approved, during the 1998–99 and 1999–00 fiscal years, with (1) amounts (total contract and annual basis) for each contract for base fees and performance-based fees, and (2) summary statements of the purposes of each contract.

1900-015-0815—For support of Board of Administration of the Public Employees' Retirement System, payable from the Judges' Retirement Fund ..... (354,000)

Provisions:

1. Notwithstanding any other provision of law, the Board of Administration of the Public Employees' Retirement System (PERS), in accordance with all applicable provisions of the California Constitution, shall submit to the Controller, the Department of Finance, the Joint Legislative Budget Committee, and the fiscal committees of the Legislature, all of the following:
   (a) No later than January 10, 2000, a copy of the proposed budget for PERS for the 2000–01 fiscal year as included with the Governor's Budget.
   (b) No later than May 15, 2000, a copy of the proposed budget for PERS for the 2000–01 fiscal year as approved by the Board of Administration.
   (c) The revisions to the proposed budget for PERS for the 1999–00 fiscal year, as recommended by the PERS Finance Committee, at

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	least 30 days prior to the consideration of those revisions by the Board of Administration.	
	(d) Commencing October 1, 1999, all expenditure and performance workload data provided to the Board of Administration, as updated on a quarterly basis. This quarterly update information is to be submitted to the Joint Legislative Budget Committee and the fiscal committees of the Legislature, and shall be in sufficient detail to be useful for legislative oversight purposes and to sustain a thorough ongoing review of Public Employees' Retirement System expenditures.	
1900-015-0820—For support of Board of Administration of the Public Employees' Retirement System, payable from the Legislators' Retirement Fund		(202,000)
	Provisions:	
	1. Notwithstanding any other provisions of law, the Board of Administration of the Public Employees' Retirement System, in accordance with all applicable provisions of the California Constitution, shall submit to the Controller, the Department of Finance, the Joint Legislative Budget Committee, and the fiscal committees of the Legislature all of the following:	
	(a) A copy of the proposed budget for the Public Employees' Retirement System for the 2000–01 fiscal year by January 10, 2000, as included with the Governor's Budget.	
	(b) A copy of the proposed budget for the Public Employees' Retirement System for the 2000–01 fiscal year as approved by the Board of Administration by May 15, 2000.	
	(c) The revisions to the proposed budget for the Public Employees' Retirement System for the 1999–00 fiscal year as recommended by the Public Employees' Retirement System Finance Committee at least 30 days prior to consideration of those revisions by the Board of Administration.	
	(d) Commencing October 1, 1999, all expenditure and performance workload data provided to the Board of Administration, updated on a quarterly basis, shall be submitted to the Joint Legislative Budget Committee and the fiscal committees of the Legislature. The quarterly	

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	update information submitted to the Legislature shall be in sufficient detail to be useful for legislative oversight purposes and to sustain a thorough ongoing review of the expenditures of the Public Employees' Retirement System.	
1900-015-0830—For support of Board of Administration of the Public Employees' Retirement System, payable from the Public Employees' Retirement Fund		(153,077,000)
Provisions:		
1. Notwithstanding any other provision of law, the Board of Administration of the Public Employees' Retirement System, in accordance with all applicable provisions of the California Constitution, shall submit to the Controller, the Department of Finance, the Joint Legislative Budget Committee, and the fiscal committees of the Legislature, all of the following:		
(a) A copy of the proposed budget for the Public Employees' Retirement System for the 2000–01 fiscal year by January 10, 2000, as included with the Governor's Budget.		
(b) A copy of the proposed budget for the Public Employees' Retirement System for the 2000–01 fiscal year as approved by the Board of Administration by May 15, 2000.		
(c) The revisions to the proposed budget for the Public Employees' Retirement System for the 1999–00 fiscal year as recommended by the Public Employees' Retirement System Finance Committee at least 30 days prior to consideration of those revisions by the Board of Administration.		
(d) Commencing October 1, 1999, all expenditure and performance workload data provided to the Board of Administration, updated on a quarterly basis, shall be submitted to the Joint Legislative Budget Committee and the fiscal committees of the Legislature. The quarterly update information submitted to the Legislature shall be in sufficient detail to be useful for legislative oversight purposes and to sustain a thorough ongoing review of the expenditures of the Public Employees' Retirement System.		

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1900-015-0884—For support of Board of Administration of the Public Employees' Retirement System, payable from the Judges' Retirement System II Fund...	(172,000)

Provisions:

1. Notwithstanding any other provision of law, the Board of Administration of the Public Employees' Retirement System (PERS), in accordance with all applicable provisions of the California Constitution, shall submit to the Controller, the Department of Finance, the Joint Legislative Budget Committee, and the fiscal committees of the Legislature, all of the following:
   (a) No later than January 10, 2000, a copy of the proposed budget for PERS for the 2000–01 fiscal year as included with the Governor's Budget.
   (b) No later than May 15, 2000, a copy of the proposed budget for PERS for the 2000–01 fiscal year as approved by the Board of Administration.
   (c) The revisions to the proposed budget for PERS for the 1999–00 fiscal year, as recommended by the PERS Finance Committee, at least 30 days prior to the consideration of those revisions by the Board of Administration.
   (d) Commencing October 1, 1999, all expenditure and performance workload data provided to the Board of Administration, as updated on a quarterly basis. This quarterly update information is to be submitted to the Joint Legislative Budget Committee and the fiscal committees of the Legislature, and shall be in sufficient detail to be useful for legislative oversight purposes and to sustain a thorough ongoing review of Public Employees' Retirement System expenditures.

1900-015-0962—For support of Board of Administration of the Public Employees' Retirement System, payable from the Volunteer Firefighter Length of Service Award Fund	(76,000)

Provisions:

1. Notwithstanding any other provision of law, the Board of Administration of the Public Employees' Retirement System, in accordance with all applicable provisions of the California Constitution, shall submit to the Controller, the Department of

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Finance, the Joint Legislative Budget Committee, and the fiscal committees of the Legislature, all of the following:

(a) A copy of the proposed budget for the Public Employees' Retirement System for the 2000–01 fiscal year by January 10, 2000, as included with the Governor's Budget.

(b) A copy of the proposed budget for the Public Employees' Retirement System for the 2000–01 fiscal year as approved by the Board of Administration by May 15, 2000.

(c) The revisions to the proposed budget for the Public Employees' Retirement System for the 1999–00 fiscal year recommended by the Public Employees' Retirement System Finance Committee, at least 30 days prior to consideration of those revisions by the Board of Administration.

(d) Commencing October 1, 1999, all expenditure and performance workload data provided to the Board of Administration, updated on a quarterly basis, shall be submitted to the Joint Legislative Budget Committee and the fiscal committees of the Legislature. The quarterly update information submitted to the Legislature shall be in sufficient detail to be useful for legislative oversight purposes and to sustain a thorough ongoing review of the expenditures of the Public Employees' Retirement System.

1920-001-0835—For support of State Teachers' Retirement System, payable from the State Teachers' Retirement Fund		49,254,000
Schedule:		
(a) 10-Services to Members and Employers	49,656,000	
(b) Reimbursements	−339,000	
(c) Amount payable from the Supplemental Benefit Maintenance Account in the Teachers' Retirement Fund pursuant to Section 22954 of the Education Code	−63,000	

Provisions:

1. This item shall not be subject to the requirements of subdivision (b), (c), (d), or (e) of Section 31.00 of this act. Nothing in this provision shall be construed as exempting this item from requirements

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of the State Civil Service Act or from requirements of laws, rules, and regulations administered by the Department of Personnel Administration.

1920-002-0835—For support of State Teachers' Retirement System (external investment advisers), payable from the State Teachers' Retirement Fund ..... (52,600,000)

Provisions:

1. The amount displayed in this item is for informational purposes only, and is based on the current estimate by the State Teachers' Retirement System (STRS) of expenditures for external investment advisers to be made during the 1999–00 fiscal year pursuant to Section 22353 of the Education Code. The STRS shall report to the fiscal committees of the Legislature and the Joint Legislative Budget Committee no later than January 10, 2000, regarding any revision of this estimate, including an accounting and explanation of the changes, and regarding the amount of, and basis for, investment adviser expenditures proposed for the 2000–01 fiscal year. The STRS shall report on or before January 10, 2001, on the final expenditures under this item, including an accounting and explanation of changes from estimates previously reported to the Legislature.
2. Each of the two reports described in Provision 1 also shall include all of the following:
   (a) A summary and comparison of the externally managed portfolios, the internally managed portfolios, and the total fund. This information shall include the value of the assets, the gross and net returns, the benchmark returns, and the costs by dollars and basis points for these portfolios.
   (b) A description of the actions the State Teachers' Retirement System will take to ensure that any future expenditures for outside advisers will result in a greater return on investments, including costs for these advisors, than if in-house advisers were used.
   (c) Separate listings of adviser contracts in effect, and approved, during the 1998–99 and 1999–00 fiscal years, with (1) amounts (total contract and annual basis) for each contract for base fees and performance-based fees, (2) summary statements of the purposes of each contract.

Item	Amount
1920-011-0001—For transfer by the Controller to the State Teachers' Retirement Fund	(936,528,000)
Schedule:	
(a) Benefits Funding.....	(518,584,000)
(b) Supplemental Benefit Maintenance Account (SBMA)	(417,944,000)
Provisions:	
1. The estimated amount referenced in Schedule (a) is the state's contribution required by subdivision (a) of Section 22955 of the Education Code.	
2. The estimated amount referenced in Schedule (b) is the state's contribution required by Section 22954 of the Education Code.	
1920-490—Reappropriation, State Teachers' Retirement System (STRS). Notwithstanding any other provision of law, up to $1,325,000 of the balance as of June 30, 1999, of the appropriation identified in the following citation is reappropriated, subject to the limitations set forth in Provision 1, and shall be available for encumbrance and expenditure until June 30, 2000. Any amount of this reappropriation that is not expended in 1999–00 shall be carried over to 2000–01 and is hereby reappropriated. In no event shall the total amounts reappropriated for the 2000–01 Budget exceed three percent of STRS' 1999–00 appropriation.	
0835—State Teachers' Retirement Fund	
(1) Item 1920-001-0835, Budget Act of 1998 (Ch. 324, Stats. 1998).	
Provisions:	
1. The funds reappropriated in this item shall be available for expenditure by the State Teachers' Retirement System for the purposes of meeting unanticipated system costs and promoting better service to the system's membership. The funds may not be encumbered without advance approval of the State Teachers' Retirement Board. The board shall report to the Legislature on a quarterly basis throughout the 1999–00 fiscal year on expenditures made pursuant to this item.	

BUSINESS, TRANSPORTATION AND HOUSING

2100-001-0081—For support of Department of Alcoholic Beverage Control, payable from Alcohol Beverage Control Fund.....	30,644,000

Item		Amount
Schedule:		
(a) 10.10-Licensing	16,723,000	
(b) 10.20-Compliance	15,078,000	
(c) 10.30.010-Administration	2,821,000	
(d) 10.30.020-Distributed Administration	−2,821,000	
(e) Reimbursements	−1,157,000	
2100-101-0081—For local assistance, Department of Alcoholic Beverage Control, Program 10.20-Compliance, for grants to local law enforcement agencies payable from Alcohol Beverage Control Fund		1,500,000
Provisions:		
1. Notwithstanding any other provisions of law, the Department of Alcoholic Beverage Control is authorized to grant funds to local law enforcement agencies for the purpose of enhancing enforcement of alcoholic beverage control laws in the local jurisdiction.		
2. Notwithstanding any other provisions of law, at the discretion of the Director, Department of Alcoholic Beverage Control, the department may advance grant funds to local law enforcement agencies.		
3. Notwithstanding any other provisions of law, at the discretion of the Director, Department of Alcoholic Beverage Control, title to any authorized equipment purchased by the local law enforcement agency pursuant to the grant may be vested in the local law enforcement agency at the conclusion of the grant period.		
2120-001-0117—For support of Alcoholic Beverage Control Appeals Board, Program 10, payable from the Alcoholic Beverage Control Appeals Fund		710,000
2150-001-0298—For support of Department of Financial Institutions, payable from the Financial Institutions Fund		15,481,000
Schedule:		
(a) 10-Licensing and Supervision of Banks and Trust Companies	13,989,000	
(b) 20-Payment Instruments	560,000	
(c) 30-Certification of Securities	10,000	
(e) 50-Supervision of California Business and Industrial Development Corporations	28,000	
(f) 60-Credit Unions	2,488,000	
(g) 70-Savings and Loan	103,000	
(h) 80-Industrial Loan Companies	950,000	

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(i) 90.01-Administration	3,733,000	
(j) 90.02-Distributed Administration	−3,733,000	
(k) Reimbursements	−159,000	
(m) Amount payable from the Credit Union Fund (Item 2150-001-0299).	−2,488,000	
2150-001-0299—For support of Department of Financial Institutions, for payment to Item 2150-001-0298, payable from the Credit Union Fund		2,488,000
2180-001-0067—For support of Department of Corporations, payable from the State Corporations Fund		36,833,000
Schedule:		
(a) 10-Investment Program	13,686,000	
(b) 20-Lender-Fiduciary Program	7,641,000	
(c) 30-Health Plan Program	15,506,000	
(d) 50.01-Administration	5,808,000	
(e) 50.02-Distributed Administration	−5,808,000	
Provisions:		
1. The amount appropriated in this item may include revenues derived from the assessment of fines and penalties imposed as specified in Section 13332.18 of the Government Code.		
2. The Director of Finance may allocate funds from Item 9903-001-0494 for the purchase of data processing software, hardware, related equipment, and services to implement a document management system that will provide the public and staff of the Department of Corporations, or its successor agency, immediate electronic access to the department's mission-critical files, ensure confidential file security, establish file integrity, and provide full disaster recovery if, at least 30 days prior to that allocation, the director provides written notice to the Chairperson of the Joint Legislative Budget Committee and the chairperson of the committee in each house of the Legislature that considers the Budget Bill.		
2240-001-0001—For support of Department of Housing and Community Development		5,984,000
Schedule:		
(a) 10-Codes and Standards Program	22,481,000	
(b) 20-Community Affairs Program	11,284,000	
(c) 30.01-Housing Policy Development Program	2,452,000	
(d) 30.02-Distributed Housing Policy Development Program	−122,000	
(e) 50.01-Administration	7,990,000	
(f) 50.02-Distributed Administration	−7,990,000	

Item		Amount
(g) Reimbursements	−395,000	
(h) Amount payable from the Mobilehome Park Revolving Fund (Item 2240-001-0245)	−3,764,000	
(i) Amount payable from the Mobilehome Park Purchase Fund (Item 2240-001-0530)	−542,000	
(j) Amount payable from the Rural Predevelopment Loan Fund (Item 2240-001-0635)	−113,000	
(k) Amount payable from the Mobilehome-Manufactured Home Revolving Fund (Item 2240-001-0648)	−17,131,000	
(*l*) Amount payable from the Self-Help Housing Fund (Item 2240-001-0813)	−114,000	
(m) Amount payable from the Federal Trust Fund (Item 2240-001-0890)	−5,031,000	
(n) Amount payable from the Housing Rehabilitation Loan Fund (Item 2240-001-0929)	−1,968,000	
(o) Amount payable from the Rental Housing Construction Fund (Item 2240-001-0938)	−608,000	
(p) Amount payable from the Emergency Housing Assistance Fund (Item 2240-001-0985)	−445,000	
Provisions:		
1. Of the amount appropriated in this item, $1,100,000 shall be used to increase oversight over redevelopment agencies, to provide technical assistance, and to support the administration of the Housing Task Force, in accordance with the Housing Preservation Plan of the Department of Housing and Community Development.		
2240-001-0245—For support of Department of Housing and Community Development, for payment to Item 2240-001-0001, payable from the Mobilehome Park Revolving Fund		3,764,000
2240-001-0530—For support of Department of Housing and Community Development, for payment to Item 2240-001-0001, payable from the Mobilehome Park Purchase Fund		542,000

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2240-001-0635—For support of Department of Housing and Community Development, for payment to Item 2240-001-0001, payable from the Rural Predevelopment Loan Fund	113,000
2240-001-0648—For support of Department of Housing and Community Development, for payment to Item 2240-001-0001, payable from the Mobilehome-Manufactured Home Revolving Fund	17,131,000
Provisions:	
1. Notwithstanding Section 18077 of the Health and Safety Code, or any other provision of law, the first $2,388,000 in revenues collected by the Department of Housing and Community Development from manufactured home license fees shall be deposited in the Mobilehome-Manufactured Home Revolving Fund, and shall be available to the department for the support, collection, administration, and enforcement of manufactured home license fees.	
2. Notwithstanding Section 18077.5 of the Health and Safety Code, or any other provision of law, the Department of Housing and Community Development is not required to comply with the reporting requirement of Section 18077.5 of the Health and Safety Code.	
3. Notwithstanding Provision 1 of Item 2240-011-0001 and Provision 1 of Item 2240-011-0972, Budget Act of 1997 (Ch. 282, Stats. 1997), transfers made to the Mobilehome-Manufactured Home Revolving Fund as loans to that fund shall be repaid over a three-year period with payments beginning during the 1998–99 fiscal year and ending no later than June 30, 2001. The loans shall be repaid with interest calculated at the rate earned by the Pooled Money Investment Account.	
2240-001-0813—For support of Department of Housing and Community Development, for payment to Item 2240-001-0001, payable from the Self-Help Housing Fund	114,000
2240-001-0890—For support of Department of Housing and Community Development, for payment to Item 2240-001-0001, payable from the Federal Trust Fund	5,031,000
2240-001-0929—For support of Department of Housing and Community Development, for payment to Item 2240-001-0001, payable from the Housing Rehabilitation Loan Fund	1,968,000

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2240-001-0938—For support of Department of Housing and Community Development, for payment to Item 2240-001-0001, payable from the Rental Housing Construction Fund	608,000
2240-001-0985—For support of Department of Housing and Community Development, for payment to Item 2240-001-0001, payable from the Emergency Housing Assistance Fund	445,000
2240-013-0474—For support of Department of Housing and Community Development, payable from the Child Care and Development Facilities Loan Guaranty Fund	177,000
2240-014-0472—For support of Department of Housing and Community Development, payable from the Child Care and Development Facilities Direct Loan Fund	177,000
2240-101-0001—For local assistance, Department of Housing and Community Development	7,354,000

Schedule:

(a) 20-Community Affairs Program 113,189,000

(b) Amount payable from the Federal Trust Fund (Item 2240-101-0890) ..... −105,835,000

Provisions:

1. $1,400,000 of the funds appropriated in this item shall be utilized for the purposes set forth in Chapter 3.5 (commencing with Section 50530) of Part 2 of Division 31 of the Health and Safety Code that relate to the preservation and acquisition of existing government-assisted rental housing at risk of conversion to market-rate use. Notwithstanding any other provision of law, the following provisions shall apply to loans made with these funds:
   (a) The Department of Housing and Community Development shall give priority only to applications for housing with matching financing from local redevelopment agencies or federal programs.
   (b) "Eligible sponsors" means local governmental agencies, nonprofit corporations, including cooperative housing corporations, and limited liability corporations or limited partnerships where all of the general partners are nonprofit mutual or public benefit corporations.

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	(c) Loans shall bear interest at the rate of 3 percent per annum.	
	(d) If the department determines that the sponsor is unable to preserve and acquire the project, the department may forgive repayment of all or a portion of the outstanding loan balance, including accrued interest, without exercising its rights to seek full compensation from the security for the loan.	
	(e) The director of the department may waive any of the regulations adopted in Subchapter 1 (commencing with Section 7000) of Chapter 7 of Division 1 of Title 25 of the California Code of Regulations that he or she determines are inconsistent with the effective implementation of this special loan program, and any additional rule, policy, or standard of general applicability employed by the department shall not be subject to the requirements of Chapter 3.5 (commencing with Section 11340) of Part 1 of Title 2 of the Government Code.	
2240-101-0890—For local assistance, Department of Housing and Community Development, for payment to Item 2240-101-0001, payable from the Federal Trust Fund		105,835,000
	Provisions:	
	1. Notwithstanding any other provision of law, federal funds appropriated by this act but not encumbered by June 30 may be expended in the subsequent fiscal year.	
2240-102-0001—For transfer by the Controller to the Special Deposit Fund-Office of Migrant Services (0942)		5,750,000
2240-103-0001—For transfer by the Controller to the Self-Help Housing Fund (0813)		2,000,000
2240-103-0813—For local assistance, Department of Housing and Community Development, payable from the Self-Help Housing Fund		2,000,000
	Provisions:	
	1. The funds appropriated in this item shall be expended pursuant to paragraph (1) of subdivision (b) of Section 50696 of the Health and Safety Code for group mutual self-help housing for any low-income owner-builder who contributes substantial labor to build his or her principal residence.	

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2240-104-0001—For transfer by the Controller to the Farmworker Housing Grant Fund (0927).....	5,000,000
2240-105-0001—For transfer by the Controller to the Emergency Housing and Assistance Fund (0985)....	2,000,000

Provisions:

1. The minimum amount of an Emergency Housing and Assistance Program grant made with funds transferred by this item shall be $40,000, except as follows:
   (a) For counties with an allocation greater than $40,000, one grant less than $40,000 may be awarded if necessary to fully utilize the county's allocation;
   (b) For counties with an allocation of up to or equal to $40,000, up to two grants of less than $40,000 may be awarded.

2240-106-0001—For transfer by the Controller to the Rental Housing Construction Fund (0938).....	5,000,000

Provisions:

1. The Department of Housing and Community Development may use up to $375,000 of the amount transferred by this item, but no more than $220,000 per fiscal year, for the costs of administering funds transferred by this item.

2240-107-0001—For transfer by the Controller to the Housing Rehabilitation Loan Fund (0929).....	12,500,000

Provisions:

1. The funds transferred by this item shall be utilized for the purposes set forth in Chapter 6.5 (commencing with Section 50660) of Part 2 of Division 31 of the Health and Safety Code for multifamily housing rehabilitation or acquisition, or rehabilitation and acquisition, or for support of local code enforcement programs. First priority for the funds shall be the conservation of affordable housing for existing tenants. The funds shall be subject to the following provisions:
   (a) Principal and accumulated interest is due and payable upon completion of the term of the loan. The loan shall bear interest at the rate of 3 percent per annum on the unpaid principal balance. At the time of loan closing, the Department of Housing and Community Development, or the local government for code enforcement activities, may defer up to 2 percent of the interest rate if necessary to provide affordable rents to households of very-

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	low and low income. "Affordable rent" for the purposes of this item shall be established by the department to be consistent with the rent limitations imposed by the Low Income Housing Tax Credit Program, as administered by the California Tax Credit Allocation Committee.	
	(b) For projects receiving low-income housing tax credits, a sponsor may set income limits that match those required under any regulatory agreement entered into with the California Housing Tax Credit Allocation Committee.	
	(c) The department shall endeavor to achieve a reasonable geographic distribution of these funds and may waive any requirements of Chapter 6.5 (commencing with Section 50660) of Part 2 of Division 31 of the Health and Safety Code and any regulations adopted thereunder that are in conflict with the provisions of this item or that are necessary for prompt and effective implementation of the programs described in this item. Any rule, policy, or standard of general application employed by the department in implementing this section shall not be subject to the requirements of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.	
	(d) The department may use up to $800,000 of the amount transferred by this item for program administration.	
2240-109-0001—For local assistance, Department of Housing Community Development; for transfer by the Controller to the Emergency Housing and Assistance Fund (0985)		1,365,000
	Provisions:	
	1. The minimum amount of an Emergency Housing and Assistance Program grant made with funds transferred by this item shall be $40,000, except as follows:	
	(a) For counties with an allocation greater than $40,000, one grant of less than $40,000 may be awarded if necessary to fully utilize the county's allocation.	

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(b) For counties with an allocation of up to or equal to $40,000, up to two grants of less than $40,000 may be awarded		
2240-295-0001—For local assistance, Department of Housing and Community Development, for reimbursement, in accordance with the provisions of Section 6 of Article XIII B of the California Constitution or of Section 17561 of the Government Code, of the costs of any new program or increased level of service of an existing program mandated by statute or executive order, for allocation by Controller.....		850,000
Schedule:		
(1) 98.01.114.380-Regional Housing Needs Assessments (Ch. 1143, Stats. 1980)	850,000	
Provisions:		
1. Allocations of funds provided in this item to the appropriate local entities shall be made by the Controller in accordance with the provisions of each statute or executive order that mandates the reimbursement of the costs, and shall be audited to verify the actual amount of the mandated costs in accordance with subdivision (d) of Section 17561 of the Government Code. Audit adjustments to prior year claims may be paid from this item. Funds appropriated in this item may be used to provide reimbursement pursuant to Article 5 (commencing with Section 17615) of Chapter 4 of Part 7 of Division 4 of Title 2 of the Government Code.		
2310-001-0400—For support of Office of Real Estate Appraisers payable from the Real Estate Appraisers Regulation Fund		4,159,000
Schedule:		
(a) 10-Administration of the Real Estate Appraisers Program	4,234,000	
(b) Reimbursements.....	−75,000	
2320-001-0317—For support of Department of Real Estate, payable from the Real Estate Commissioner's Fund		27,706,000
Schedule:		
(a) 10-Licensing and Education.....	6,349,000	
(b) 20-Enforcement and Recovery.....	17,131,000	
(c) 30-Subdivisions.....	4,976,000	
(d) 40.10-Administration.....	5,693,000	
(e) 40.20-Distributed Administration ...	−5,693,000	
(f) Reimbursements	−750,000	

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2600-001-0042—For support of California Transportation Commission, for payment to Item 2600-001-0046, payable from the State Highway Account, State Transportation Fund			173,000
2600-001-0046—For support of California Transportation Commission, payable from the Public Transportation Account, State Transportation Fund			1,247,000
Schedule:			
(a) 10-Administration of California Transportation Commission		1,420,000	
(b) Amount payable from the State Highway Account, State Transportation Fund (Item 2600-001-0042)		−173,000	
2640-101-0046—For local assistance, Special Transportation Programs, notwithstanding Section 99312 of the Public Utilities Code, for allocation by the Controller, payable from the Public Transportation Account, State Transportation Fund			100,259,000
Provisions:			
1. Notwithstanding Sections 99313 and 99314 of the Public Utilities Code, not more than $59,912 of the amount appropriated by this item shall reimburse the Controller for expenditures for administration of State Transportation Assistance funds.			
2. In addition to the amounts allocated pursuant to Section 99312 of the Public Utilities Code, the Controller shall disburse sufficient funds from the balance of the Public Transportation Account to provide a total of $100,259,000 to eligible regional transportation planning agencies, county transportation commissions, and transit agencies pursuant to Sections 99313 and 99314 of the Public Utilities Code for support of the State Transit Assistance Program.			
2660-001-0041—For support of Department of Transportation, for payment to Item 2660-001-0042, payable from the Aeronautics Account, State Transportation Fund			2,525,000
2660-001-0042—For support of Department of Transportation, payable from the State Highway Account, State Transportation Fund			1,661,672,000
Schedule:			
(a) 10-Aeronautics		2,854,000	
(b) 20.10-Highway Transportation—Capital Outlay Support		770,537,000	
(c) 20.30-Highway Transportation—Local Assistance		30,922,000	

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(d) 20.40-Highway Transportation—Program Development	93,898,000
(e) 20.65-Highway Transportation—Legal	61,983,000
(f) 20.70-Highway Transportation—Operations	123,349,000
(g) 20.80-Highway Transportation—Maintenance	746,508,000
(h) 30-Mass Transportation	85,959,000
(hx) 30.20-Rail Transit Capitol	23,095,000
(i) 40-Transportation Planning	76,536,000
(j) 50.00-Administration	233,850,000
(k) 60.10-Equipment Service Center	141,842,000
(*l*) 60.20-Distributed Equipment Service Center	−141,842,000
(*l*x) 97.20-Unallocated	28,542,000
(m) Reimbursements	−106,956,000
(n) Amount payable from the Aeronautics Account, State Transportation Fund (Item 2660-001-0041)	−2,525,000
(o) Amount payable from the Bicycle Transportation Account, State Transportation Fund (Item 2660-001-0045)	−10,000
(p) Amount payable from the Public Transportation Account, State Transportation Fund (Item 2660-001-0046)	−139,261,000
(q) Amount payable from the Federal Trust Fund (Item 2660-001-0890)	−367,609,000

Provisions:

1. For purposes of the funds appropriated in Schedules (b) to (g), inclusive, Program 20—Highway Transportation. Upon approval of the Department of Finance, the Department of Transportation shall notify the chairpersons of the fiscal committees and the Chairperson of the Joint Legislative Budget Committee at least 20 days prior to spending funds to expand activities above budgeted levels or to implement a new activity not identified in this act, including any of those expenditures to be funded through a transfer of money from other expenditure categories or programs, except in the case of emergency work increases caused by snow, storm, or earth movement damage.

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2. From funds appropriated in this item, the Department of Transportation may enter into interagency agreements with the Department of the California Highway Patrol to compensate that department for the cost of work performed by patrol officers at or near state highway construction projects so as to reduce the risk of occurrence of serious motor vehicle accidents.
3. (a) Notwithstanding any other provision of law, funds appropriated in this item from the State Highway Account may be reduced and replaced by an equivalent amount of federal funds determined by the department to be available and necessary to comply with Section 8.50 of this act and the most effective management of state transportation resources. Not more than 30 days after replacing the state funds with federal funds, the Director of Finance shall notify in writing the chairperson of the committee in each house that considers appropriations and the Chairperson of the Joint Legislative Budget Committee of this action.
   (b) To the extent that moneys in the State Highway Account are reduced pursuant to this provision, the Department of Transportation may transfer, with the approval of the Business, Transportation and Housing Agency, and upon authorization by the Director of Finance, all or part of the savings to Item 2660-101-0042 or Item 2660-301-0042 for local assistance or capital outlay projects approved by the California Transportation Commission. The Director of Finance shall authorize the transfer not sooner than 30 days after notification in writing to the chairperson of the committee in each house that considers appropriations and the Chairperson of the Joint Legislative Budget Committee.
4. Notwithstanding any other provision of law, funds appropriated in Schedules (a) to (*l*), inclusive, of this item for equipment rental service may be transferred between those schedules to allow for the proper recording of expenditures as they relate to equipment rental service.
5. Notwithstanding any other provision of law, funding appropriated in this item may be transferred to

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Item 2660-005-0042 to pay for any necessary insurance, debt service, and other expenditures for department-owned office buildings in District 4 and District 8. Any transfer will require the prior approval of the Department of Finance.

7. Of the amount appropriated in this item, $1.1 million is for the Transportation Operations and Project Support (TOPS) system, provided the Department of Finance makes a determination that the TOPS pilot project was successful in addressing the business requirements in the initial Feasibility Study Report and that the expansion of the system will produce benefits to the state which exceed the project costs.
8. (a) The Department of Transportation shall not expend any funds for support, right-of-way acquisition, or construction of the Hatton Canyon Freeway Project located on State Route 1, except those funds as are necessary to design the project and obtain all necessary permits, unless the department has complied with all applicable requirements of Division 20 (commencing with Section 30000) of the Public Resources Code.
   (b) The Department of Transportation shall report to the Chairperson of the Joint Legislative Budget Committee and the chairpersons of the fiscal committees of the Legislature when all the required permits for that project have been approved by each local, state, or federal agency responsible for issuing any of the required permits.
9. The Department of Transportation, in updating the 10-year state highway rehabilitation plan, shall identify the 10-year need for bridge scour repairs, including the number of bridges and the cost of repairs.
10. By September 30, 1999, the Department of Transportation shall submit revised capital outlay support and local assistance support budget requests to the Department of Finance based upon projects included in the amended State Transportation Improvement Program (STIP). The department may transfer funds approved in the 1999–00 fiscal year Finance Letter #1A and Finance Letter #1B, between Schedule (b) and Schedule (c) of this item to correspond to

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projects included in the amended STIP not sooner than 10 days after the department notifies the Joint Legislative Budget Committee on its plan for the transfer. Resources not needed by either Capital Outlay Support or Local Assistance shall revert to the appropriate funds on June 30, 2000.

11. The Department of Transportation shall not expend any of the $3,300,000 appropriated in this item for its Project Scheduling and Management Tools Information Technology Projects until the Department of Information Technology approves Feasibility Study Reports for the projects.
12. In order to promote greater consistency and coordination between regional and interregional transportation planning and programming, the Business, Transportation and Housing Agency, in cooperation with the California Transportation Commission, shall develop a California Transportation Planning Directions Statement that will provide strategic objectives and guidance for the development of regional transportation plans, regional transportation improvement programs and the Interregional Transportation Improvement Program for development of the State Transportation Improvement Program for the year 2000.
13. Any savings in personal services, resulting from an inability to fill for a full year the proposed new positions in the Department of Transportation for support of the capital outlay program and for support of the local assistance program, shall revert to the appropriate funds on June 30, 2000.
14. (a) The department may lease the airspace under the interchange at Palm Avenue and Division Street in San Diego County to any city, county, or other political subdivision, or any state agency, for community-benefit and social service purposes. The department may provide information to those entities regarding the lease of that airspace for that use. The lease shall be for $1 per month. The lease amount may be paid in advance of the term covered in order to reduce the administrative costs associated with the payment of the monthly rental fee.

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	(b) The lease shall also provide for the cost of administering the lease. The administrative fee shall not exceed $500 per year unless the department determines that a higher administrative fee is necessary.	
	(c) Upon the request of the City of National City, the department may renew the lease for the period requested by the city, but not exceed 10 years, and may, subsequent to that renewal, agree to not more than two additional renewals of not more than 10 years each.	
	15. (a) The Department of Transportation shall report to the Joint Legislative Budget Committee by December 31, 1999, regarding the impact of State Highway 58 construction project as programmed in the 1998 State Transportation Improvement Program on the water reclamation district, water resources, and agricultural.	
	(b) The Department of Transportation shall not expend any funds for the support, right-of-way, or construction of the State Highway 58 construction project, until the department submits the report required by section (a) of this provision.	
2660-001-0045—For support of Department of Transportation, for payment to Item 2660-001-0042, payable from the Bicycle Transportation Account, State Transportation Fund		10,000
2660-001-0046—For support of Department of Transportation, for payment to Item 2660-001-0042, payable from the Public Transportation Account, State Transportation Fund		139,261,000
	Provisions:	
	1. For Program 30—Mass Transportation. Of the $65,586,000 appropriated in this item for intercity rail, $583,000 shall be available to support operating costs on the extension of a fourth Capitol Corridor train to San Jose from Oakland, provided the Capitol Corridor Joint Powers Board and the Union Pacific Railroad reach an agreement permitting the operation of a fourth train, and the agreement is acceptable to the Business, Transportation and Housing Agency.	
	2. Notwithstanding any other provision of law, funds appropriated in this item from the Public Trans-	

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	portation Account may be reduced and replaced by an equivalent amount of federal funds determined by the department to be available and necessary to comply with Section 8.50 of this act and the most effective management of state transportation resources. Not more than 30 days after replacing the state funds with federal funds, the Director of Finance shall notify in writing the chairperson of the committee in each house that considers appropriations and the Chairperson of the Joint Legislative Budget Committee of this action.	
	3. Provision 4 of Item 2660-001-0042 of this act also applies to this item.	
2660-001-0608—For support of Department of Transportation, payable from the Equipment Service Fund...		131,535,000
2660-001-0890—For support of Department of Transportation, for payment to Item 2660-001-0042, payable from the Federal Trust Fund		367,609,000
	Provisions:	
	1. For Program 20—Highway Transportation. For purposes of the Streets and Highways Code, all expenditures from this item shall be deemed to be expenditures from the State Highway Account, State Transportation Fund.	
	2. For Program 20—Highway Transportation. Federal funds may be received from any federal source, and shall be deposited in the Federal Trust Fund. Any federal reimbursements shall be credited to the account from which the expenditures were originally made.	
	3. Notwithstanding any other provision of law, the Director of Finance may augment this item with additional federal funds in conjunction with an equivalent offsetting reduction in State Highway Account funds in Item 2660-001-0042, pursuant to Provision 3 of that item or Public Transportation Account funds in Item 2660-001-0046, pursuant to Provision 2 of that item.	
	4. The Department of Transportation shall submit revised capital outlay support and local assistance support budget requests to the Department of Finance based upon projects included in the amended State Transportation Improvement Program (STIP). The Department of Transportation may transfer funds between Schedule (b), 20.10 High Transportation-Capital Outlay Support and	

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	Schedule (c), 20.30-Highway Transportation-Local Assistance to correspond to projects actually included in the amended STIP. Resources not needed by either Capital Outlay Support or Local Assistance shall revert to the appropriate fund on June 30, 2000.	
	5. Provision 4 of Item 2660-001-0042 also applies to this item.	
2660-005-0042	—For support of Department of Transportation, for building insurance, debt service, and other costs for department-owned office buildings in District 4 and District 8, payable from the State Highway Account, State Transportation Fund.....	14,869,000
	Provisions:	
	(1) Notwithstanding any other provision of law, funds provided in Item 2660-001-0042 may be transferred to this item to pay for any necessary insurance, debt service, and other expenditures for the department-owned office buildings in District 4 and District 8. Any transfer shall require the prior approval of the Department of Finance.	
2660-007-0042	—For support of Department of Transportation, payable from the State Highway Account, State Transportation Fund	37,938,000
	Schedule:	
	(a) 20-Highway Transportation..... 37,920,000	
	(b) 50-Administration 18,000	
	Provisions:	
	1. The funds appropriated in this item may be expended only to attain compliance with the storm water discharge provisions of the National Pollutant Discharge Elimination System permits as promulgated by the State Water Resources Control Board or regional water quality control boards, or as ordered by the federal courts.	
2660-011-0041	—For transfer by the Controller from the Aeronautics Account, State Transportation Fund, to the Public Transportation Account, State Transportation Fund, as prescribed by Section 21682.5 of the Public Utilities Code.....	(30,000)
2660-011-0042	—For transfer by the Controller from the State Highway Account, State Transportation Fund, to the Toll Bridge Seismic Retrofit Account, State Transportation Fund	(129,713,000)

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Provisions:	
1. Notwithstanding any other provision of law, the transfer shall be made upon the request of the Department of Transportation.	
2660-012-0042—For augmentation for emergencies relating to a state of emergency declared by the Governor, subject to all provisions of Item 9840-001-0001, payable from the State Highway Account	(40,000,000)
Provisions:	
1. No deficiencies shall be authorized by the Director of Finance in any appropriation of money from this item under the provisions of Section 11006 of the Government Code. Required notification to the Legislature of deficiency appropriations pursuant to this item shall include, in addition to all other required information, (a) an estimate of federal funds or other funds that the department may receive for the same purposes as the proposed deficiency appropriation, and (b) explanation of the necessity of the proposed deficiency appropriation given anticipated federal funds or other funds.	
2660-013-0042—For transfer by the Controller from the State Highway Account, State Transportation Fund, to the Public Transportation Account, State Transportation Fund to fund the Transit Capital Improvement Program	(28,040,000)
2660-021-0042—For transfer by the Controller from the State Highway Account, State Transportation Fund, to the Public Transportation Account, State Transportation Fund, as prescribed by Section 194 of the Streets and Highways Code	(57,665,000)
2660-022-0042—For transfer by the Controller from the State Highway Account, State Transportation Fund, to the Environmental Enhancement and Mitigation Demonstration Account, State Transportation Fund, as prescribed by Section 164.56 of the Streets and Highways Code	(10,000,000)
2660-101-0001—For local assistance, Department of Transportation	21,000,000
Provisions:	
1. Of the amount appropriated in this item, $14,000,000 shall be used for grants for the purchase of rolling stock for the Altamont Commuter Express, $1,000,000 shall be used by the City of Livermore for the construction of a parking lot adjacent to the Altamont Commuter Express rail	

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	system, and $6,000,000 shall be used for assistance to local government ferry operators in the San Francisco Bay Area in acquiring additional ferry boats. The Department of Transportation shall award one or more grants for ferry boats on a competitive basis. The availability of matching funds may be used as one means of ranking proposals.	
	2. If any of the funds appropriated in this item cannot be granted as provided in Provision 1 of this item, those unused funds may be transferred to Item 2660-301-0001 with the approval of the Department of Finance.	
2660-101-0042—For local assistance, Department of Transportation, payable from the State Highway Account, State Transportation Fund		621,781,000
	Schedule:	
	(a) 20.30-Highway Transportation-Local Assistance 439,403,000	
	(b) 30-Mass Transportation 180,378,000	
	(c) 40-Transportation Planning 2,000,000	
	Provisions:	
	1. Funds appropriated in item (a) and (b) shall be available for allocation by the California Transportation Commission in the 1999–00, 2000–01 and 2001–02 fiscal years.	
	2. Notwithstanding other provisions of law, funds appropriated within Schedule (a) may be transferred to Schedules (b) and (c); and funds appropriated within Schedule (b) may be transferred to Schedules (a) and (c); and funds appropriated within Schedule (c) may be transferred to Schedules (a) and (b). These transfers shall require the prior approval of the California Transportation Commission and the Department of Finance. These funds shall be available for allocation by the Commission in 1999–00, 2000–01 and 2001–02 fiscal years.	
	3. Notwithstanding other provisions of law, funds scheduled in items (a) or (b) may be transferred to Item 2660-301-0042. These transfers shall require the prior approval of the California Transportation Commission and the Department of Finance. Such transfers shall be available for allocation by the commission in the 1999–00, 2000–01 and 2001–02 fiscal years.	

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2660-101-0045—For local assistance, Department of Transportation, Program 20—Highway Transportation, payable from the Bicycle Transportation Account, State Transportation Fund	1,000,000
2660-101-0183—For local assistance, Department of Transportation, Program 20—Highway Transportation, payable from the Environmental Enhancement and Mitigation Demonstration Program Fund	10,000,000
2660-101-0890—For local assistance, Department of Transportation, payable from the Federal Trust Fund	1,388,372,000
Schedule:	
(a) 20-Highway Transportation 1,272,372,000	
(b) 30-Mass Transportation 76,000,000	
(c) 40-Transportation Planning 40,000,000	
Provisions:	
1. For Program 20—Highway Transportation. For purposes of the Streets and Highways Code, all expenditures from this item shall be deemed to be expenditures from the State Highway Account, State Transportation Fund.	
2. For Program 20—Highway Transportation. Federal funds may be received from any federal source and shall be deposited in the Federal Trust Fund. Any federal reimbursements shall be credited to the account from which the expenditures were originally made.	
3. Notwithstanding other provisions of law, funds appropriated within Schedule (a) may be transferred to Schedules (b) and (c), and funds appropriated within Schedule (b) may be transferred to Schedules (a) and (c). Funds appropriated within Schedules (a) and (b) may be transferred to Item 2660-301-0890. These transfers shall require the prior approval of the Department of Finance and the California Transportation Commission. These funds shall be available for allocation by the commission and shall be available for expenditure in the 1999–00, 2000–01 and 2001–02 fiscal years.	
2660-103-0001—For local assistance, Department of Transportation, Program 20.30—Highway Transportation—Local Assistance, for the West Covina Park and Ride Program	200,000
2660-104-0001—For local assistance, Department of Transportation	1,630,000

Item		Amount
Schedule:		
(a) 20.30-Local Assistance Grants		
(1) City of Firebaugh, Street Sweeper Purchase	125,000	
(2) City of McFarland Bus Stop Installation	25,000	
(3) Bellflower Boulevard Landscaping Project	85,000	
(4) Bay Area Rapid Transit Mitigation Work in Millbrae School District	475,000	
(5) Southern California Regional Rail Authority	750,000	
(6) Crescent City Airport Renovation	70,000	
(7) State Highway 62 Repair	100,000	
2660-301-0001—For capital outlay, Department of Transportation, for acquisition of intercity rail rolling stock		17,500,000
2660-301-0042—For capital outlay, Department of Transportation, payable from the State Highway Account, State Transportation Fund		975,462,000
Schedule:		
(a) 20-Highway Transportation	2,631,182,000	
(1) State Highway Operation and Protection Program	(516,546,000)	
(2) Regional Improvements	(236,103,000)	
(3) Interregional Improvements	(159,959,000)	
(4) Reimbursements	(1,718,574,000)	
(b) 30-Mass Transportation	62,854,000	
(c) Reimbursements	−1,718,574,000	
Provisions:		
1. For Program 20—Highway Transportation. For each capital outlay appropriation, the department shall determine for reversion the difference between the appropriation and the total amount needed for encumbered projects, encumbered right-of-way, and projects still to be scheduled for encumbrance against the appropriations. On or before December 15, 1999, the department shall submit to the Controller the estimated amounts to be reverted as of June 30, 1999, from the 1996–97, 1997–98 and 1998–99 fiscal year appropriations.		
2. Notwithstanding any other provision of law, amounts scheduled within this item may be trans-		

Item		Amount
	ferred to Item 2660-101-0042, Schedules (a) and (b), for local transportation projects pursuant to the allocation of project funds by the California Transportation Commission. These transfers shall require the prior approval of the California Transportation Commission and the Department of Finance. These funds shall be available for allocation during the 1999–00, 2000–01, and 2001–02 fiscal years.	
	3. Of the amounts appropriated in this item, $22,000,000 for rail capital improvements is appropriated from the revenue sources referenced in Section 182 of the Streets and Highways Code.	
2660-301-0890—For capital outlay, Department of Transportation, payable from the Federal Trust Fund		1,574,280,000
	Schedule:	
	(a) 20-Highway Transportation 1,574,280,000	
	Provisions:	
	1. Provision 1 of Item 2660-301-0042 is also applicable to this item.	
	2. For Program 20—Highway Transportation. For purposes of the Streets and Highways Code, all expenditures from this item shall be deemed to be expenditures from the State Highway Account, State Transportation Fund.	
	3. For Program 20—Highway Transportation. Federal funds may be received from any federal source and shall be deposited in the Federal Trust Fund. Any federal reimbursements shall be credited to the account from which the expenditures were originally made.	
	4. Notwithstanding any other provision of law, amounts scheduled within this item may be transferred to Item 2660-101-0890 Schedules (a) and (b) for local transportation projects pursuant to the allocation of project funds by the California Transportation Commission. These transfers shall require the prior approval of the California Transportation Commission and the Department of Finance. These funds shall be available for allocation during 1999–00, 2000–01, and 2001–02.	
2660-302-0046—For capital outlay, Department of Transportation, payable from the Public Transportation Account, State Transportation Fund		0

Item		Amount
Schedule:		
(a) 30-Mass Transportation	50,000,000	
(b) Reimbursements	-50,000,000	
2660-311-0042—For capital outlay, Department of Transportation, payable from the State Highway Account, State Transportation Fund		2,674,000
Schedule:		
(1) 20.20.500-Statewide: Studies, preplanning and budget packages	150,000	
(3) 20.20.512-Seismic Retrofit, Redding District Office Building—Preliminary plans and working drawings	79,000	
(4) 20.20.502-Sacramento Headquarters: Fire/Life-Safety Improvements—Preliminary plans and working drawings	778,000	
(5) 20.20.510-San Diego Office Building: Replacement—Preliminary plans	1,667,000	
Provisions:		
1. For Program 20—Highway Transportation. Up to 20 percent of the funds appropriated in this item may be transferred from Item 2660-301-0042 of this act to enable the California Transportation Commission to allocate supplemental funds to projects within this item. The transfer may be made only with the approval of the commission. Also, the Department of Finance shall be notified of the transfer prior to the commission's approval of any transfer or allocation of those funds to any project.		
2. Notwithstanding any other provisions of law, the project identified in Schedule (5) of this item shall be subject to administrative oversight by the State Public Works Board.		
3. The department may lease the airspace under the interchange at Palm Avenue and Division Street in San Diego County to any city, county, or other political subdivision, or any state agency, for community benefit and social service purposes. The department may provide information to those entities regarding the lease of that airspace for that use. The lease shall be for $1 per month. The lease amount may be paid in advance of the term covered in order to reduce the administrative costs as-		

Item Amount

sociated with the payment of the monthly rental fee.

The lease shall also provide for the cost of administering the lease. The administrative fee shall not exceed $500 per year unless the department determines that a higher administrative fee is necessary.

Upon the request of the City of National City, the department may renew the lease for the period requested by the city, but to not exceed 10 years, and may, subsequent to that renewal, agree to not more than two additional renewals of not more than 10 years each.

2660-399-0042—For the Department of Transportation, for final cost accounting of projects for which appropriations have expired, for state operations, local assistance, or capital outlay, payable from the State Highway Account, State Transportation Fund. Funds appropriated in this item shall be available for expenditure until June 30, 2000..... 5,000,000

2660-491—Reappropriation, Department of Transportation. Notwithstanding any other provision of law, the unliquidated encumbrances for the appropriations provided in the following citations, are reappropriated until June 30, 2000. The unencumbered balance shall not be available for encumbrance.

0042—State Highway Account

(1) Item 2660-301-042, Budget Act of 1989 (Ch. 93, Stats. 1989)
(2) Item 2660-101-042, Budget Act of 1990 (Ch. 467, Stats. 1990)
(3) Item 2660-301-042, Budget Act of 1990 (Ch. 467, Stats. 1990)
(4) Item 2660-325-042, Budget Act of 1990 (Ch. 467, Stats. 1990)
(5) Item 2660-101-042, Budget Act of 1991 (Ch. 118, Stats. 1991)
(6) Item 2660-301-042, Budget Act of 1991 (Ch. 118, Stats. 1991)
(7) Item 2660-325-042, Budget Act of 1991 (Ch. 118, Stats. 1991)
(8) Item 2660-125-042, Budget Act of 1992 (Ch. 587, Stats. 1992)
(9) Item 2660-125-042, Budget Act of 1993 (Ch. 55, Stats. 1993)
(10) Item 2660-125-042, Budget Act of 1993 (Ch. 55, Stats. 1993)

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(11) Item 2660-301-042, Budget Act of 1993 (Ch. 55, Stats. 1993)	
(12) Item 2660-325-042, Budget Act of 1993 (Ch. 55, Stats. 1993)	
(13) Item 2660-125-042, Budget Act of 1994 (Ch. 139, Stats. 1994)	
(14) Item 2660-125-042, Budget Act of 1995 (Ch. 303, Stats. 1995)	
0045—Bicycle Transportation Account	
(1) Item 2660-101-045, Budget Act of 1995 (Ch. 303, Stats. 1995)	
(2) Item 2660-101-0045, Budget Act of 1996 (Ch. 162, Stats. 1996)	
0046—Public Transportation Account	
(1) Item 2660-101-046, Budget Act of 1989 (Ch. 93, Stats. 1989)	
(2) Item 2660-101-046, Budget Act of 1990 (Ch. 467, Stats. 1990)	
(3) Item 2660-302-046, Budget Act of 1990 (Ch. 467, Stats. 1993)	
(4) Item 2660-101-046, Budget Act of 1991 (Ch. 118, Stats. 1991)	
(5) Item 2660-125-046, Budget Act of 1992 (Ch. 587, Stats. 1992)	
(6) Item 2660-302-046, Budget Act of 1992 (Ch. 587, Stats. 1992)	
(7) Item 2660-125-046, Budget Act of 1993 (Ch. 55, Stats. 1993)	
(8) Item 2660-302-046, Budget Act of 1993 (Ch. 55, Stats. 1993)	
(9) Item 2660-125-046, Budget Act of 1994 (Ch. 139, Stats. 1994)	
(10) Item 2660-302-046, Budget Act of 1994 (Ch. 139, Stats. 1994)	
0056—Seismic Safety Retrofit Account	
(1) Chapter 18, Statutes of 1989	
(2) Item 2660-325-056, Budget Act of 1994 (Ch. 139, Stats. 1994)	
0183—Environmental Enhancement and Mitigation Demonstration Program Fund	
(1) Item 2660-125-183, Budget Act of 1995 (Ch. 303, Stats. 1995)	
(2) Item 2660-125-0183, Budget Act of 1996 (Ch. 162, Stats. 1996)	
0853—Petroleum Violation Escrow Account	
(1) Chapter 186, Statutes of 1986	
(2) Chapter 1427, Statutes of 1988	

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(3) Chapter 1434, Statutes of 1988
(4) Chapter 1648, Statutes of 1990
(5) Chapter 960, Statutes of 1991
(6) Item 2660-101-853, Budget Act of 1992 (Ch. 587, Stats. 1992)
(7) Chapter 1159, Statutes of 1993

0890—Federal Trust Fund

(1) Item 2660-101-890, Budget Act of 1990 (Ch. 467, Stats. 1990)
(2) Item 2660-101-890, Budget Act of 1992 (Ch. 587, Stats. 1992)
(3) Item 2660-301-890, Program 30, Budget Act of 1992 (Ch. 587, Stats. 1992)
(4) Item 2660-101-890, Budget Act of 1993 (Ch. 55, Stats. 1993)
(5) Item 2660-101-890, Budget Act of 1994 (Ch. 139, Stats. 1994)

2660-492—Reappropriation, Department of Transportation. Notwithstanding any other provision of law, the balance as of June 30, 1999, of the appropriations in the following citations, are appropriated for the purposes provided for in those appropriations and shall be available for expenditure until June 30, 2000.

0042—State Highway Account

(1) Item 2660-325-0042, Budget Act of 1996 (Ch. 162, Stats. 1996)

0890-Federal Trust Fund

(1) 2660-301-0890, Budget Act of 1996 (Ch. 162, Stats. 1996)

2660-493—Reappropriation, Department of Transportation. Notwithstanding any other provision of law, the appropriations in the following citations are reappropriated to enable the collection of outstanding federal reimbursements as of the end of June 30, 1999. These appropriations are not available for encumbrance or liquidation and shall revert on June 30, 2000:

0890—Federal Trust Fund

(1) Item 2660-001-890, Budget Act of 1987 (Ch. 135, Stats. 1987)
(2) Item 2660-001-890, Budget Act of 1988 (Ch. 313, Stats. 1988)
(3) Item 2660-001-890, Budget Act of 1989 (Ch. 93, Stats. 1989)
(4) Item 2660-001-890, Budget Act of 1990 (Ch. 467, Stats. 1990)

Item	Amount
(5) Item 2660-001-890, Budget Act of 1991 (Ch. 118, Stats. 1991)	
(6) Item 2660-001-890, Budget Act of 1992 (Ch. 587, Stats. 1992)	
(7) Item 2660-001-890, Budget Act of 1993 (Ch. 55, Stats. 1993)	
(8) Item 2660-001-890, Budget Act of 1994 (Ch. 139, Stats. 1994)	
2660-495—Reversion, Department of Transportation. As of June 30, 1999, the unencumbered balances of the appropriations provided in the following citations shall revert to the balance in the fund from which the appropriation was made:	
0042—State Highway Account	
(1) Item 2660-311-0042, Budget Act of 1998 (Ch. 324, Stats. 1998) 20.20.508 Sacramento Headquarters Annex, Seismic Retrofit—Construction	
2660-496—Reversion, Department of Transportation. As of June 30, 1999, pursuant to the September 1996 audit findings prepared by the Department of Finance, the unencumbered balances in the following item shall revert to the Petroleum Violation Escrow Account from the Public Transportation Account from Transit Capital Improvement Projects financed by Petroleum Violation Escrow Account funds.	
0046—Public Transportation Account	
(1) Item 2660-101-046, Budget Act of 1986 (Ch. 186, Stats. 1986) as amended by Chapter 890 of the Statutes of 1986	
2660-497—Reversion, Department of Transportation. Notwithstanding any other provision of law, the unencumbered balance and unliquidated encumbrances of the appropriation in the following citation shall be reverted to the unappropriated surplus of the Petroleum Violation Escrow Account from which the appropriation was made.	
676—Ridesharing Vanpool Revolving Loan and Grant Fund	
(1) Chapter 799 of the Statutes of 1989	
2665-001-0046—For support of High-Speed Rail Authority, payable from the Public Transportation Account, State Transportation Fund	3,027,000
2700-001-0044—For support of Office of Traffic Safety, payable from the Motor Vehicle Account, State Transportation Fund	333,000

Item		Amount
Schedule:		
(a) 10-California Traffic Safety	24,929,000	
(b) Amount payable from the Federal Trust Fund (Item 2700-001-0890)	−24,596,000	
2700-001-0890—For support of Office of Traffic Safety, for payment to Item 2700-001-0044, payable from the Federal Trust Fund, not subject to the provisions of Section 28.00		24,596,000
2700-101-0890—For local assistance, Office of Traffic Safety, payable from the Federal Trust Fund, not subject to the provisions of Section 28.00		17,355,000
2720-001-0042—For support of Department of the California Highway Patrol, for payment to Item 2720-001-0044, payable from the State Highway Account, State Transportation Fund		24,253,000
2720-001-0044—For support of Department of the California Highway Patrol, payable from the Motor Vehicle Account, State Transportation Fund		821,924,000
Schedule:		
(a) 10-Traffic Management	775,841,000	
(b) 20-Regulation and Inspection	86,895,000	
(c) 30-Vehicle Ownership Security	22,769,000	
(d) 35-Protective Services	33,196,000	
(e) 40.01-Administration	135,053,000	
(f) 40.02-Distributed Administration	−135,053,000	
(g) Reimbursements	−31,750,000	
(h) Amount payable from the State Highway Account (Item 2720-001-0042)	−24,253,000	
(i) Amount payable from the Protective Services Fund (Item 2720-001-0246)	−29,102,000	
(j) Amount payable from the Motor Carrier Permit Fund (Item 2720-001-0292)	−1,611,000	
(k) Amount payable from the Motor Carrier Safety Improvement Fund (Item 2720-001-0293)	−1,489,000	
(*l*) Amount payable from the California Motorcyclist Safety Fund (Item 2720-001-0840)	−889,000	
(m) Amount payable from the Federal Trust Fund (Item 2720-001-0890)	−5,481,000	

Item		Amount
(n) Amount payable from the Hazardous Substance Account, Special Deposit Fund (Item 2720-001-0942)	−200,000	
(o) Amount payable from the Asset Forfeiture Account, Special Deposit Fund (Item 2720-011-0942)	−2,002,000	
2720-001-0246—For support of Department of the California Highway Patrol, for payment to Item 2720-001-0044, payable from the Protective Services Fund		29,102,000
2720-001-0292—For support of Department of the California Highway Patrol, for payment to Item 2720-001-0044, payable from the Motor Carrier Permit Fund		1,611,000
2720-001-0293—For support of Department of the California Highway Patrol, for payment to Item 2720-001-0044, payable from the Motor Carrier Safety Improvement Fund		1,489,000
2720-001-0840—For support of Department of the California Highway Patrol, for payment to Item 2720-001-0044, payable from the California Motorcyclist Safety Fund		889,000
2720-001-0890—For support of Department of the California Highway Patrol, for payment to Item 2720-001-0044, payable from the Federal Trust Fund		5,481,000
2720-001-0942—For support of Department of the California Highway Patrol, for payment to Item 2720-001-0044, payable from the Hazardous Substance Account, Special Deposit Fund		200,000
2720-011-0942—For support of Department of the California Highway Patrol, for payment to Item 2720-001-0044, payable from the Asset Forfeiture Account, Special Deposit Fund		2,002,000
2720-021-0044—For Department of the California Highway Patrol, for advance authority for the department to incur automotive equipment purchase obligations in an amount not to exceed $5,000,000 during the 1999–00 fiscal year, for delivery beginning in the 2000–01 fiscal year, payable from the Motor Vehicle Account, State Transportation Fund		(5,000,000)
2720-301-0042—For capital outlay, Department of the California Highway Patrol, payable from the State Highway Account, State Transportation Fund		4,807,000

Item		Amount
Schedule:		
(1) 50.56.506-Los Angeles Regional Transportation Management Center—Equipment	4,807,000	
2720-301-0044—For capital outlay, Department of the California Highway Patrol, payable from the Motor Vehicle Account, State Transportation Fund		5,833,000
Schedule:		
(1) 50.01.001-Minor Projects	1,000,000	
(2) 50.15.115-Willows: Building Alterations—Preliminary plans and working drawings	174,000	
(3) 50.20.200-South Sacramento: Building Alterations—Preliminary plans and working drawings	202,000	
(4) 50.21.207-South Lake Tahoe: New Facility—Acquisition and preliminary plans	2,341,000	
(5) 50.69.609-El Cajon: Building Alterations—Acquisition, preliminary plans, and working drawings.	446,000	
(6) 50.73.703-Monterey: New Facility—Acquisition and preliminary plans	1,550,000	
(7) 50.90.900-Statewide: Property options and appraisals	20,000	
(8) 50.90.901-Statewide: Studies, preplanning and budget packages	100,000	
2720-301-0660—For capital outlay, Department of the California Highway Patrol, payable from the Public Buildings Construction Fund		11,214,000
Schedule:		
(1) 50.55.505-East Los Angeles—Acquisition	7,597,000	
(2) 50.61.610-San Gorgonio Pass—Acquisition	3,617,000	
Provisions:		
1. The State Public Works Board may issue lease-revenue bonds, notes or bond anticipation notes pursuant to Chapter 5 (commencing with Section 15830) of Part 10b of Division 3 of Title 2 of the Government Code to finance the acquisition project authorized by this item.		
2. The State Public Works Board and the California Highway Patrol may obtain interim financing for the project costs authorized in this item from any appropriate source including but not limited to the		

Item		Amount
Pooled Money Investment Account pursuant to Sections 16312 and 16313 of the Government Code.		
3. The maximum amount of bonds, notes or bond anticipation notes to be sold shall not exceed the cost of construction and any additional amounts necessary to pay interim and permanent financing costs.		
2720-495—Reversion, Department of the California Highway Patrol. As of June 30, 1999, the appropriation provided in the following citation shall revert to the balance in the fund from which the appropriation was made:		
0001—General Fund		
(1) Item 2720-301-0001, Budget Act of 1998 (Ch. 324, Stats. 1998)		
2740-001-0001—For support of Department of Motor Vehicles, for payment to Item 2740-001-0044		60,000
Provisions:		
1. The funds appropriated in this item are for the Anatomical Donor Designation Program.		
2740-001-0042—For support of Department of Motor Vehicles, for payment of Item 2740-001-0044, payable from the State Highway Account, State Transportation Fund		35,677,000
2740-001-0044—For support of Department of Motor Vehicles, payable from the Motor Vehicle Account, State Transportation Fund		311,107,000
Schedule:		
(a) 11-Vehicle/Vessel Identification and Compliance	329,633,000	
(b) 22-Driver Licensing and Personal Identification	153,884,000	
(c) 25-Driver Safety	72,877,000	
(d) 32-Occupational Licensing and Investigative Services	31,673,000	
(e) 35-New Motor Vehicle Board	1,499,000	
(f) 41.01-Administration	70,353,000	
(g) 41.02-Distributed Administration	-70,353,000	
(h) Reimbursements	-11,058,000	
(i) Amount payable from the General Fund (Item 2740-001-0001).....	-60,000	
(j) Amount payable from the State Highway Account, State Transportation Fund (Item 2740-001-0042).....	-35,677,000	

Item		Amount
(k)	Amount payable from the New Motor Vehicle Board Account (Item 2740-001-0054)	−1,499,000
(*l*)	Amount payable from the Motor Vehicle License Fee Account, Transportation Tax Fund (Item 2740-001-0064)	−223,546,000
(m)	Amount payable from Motor Carriers Permit Fund (Item 2740-001-0292)	−2,865,000
(n)	Amount payable from the Harbors and Watercraft Revolving Fund (Item 2740-001-0516)	−3,754,000

Provisions:

1. Of the amount appropriated in this item, $4,900,000 shall be used to begin the phased redesign and replacement of the Department of Motor Vehicle's Financial System, which includes the General Ledger, Accounts Payable, Asset Management and Accounts Receivable systems. Prior to releasing the solicitation for proposals, the department must receive written approval of the solicitation document from the Department of Information Technology and the Department of Finance. Prior to contract award, the department must submit a revised Feasibility Study Report to the Department of Information Technology for review and approval by the Department of Information Technology and the Department of Finance. The revised Feasibility Study Report must update the total project costs and describe any other project changes such as project scope, methodology, personnel resources, costs, schedule, and benefits. Further, the Feasibility Study Report must reassess the need for the department's proposed three-year concurrent operations of the existing and replacement systems.
2. The Department of Motor Vehicles may not expend any funds for alternative procurement activities related to its driver license database redevelopment, except as follows: (1) the department may use existing resources to conduct activities in preparation for alternative procurement, including the securing of approval from the Office of Procurement of the Department of General Services and the Technology Investment Review Unit of the Department of Finance, and (2) the depart-

Item		Amount
	ment may proceed with an alternative procurement for its drivers license database, beginning with developing a request for information, once the Department of Information Technology certifies to the Joint Legislative Budget Committee and the fiscal committees of each house of the Legislature that it has approved a feasibility study report for the vehicle registration alternative procurement.	
	3. Of the amount appropriated in this item, $10,767,000 shall be available for the following projects:	
	(a) Vehicle Registration Alternative Procurement	984,000
	(b) Telephone Service Center Upgrade.....	598,000
	(c) Financial System Redesign.....	4,900,000
	(d) Queuing Systems.....	285,000
	The Department of Motor Vehicles shall not expend any funds for these projects sooner than 30 days, or a lesser time as determined by the chair of the Joint Legislative Budget Committee, after the Department of Information Technology notifies the committee in writing that (1) the department has successfully completed the Corrective Action Plan that responds to findings in the Y2K Detailed Department Assessment and Independent Verification and Validation, and (2) all of the department's mission-critical systems are Y2K compliant.	
	4. It is the intent of the Legislature that the Innovation in Government Project will be funded utilizing existing resources.	
2740-001-0054—For support of Department of Motor Vehicles, for payment to Item 2740-001-0044, payable from the New Motor Vehicle Board Account ..		1,499,000
2740-001-0064—For support of Department of Motor Vehicles, for payment to Item 2740-001-0044, payable from the Motor Vehicle License Fee Account, Transportation Tax Fund		223,546,000
2740-001-0292—For support of Department of Motor Vehicles, for payment to Item 2740-001-0044, payable from the Motor Carriers Permit Fund		2,865,000

Item		Amount
2740-001-0516—For support of Department of Motor Vehicles, for payment to Item 2740-001-0044, payable from the Harbors and Watercraft Revolving Fund		3,754,000
Provisions:		
1. The funds appropriated in this item are for undocumented vessel registration and fee collection.		
2740-011-0044—For payment of deficiencies in appropriations for the Department of Motor Vehicles which may be authorized by the Director of Finance, payable from the Motor Vehicle Account, State Transportation Fund		(1,000,000)
Provisions:		
1. The Director of Finance shall report allocations from this appropriation in the same manner as required for reporting allocations from Item 9840-001-0494 of this act.		
2740-301-0042—For capital outlay, Department of Motor Vehicles, for payment to Item 2720-301-0044, payable from the State Highway Account, State Transportation Fund		461,000
2740-301-0044—For capital outlay, Department of Motor Vehicles, payable from the Motor Vehicle Account, State Transportation Fund		3,947,000
Schedule:		
(a) 71.03.017-Sacramento Headquarters: 4th Floor Asbestos Removal—Construction	6,669,000	
(b) 71.03.018-Sacramento Headquarters: 1st Floor Asbestos Removal and Seismic Retrofit—Preliminary plans	440,000	
(c) 71.22.010-Statewide: Studies, Preplanning and Budget Packages	100,000	
(d) Amount payable from the State Highway Account, State Transportation Fund (Item 2740-301-0042).	−461,000	
(e) Amount payable from the Motor Vehicle License Fee Account, Transportation Tax Fund (Item 2740-301-0064)	−2,801,000	
2740-301-0064—For capital outlay, Department of Motor Vehicles, for payment to Item 2740-301-0044, payable from the Motor Vehicle License Fee Account, Transportation Tax Fund		2,801,000

Item		Amount
2780-001-0683—For support of Stephen P. Teale Data Center, payable from the Stephen P. Teale Data Center Revolving Fund		87,663,000
Schedule:		
(a) Support	87,825,000	
(b) Reimbursements (Human Resources Information System)	−162,000	
Provisions:		
1. Notwithstanding any other provision of law, the Director of Finance may authorize expenditures for the Stephen P. Teale Data Center in excess of the amount appropriated not sooner than 30 days after notification in writing of the necessity therefor is provided to the chairpersons of the fiscal committees in each house of the Legislature and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the chairperson of the committee, or his or her designee, may in each instance determine.		

TRADE AND COMMERCE

2920-001-0001—For support of Trade and Commerce Agency		26,040,000
Schedule:		
(a) 10-Economic Development	10,459,000	
(b) 20-International Trade and Investment	4,871,000	
(c) 25-Marketing and Communications.	616,000	
(d) 30-Tourism	8,581,000	
(e) 40-Contracts, Grants, and Loans	929,000	
(f) 60-Economic Research and Strategic Initiatives	1,402,000	
(g) 70.01-Administration	4,244,000	
(h) 70.02-Distributed Administration	−4,244,000	
(i) Reimbursements	−818,000	
2920-001-0123—For support of Trade and Commerce Agency, Program 10, payable from the Rural Economic Development Fund		145,000
2920-001-0145—For support of Trade and Commerce Agency, payable from the Commerce Marketing Fund		106,000
Schedule:		
(a) 10-Economic Development	52,000	
(b) 30-Tourism	54,000	

Item			Amount
2920-001-0440—For support of Trade and Commerce Agency, payable from the Petroleum Underground Storage Tank Financing Account			807,000
Schedule:			
(a) 10-Economic Development		644,000	
(b) 40-Contracts, Grants and Loans		163,000	
2920-001-0649—For support of Trade and Commerce Agency, payable from the California Infrastructure and Economic Development Bank Fund			2,452,000
Schedule:			
(a) 10-Economic Development		2,365,000	
(b) 40-Contracts, Grants and Loans		87,000	
2920-001-0801—For support of Trade and Commerce Agency, Program 10—Economic Development, payable from the California Small Business Development Center Fund			240,000
2920-001-0890—For support of Trade and Commerce Agency, Program 10—Economic Development, payable from the Federal Trust Fund			1,015,000
2920-002-0393—For support of Trade and Commerce Agency, payable from the Job Creation Investment Fund			234,000
Schedule:			
(a) 10-Economic Development		163,000	
(b) 40-Contracts, Grants, and Loans		71,000	
(d) 70.01-Administration		16,000	
(e) 70.02-Distributed Administration		−16,000	
2920-011-0001—For transfer by the Controller to the Small Business Expansion Fund (0918)			1,662,000
2920-012-0001—For support of Trade and Commerce Agency, Foreign Trade Offices			6,349,000
Schedule:			
(a) Foreign Trade Offices		4,752,000	
(1) Africa	422,000		
(2) Germany	584,000		
(3) Hong Kong	876,000		
(4) Japan	963,000		
(5) London	511,000		
(6) Mexico City	1,079,000		
(7) Taiwan	317,000		
(b) Contract Foreign Trade Offices		1,597,000	
(1) Calgary	143,000		
(2) Korea	200,000		
(3) Philippines	158,000		
(4) Shanghai	296,000		
(5) India	300,000		

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(6) Singapore	200,000	
(7) Buenos Aires	300,000	
2920-101-0001—For local assistance, Trade and Commerce Agency.....		26,453,000
Schedule:		
(a) 10.30-Economic Development (Strategic Technology Program)....	21,088,000	
(b) 10.40-Economic Development (Defense Adjustment Projects)	3,000,000	
(c) 10.50-Economic Development (Small Business Development Centers).....	2,115,000	
(d) 40-Contracts, Grants and Loans.....	250,000	
Provisions:		
1. Of the amount appropriated in this item, the Trade and Commerce Agency shall allocate $1,250,000 to implement the California Space Flight Competitive Grant Program administered by the California Space and Technology Alliance (CSTA) pursuant to subdivision (p) of Section 15333.3 of the Government Code. The CSTA may expend up to $250,000 for program administration.		
2. Of the amount appropriated in this item, the Trade and Commerce Agency shall allocate $1,100,000 to implement the Highway to Space Competitive Grant Program administered by the Western Commercial Space Center (WCSC) pursuant to subdivision (c) of Section 15333.4 of the Government Code. The WCSC may expend up to $100,000 for program administration.		
3. Of the amount appropriated in this item, the Trade and Commerce Agency shall allocate $4,150,000 to the California Space and Technology Alliance for space-related economic development projects. Of this amount, $2,075,000 shall be used for space-related attraction and retention activities and $2,075,000 shall be used for launch facility augmentation and rocket test stands.		
4. As a condition of the receipt of funds appropriated for the Manufacturing Technology Program, the Trade and Commerce Agency shall, not later than September 1, 1999, establish a small manufacturers competitiveness strategy and specific program goals to support the state's diverse manufacturing industry cluster needs and priorities based on industry specific information, including but not limited to, data provided through the Trade and Com-		

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	merce Agency's Economic Strategy Panel. The Manufacturing Technology Program centers shall defer to the Trade and Commerce Agency in policy setting, administrative, and fiscal matters arising between the state and the federal funding agency supporting this program. The Trade and Commerce Agency shall develop a method for determining the appropriate ratio between state match for federal dollars and fees for service for the Manufacturing Technology Program. The Office of Strategic Technology within the Trade and Commerce Agency, and the Chancellor of the California Community Colleges, representing the Centers for Applied Competitive Technologies, shall develop a Memorandum of Understanding facilitating partnering between their respective programs to provide services, reporting of service delivery units, as well as effective administration of cash or in-kind matching resources provided for the Manufacturing Technology Program. The Trade and Commerce Agency shall develop a method for establishing regional service delivery areas. Geographic organization of manufacturing industry clusters shall be one factor included in the adopted methodology. Not later than December 1, 1999, the Bureau of State Audits shall conduct a program audit of the Manufacturing Technology Program. The program audit shall assess program effectiveness, appropriateness of fund expenditures for lobbying purposes, travel and hotel costs, and the ratio of administrative costs to service delivery.	
2920-101-0801	—For local assistance, Trade and Commerce Agency, Program 10—Economic Development, payable from the California Small Business Development Center Fund	1,000,000
2920-101-0890	—For local assistance, Trade and Commerce Agency, Program 10—Economic Development, payable from the Federal Trust Fund	6,814,000
2920-111-0001	—For transfer, upon order of the Director of Finance, to the California Infrastructure and Economic Development Bank Fund (0649)	425,000,000
	Provisions:	
	1. The funds appropriated in this item are contingent upon the enactment of legislation during the 1999–2000 Regular Session of the Legislature al-	

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locating this amount for financial assistance to local governments for infrastructure.	
2920-491—Reappropriation, California Trade and Commerce Agency. Up to $500,000 of the balance, as of June 30, 1999, of appropriations in Item 2920-101-0001 of Section 2.00 of the Budget Act of 1998 (Ch. 324, Stats. 1998), are appropriated for the purpose of establishing programs linking education, employability skills, and job opportunities for at-risk youth in any or all of the following counties: Fresno, Kings, Kern, Madera, and Merced. Funded programs shall do the following: (1) work in collaboration with local school districts and businesses, (2) provide at-risk youth with tangible skills in career development, job attainment, leadership, and self development linked to work-based activities, (3) provide a follow-up component to participants after completion of the program, (4) include a community service component, and (5) develop an ongoing career network for disadvantaged adolescents.	
RESOURCES	
3110-001-0001—For support of Special Resources Program, Program 30—Sea Grant Program, for grants to public and private higher education for use as a maximum of two-thirds of the local matching share for projects under the National Sea Grant College Program Act, as amended	319,000
3110-001-0140—For support of Special Resources Program, Program 30—Sea Grant Program, for a grant to the University of California for support of the Sea Grant Marine Advisory Program, payable from the California Environmental License Plate Fund	111,000
3110-101-0001—For local assistance, Special Resources Program, Program 10—Tahoe Regional Planning Agency.....	2,468,000
Provisions:	
1. (a) It is the intent of the Legislature that, in the event the Tahoe Regional Planning Agency incurs, or anticipates incurring, costs for legal services during the 1999–00 fiscal year in excess of those provided for in this item, the Department of Finance shall treat any request from the Tahoe Regional Planning Agency for additional funds of up to $250,000 to cover those costs as either a contingency or an	

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emergency within the meaning of Provision 2 of Item 9840-001-0001 and shall provide an expedited review of any such request.		
(b) This provision shall be inoperative if the Director of Finance determines either (1) that there is insufficient expenditure authority remaining in Item 9840-001-0001, or (2) that expenditure of the appropriation made in Item 9840-001-0001 to cover extraordinary legal services costs of the Tahoe Regional Planning Agency is not in the best interests of the state. The director shall notify the Chair of the Joint Legislative Budget Committee within 10 days of making either of these determinations.		
3110-101-0140—For local assistance, Special Resources Program, Program 10—Tahoe Regional Planning Agency, payable from the California Environmental License Plate Fund		167,000
3110-101-0516—For local assistance, Special Resources Program, Program 10—Tahoe Regional Planning Agency payable from the Harbors and Watercraft Revolving Fund		171,000
Provisions:		
1. Notwithstanding any other provision of law, funds in this item shall be expended to implement motorized watercraft regulations adopted by the Tahoe Regional Planning Agency.		
3125-001-0001—For support of California Tahoe Conservancy		3,646,000
Schedule:		
(a) 10-Tahoe Conservancy	4,033,000	
(b) Reimbursements	−33,000	
(c) Amount payable from California Environmental License Plate Fund (Item 3125-001-0140)	−68,000	
(d) Amount payable from Habitat Conservation Fund (Item 3125-001-0262)	−17,000	
(e) Amount payable from the Lake Tahoe Conservancy Account (Item 3125-001-0286)	−101,000	
(g) Amount payable from the Tahoe Conservancy Fund (Item 3125-001-0568)	−168,000	
Provisions:		
1. The funds appropriated in Schedule (d) of this item shall be used for purposes consistent with the		

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Unallocated Account of the Cigarette and Tobacco Products Surtax Fund and the Habitat Conservation Fund.	
3125-001-0140—For support of California Tahoe Conservancy, for payment to Item 3125-001-0001, payable from the California Environmental License Plate Fund	68,000
3125-001-0262—For support of California Tahoe Conservancy, for payment to Item 3125-001-0001, payable from the Habitat Conservation Fund	17,000
3125-001-0286—For support of California Tahoe Conservancy, for payment to Item 3125-001-0001, payable from the Lake Tahoe Conservancy Account	101,000
3125-001-0568—For support of California Tahoe Conservancy, for payment to Item 3125-001-0001, payable from the Tahoe Conservancy Fund	168,000
Provisions:	
1. Of this amount, pursuant to Section 66908.3 of the Government Code, the conservancy shall pay $40,450 to the County of Placer, and $1,550 to the County of El Dorado.	
2. Fifty percent (50%) of the amounts pursuant to Provision 1 above shall be used by the Counties of Placer and El Dorado for soil erosion control projects in the Lake Tahoe region, as defined in Section 66905.5 of the Government Code.	
3125-101-0001—For local assistance, California Tahoe Conservancy, Program 10—Tahoe Conservancy, for soil erosion control grants	2,000,000
Provisions:	
1. Notwithstanding any other provision of law, this appropriation shall be available for encumbrance until June 30, 2002.	
3125-101-0140—For local assistance, California Tahoe Conservancy, Program 10—Tahoe Conservancy, for soil erosion control grants, payable from the California Environmental License Plate Fund	2,000,000
Provisions:	
1. Notwithstanding any other provision of law, this appropriation shall be available for encumbrance until June 30, 2002.	
3125-301-0001—For capital outlay, California Tahoe Conservancy	12,341,000

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Schedule:		
(1) 50.30.002-Land acquisition and site improvements—public access and recreation pursuant to Title 7.42 (commencing with Section 66905) of the Government Code	3,857,000	
(2) 50.30.004-Land acquisition and site improvements—stream environment zones and watershed restorations pursuant to Title 7.42 (commencing with Section 66905) of the Government Code	5,767,000	
(3) 50.30.005-Land acquisition pursuant to Section 66907 of the Government Code	2,961,000	
(4) Reimbursements	−244,000	
Provisions:		
1. The acquisition of real property or interests with funds appropriated by this item is not subject to the Property Acquisition Law when the value is $250,000 or less, and, therefore, is not subject to approval by the State Public Works Board.		
2. The amount appropriated in this item is available for expenditure for capital outlay or for local assistance. Expenditures of funds for grants to public agencies and grants to nonprofit organizations, as authorized by subdivision (a) of Section 66907.7 of the Government Code, are exempt from review by the State Public Works Board.		
3. Of the funds appropriated in this item, $350,000 is available for the following project: Lake Tahoe City Public Utilities District: Fanny Bridge Multi-Use Trail Crossing.		
3125-301-0140—For capital outlay, California Tahoe Conservancy, payable from the California Environmental License Plate Fund		3,280,000
Schedule:		
(1) 50.30.003-Acquisition, restoration, and enhancement of habitat	1,500,000	
(2) 50.30.004-Land acquisition and site improvements—stream environment zone and watershed restoration	1,780,000	
Provisions:		
1. The acquisition of real property or interests with funds appropriated in this item is not subject to the Property Acquisition Law when the value is		

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less than $250,000 and, therefore, is not subject to Public Works Board approval.		
2. The amount appropriated in this item is available for expenditure for capital outlay or for local assistance. Expenditures of funds for grants to public agencies and grants to nonprofit organizations, as authorized by subdivision (a) of Section 66907.7 of the Government Code, are exempt from Public Works Board review.		
3125-301-0262—For capital outlay, California Tahoe Conservancy, payable from the Habitat Conservation Fund		483,000
Schedule:		
(1) 50.30.003-Acquisition, restoration, and enhancement of habitat	483,000	
Provisions:		
1. The acquisition of real property or interests with funds appropriated by this item is not subject to the Property Acquisition Law when the value is less than $250,000 and, therefore, is not subject to Public Works Board approval.		
2. The amount appropriated in this item is available for expenditure for capital outlay or for local assistance. Expenditures of funds for grants to public agencies and grants to nonprofit organizations, as authorized by subdivision (a) of Section 66907.7 of the Government Code, are exempt from Public Works Board review.		
3. The funds appropriated in this item shall be used for purposes consistent with the Unallocated Account of the Cigarette and Tobacco Products Surtax Fund and the Habitat Conservation Fund.		
3125-301-0286—For capital outlay, California Tahoe Conservancy, payable from the Lake Tahoe Conservancy Account		680,000
Schedule:		
(1) 50.30.002-Land acquisition and site improvements—Public access and recreation pursuant to Title 7.42 (commencing with Section 66905) of the Government Code	340,000	
(2) 50.30.004-Land acquisition and site improvements—Stream environment zones and watershed restorations pursuant to Title 7.42 (commencing with Section 66905) of the Government Code	340,000	

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Provisions:	
1. The acquisition of real property or interests with funds appropriated in this item is not subject to the Property Acquisition Law when the value is $250,000 or less, and, therefore, is not subject to Public Works Board approval.	
2. The amount appropriated in this item is available for expenditure for capital outlay or for local assistance. Expenditures of funds for grants to public agencies and grants to nonprofit organizations, as authorized by subdivision (a) of Section 66907.7 of the Government Code, are exempt from Public Works Board review.	
3125-301-0720—For capital outlay, California Tahoe Conservancy, payable from the Lake Tahoe Acquisition Fund	39,000
Schedule:	
(1) 50.30.005-Land acquisition pursuant to Section 66907 of the Government Code 39,000	
Provisions:	
1. The acquisition of real property or interests with funds appropriated by this item is not subject to the Property Acquisition Law when the value is $250,000 or less, and, therefore, is not subject to approval by the State Public Works Board.	
2. The amount appropriated in this item is available for expenditure for capital outlay or for local assistance. Expenditures of funds for grants to public agencies and grants to nonprofit organizations, as authorized by subdivision (a) of Section 66907.7 of the Government Code, are exempt from review by the State Public Works Board.	
3125-490—Reappropriation—California Tahoe Conservancy. The balance of the appropriation provided in the following citation is reappropriated for the purposes provided for in that appropriation, and shall be available for liquidation until June 30, 2001:	
0001—General Fund	
(1) Item 3125-101-0001, Budget Act of 1994	
3340-001-0001—For support of California Conservation Corps	33,807,000
Schedule:	
(a) 10-Training and Work Program..... 40,911,000	
(b) 10.55-Administration..... (6,524,000)	
(c) 10.55-Distributed Administration ..... (−6,524,000)	

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(d)	Amount payable from the California Environmental License Plate Fund (Item 3340-001-0140).....	−307,000
(e)	Amount payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund (Item 3340-001-0235)	−250,000
(f)	Amount payable from the Energy Resources Programs Account (Item 3340-001-0465)	−6,050,000
(g)	Amount payable from the Federal Trust Fund (Item 3340-001-0890).....	−497,000

Provisions:

1. Notwithstanding Section 14316 of the Public Resources Code, the Department of Finance may make a loan from the General Fund to the California Conservation Corps for the purposes of this item, in the amount of 25 percent of the reimbursements anticipated in the Collins-Dugan Reimbursement Account to be received by the California Conservation Corps from each client agency, not to exceed an aggregate total of $6,909,000, to meet cash-flow needs due to delays in collecting reimbursements. Any loan made by the Department of Finance pursuant to this provision shall only be made if the California Conservation Corps has a valid contract or certification signed by the client agency, which demonstrates that sufficient funds will be available to repay the loan. All money so transferred shall be repaid to the General Fund as soon as possible, but not later than one year from the date of the loan. On and after a date 90 days after the end of that year, the Department of Finance shall charge interest to the California Conservation Corps, at the rate earned in the Pooled Money Investment Fund, on any portion of the loan that has not been repaid.
2. The funds appropriated in this act for the support of the California Conservation Corps are subject to the conditions set forth in this item, the Memorandum of Understanding as adopted by the Legislature as a part of the annual budget process, and the Supplemental Report of the 1999 Budget Act.
3. Of the funds appropriated in this item, $2,725,000 shall be available for use by the California Con-

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servation Corps to respond to natural disasters and other emergencies, including the fighting of forest fires. The Director of Finance may adjust this amount to the extent indicated by corrections identified by the director in the reports of the past expenditures of the California Conservation Corps upon which the amounts appropriated by this item are based. The Director of Finance shall notify the Chairperson of the Joint Legislative Budget Committee at least 30 days prior to making that adjustment.

4. To the extent that funds in excess of the amount identified in Provision 3 are necessary in order for the California Conservation Corps to respond to one or more emergencies declared by the Governor, the Department of Finance shall transfer, from the funds available pursuant to Section 8690.6 of the Government Code, an amount not to exceed $1,500,000 as necessary to fund that response. If, after the Department of Finance has transferred funds pursuant to this provision, the California Conservation Corps receives reimbursements or other amounts in payment of its costs of response to one or more declared emergencies, those amounts shall be deposited in the General Fund.
5. Of the amount appropriated in this item, $1,612,000 shall be available for the development of the Bay Area Ridge Trail. The California Conservation Corps shall work in consultation with the Bay Area Ridge Trail Council to identify projects to be funded by this appropriation, which may include, but are not limited to, the following projects:
   (a) Marin County Inkwell Bridge.
   (b) San Mateo County Crystal Springs Watershed.
   (c) Sonoma County Jack London State Park Trail.
   (d) Solano County Lynch Canyon.
   (e) Napa County Yountville Trail.
   (f) Santa Clara County Coyote Creek Parkway.

3340-001-0140—For support of California Conservation Corps, for payment to Item 3340-001-0001, payable from the California Environmental License Plate Fund 307,000

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3340-001-0235—For support of California Conservation Corps, for payment to Item 3340-001-0001, payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund	250,000
3340-001-0465—For support of California Conservation Corps, for payment to Item 3340-001-0001, payable from the Energy Resources Programs Account, General Fund	6,050,000
3340-001-0853—For support of California Conservation Corps, payable from Petroleum Violation Escrow Account	9,737,000
3340-001-0890—For support of California Conservation Corps, for payment to Item 3340-001-0001, payable from the Federal Trust Fund	497,000
3340-301-0001—For capital outlay, California Conservation Corps	349,000
Schedule:	
(1) 20.10.140-Minor Capital Outlay 349,000	
3340-490—Reappropriation—California Conservation Corps. Notwithstanding any other provision of law, the balance of the amount appropriated in the following citation is hereby reappropriated to the California Conservation Corps for the purposes and subject to the limitations, unless otherwise specified, provided for in that appropriation:	
0001—General Fund	
(1) Item 3340-301-0001(1) Budget Act of 1998 (Ch. 324, Stats. 1998), 20.10.135-Sequoia Base Center Kitchen Expansion/Office Relocation—Working drawings and construction.	
3360-001-0001—For support of Energy Resources, Conservation and Development Commission, for payment to Item 3360-001-0465	5,000,000
3360-001-0044—For support of Energy Resources, Conservation and Development Commission, for payment to Item 3360-001-0465, payable from the Motor Vehicle Account, State Transportation Fund	114,000
3360-001-0314—For support of Energy Resources, Conservation and Development Commission, for payment to Item 3360-001-0465, payable from the Diesel Emission Reduction Fund	1,002,000
Provisions:	
1. Notwithstanding subdivision (a) of Section 2.00 of this act, funds appropriated in this item shall be available for expenditure during the 1999–00 and 2000–01 fiscal years.	

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2. Notwithstanding Section 16304.1 of the Government Code, funds appropriated in this item shall be available for liquidation of encumbrances until June 30, 2005.		
3. Notwithstanding any other provision of law, funds appropriated in this item may be used by the Energy Resources, Conservation and Development Commission to provide grants, loans, or repayable research contracts. When the commission evaluates proposals, a high-point scoring method may be used in lieu of lowest cost. Repayment terms shall be determined by the commission.		
3360-001-0381—For support of Energy Resources, Conservation and Development Commission, for payment to Item 3360-001-0465, payable from the Public Interest Research, Development and Demonstration Fund		66,855,000
Provisions:		
1. Notwithstanding subdivision (a) of Section 2.00 of this act, funds appropriated in this item shall be available for expenditure during the 1999–00 and 2000–01 fiscal years.		
2. Notwithstanding Section 16304.1 of the Government Code, funds appropriated by this item shall be available for liquidation of encumbrances until June 30, 2004.		
3. Notwithstanding any other provision of law, funds appropriated in this item may be used by the Energy Resources, Conservation and Development Commission to provide grants, loans, or repayable research contracts. When the commission evaluates proposals, a high-point scoring method may be used in lieu of lowest cost. Repayment terms shall be determined by the commission.		
3360-001-0382—For support of Energy Resources, Conservation and Development Commission, for payment to Item 3360-001-0465, payable from Renewable Resource Trust Fund		2,343,000
3360-001-0465—For support of Energy Resources, Conservation and Development Commission, payable from the Energy Resources Programs Account		34,085,000
Schedule:		
(a) 10-Regulatory and Planning	22,183,000	
(b) 20-Energy Resources Conservation.	9,149,000	
(c) 30-Development	93,827,000	
(d) 40.01-Policy, Management and Administration	8,073,000	

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(e) 40.02-Distributed Policy, Management and Administration	−8,307,000
(f) Reimbursements	−3,436,000
(fx) Amount payable from the General Fund (Item 3360-001-0001)	−5,000,000
(g) Amount payable from the Motor Vehicle Account, State Transportation Fund (Item 3360-001-0044)	−114,000
(h) Amount payable from the Diesel Emission Reduction Fund (Item 3360-001-0314)	−1,002,000
(i) Amount payable from the Public Interest Research, Development and Demonstration Fund (Item 3360-001-0381)	−66,855,000
(j) Amount payable from the Renewable Resource Trust Fund (Item 3360-001-0382)	−2,343,000
(k) Amount payable from Energy Technologies Research Development and Demonstration Account (Item 3360-001-0479)	−1,134,000
(*l*) Amount payable from Local Government Geothermal Resources Revolving Subaccount, GRDA (Item 3360-001-0497)	−251,000
(m) Amount payable from Petroleum Violation Escrow Account (Item 3360-001-0853)	−1,403,000
(n) Amount payable from Katz Schoolbus Fund (Item 3360-001-0854)	−643,000
(o) Amount payable from the Federal Trust Fund (Item 3360-001-0890).	−8,659,000

Provisions:

1. Not later than January 1, 2000, the Energy Resources, Conservation and Development Commission shall develop and implement an independent evaluation process that reviews the status and progress of the Renewables Program and makes recommendations concerning its continuance beyond the present statutory authorization. This process shall be coordinated with the independent annual audits of the program conducted by the Department of Finance, as required by subdivision (h) of Section 445 of the Public Utilities Code. The process shall also be coordinated with any technical evaluations developed pursuant to

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	the commission's May 31, 2000, and May 31, 2002, reports to the Legislature, as required by subdivision (g) of Section 383.5 of the Public Utilities Code. The evaluation process shall include opportunities for interested government entities, stakeholders and other members of the public to comment on the evaluation through public workshops and hearings.	
	2. Not later than November 1, 2000, the evaluation process established by Provision 1 shall result in a preliminary report to the Governor and to the Legislature on its findings and recommendations on the program. Not later than March 1, 2002, the evaluation process shall result in a final report to the Governor and the Legislature. If the reports recommend continuation of the program beyond the present statutory authorization, the reports also shall include legislative and nonlegislative recommendations concerning improvements in funding, administration, and program scope.	
	3. Of the funds appropriated in Schedule (fx), $5,000,000 shall be expended for the support of the Diesel Emissions Incentive Program. Of this amount, $2,500,000 shall be used for advanced technology projects and $2,500,000 shall be used for alternative fuels infrastructure.	
	4. Notwithstanding any other provision of law, the 25 additional positions included in the Energy Resources, Conservation and Development Commission Siting Division 1999–00 fiscal year budget are limited-term positions that terminate June 30, 2001.	
	5. The Energy Resources Conservation and Development Commission shall prepare, as prescribed by statute, a transition plan report and an operational plan concerning prescribed topics relating to administration and oversight of statewide energy efficiency programs. The commission shall submit these reports to the Legislature no later than January 1, 2000.	
3360-001-0479—For support of Energy Resources, Conservation and Development Commission, for payment to Item 3360-001-0465, payable from the Energy Technologies Research, Development and Demonstration Account for the purpose of funding loans, grants and contracts to provide a variety of research projects		1,134,000

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Provisions: 1. Notwithstanding subdivision (a) of Section 2.00 of this act, funds appropriated in this item shall be available for expenditure during the 1999–00 and 2000–01 fiscal years. 2. Notwithstanding Section 16304.1 of the Government Code, funds appropriated in this item shall be available for liquidation of encumbrances until June 30, 2003. 3. Notwithstanding any other provision of law, funds appropriated in this item may be used by the Energy Resources, Conservation and Development Commission to provide grants, loans, or repayable research contracts. When the commission evaluates proposals, a high-point scoring method may be used in lieu of lowest cost. Repayment terms shall be determined by the commission.	
3360-001-0497—For support of Energy Resources, Conservation and Development Commission, for payment to Item 3360-001-0465, payable from the Local Government Geothermal Resources Revolving Subaccount, GRDA	251,000
3360-001-0853—For support of Energy Resources, Conservation and Development Commission, for payment to Item 3360-001-0465, payable from Petroleum Violation Escrow Account	1,403,000
3360-001-0854—For support of Energy Resources, Conservation and Development Commission, for payment to Item 3360-001-0465, payable from the Katz Schoolbus Fund created by Section 17911 of the Education Code	643,000
3360-001-0890—For support of Energy Resources, Conservation and Development Commission, for payment to Item 3360-001-0465, payable from the Federal Trust Fund	8,659,000
3360-101-0497—For local assistance, Energy Resources, Conservation and Development Commission, pursuant to Section 3822 of the Public Resources Code, payable from the Local Government Geothermal Resources Revolving Subaccount, GRDA Schedule: (a) 30-Development ..... 3,200,000 Provisions: 1. Notwithstanding subdivision (a) of Section 2.00 of this act, funds appropriated in this item shall be available for expenditure during the 1999–00 and 2000–01 fiscal years.	3,200,000

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2. Notwithstanding Section 16304.1 of the Government Code, funds appropriated in this item shall be available for liquidation of encumbrances until June 30, 2003.		
3360-102-0001—For local assistance, Energy Resources, Conservation and Development Commission		1,342,000
Schedule:		
(a) Ventura County Air Pollution Control District—Clean Fuel Vehicles.	250,000	
(b) City of Fillmore—Alternative Fuel Vehicles	100,000	
(c) City of Oxnard—Performing Arts Center HVAC equipment	300,000	
(d) Rancho Cucamonga—Alternative Fuel Infrastructure	200,000	
(e) Santa Cruz Metropolitan Transit District—Alternative Fuel Program	100,000	
(f) Kern County—Convert Traffic Pedestrian Light to LED	392,000	
3360-491—Extension of liquidation period, Energy Resources, Conservation and Development Commission. Notwithstanding any other provision of law, funds appropriated in the following citations shall be available for liquidation until June 30, 2000:		
0465—Energy Resources Programs Account:		
(1) Item 3360-001-0465, Budget Act of 1996 (Ch. 162, Stats. 1996).		
3460-001-0001—For support of Colorado River Board of California		211,000
Schedule:		
(a) 10-Protection of California's Colorado River Rights and Interests	1,071,000	
(b) Reimbursements	−842,000	
(c) Amount payable from the California Environmental License Plate Fund (Item 3460-001-0140)	−18,000	
3460-001-0140—For support of Colorado River Board of California, for payment to Item 3460-001-0001, payable from the California Environmental License Plate Fund		18,000
Provisions:		
1. The funds appropriated in this item are for the Salinity Control Forum.		
3480-001-0001—For support of Department of Conservation		18,208,000

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Schedule:		
(a) 10-Geologic Hazards and Mineral Resources Conservation		23,579,000
(b) 20-Oil, Gas, and Geothermal Resources		12,046,000
(c) 30-Land Resource Protection		2,186,000
(d) 40.01-Administration		8,540,000
(e) 40.02-Distributed Administration		−8,540,000
(f) 50-Beverage Container Recycling and Litter Reduction Program		23,045,000
(g) Reimbursements		−8,227,000
(h) Amount payable from the Surface Mining and Reclamation Account (Item 3480-001-0035)		−2,319,000
(i) Amount payable from the State Highway Account, State Transportation Fund (Item 3480-001-0042).		−12,000
(j) Amount payable from the California Beverage Container Recycling Fund (Item 3480-001-0133)		−22,970,000
(k) Amount payable from the California Environmental License Plate Fund (Item 3480-001-0140)		−55,000
(*l*) Amount payable from the Soil Conservation Fund (Item 3480-001-0141)		−1,060,000
(m) Amount payable from Hazardous and Idle-Deserted Well Abatement Fund (Section 3206, Public Resources Code)		−45,000
(n) Amount payable from Mine Reclamation Account (Item 3480-001-0336)		−1,270,000
(o) Amount payable from Seismic Hazards Identification Fund (Item 3480-001-0338)		−1,802,000
(p) Amount payable from the Strong Motion Instrumentation Special Fund (Item 3480-001-0398)		−3,258,000
(q) Amount payable from the Federal Trust Fund (Item 3480-001-0890).		−1,630,000
Provisions:		
1. Notwithstanding any other provision of law, upon approval and order of the Department of Finance, the Department of Conservation may borrow sufficient funds, from special funds that otherwise provide support for the department, to meet cash-		

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	flow needs due to delays in collecting reimbursements. Any loan made by the Department of Finance pursuant to this provision may be made only if the Department of Conservation has a valid contract or certification signed by the client agency, which demonstrates that sufficient funds will be available to repay the loan. All money so transferred shall be repaid to the special fund as soon as possible, but not later than one year from the date of the loan.	
	2. Of the amount appropriated in this item, $186,000 shall be used for the addition of a third cable and data outlets to augment the two-wire standard in the CalEPA building. The third cable shall be installed at specified locations for network devices requiring the additional cable as identified by the Department of Conservation.	
3480-001-0035—For support of Department of Conservation, for payment to Item 3480-001-0001, payable from the Surface Mining and Reclamation Account .		2,319,000
3480-001-0042—For support of Department of Conservation, for payment to Item 3480-001-0001, payable from the State Highway Account, State Transportation Fund		12,000
	Provisions:	
	1. The funds appropriated in this item are for the state's share of costs of the California Institute of Technology seismograph network.	
3480-001-0133—For support of Department of Conservation, for payment to Item 3480-001-0001, payable from the California Beverage Container Recycling Fund		22,970,000
	Provisions:	
	1. Of the funds appropriated in this item, $2,260,000 shall be available for upgrading the Division of Recycling Payment and Reporting Processing System. The Department of Conservation shall not expend any funds for this project until the Department of Information Technology and the Department of Finance approve the Feasibility Study Report. Further, the department shall not expend any funds for this project sooner than 30 days, or a lesser time as determined by the chair of the Joint Legislative Budget Committee, after the Department of Information Technology informs the committee in writing that (1) the department has successfully completed the Corrective Action	

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	Plan that responds to findings in the Year 2000 Detailed Department Assessment and Independent Verification and Validation, and (2) that all of the department's mission critical systems are Year 2000 compliant.	
3480-001-0140	—For support of Department of Conservation, for payment to Item 3480-001-0001, payable from the California Environmental License Plate Fund	55,000
3480-001-0141	—For support of Department of Conservation, for payment to Item 3480-001-0001, payable from the Soil Conservation Fund	1,060,000
3480-001-0336	—For support of Department of Conservation, for payment to Item 3480-001-0001, payable from the Mine Reclamation Account	1,270,000
3480-001-0338	—For support of Department of Conservation, for payment to Item 3480-001-0001, payable from the Seismic Hazards Identification Fund	1,802,000
	Provisions: 1. Notwithstanding any other provision of law, the Department of Finance may authorize expenditures from the Seismic Hazard Identification Fund in excess of the amount appropriated not sooner than 30 days after notification in writing of the necessity is provided to the chairpersons of the fiscal committees and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the chairperson of the committee, or his designee, may in each instance determine. When exercising this provision, the department must maintain a minimum 10-percent reserve balance in the Seismic Hazards Identification Fund at all times and not exceed a total program expenditure level of $2,300,000. This provision may also be used to reduce expenditures below the amount appropriated by this item should revenues be unable to maintain an adequate balance.	
3480-001-0398	—For support of Department of Conservation, for payment to Item 3480-001-0001, payable from the Strong Motion Instrumentation Special Fund	3,258,000
	Provisions: 1. Notwithstanding any other provision of law, the Department of Finance may authorize expenditures from the Strong Motion Instrumentation Special Fund in excess of the amount appropri-	

Item		Amount
ated not sooner than 30 days after notification in writing of the necessity is provided to the chairpersons of the fiscal committees and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the chairperson of the committee, or his designee, may in each instance determine. When exercising this provision, the department must maintain a minimum 10-percent reserve balance in the Strong Motion Instrumentation Special Fund at all times and not exceed a total program expenditure level of $5,000,000. This provision may also be used to reduce expenditures below the amount appropriated by this item should revenues be unable to maintain an adequate balance.		
3480-001-0890—For support of Department of Conservation, for payment to Item 3480-001-0001, payable from the Federal Trust Fund		1,630,000
3480-002-0001—For support, Department of Conservation		265,000
Schedule:		
(c) 30-Land Resource Protection	265,000	
Provisions:		
1. The amount appropriated in schedule (c) is available for support of the Farmland Mapping Program.		
3480-101-0001—For local assistance, Department of Conservation		1,616,000
Provisions:		
1. Of the funds appropriated in this item, $1,496,000 shall be used for the Agricultural Land Stewardship Program.		
2. Notwithstanding any other provision of law, this appropriation shall be available for encumbrance until June 30, 2002.		
3. Notwithstanding any other provision of law, when the Department of Conservation evaluates proposals, priority shall be given to projects with matching funds.		
3480-102-0001—For local assistance, Department of Conservation		150,000
Schedule:		
(a) City of Irwindale: Manning Pit Reclamation	150,000	

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3480-295-0001—For local assistance, Department of Conservation, for reimbursement, in accordance with the provisions of Section 6 of Article XIII B of the California Constitution or of Section 17561 of the Government Code, of the costs of any new program or increased level of service of an existing program mandated by statute or executive order, State Controller		0
Schedule:		
(1) 98.01.113.175-Mineral resources policies (Ch. 1131, Stats. 1975)	0	
Provisions:		
1. Pursuant to Section 17581 of the Government Code, the mandate identified in the appropriation schedule of this item with an appropriation of $0 and included in the language of this provision is specifically identified by the Legislature for suspension during the 1999–00 fiscal year:		
(a) Mineral resources policies (Ch. 1131, Stats. 1975)		
3540-001-0001—For support of Department of Forestry and Fire Protection		324,397,000
Schedule:		
(a) 100000-Personal services	330,739,000	
(b) 300000-Operating expenses and equipment	169,737,000	
(c) Reimbursements	−120,338,000	
(e) Amount payable from the General Fund (Item 3540-006-0001)	−20,000,000	
(f) Less funding provided by capital outlay	−2,260,000	
(g) Amount payable from the Unified Program Account (Item 3540-001-0028)	−266,000	
(h) Amount payable from the State Fire Marshal Licensing and Certification Fund (Item 3540-001-0102)	−1,830,000	
(i) Amount payable from the California Environmental License Plate Fund (Item 3540-001-0140)	−459,000	
(j) Amount payable from the California Fire and Arson Training Fund (Item 3540-001-0198)	−1,429,000	
(k) Amount payable from the Hazardous Liquid Pipeline Safety Fund (Item 3540-001-0209)	−2,111,000	

Item		Amount
(*l*) Amount payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund (Item 3540-001-0235)	−349,000	
(m) Amount payable from the Professional Forester Registration Fund (Item 3540-001-0300)	−171,000	
(n) Amount payable from the Federal Trust Fund (Item 3540-001-0890)	−9,650,000	
(o) Amount payable from the Forest Resources Improvement Fund (Item 3540-001-0928)	−17,189,000	
(p) Amount payable from the Timber Tax Fund (Item 3540-001-0965)	−27,000	

Provisions:

1. Notwithstanding any other provision of law, the Department of Finance may authorize the temporary or permanent redirection of funds from this item for purposes of emergency fire suppression and detection costs and related emergency revegetation costs.
2. Notwithstanding any other provision of law, the Department of Forestry and Fire Protection is authorized to collect up to $300,000 in reimbursements from nursery sale receipts for State Nursery operations.
3. Notwithstanding any other provision of law, the Department of Forestry and Fire Protection shall remit as General Fund revenue any nursery sale receipts collected during the period July 1, 1999 through June 30, 2000 in excess of the amount needed to reimburse the costs of operating the State Nursery.
4. Of the amount appropriated in this item, $220,000 shall be available to the Department of Forestry for the reactivation of a fire crew at the Delta Conservation Camp to perform fire prevention and pre-suppression activities in the East Bay.
5. Of the amount appropriated in this item, the Department of Forestry may use the necessary resources needed to begin site selection efforts for a fire camp within the Santa Clara Ranger Unit.

3540-001-0028—For support of Department of Forestry and Fire Protection, for payment to Item 3540-001-0001, payable from the Unified Program Account		266,000

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3540-001-0102—For support of Department of Forestry and Fire Protection, for payment to Item 3540-001-0001, payable from the State Fire Marshal Licensing and Certification Fund	1,830,000
3540-001-0140—For support of Department of Forestry and Fire Protection, for payment to Item 3540-001-0001, payable from the California Environmental License Plate Fund	459,000
3540-001-0198—For support of Department of Forestry and Fire Protection, for payment to Item 3540-001-0001, payable from the California Fire and Arson Training Fund	1,429,000
3540-001-0209—For support of Department of Forestry and Fire Protection, for payment to Item 3540-001-0001, payable from the Hazardous Liquid Pipeline Safety Fund	2,111,000
3540-001-0235—For support of Department of Forestry and Fire Protection, for payment to Item 3540-001-0001, payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund	349,000
3540-001-0300—For support of Department of Forestry and Fire Protection, for payment to Item 3540-001-0001, payable from the Professional Forester Registration Fund	171,000
3540-001-0890—For support of Department of Forestry and Fire Protection, for payment to Item 3540-001-0001, payable from the Federal Trust Fund	9,650,000
3540-001-0928—For support of Department of Forestry and Fire Protection, for payment to Item 3540-001-0001, payable from the Forest Resources Improvement Fund	17,189,000

Provisions:

1. Notwithstanding any other provision of law, $1,187,000 of the amount appropriated in this item shall be available for forest wildlife habitat assessment, biodiversity, forest and rangeland and research, and forest and range resources assessment programs.
3. Of the amount appropriated in this item, up to $389,000 shall be used to provide crews from the California Conservation Corps or the Department of Corrections, or both, to the state nurseries if dedicated crews can be made available.
4. Notwithstanding Section 4799.13 of the Public Resources Code, $2,000,000 shall be available for use to expedite the review and updating of the Forest Practice Rules to reflect changes in state

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and federal laws and for review and enforcement of timber harvest plans.		
5. Notwithstanding Section 4799.13 of the Public Resources Code, of the amount appropriated in this item, $2,000,000 shall be available for a fuel load reduction program to reduce the damage from wildfires spreading into urban areas. To carry out this program, the Department of Forestry and Fire Protection shall use up to $1,000,000 of these funds to contract for the services of the California Conservation Corps and not less than $1,000,000 for grants to certified community conservation corps.		
6. Notwithstanding Section 4799.13 of the Public Resources Code, $2,144,000 shall be available for the Watershed and Salmon Restoration Strategy Program.		
3540-001-0965—For support of Department of Forestry and Fire Protection, for payment to Item 3540-001-0001, payable from the Timber Tax Fund		27,000
3540-003-0001—For support of Department of Forestry and Fire Protection, for lease-revenue bonds		188,000
Schedule:		
(a) Base rental and fees	128,000	
(b) Insurance	60,000	
3540-006-0001—For support of Department of Forestry and Fire Protection, for payment to Item 3540-001-0001		20,000,000
Provisions:		
1. The funds appropriated in this item shall be available for emergency fire suppression and detection costs and related emergency revegetation costs and may be used for these purposes to reimburse the main support appropriation (Item 3540-001-0001) only upon approval by the Department of Finance.		
2. The Director of Forestry and Fire Protection shall furnish quarterly reports on expenditures for emergency fire suppression activities to the Director of Finance, as well as to the chairperson of the committee of each house of the Legislature that considers appropriations and to the Chairperson of the Joint Legislative Budget Committee.		

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3540-011-0928—For transfer by the Controller from the Forest Resources Improvement Fund to the General Fund, no more than the amount of nursery sale receipts collected during the period July 1, 1999, through June 30, 2000, for the actual costs of State Nursery operations		(300,000)
3540-101-0928—For local assistance, Department of Forestry and Fire Protection, payable from the Forest Resources Improvement Fund		2,000,000
Provisions:		
1. Funds appropriated in this item are available for the "Trees for the Millennium" matching grant program for urban tree planting and maintenance projects. Funds made available through this program shall be matched by recipients at a minimum dollar-for-dollar from nonstate sources. Funding may be used for grants to local agencies and private nonprofit entities or as a direct state expenditure, provided that the nonstate match requirement is met.		
2. No funds appropriated in this item shall be used for the department's administrative costs.		
3540-102-0001—For local assistance, Department of Forestry and Fire Protection		200,000
Schedule:		
(a) Woodbridge Fire District-Rescue Equipment	50,000	
(b) Wilton Fire Protection District-Rescue Equipment	50,000	
(c) City of Antelope Valley-Urban Forestry	100,000	
3540-301-0001—For capital outlay, Department of Forestry and Fire Protection		17,022,000
Schedule:		
(1) 30.10.015-Ukiah Forest Fire Station: Replace Facility—Preliminary plans and working drawings	293,000	
(2) 30.10.030-Bridgeville Forest Fire Station: Relocate Facility—Preliminary plans and working drawings	149,000	
(3) 30.10.035-Stevens Creek Forest Fire Station: Replace Facility—Construction	913,000	

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(4)	30.10.055-Ukiah Air Attack Base: Replace Facility—Preliminary plans and working drawings	646,000
(5)	30.10.065-Sweetwater Forest Fire Station: Relocate Facility—Acquisition	172,000
(6)	30.10.090-Pacheco Forest Fire Station: Replace Facility—Construction	983,000
(7)	30.10.110-Elk Camp Forest Fire Station: Relocate Facility—Acquisition	150,000
(8)	30.10.115-Fortuna Forest Fire Station: Relocate Facility—Acquisition	150,000
(9)	30.10.125-Mendocino Ranger Unit Headquarters: Replace Automotive Shop—Preliminary plans and working drawings	197,000
(10)	30.10.130-Santa Clara Ranger Unit Headquarters: Replace Automotive Shop—Preliminary plans	40,000
(11)	30.10.135-San Mateo-Santa Cruz Ranger Unit Headquarters: Replace Automotive Shop—Preliminary plans	40,000
(12)	30.20.030-Harts Mill Forest Fire Station: Relocate Facility—Preliminary plans	46,000
(13)	30.20.035-Fort Jones Forest Fire Station: Relocate Facility—Preliminary plans	72,000
(14)	30.20.040-Manton Forest Fire Station: Relocate Facility—Preliminary plans	44,000
(15)	30.20.045-Weaverville Forest Fire Station: Relocate Facility—Preliminary plans	53,000
(17)	30.20.095-Susanville Emergency Command Center: Relocate Emergency Command Center—Preliminary plans, working drawings and construction	550,000
(18)	30.20.110-Butte Fire Center: Replace Messhall—Preliminary plans	97,000

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(20) 30.30.015-Independence Forest Fire Station: New Facility—Preliminary plans	45,000
(21) 30.30.020-San Luis Obispo Ranger Unit Headquarters: Replace Facility—Preliminary plans.	570,000
(23) 30.30.065-San Marcos Forest Fire Station: Relocate Facility—Preliminary plans	48,000
(24) 30.30.070-Valley Center Forest Fire Station: Relocate Facility—Preliminary plans	49,000
(25) 30.30.075-Warner Springs Forest Fire Station: Replace Facility—Acquisition	250,000
(26) 30.30.115-Ventura Youth Conservation Camp: Construct Vehicle Apparatus Building, Shop, and Warehouse—Preliminary plans	51,000
(27) 30.30.120-Fenner Canyon Conservation Camp: Construct Vehicle Apparatus, Replace Office—Preliminary plans and working drawings	200,000
(28) 30.30.135-Paso Robles Air Attack Base: Relocate Facility—Preliminary plans and working drawings	392,000
(29) 30.30.140-Chino Hills Forest Fire Station: Replace Facility—Preliminary plans	74,000
(30) 30.30.145-Elsinore Forest Fire Station: Relocate Facility—Acquisition	220,000
(31) 30.30.150-Nipomo Forest Fire Station: Replace Facility—Preliminary plans	100,000
(32) 30.30.155-Campo Forest Fire Station: Replace Facility—Preliminary plans	128,000
(33) 30.40.015-Sonora Forest Fire Station: Relocate Facility—Preliminary plans	87,000
(34) 30.40.035-Sand Creek Forest Fire Station: Relocate Facility—Preliminary plans	55,000

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(35) 30.40.050-Rancheria Forest Fire Station: Replace Facility—Preliminary plans	102,000
(36) 30.40.075-Usona Forest Fire Station: Replace Facility—Preliminary plans	105,000
(37) 30.40.090-Antelope Forest Fire Station: Replace Barracks/Messhall—Preliminary plans	84,000
(38) 30.40.100-Blasingame Forest Fire Station: Replace Facility—Acquisition	100,000
(39) 30.40.105-Vallecito Conservation Camp: Replace Utilities/Construct Apparatus Building—Preliminary plans	123,000
(40) 30.40.110-Hollister Air Attack Base: Relocate Facility—Acquisition	100,000
(41) 30.40.115-Porterville Air Attack Base: Replace Facility—Preliminary plans, working drawings, and construction	2,255,000
(42) 30.40.120-Dew Drop Forest Fire Station: Replace Facility—Preliminary plans and working drawings	252,000
(43) 30.40.125-Twain Harte Forest Fire Station: Relocate Facility—Acquisition	200,000
(44) 30.40.130-Springville Forest Fire Station: Relocate Facility—Acquisition	200,000
(45) 30.40.135-Raymond Forest Fire Station: Relocate Facility—Acquisition	100,000
(46) 30.40.140-Ahwahnee Forest Fire Station: Replace Facility—Preliminary plans	50,000
(47) 30.40.145-Bautista Conservation Camp: Replace Modular Buildings—Preliminary plans and working drawings	326,000
(48) 30.40.150-Baseline Conservation Camp: Remodel Facility—Preliminary plans and working drawings	406,000

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(50) 30.80-Minor Capitol Outlay.....	5,755,000	

Provisions:

1. The funds appropriated by Schedules (17) and (41) represent 100 percent of the state's share of preliminary plans, working drawings, and construction costs for joint facilities with the United States Forest Service. While the projects will be managed by the federal government, the projects are subject to the review of the State Public Works Board and require authorization to proceed to bid by the Department of Finance. Funds may also be used by the Department of Forestry and Fire Protection or Department of General Services for project monitoring.
2. The funds appropriated by Schedule (50) of this item include funding for construction and preconstruction activities, including, but not limited to, study, environmental documents, preliminary plans, working drawings, equipment, and other costs relating to the design and construction of facilities, to be performed by Department of Forestry and Fire Protection personnel in completion of the projects.

3540-301-0660—For capital outlay, Department of Forestry and Fire Protection, payable from the Public Buildings Construction Fund.....		4,394,000
(1) 30.20.020-Lassen-Modoc Ranger Unit Headquarters: Replace Apparatus Building and Automotive Shop—Construction	1,099,000	
(2) 30.20.025-Ogo Forest Fire Station: Relocate Facility—Construction ...	796,000	
(4) 30.30.045-Hesperia Forest Fire Station: Relocate Facility—Construction	916,000	
(5) 30.30.110-Owens Valley Conservation Camp: Expand Waste Water System, Construct Apparatus Building—Construction.....	700,000	
(7) 30.40.040-Hammond Forest Fire Station: Relocate Facility—Construction	883,000	

Provisions:

1. The State Public Works Board may issue lease-revenue bonds, notes, or bond anticipation notes pursuant to Chapter 5 (commencing with Section 15830) of Part 10b of Division 3 of Title 2 of the

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Government Code to finance the construction of the projects authorized by this item.

2. The State Public Works Board and the Department of Forestry and Fire Protection may obtain interim financing for the project costs authorized in this item from any appropriate source including, but not limited to, the Pooled Money Investment Account pursuant to Sections 16312 and 16313 of the Government Code.
3. The maximum amount of bonds, notes, or bond anticipation notes to be sold shall not exceed the cost of construction and any additional amounts necessary to pay interim and permanent financing costs.
4. The funds appropriated by Schedules (2) and (5) of this item include funding for construction and other costs relating to the construction of facilities, to be performed by the Department of Forestry and Fire Protection personnel in completion of the projects.

3540-401—Of the amount appropriated to the Special Fund for Economic Uncertainties, the Department of Finance may allocate a sufficient amount, not to exceed ten million dollars ($10,000,000), to the Department of Forestry and Fire Protection for emergency fire suppression for the 1999–00 fiscal year.

3540-490—Reappropriation, Department of Forestry and Fire Protection. Notwithstanding any other provision of law, the balances of the appropriations provided in the following citations are reappropriated for the purposes and subject to the limitations, unless otherwise specified, provided for the appropriations:
0001-General Fund

(1) Item 3540-301-0001, Budget Act of 1996 (Ch. 162, Stats. 1996)
  (1) 30.10.005-Alma Helitack Base: Relocate Facility—Acquisition
  (6) 30.20.050-Tuscan Butte Lookout and Radio Vault: Acquire Leased Site—Acquisition
(2) Item 3540-301-0001, Budget Act of 1998, (Ch. 324, Stats. 1998)
  (1) 30.10.005-Alma Helitack Base: Replace Facility—Preliminary plans and working drawings
  (20) 30.30.060-Hemet-Ryan Air Attack Base: Replace Facility—Preliminary plans and working drawings

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(27) 30.40.020-Batterson Forest Fire Station: Relocate Facility—Working drawings		
(33) 30.80-Minor Capital Outlay		
3540-493—Extension of liquidation period, Department of Forestry and Fire Protection. Notwithstanding any other provision of law, up to three million dollars ($3,000,000) of funds appropriated in Item 3540-001-0001 of the Budget Act of 1996 for the purpose of converting S-2 aircraft to turbine power shall be available for liquidation until June 30, 2000.		
3560-001-0001—For support of State Lands Commission		11,407,000
Schedule:		
(a) 10-Mineral Resources Management	6,160,000	
(b) 20-Land Management	6,803,000	
(c) 30.01-Executive and Administration	2,694,000	
(d) 30.02-Distributed Administration	−2,694,000	
(e) 40-Marine Facilities Management	7,056,000	
(f) Reimbursements	−2,981,000	
(g) Amount payable from the Oil Spill Prevention and Administration Fund (Item 3560-001-0320)	−5,631,000	
Provisions:		
1. Notwithstanding subdivision (d) of Section 4 of Chapter 138 of the Statutes of 1964, 1st Extraordinary Session, all commission costs for administering Long Beach Tidelands, exclusive of any Attorney General charges, shall be included in revenues deposited into the General Fund pursuant to paragraph (1) of subdivision (a) of Section 6217 of the Public Resources Code.		
2. All costs incurred to manage state school lands shall be deducted from the revenues produced by those lands and deposited into the General Fund pursuant to Section 24412 of the Education Code.		
3. Of the amount appropriated in this item, $65,000 shall be used to arrange for the museum display of the artifacts recovered from the Brother Jonathan shipwreck.		
3560-001-0320—For support of State Lands Commission, for payment to Item 3560-001-0001, payable from the Oil Spill Prevention and Administration Fund		5,631,000

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Provisions:		
1. Funds appropriated in this item shall not be expended to monitor or inspect marine bunkering operations from barges or any marine lightering operations.		
3580-001-0001—For support of Seismic Safety Commission		796,000
Schedule:		
(a) 10-Seismic Safety Commission	944,000	
(b) Reimbursements	−75,000	
(c) Amount payable from the Earthquake Safety and Public Buildings Rehabilitation Fund of 1990 (Item 3580-011-0768)	−73,000	
3580-011-0768—For support of Seismic Safety Commission, for payment to Item 3580-001-0001, payable from the Earthquake Safety and Public Buildings Rehabilitation Fund of 1990		73,000
3600-001-0001—For support of Department of Fish and Game, for payment to Item 3600-001-0200		35,128,000
Provisions:		
1. Of the amount appropriated in this item, $5,200,000 shall be available for the implementation of the Marine Life Management Act of 1998 (Ch. 1052, Stats. 1998).		
2. Of the amount appropriated in this item, $1,138,000 shall be available for the recovery program for the Sierra Nevada Bighorn Sheep.		
3600-001-0140—For support of Department of Fish and Game, for payment to Item 3600-001-0200, payable from the California Environmental License Plate Fund		15,167,000
Provisions:		
1. Of the funds appropriated in this item, $500,000 is for reimbursement to the University of California at Santa Barbara for a Natural Center for Ecological Analysis and Synthesis.		
3600-001-0200—For support of Department of Fish and Game payable from the Fish and Game Preservation Fund		79,973,000
Schedule:		
(a) 20-Biodiversity Conservation Program	73,641,000	
(b) 25-Hunting, Fishing & Public Use	44,108,000	
(c) 30-Management of Department Lands and Facilities	32,468,000	

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(d) 40-Conservation Education & Enforcement		41,926,000
(e) 50-Spill Prevention and Response		20,180,000
(f) 70.01-Administration		25,982,000
(g) 70.02-Distributed Administration		–25,982,000
(h) Reimbursements		–20,487,000
(i) Amount payable from the General Fund (Item 3600-001-0001)		–35,128,000
(j) Amount payable from the California Environmental License Plate Fund (Item 3600-001-0140)		–15,167,000
(k) Amount payable from the Fish and Wildlife Pollution Account (Item 3600-001-0207)		–2,001,000
(*l*) Amount payable from the California Waterfowl Habitat Preservation Account, Fish and Game Preservation Fund (Item 3600-001-0211)		–212,000
(m) Amount payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund (Item 3600-001-0235)		–3,184,000
(n) Amount payable from the Oil Spill Prevention and Administration Fund (Item 3600-001-0320)		–15,013,000
(o) Amount payable from the Environmental Enhancement Fund (Item 3600-001-0322)		–106,000
(q) Amount payable from the Central Valley Project Improvement Subaccount (Item 3600-001-0404)		–11,402,000
(r) Amount payable from the California Wildlife, Coastal, and Park Land Conservation Fund of 1988 (Item 3600-001-0786)		–80,000
(s) Amount payable from the Federal Trust Fund (Item 3600-001-0890)		–29,252,000
(t) Amount payable from the Renewable Resources Investment Fund (Item 3600-001-0940)		–318,000

Provisions:

1. The funds appropriated in this item may be increased with the approval of, and under the conditions set by, the Department of Finance to meet current obligations proposed to be funded in Schedules (h) and (s). The funds appropriated by

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this item shall not be increased until the Department of Fish and Game has a valid contract, signed by the client agency, that provides sufficient funds to finance the increased authorization. This increased authorization may not be used to expand services or create new obligations.

Reimbursements received under Schedules (h) and (s) shall be used in repayment of any funds used to meet current obligations pursuant to this provision.

2. Of the funds appropriated by Schedule (h), $1,500,000 shall be available in accordance with Chapter 851 of the Statutes of 1991.
3. Of the funds appropriated in this item, $203,000 is for reimbursement to the State Department of Health Services for shellfish monitoring activities.
4. If federal reimbursements are received for the Steelhead Trout Management Program, the Department of Finance may authorize an augmentation of Item 3600-001-0890 and reduce an equal amount in savings from this item. The Department of Finance shall notify the chairperson of the fiscal committee of each house of the legislature and the Chairperson of the Joint Legislative Budget Committee within 30 days of the authorization.
5. On or after January 1, 2000, the department shall not issue to any person a special permit to operate vacuum or suction dredge equipment in any river, stream, or lake of the state with a nozzle size larger than otherwise provided for in regulations that were in effect as of January 1, 1999, or to operate that equipment in any river, stream, or lake otherwise closed to the use of that equipment or closed to vacuum or suction dredging generally or seasonally, unless and until the department has adopted regulations pursuant to Section 5653.9 of the Fish and Game Code governing the issuance of special permits. Such regulations shall include, but are not limited to, a requirement that a special permit may not be issued unless the department determines that the operation will not be deleterious to fish as required by Section 5653 of the Fish and Game Code.
6. Notwithstanding any other provision of law, the $400,000 grant cap identified in subdivision (a) of

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Section 1068 of the Fish and Game Code shall be increased to $485,000 to allow the department to use the unencumbered balance remaining in the Sea Urchin Divers Dedicated Subaccount, consistent with the grant requirements outlined in Section 1068 of the Fish and Game Code.	
3600-001-0207—For support of Department of Fish and Game, for payment to Item 3600-001-0200, payable from the Fish and Wildlife Pollution Account	2,001,000
3600-001-0211—For support of Department of Fish and Game, for payment to Item 3600-001-0200, payable from the California Waterfowl Habitat Preservation Account, Fish and Preservation Fund	212,000
3600-001-0235—For support of Department of Fish and Game, for payment to Item 3600-001-0200, payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund	3,184,000
3600-001-0320—For support of Department of Fish and Game, for payment to Item 3600-001-0200, payable from the Oil Spill Prevention and Administration Fund	15,013,000
3600-001-0322—For support of Department of Fish and Game, for payment to Item 3600-001-0200, payable from the Environmental Enhancement Fund	106,000
3600-001-0404—For support of Department of Fish and Game, for payment to Item 3600-001-0200, payable from the Central Valley Project Improvement Subaccount	11,402,000
3600-001-0786—For support of Department of Fish and Game, for payment to Item 3600-001-0200, payable from the California Wildlife, Coastal, and Park Land Conservation Fund of 1988	80,000
3600-001-0890—For support of Department of Fish and Game, for payment to Item 3600-001-0200, payable from the Federal Trust Fund	29,252,000
3600-001-0940—For support of Department of Fish and Game, for payment to Item 3600-001-0200, payable from the Renewable Resources Investment Fund	318,000
3600-011-0001—For support of Department of Fish and Game (reimbursement of free fishing licenses), for transfer to the Fish and Game Preservation Fund	17,000
3600-101-0001—For local assistance, Department of Fish and Game, Program 20-Biodiversity Conservation Program	1,600,000

Item			Amount
3600-101-0207—For local assistance, Department of Fish and Game, Program 50-Spill Prevention and Response Program, payable from the Fish and Wildlife Pollution Account			33,000
3600-101-0320—For local assistance, Department of Fish and Game, Program 50-Spill Prevention and Response Program, payable from the Oil Spill Prevention and Administration Fund			900,000
3600-101-0890—For local assistance, Department of Fish and Game, Program 20-Biodiversity Conservation Program, payable from the Federal Trust Fund.			2,000,000
3600-102-0001—For local assistance, Department of Fish and Game			360,000
Schedule:			
(1) 50.20-Oiled Wildlife Care Center: Marine Mammal Holding Pool		350,000	
(2) 20.01-Calaveras County: New Hogan Lake Conservancy		10,000	
3600-301-0200—For capital outlay, Department of Fish and Game, payable from the Fish and Game Preservation Fund			635,000
Schedule:			
(1) 90.07.100-Minor Projects		1,177,000	
(2) 90.88.020-Project Planning		100,000	
(3) Reimbursements-Minor Projects		−642,000	
Provisions:			
1. Of the amount appropriated in Schedule (1) of this item, $642,000 shall be used for purposes consistent with the requirements of the Unallocated Account (Cigarette and Tobacco Products Surtax Fund) and the Habitat Conservation Fund.			
2. Of the funds appropriated in Schedule (1) of this item, $642,000 shall be available in accordance with Chapter 851 of the Statutes of 1991.			
3600-301-0890—For capital outlay, Department of Fish and Game, payable from the Federal Trust Fund			250,000
Schedule:			
(1) 90.07.100-Minor Projects		500,000	
(2) Reimbursements-Minor Projects		−250,000	
3600-302-0200—For capital outlay, Department of Fish and Game, payable from the Fish and Game Preservation Fund (Commercial Agumented Salmon Stamp Dedicated Account)			75,000
Schedule:			
(1) 90.07.100-Minor Projects		75,000	

Item	Amount
3600-490—Reappropriation, Department of Fish and Game. Notwithstanding any other provision of law, the balance of the amount appropriated in the following citation is hereby reappropriated to the Department of Fish and Game for the purposes and subject to the limitations, unless otherwise specified, provided for in that appropriation: 0200—Fish and Game Preservation Fund, Item 3600-301-0200, Budget Act of 1998 (Ch. 324, Stats. 1998) (3) 90.98.001-Napa Sonoma Marsh WLA Water Control Structures—Preliminary plans, working drawings, and construction.	
3640-001-0140—For support of Wildlife Conservation Board, payable to Item 3640-001-0447, from the California Environmental License Plate Fund	274,000
3640-001-0262—For support of Wildlife Conservation Board, for payment to Item 3640-001-0447, payable from the Habitat Conservation Fund.....	2,068,000
Provisions: 1. Of the amount appropriated in this item, $310,000 shall be available to the Wildlife Conservation Board for administrative costs associated with the California Wildlife Protection Act of 1990, and the requirements of the Habitat Conservation Fund. 2. Of the amount appropriated in this item, $1,758,000 shall be available to the Department of Fish and Game to fund: (a) $258,000 for the Yolo Bypass Wildlife Area, consistent with the requirements of the Unallocated Account of the Cigarette and Tobacco Products Surtax Fund and the Habitat Conservation Fund. (b) $1,500,000 for the Comprehensive Wetlands Habitat Program, consistent with the requirements of the Unallocated Account of the Cigarette and Tobacco Products Surtax Fund and the Habitat Conservation Fund.	
3640-001-0447—For support of Wildlife Conservation Board, payable from the Wildlife Restoration Fund.	732,000
Schedule: (a) 10-Wildlife Conservation Board..... 3,074,000 (b) Amount payable from the California Environmental License Plate Fund (Item 3640-001-0140)..... −274,000	

Item		Amount
(c) Amount payable from the Habitat Conservation Fund (Item 3640-001-0262)	−2,068,000	
3640-011-0001—For transfer by the Controller to the Habitat Conservation Fund		310,000
Provisions:		
1. The funds transferred by this item shall be used for purposes consistent with the requirements of the Habitat Conservation Fund.		
3640-301-0001—For capital outlay, Wildlife Conservation Board		34,100,000
Schedule:		
(.9) 80.10.103-San Joaquin River Conservancy Projects and Acquisitions	5,000,000	
(1.1) 80.10.403-San Bernardino Mountain Wildlife Habitat	2,000,000	
(1.2) 80.10.404-Morro Bay Sand Dunes	4,000,000	
(1.3) 80.10.405-Coal Canyon Biological Corridor	2,000,000	
(1.4) 80.10.406-Inland Wetlands Conservation Program	1,000,000	
(1.5) 80.10.407-East Bay Regional Park District: Big Break in the Delta—For public access and a fishing pier	500,000	
(1.6) 80.10.408-Martinez Regional Land Trust: Almond Ranch Purchase	100,000	
(2) 80.10-Wildlife Conservation Board Projects (Unscheduled)	19,500,000	
Provisions:		
1. The funds appropriated in this item are provided in accordance with the Wildlife Conservation Law of 1947 and, therefore, are not subject to review by the State Public Works Board.		
2. The amount appropriated in this item is available for expenditure for capital outlay or local assistance.		
3640-301-0262—For capital outlay, Wildlife Conservation Board, payable from the Habitat Conservation Fund		18,932,000
Schedule:		
(1) 80.10.000-Wildlife Conservation Board Projects (Unscheduled)	18,290,000	
(2) 80.10.101-Department of Fish and Game-Wetlands	642,000	

Item		Amount

Provisions:

1. The funds appropriated in this item, except for funds for the purposes described in Provision 3 of this item, are provided in accordance with the Wildlife Conservation Law of 1947 and, therefore, shall not be subject to Public Works Board review.
2. The amount appropriated in this item is available for expenditure for capital outlay or local assistance.
3. Of the amount appropriated in this item, $642,000 shall be available to the Department of Fish and Game for minor capital outlay projects consistent with the requirements of the Unallocated Account of the Cigarette and Tobacco Products Surtax Fund and the Habitat Conservation Fund and in accordance with Chapter 851, Statutes of 1991.
4. Of the amount appropriated in Schedule (1) of this item, $1,000,000 shall be used for purposes consistent with the Unallocated Account of the Cigarette and Tobacco Products Surtax Fund and the Habitat Conservation Fund.

3640-301-0447—For capital outlay, Wildlife Conservation Board, payable from the Wildlife Restoration Fund, in lieu of the appropriation made by the Wildlife Conservation Law of 1947 1,155,000

Schedule:

(1) 80.10.010-Minor Projects 955,000
(2) 80.10.030-Land Acquisitions 200,000

Provisions:

1. The funds appropriated in this item are provided in accordance with the provisions of the Wildlife Conservation Law of 1947 and, therefore, shall not be subject to Public Works Board review.
2. The amount appropriated in this item is available for expenditure for capital outlay or local assistance.

3640-301-0516—For capital outlay, Wildlife Conservation Board, payable from the Harbors and Watercraft Revolving Fund 1,050,000

Schedule:

(1) 80.10.015—Boating related access projects..... 1,050,000

Provisions:

1. Notwithstanding Section 85.2 of the Habors and Navigation Code, funds appropriated in this item are available to the Wildlife Conservation Board

Item		Amount
	for the following boating-related access projects: Clarksburg Access, Yolo County, $100,000; lower Sherman Island, Sacramento County, $200,000; City of Isleton, Sacramento County, $250,000; and Lake Tahoe Public Access, Placer County, $500,000.	
	2. The funds appropriated in this item are provided in accordance with the Wildlife Conservation Law of 1947 and, therefore, shall not be subject to review by the State Public Works Board.	
	3. The amount appropriated in this item is available for expenditure for capital outlay or local assistance.	
3640-301-0928	—For capital outlay, Wildlife Conservation Board, payable from the Forest Resources Improvement Fund	2,600,000
	Schedule:	
	(1) 80.10.401-Redwoods to the Sea Corridor..... 2,600,000	
	Provisions:	
	1. Notwithstanding Section 4799.13 of the Public Resources Code, funds appropriated in this item are available for acquisition and enhancement activities associated with the Redwoods to the Sea Corridor.	
	2. The funds appropriated in this item are provided in accordance with the Wildlife Conservation Law of 1947 and, therefore, shall not be subject to Public Works Board review.	
	3. The amount appropriated in this item is available for expenditure for capital outlay or local assistance.	
3640-311-0001	—For transfer by the Controller to the Habitat Conservation Fund.....	17,290,000
	Provisions:	
	1. The funds transferred by this item shall be used for purposes consistent with the requirements of the Habitat Conservation Fund.	
3640-490	—Reappropriation, Wildlife Conservation Board. Notwithstanding any other provision of law, the balance of funds provided in the following citation are reappropriated effective July 1, 1999, for the purposes and subject to the limitations, unless otherwise specified, provided for in the appropriations, and shall be available for expenditure until June 30, 2005.	

Item		Amount
0001—General Fund		
(1) The balance of the $20,000,000 for the acquisition of the Grizzly Creek Marbled Murrelet Conservation Area as identified in subdivision (b) of Section 1 of Chapter 615 of the Statutes of 1998. State payments shall be made in accordance with the requirements of "Agreement for Transfer of Grizzly Creek and Escrow Instructions and Option Agreement," dated February 26, 1999. The Wildlife Conservation Board shall encumber these funds in accordance with legislative intent with regard to the payment plan while meeting any requirements of the agreements. The Department of Finance shall record the expenditures in the years in which the payments will occur.		
(2) The amount available for acquisition of Owl Creek property as identified in subdivision (a) of Section 5 of Chapter 615 of the Statutes of 1998. This reappropriation constitutes the necessary "authorizing legislation" for the payment schedule as required under Article 2.1 of the "Agreement for Transfer of Owl Creek and Escrow Instructions," dated February 26, 1999. State payments shall be made in accordance with the requirements of that agreement. The Wildlife Conservation Board shall encumber these funds in accordance with legislative intent with regard to the payment plan while meeting any requirements of the agreements. The Department of Finance shall record the expenditures in the years in which the payments will occur.		
3680-001-0516—For support of Department of Boating and Waterways, payable from the Harbors and Watercraft Revolving Fund		12,336,000
Schedule:		
(a) 10-Boating Facilities	9,414,000	
(b) 20-Boating Operations	7,349,000	
(c) 30-Beach Erosion Control	271,000	
(d) 40.01-Administration	1,928,000	
(e) 40.02-Distributed Administration	−1,928,000	
(f) Reimbursements	−15,000	
(g) Amount payable from the Federal Trust Fund (Item 3680-001-0890).	−4,683,000	
Provisions:		
1. Notwithstanding Section 85.2 of the Harbors and Navigation Code, $271,000 of the funds appropriated in this item shall be expended for support of		

Item		Amount
	the Department of Boating and Waterways beach erosion control program.	
3680-001-0890—For support of Department of Boating and Waterways, for payment to Item 3680-001-0516, payable from the Federal Trust Fund		4,683,000
3680-101-0001—For local assistance, Department of Boating and Waterways		15,500,000
	Provisions:	
	1. Of the funds appropriated in this item $3,500,000 is for one-time funding of beach erosion control projects and shall be allocated in accordance with Provision 3 of Item 3680-101-0516.	
	2. Of the funds appropriated in this item, $12,000,000 is for one-time funding of port dredging projects. Of this amount, the following allocations shall be made: $187,000 for the Crescent City Harbor District, $827,000 for the Humboldt Bay Harbor District, $5,196,000 for the Port of Los Angeles, $2,496,000 for Los Angeles County, $72,000 for the City of Morro Bay, $97,000 for the Moss Landing Harbor District, $403,000 for the Port of Oakland, $446,000 for the Port of Redwood City, $953,000 for the Port of Sacramento, $205,000 for the Port of San Diego, $117,000 for the San Mateo County Harbor Water District, $297,000 for the Santa Cruz Port District, $547,000 for Sonoma County, $10,000 for the Ventura Port District, and $147,000 for the Port of Stockton.	
3680-101-0516—For local assistance, Department of Boating and Waterways, payable from the Harbors and Watercraft Revolving Fund		58,254,000
	Schedule:	
	(a) 10-Boating Facilities 59,952,000	
	Launching Facility Grants (18,286,000)	
	(1) Boyd Pump (131,000)	
	(2) Buena Vista Aquatic (121,000)	
	(3) Camanche Reservoir (200,000)	
	(4) Casitas (1,335,000)	
	(5) Eastside Reservoir (4,000,000)	
	(6) Elkhorn (450,000)	
	(7) Floating Restrooms (500,000)	
	(8) Gold Lake (245,000)	

Item	Amount
(9) Little Grass Valley	(379,000)
(10) Loon Lake	(252,000)
(11) Lake McSwain	(280,000)
(12) Lake McClure	(608,000)
(13) Lakeport	(400,000)
(14) Moss Landing	(1,500,000)
(15) New Hogan Lake	(333,000)
(16) Oceanside	(1,300,000)
(17) Pine Flat Lake	(342,000)
(18) Lake Piru	(850,000)
(19) Ramp Repairs	(500,000)
(20) Riverbank	(400,000)
(21) Rollins Lake-Greenhorn	(154,000)
(22) Rollins Lake-Long Ravine	(289,000)
(23) Rollins Lake-Orchard Springs	(173,000)
(24) Rollins Lake-Peninsula	(580,000)
(25) Signs	(50,000)
(26) Stampede Reservoir	(311,000)
(27) Lake Success	(80,000)
(28) Lake Tulloch	(407,000)
(29) Union Valley Reservoir	(145,000)
(30) Vessel Pumpout	(100,000)
(31) Yuba City	(148,000)
(32) Antioch Marina: bottom raking and cleanup	(50,000)
(33) Kern County: Lake Isabella patrol boat dock and covering	(120,000)
Port Dredging Grants	(12,000,000)
Clean Vessel Act Grant Program	(1,253,000)
Boating Trails	(300,000)
Public Small Craft Harbor Loans	(26,666,000)
(1) Cabrillo Marina	(4,000,000)
(2) Eastside Reservoir	(6,250,000)
(3) Emergency Loans	(500,000)

Item		Amount
	(4) Long Beach-Downtown ..... (4,000,000)	
	(5) Martinez ..... (1,716,000)	
	(6) Planning Loans..... (200,000)	
	(7) Richmond ..... (1,500,000)	
	(8) South Beach Harbor..... (7,000,000)	
	(9) Ventura Harbor Village..... (1,500,000)	
	Private Loans ..... (3,000,000)	
(b)	20-Boating Operations.....	10,075,000
(c)	30-Beach Erosion Control.....	7,255,000
(cx)	Amount payable from the General Fund (Item 3680-101-0001).....–15,500,000	
(d)	Amount payable from the Abandoned Watercraft Abatement Fund (Item 3680-101-0577)	–1,000,000
(e)	Amount payable from the Federal Trust Fund (Item 3680-101-0890)..	–2,528,000

Provisions:

1. Of the funds appropriated in Schedule (b), $8,100,000 is for boating safety and enforcement programs pursuant to Section 663.7 of the Harbors and Navigation Code.
2. Of the funds appropriated for the Clean Vessel Act Grant Program in Schedule (a), the Department of Boating and Waterways may transfer funds between the construction and education programs.
3. Of the amount appropriated in Schedule (c), $7,000,000 is for one-time funding of beach erosion control programs. Of the amount specified in this provision, $3,500,000 is funded by the Harbors and Watercraft Revolving Fund, and $3,500,000 is funded by the General Fund. Of the amount specified in this provision, 60 percent shall be available for allocation by the Department of Boating and Waterways for projects south of the point at which the Pacific Ocean meets the border between the County of San Luis Obispo and County of Monterey and 40 percent shall be available for allocation to projects located north of that point. Prior to the allocation of any of these funds, the department shall develop guidelines that include application requirements and criteria, consistent with the Resources Agency's policies for shoreline erosion protection.

Item		Amount
3680-101-0577—For local assistance, Department of Boating and Waterways, for payment to Item 3680-101-0516, payable from the Abandoned Watercraft Abatement Fund		1,000,000
3680-101-0890—For local assistance, Department of Boating and Waterways, for payment to Item 3680-101-0516, payable from the Federal Trust Fund.....		2,528,000
Provisions:		
1. Of the amount appropriated in this item, $875,000 shall be for grants to local governments for boating safety and law enforcement, 15 percent of which shall be allocated according to the department's discretion, and 85 percent of which shall be allocated by the department in accordance with the following priorities:		
First—To local governments that are eligible for state aid because they are spending all their local boating revenue on boating enforcement and safety, but are not receiving sufficient state funds to meet their calculated need as defined in Section 663.7 of the Harbors and Navigation Code.		
Second—To local governments that are not spending all local boating revenue on boating enforcement and safety, and whose boating revenue does not equal their calculated need. Local assistance shall not exceed the difference between the calculated need and local boating revenue.		
Third—To local governments whose boating revenue exceeds their need, but who are not spending sufficient local revenue to meet their calculated need.		
2. Of the amount appropriated in this item, $1,253,000 shall be available to fund construction and educational programs consistent with the Clean Vessel Act Grant Program.		
3680-102-0516—For transfer by the Controller from the Harbors and Watercraft Revolving Fund to the Abandoned Watercraft Abatement Fund.....		1,000,000
3680-301-0516—For capital outlay, Department of Boating and Waterways, payable from the Harbors and Watercraft Revolving Fund		7,828,000
Schedule:		
(2) 50.10.010-Millerton Lake SRA, Crows Nest Area: Boat Launching Facility—Working Drawings	90,000	

Item		Amount
(3)	50.19.011-Castaic Lake SRA, East Ramp Area: Boat Launching Facility—Construction	1,859,000
(4)	50.19.012-Castaic Lake SRA, Paradise Cove Area: Boat instruction and Safety Center—Preliminary Plans	128,000
(5)	50.19.030-Pyramid Lake SRA-Emigrant Landing: Boat Launching Facility—Construction	1,020,000
(6.1)	50.31.010-Folsom Lake SRA, Granite Bay: Boat Launching Facility-Construction	1,635,000
(7)	50.34.030—Lake Natoma, Nimbus Flat: Boating Instruction and Safety Center—Working Drawings	147,000
(8)	50.99.010-Project Planning	100,000
(9)	50.99.020-Minor Projects	2,849,000

Provisions:

1. Funds appropriated in Schedule (8) are available for allocation by the Department of Finance to be used to develop design information or cost information for new construction projects for which funds have not been appropriated previously, but which are anticipated to be included in the Governor's Budget for the 2000–01 or 2001–02 fiscal year.

3680-490—Reappropriation, Department of Boating and Waterways. Notwithstanding any other provision of law, the balances of the amount appropriated in the following citation is hereby reappropriated to the Department of Boating and Waterways for the purposes and subject to the limitations, unless otherwise specified, provided for in that appropriation:

0516—Harbors and Watercraft Revolving Fund

Item 3680-301-0516, Budget Act of 1998 (Ch. 324, Stats. 1998)

(1) 50.04.020 Lake Oroville SRA, Spillway: Boat Launching Facility—Working drawings.

3680-491—Extension of liquidation period, Department of Boating and Waterways. Notwithstanding any other provision of law, up to $4,000,000 of funds appropriated in Item 3680-101-0516, Budget Act of 1995 (Ch. 303, Stats. 1995) for the purpose of a private marina loan for improvements to the Sunset Harbor Marina shall be available for liquidation until June 30, 2000.

Item		Amount
3680-496—Reversion, Department of Boating and Waterways. The unencumbered balances as of June 30, 1999, of the appropriation provided for in the following citation shall revert to the Harbors and Watercraft Revolving Fund:		
0516—Harbors and Watercraft Revolving Fund		
(1) Item 3680-301-0516 (5) Budget Act of 1997 (Ch. 282, Stats. 1997)	1,006,000	
3720-001-0001—For support of California Coastal Commission.....		8,644,000
Schedule:		
(a) 10-Coastal Management Program...	11,395,000	
(b) 20-Coastal Energy Program	517,000	
(c) 30.01-Administration	1,709,000	
(d) 30.02-Distributed Administration ...	−1,244,000	
(e) Reimbursements	−465,000	
(ex) Amount payable from California Beach and Coastal Enhancement Account (Item 3720-001-0371).....	−260,000	
(g) Amount payable from the Federal Trust Fund (Item 3720-001-0890).	−3,008,000	
Provisions:		
1. The Executive Director of the California Coastal Commission and the Executive Officer of the State Coastal Conservancy shall, together, enter into a memorandum of understanding by October 1, 1999, that defines the respective responsibilities of the commission and conservancy with regard to processing Offers-to-Dedicate public access easements with a goal of minimizing duplicative or overlapping activities. Any differences of understanding with respect to the memorandum of understanding or the Offers-to-Dedicate program shall be resolved by the Resources Agency.		
3720-001-0371—For support of California Coastal Commission, for payment to Item 3720-001-0001, payable from the California Beach and Coastal Enhancement Account, California Environmental License Plate Fund		260,000
3720-001-0890—For support of California Coastal Commission, for payment to Item 3720-001-0001, payable from the Federal Trust Fund		3,008,000
3720-101-0001—For local assistance, California Coastal Commission		500,000
Schedule:		
(a) 10-Coastal Management Program...	500,000	

Item		Amount
3720-101-0371—For local assistance, California Coastal Commission, payable from California Beach and Coastal Enhancement Account, California Environmental License Plate Fund		130,000
Schedule:		
(a) 10-Coastal Management Program...	130,000	
3720-295-0001—For local assistance, California Coastal Commission, for reimbursement, in accordance with the provisions of Section 6 of Article XIII B of the California Constitution or of Section 17561 of the Government Code, of the costs of any new program or increased level of service of an existing program mandated by statute or executive order, State Controller		0
Schedule:		
(1) 98.01.133.076-Local coastal plans (Ch. 1330, Stats. 1976)	0	
Provisions:		
1. Pursuant to Section 17581 of the Government Code, the mandate identified in the appropriation schedule of this item with an appropriation of $0 and included in the language of this provision is specifically identified by the Legislature for suspension during the 1999–00 fiscal year:		
(a) Local coastal plans (Ch. 1330, Stats. 1976)		
3760-001-0001—For support of State Coastal Conservancy, for payment to Item 3760-001-0565		1,499,000
3760-001-0565—For support of State Coastal Conservancy, payable from the State Coastal Conservancy Fund		2,720,000
Schedule:		
(a) 15—Coastal Resource Development	2,668,000	
(b) 25—Coastal Resource Enhancement	1,750,000	
(c) 90.01—Administration and Support	1,490,000	
(d) 90.02—Distributed Administration	−1,490,000	
(e) Reimbursements	−98,000	
(f) Amount payable from the General Fund (Item 3760-001-0001)	−1,499,000	
(j) Amount payable from the Federal Trust Fund (Item 3760-001-0890)	−101,000	
Provisions:		
1. Notwithstanding any other provision of law, upon approval and order of the Department of Finance,		

Item		Amount
the State Coastal Conservancy may borrow sufficient funds from the State Coastal Conservancy Fund to meet cash-flow needs due to delays in collecting reimbursements. Any loan made by the Department of Finance pursuant to this provision may be made only if the State Coastal Conservancy has a valid contract or certification signed by the agency providing the reimbursements, which demonstrates that sufficient funds will be available to repay the loan. All money so transferred shall be repaid to the State Coastal Conservancy Fund as soon as possible, but not later than one year from the date of the loan.		
3760-001-0890—For support of State Coastal Conservancy, for payment to Item 3760-001-0565, payable from the Federal Trust Fund		101,000
3760-301-0001—For capital outlay, State Coastal Conservancy		28,090,000
Schedule:		
(.8) 80.93.025-Coastal Resource Enhancement	5,590,000	
(.9) 80.97.030-Conservancy Programs	7,500,000	
(1) 80.97.040-Challenge Grant Program	10,000,000	
(2) 80.97.060-Natural Community Conservation Planning Program	5,000,000	
Provisions:		
1. The State Coastal Conservancy shall not enter into a grant contract with a nonprofit organization or local government for property acquisition which provides for either of the following:		
(a) A reversionary interest to the state, unless the grant contract specifies that the property shall not revert to the state without review and approval by the State Coastal Conservancy and the State Public Works Board.		
(b) A state leasehold interest in property acquired by a nonstate public agency with grant funds of the State Coastal Conservancy, unless the lease terms are approved by the Director of General Services. Except to the extent above, the expenditures of funds for grants to public agencies and nonprofit organizations shall be exempt from State Public Works Board review.		

Item		Amount
	2. The amount appropriated in this item is available for encumbrance for either capital outlay or local assistance through fiscal year 2001–02.	
	3. Funds provided in Schedule (1) are available for coastal access and wetlands restoration through the Challenge Grant Program. Funding provided through this program requires a minimum dollar-for-dollar match from nonstate sources. Expenditures may be made as grants to local agencies and private entities or as direct state expenditures, provided that the nonstate match requirement is met.	
	4. Of the $10,000,000 appropriated in this item for the Challenge Grant Program, no funds shall be used for support of the State Coastal Conservancy's administrative costs.	
3760-301-0235—For capital outlay, State Coastal Conservancy, payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund		1,320,000
Schedule:		
	(1) 80.93.015-Coastal Resource Development 1,320,000	
Provisions:		
	1. The State Coastal Conservancy shall not enter into a grant contract with a nonprofit organization or local government for property acquisition that provides for either of the following:	
	(a) A reversionary interest to the state, unless the grant contract specified that the property shall not revert to the state without review and approval by the State Coastal Conservancy and the Public Works Board.	
	(b) A state leasehold acquired by a nonstate public agency with grant funds of the State Coastal Conservancy, unless the lease terms are approved by the Director of General Services. Except as specified in paragraph (a), the expenditure of funds for grants to public agencies and nonprofit organizations is exempt from the review of the Public Works Board.	
	2. The funds appropriated in this item are available for encumbrance for either capital outlay or local assistance through the 2001–02 fiscal year.	
3760-301-0262—For capital outlay, State Coastal Conservancy, payable from the Habitat Conservation Fund		4,000,000

Item		Amount
Schedule:		
(1) 80.93.025-Coastal Resource Enhancement	4,900,000	
(2) Reimbursements	−900,000	
Provisions:		
1. The State Coastal Conservancy shall not enter into a grant contract with a nonprofit organization or local government for property acquisition that provides for either of the following:		
a. A reversionary interest to the state, unless the grant contract specifies that the property shall not revert to the state without review and approval by the State Coastal Conservancy and the State Public Works Board.		
b. A state leasehold interest in property acquired by a nonstate public agency with grant funds of the State Coastal Conservancy, unless the lease terms are approved by the Director of General Services. Except to the extent above, the expenditures of funds for grants to public agencies and nonprofit organizations shall be exempt from State Public Works Board review.		
2. The funds appropriated in this item are available for encumbrance for either capital outlay or local assistance without regard to fiscal year.		
3. Of the funds appropriated in this item, $3,680,000 shall be used for purposes consistent with the Unallocated Account of the Cigarette and Tobacco Products Surtax Fund and the Habitat Conservation Fund.		
3760-301-0371—For capital outlay, State Coastal Conservancy, payable from the California Beach and Coastal Enhancement Account, California Environmental License Plate Fund		146,000
Schedule:		
(1) 80.93.015-Coastal Resources Development	146,000	
Provisions:		
1. The State Coastal Conservancy shall not enter into a grant contract with a nonprofit organization or local government for property acquisition which provides for either of the following:		
a. A reversionary interest to the state, unless the grant contract specifies that the property shall not revert to the state without review and approval by the State Coastal Conservancy and the State Public Works Board.		

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b. A state leasehold interest in property acquired by a nonstate public agency with grant funds of the State Coastal Conservancy, unless the lease terms are approved by the Director of General Services. Except to the extent above, the expenditures of funds for grants to public agencies and nonprofit organizations shall be exempt from State Public Works Board review.

2. The amount appropriated in this item is available for encumbrance for either capital outlay or local assistance through fiscal year 2001–02.

3760-301-0565—For capital outlay, State Coastal Conservancy, payable from the State Coastal Conservancy Fund 0

Schedule:

(1) 80.93.015-Coastal Resource Development 900,000

(2) Reimbursements ..... –900,000

Provisions:

1. The State Coastal Conservancy shall not enter into a grant contract with a nonprofit organization or local government for property acquisition which provides for either of the following:
   (a) A reversionary interest to the state, unless the grant contract specifies that the property shall not revert to the state without review and approval by the State Coastal Conservancy and the State Public Works Board.
   (b) A state leasehold interest in property acquired by a nonstate public agency with grant funds of the State Coastal Conservancy, unless the lease terms are approved by the Director of General Services. Except to the extent above, the expenditures of funds for grants to public agencies and nonprofit organizations shall be exempt from State Public Works Board review.
2. The amount appropriated in this item is available for encumbrance for either capital outlay or local assistance through fiscal year 2001–02.
3. Notwithstanding any other provision of law, upon approval and order of the Department of Finance, the State Coastal Conservancy may borrow sufficient funds from the State Coastal Conservancy Fund to meet cash-flow needs due to delays in collecting reimbursements. Any loan made by the Department of Finance pursuant to this provision

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may be made only if the State Coastal Conservancy has a valid contract or certification signed by the agency providing the reimbursements, which demonstrates that sufficient funds will be available to repay the loan. All money so transferred shall be repaid to the State Coastal Conservancy Fund as soon as possible, but not later than one year from the date of the loan.		
3760-301-0593—For capital outlay, State Coastal Conservancy, payable from the Coastal Access Account, State Coastal Conservancy Fund		700,000
Schedule:		
(1) 80.93.015-Coastal Resources Development.....	700,000	
Provisions:		
1. The State Coastal Conservancy shall not enter into a grant contract with a nonprofit organization or local government for property acquisition which provides for either of the following:		
(a) A reversionary interest to the state, unless the grant contract specifies that the property shall not revert to the state without review and approval by the State Coastal Conservancy and the State Public Works Board.		
(b) A state leasehold interest in property acquired by a nonstate public agency with grant funds of the State Coastal Conservancy, unless the lease terms are approved by the Director of General Services. Except to the extent above, the expenditures of funds for grants to public agencies and nonprofit organizations shall be exempt from State Public Works Board review.		
2. The amount appropriated in this item is available for encumbrance for either capital outlay or local assistance through fiscal year 2001–02.		
3760-301-0890—For capital outlay, State Coastal Conservancy, payable from the Federal Trust Fund.....		2,000,000
Schedule:		
(1) 80.93.015-Coastal Resource Development	1,000,000	
(2) 80.93.025-Coastal Resource Enhancement.....	1,000,000	
Provisions:		
1. The State Coastal Conservancy shall not enter into a grant contract with a nonprofit organization		

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or local government for property acquisition that provides for either of the following: (a) A reversionary interest to the state, unless the grant contract specified that the property shall not revert to the state without review and approval by the State Coastal Conservancy and the Public Works Board. (b) A state leasehold acquired by a nonstate public agency with grant funds of the State Coastal Conservancy, unless the lease terms are approved by the Director of General Services. Except as specified in paragraph (a), the expenditure of funds for grants to public agencies and nonprofit organizations is exempt from the review of the Public Works Board. 2. The funds appropriated in this item are available for encumbrance for either capital outlay or local assistance through the 2001–02 fiscal year.	
3760-301-0940—For capital outlay, State Coastal Conservancy, payable from the Renewable Resources Investment Fund Schedule: (1) 80.93.015-Coastal Resource Development ..... 1,180,000 Provisions: 1. The State Coastal Conservancy shall not enter into a grant contract with a nonprofit organization or local government for property acquisition which provides for either of the following: (a) A reversionary interest to the state, unless the grant contract specifies that the property shall not revert to the state without review and approval by the State Coastal Conservancy and the State Public Works Board. (b) A state leasehold interest in property acquired by a nonstate public agency with grant funds of the State Coastal Conservancy, unless the lease terms are approved by the Director of General Services. Except to the extent above, the expenditures of funds for grants to public agencies and nonprofit organizations shall be exempt from State Public Works Board review. 2. The amount appropriated in this item is available for encumbrance for either capital outlay or local assistance through fiscal year 2001–02.	1,180,000

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3. Funds provided in this item may only be used for coastal enhancement-related portions of coastal access projects and acquisitions.

3760-302-0001—For capital outlay, State Coastal Conservancy 46,435,000

Schedule:

(1) 80.97.030-Conservancy Programs .. 46,435,000

Provisions:

1. The conservancy shall not enter into a grant contract with a nonprofit organization or local government for property acquisition that provides for either of the following:
   (a) A reversionary interest to the state, unless the grant contract specifies that the property shall not revert to the state without review and approval by the conservancy and the State Public Works Board.
   (b) A state leasehold interest in property acquired by a nonstate public agency with conservancy grant funds, unless the lease terms, are approved by the Director of General Services. Except to the extent above, the expenditures of funds for grants to public agencies and nonprofit organizations shall be exempt from State Public Works Board review.
2. The amount appropriated in this item is available for encumbrance for either capital outlay or local assistance through fiscal year 2001–02.
3. The funds available in this item are available for activities consistent with Division 21 (commencing with Section 31000) of the Public Resources Code for the following projects: Association of Bay Area Governments: S.F. Bay Trail $2,500,000; City of Seal Beach: Ocean Water Quality Program, $150,000; City of Seal Beach planning, design, and construction of debris boom, $300,000; Bay Area Conservancy, $10,000,000; Palo Corona Ranch, $5,000,000; Union Point Park, $1,500,000; Otay River Valley acquisition, $3,250,000; Gaviota Coast acquisition, $5,000,000; City of Maywood: Maywood River Park, $1,800,000; Elysian Valley, $5,000,000; Mendocino Coast acquisitions, $5,000,000; Tijuana River Valley acquisition, $2,000,000; Bolina Lagoon restoration, $1,500,000; Big Sur Scenic View Shed acquisition, $900,000; Capitola Wharf Public Access

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Project Rehabilitation, $285,000; Chollas Creek projects, $1,250,000; and Monterey County: Window by the Bay, $1,000,000.	
3760-311-0001—For transfer by the Controller to the Habitat Conservation Fund.....	320,000
Provisions:	
1. The funds transferred by this item shall be used for purposes consistent with the requirements of the Habitat Conservation Fund.	
3760-311-0235—For transfer by the Controller from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund to the Natural Resources Infrastructure Fund	(607,000)
Provisions:	
1. The funds transferred by this item shall be used for purposes consistent with the requirements of the Public Resources Account, Cigarette and Tobacco Products Surtax Fund.	
3760-490—Reappropriation, State Coastal Conservancy. The balance of the amount appropriated in the following citation is hereby reappropriated for the purposes and subject to the limitations, unless otherwise specified, provided for in those appropriations, and shall be available for expenditure until June 30, 2001.	
0001—General Fund	
(1) Item 3760-101-0001, Budget Act of 1996 (Ch. 162, Stats. 1996).	
(1) 80.93.015 Coastal Resources Development; provided that notwithstanding subdivision (c) of Section 16304 of the Government Code, funds reappropriated by this item shall be subject to the reversion as provided in Section 16304.1 of the Government Code.	
3790-001-0001—For support of Department of Parks and Recreation, for payment to Item 3790-001-0392.....	66,876,000
Provisions:	
1. Of the funds appropriated in this item, $200,000 shall be available to undertake a study of the best ecological management of the Pescadero Marsh Natural Preserve.	
3790-001-0140—For support of Department of Parks and Recreation, for payment to Item 3790-001-0392, payable from the California Environmental License Plate Fund.....	111,000

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3790-001-0235—For support of Department of Parks and Recreation, for payment to Item 3790-001-0392, payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund	11,883,000
3790-001-0263—For support of Department of Parks and Recreation, for payment to Item 3790-001-0392, payable from the Off-Highway Vehicle Trust Fund	14,442,000

Provisions:

1. (a) Notwithstanding Sections 8352.6 and 8352.7 of the Revenue and Taxation Code, $400,000 of the funds provided by this item shall be made available to the Department of Parks and Recreation for the purpose of contracting for an update, revision, or both, of the formula and method of the November 1990 study, A Study to Determine Fuel Tax Attributable to Off-Highway and Street Licensed Vehicles Used for Recreation Off-Highway, prepared for the purpose of examining the methodologies used to estimate the amount of fuel tax revenue to be transferred from the Motor Vehicle Fuel Account to the Off-Highway Vehicle Trust Fund and to the Conservation and Enforcement Services Account.

   (b) The contractor shall be required to consult with the Department of Parks and Recreation, the Department of Finance, the Department of Motor Vehicles, the Department of Transportation, and the State Board of Equalization. Proposals in response to the Request for Proposal must specify sampling methodologies in detail to be approved by the Department of Finance and the Secretary of Resources by July 1, 2000. Upon approval by the Department of Finance and the Secretary of Resources of a research design, the contractor shall be required to submit a final report on or before July 1, 2001.

3790-001-0392—For support of Department of Parks and Recreation, payable from the State Parks and Recreation Fund	81,897,000

Schedule:

(a) For support of the Department of Parks and Recreation	194,219,000
(b) Reimbursements	−11,416,000

Item		Amount
	(bx) Less funding provided by capital outlay	−1,494,000
	(c) Amount payable from the General Fund (Item 3790-001-0001)	−66,876,000
	(d) Amount payable from the California Environmental License Plate Fund (Item 3790-001-0140)	−111,000
	(e) Amount payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund (Item 3790-001-0235)	−11,883,000
	(f) Amount payable from the Off-Highway Vehicle Trust Fund (Item 3790-001-0263)	−14,442,000
	(h) Amount payable from the Winter Recreation Fund (Item 3790-001-0449)	−225,000
	(i) Amount payable from the Harbors and Watercraft Revolving Fund (Item 3790-001-0516)	−581,000
	(j) Amount payable from the State Urban and Coastal Park Fund (Item 3790-001-0742)	−2,347,000
	(k) Amount payable from the Recreational Trails Fund (Item 3790-001-0858)	−151,000
	(*l*) Amount payable from the Federal Trust Fund (Item 3790-001-0890)	−2,796,000

Provisions:

1. Of the funds appropriated by this act from state general funds and special funds, other than the Off-Highway Vehicle Trust Fund and bond funds, to the Department of Parks and Recreation for local assistance grants to local agencies, the department may allocate an amount not to exceed 1.5 percent of each project's allocation to provide for the department's costs to administer these grants.
2. The funds appropriated by this act for the support of the Department of Parks and Recreation shall be expended as authorized by this item and as set forth in the Memorandum of Understanding as adopted by the Legislature as a part of the annual budget process, and as reflected in the Supplemental Report of the 1999 Budget Act.
3. It is the intent of the Legislature that salaries, wages, operating expenses, and positions associ-

Item	Amount
ated with implementing specific Department of Parks and Recreation capital outlay projects continue to be funded through capital outlay appropriations, and that these funds and related position authority should also be reflected in the department's state operations budget in the Governor's Budget and Budget Bill with an offsetting payable from the capital outlay appropriations.	
3790-001-0449—For support of Department of Parks and Recreation, for payment to Item 3790-001-0392, payable from the Winter Recreation Fund	225,000
3790-001-0516—For support of Department of Parks and Recreation, for payment to Item 3790-001-0392, payable from the Harbors and Watercraft Revolving Fund	581,000
3790-001-0742—For support of Department of Parks and Recreation, for payment to Item 3790-001-0392, payable from the State Urban and Coastal Park Fund	2,347,000
3790-001-0858—For support of Department of Parks and Recreation, for payment to Item 3790-001-0392, payable from the Recreational Trails Fund	151,000
3790-001-0890—For support of Department of Parks and Recreation, for payment to Item 3790-001-0392, payable from the Federal Trust Fund.....	2,796,000
3790-002-0001—For support of Department of Parks and Recreation	157,000,000
Provisions: 1. Of the funds appropriated in this item, $137,000,000 is available for deferred maintenance activities, $10,000,000 for cultural heritage projects, and $10,000,000 for natural heritage projects. These funds shall be available for expenditure until June 30, 2002. Notwithstanding Section 6.00 of this act, deferred maintenance funding may be expended for minor capital outlay projects when the projects would replace existing facilities to address a deferred maintenance problem.	
3790-011-0062—For transfer by the Controller to the State Parks and Recreation Fund, as prescribed by subdivision (a) of Section 2107.7 of the Streets and Highways Code, for expenditure by the Department of Parks and Recreation for maintenance and repair of highways in units of the State Park System, payable from the Highway Users Tax Account, Transportation Tax Fund	(3,400,000)

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3790-012-0061—For transfer by the Controller from the Motor Vehicle Fuel Account, Transportation Tax Fund to the State Parks and Recreation Fund			(11,649,000)
Provisions:			
1. Notwithstanding any other provision of law, of the amount that would have transferred to the Harbors and Watercraft Revolving Fund from the Motor Vehicle Fuel Account, Transportation Tax Fund, the amount of this item shall be available for transfer from the Motor Vehicle Fuel Account, Transportation Tax Fund to the State Parks and Recreation Fund.			
3790-101-0001—For local assistance, Department of Parks and Recreation, to be available for expenditure during the 1999–00, 2000–01, and 2001–02 fiscal years			55,783,000
Schedule:			
(a) 80.25-Recreational Grants.....		55,783,000	
(.5) Highland Senior Center Swimming Pool	(500,000)		
(1) City of Anaheim: Playground Rehabilitation Projects..	(250,000)		
(2) City of Anaheim: Expansion of George Washington Park	(400,000)		
(3) City of Anaheim: Rehabilitate Hansen Park and School Children's Playground.....	(150,000)		
(4) City of Anaheim: Rehabilitate Maxwell Park's Playground.....	(100,000)		
(5) City of Anderson: Deferred Maintenance and ADA compliance for Anderson River Park	(50,000)		
(6) Antelope Valley High School District: Agricultural Vocational Center.	(350,000)		

Item		Amount
(7) City of Artesia: A.J. Padelford Park Expansion		(150,000)
(8) City of Baldwin Park: Teen Center Construction		(250,000)
(9) City of Bellflower: Bikeway Improvement		(250,000)
(9.5) City of Bellflower: Teen Center		(50,000)
(10) City of Benicia: Facility Maintenance for Benicia Historic Park		(200,000)
(11) City of Buena Park: Bellis Park Renovations		(150,000)
(12) City of Calexico: Nosotros Park		(500,000)
(13) City of Campbell: Heritage Theater Restoration Project		(500,000)
(14) Carmichael Recreation and Park District: Renovation and Remodel for the Carmichael Park Swimming Pool		(50,000)
(15) City of Chino: Chino-Monte Vista Park		(100,000)
(16) City of Chino Hills: Skate Park		(100,000)
(17) City of Chino Hills: Sleepy Hollow Community Center		(100,000)
(18) City of Chino Hills: Valle Vista Park playground/ ADA compliance		(85,000)

Item		Amount
(19) City of Chula Vista: Nature Center and Junior Museum Operations...		(220,000)
(20) City of Corcoran: Purchase Tables for PAL.....		(30,000)
(21) Cordova Park and Recreation District: Playground Equipment at Federspiel and Larchmont Park		(50,000)
(22) City of Daly City: Toxic Soil Removal from public park		(100,000)
(23) City of Delano: Morningside Park Improvements.....		(100,000)
(24) Discovery Museum Learning Center: Fence		(50,000)
(25) City of Downey: Aquatic Center		(100,000)
(26) East Bakersfield Consortium: Purchase Passenger Van for Local Boys and Girls Club.....		(32,000)
(27) East Bay Regional Park District: Finish Iron Horse Trail.....		(275,000)
(28) East Bay Regional Park district: Arroyo Del Valle Outdoor Center		(2,500,000)
(29) City of El Cajon: El Cajon Senior Center Design.....		(160,000)
(30) City of El Cajon: Skate Park Design and Development..		(150,000)

Item	Amount
(31) City of El Monte: Durfee Recreational Facility Project	(800,000)
(32) City of Folsom: Bicycle/Pedestrian Bridge	(75,000)
(33) Community of Foresthill: Retrofit Foresthill Community Veterans Hall.	(300,000)
(33.5) City of Fortuna: Newburg Park Recreation Center Improvements	(50,000)
(34) City of Fountain Valley: Mile Square Park Recreation Facility Expansion Project	(750,000)
(35) City of Fresno: Carozza Basin Playground Improvements	(60,000)
(36) City of Fresno: Historic Preservation of the Muex Home	(75,000)
(37) City of Fresno: Mosqueda Playground and Tot Lot Renovation	(60,000)
(38) City of Fresno: Pool/Picnic Area, ADA Tables and Barbecue	(7,000)
(39) City of Fresno: Replace Underground Storage Tank of the Historic Van Ness Chevron	(100,000)
(40) City of Fresno: Sunnyside Neighborhood Playground Improvements	(35,000)

Item		Amount
(41) City of Fresno: Two New Mosqueda Soccer Fields		(408,000)
(42) City of Fullerton: Creation of "Underroof" Railroad Museum		(30,000)
(43) Gabrielino/Tongva Springs Cultural Center		(250,000)
(44) City of Garden Grove: Gem Theater Improvements		(150,000)
(45) City of Garden Grove: Replace Marquee Sign at Garden Grove Gem Theater		(25,000)
(46) City of Garden Grove: Resurface Nine Parks		(90,000)
(47) City of Garden Grove: Upgrade Village Green Amphitheater		(250,000)
(48) City of Greenfield: Little League Park.		(10,000)
(49) City of Guadalupe: Guadalupe Regional Park		(500,000)
(50) City of Half Moon Bay: Bike Trail		(350,000)
(51) City of Hanford: Centennial Park		(96,000)
(52) City of Hawaiian Gardens: Computer acquisition project		(80,000)
(53) City of Hawaiian Gardens: disability accessibility improvements at Helen Rosas Education Center		(60,000)
(54) City of Hayward: Animal Shelter		(300,000)

Item		Amount
(55) City of Healdsburg: Regional Skate Park		(93,000)
(56) City of Hemet: Hemet Park Facility		(500,000)
(57) Highway 50 Association: Funding for Historic Wagon Train Activities		(5,000)
(58) City of Huntington Beach: Swimming Pool		(100,000)
(59) Jurupa Park and Recreation District: Memorial Park Swimming Pool Rehabilitation or Construction		(200,000)
(60) Jurupa Park and Recreation District: Paramount Park		(150,000)
(61) Jurupa Park and Recreation District: Rehabilitation of Memorial Park Community Center		(200,000)
(62) City of Kerman: Community/Teen Center		(200,000)
(63) Kern County: Weedpatch Camp Historic Site Restoration		(5,000)
(64) City of La Mesa: Briarcrest Park-Playground Construction and Parking Improvements.		(183,000)
(65) City of La Mesa: Central Computer Irrigation System for City Parks		(85,000)

Item		Amount
(66) City of La Mesa: Challenge Park Renovations.....		(134,000)
(67) City of La Mesa: La Mesita Park Improvements.....		(174,000)
(68) City of Lafayette: Parkland acquisition		(350,000)
(69) City of Lakewood: Monte Verde Park.		(400,000)
(70) City of Lancaster: National Soccer Center Activity Building		(200,000)
(71) City of Lancaster: Antelope Valley Fairgrounds Exhibit Hall.....		(800,000)
(72) City of Lancaster: Land Acquisition for YMCA/ Lancaster Park.....		(450,000)
(73) City of Lancaster: Local Infrastructure		(60,000)
(74) City of Lancaster: Youth Center Land Acquisition.....		(300,000)
(75) City of Lemon Grove: Berry Street Park Restoration		(75,000)
(76) City of Lemon Grove: Lemon Grove Park Basketball Court Refurbishment and Landscaping		(66,000)
(77) City of Lemon Grove: Lemon Grove Recreation Center		(152,000)

Item		Amount
(78) City of Lemon Grove: Monterey Heights Park, Baseball Field Renovations		(93,000)
(78.5) City of Lemoore: Veterans' Hall Rehabilitation.....		(92,000)
(79) Lockeford Community Service District: Community Park		(100,000)
(80) City of Lodi: Park Improvements at Lodi Lake Beach ..		(200,000)
(81) City of Lomita: Park Restoration ...		(60,000)
(82) City of Long Beach: Rehabilitation Three Parks ...		(400,000)
(83) City of Long Beach: Long Beach Senior Center Renovations		(100,000)
(84) City of Los Alamitos: USA Water Polo Training Center		(335,000)
(85) City of Los Angeles: Ken Mallory Harbor Regional Park Restoration and Planning.....		(1,000,000)
(86) City of Los Angeles: Bienvenidos Family Services Center		(450,000)
(87) City of Los Angeles: Debs Park ..		(1,000,000)
(88) City of Los Angeles: Little Tokyo Center		(250,000)

Item		Amount
(89)	City of Los Angeles: San Fernando Valley Police and Firefighter Memorial	(200,000)
(90)	Los Angeles county: Hanson Dam Skateboard Park Construction.	(141,000)
(91)	Los Angeles County: CARECEN (Central American Resource Center) Community Center Renovation	(250,000)
(92)	Los Angeles County: LA River Trash Collection Devices	(650,000)
(93)	Los Angeles County Housing Authority: Carmelitos Community Gardens	(30,000)
(94)	Mare Island Historic Park Foundation: Visitor Center	(500,000)
(95)	Mariposa County: Construction of paved walkways, parking, restrooms, and informational outlets	(125,000)
(96)	McFarland Recreation and Park District: Soccer Field.	(20,000)
(97)	Mission San Juan Capistrano Preservation Society: Mission San Juan Capistrano Restoration	(2,000,000)
(98)	City of Montclair: Sunset Park Amphitheater Project..	(100,000)

Item	Amount
(99) City of Monterey Park: Elder Park Bathhouse Expansion	(200,000)
(100) City of National City: El Toyon Park, Las Palmas Park, and Sweetwater Heights Park Playground Equipment	(75,000)
(101) City of National City: National City Municipal Pool Waterslide	(20,000)
(102) City of Norco: Ingall Regional Park	(200,000)
(103) North Bakersfield Recreation and Park District: Liberty Park Facility Improvements	(250,000)
(104) North Highlands Recreation and Park District: Youth Center at McClellan Airbase	(20,000)
(105) City of North Hollywood: Valley View Park Improvements	(100,000)
(106) City of Oakland: Conduct Engineering Study for the Concrete Walls Surrounding Lake Merritt	(750,000)
(107) Oceano Community Services District: Community Center Construction	(500,000)
(108) City of Ontario: De Anza Park Renovation and Expansion	(290,000)

Item		Amount
(110) Orangevale Recreation and Park District: Upgrades and ADA Compliance to the Orangevale Community Park	(65,000)	
(111) City of Paso Robles: Construction of Baseball/ Softball Fields and Community Center at Barney Schwartz Park	(250,000)	
(112) City of Pomona: Center Park Improvements	(300,000)	
(113) City of Pomona: Community Center at Central Park-Funds for Design and Building	(200,000)	
(114) City of Pomona: Harrison Park	(200,000)	
(115) City of Pomona: Veterans Park	(150,000)	
(116) City of Redding: Repairs and maintenance for Redding Sports Complex	(10,000)	
(117) City of Richmond: Central Richmond Greenway Project Planning and Development	(50,000)	
(118) City of Riverside: Street Tree Planting Project	(85,000)	
(119) City of Riverside: Expansion of Janet Goeske Senior Center	(150,000)	

Item	Amount
(120) City of Riverside: Renovate Chavez Community Center	(100,000)
(121) City of Rosemead: Garvey Community Center Construction	(250,000)
(122) City of Sacramento: Old Sacramento Stables Project	(150,000)
(123) County of Sacramento: Bank Stabilization Project at Discovery Park	(100,000)
(124) Sacramento County: Wilton-Cosumnes Youth Recreation Center.	(50,000)
(125) San Benito County: Veterans Memorial Park	(100,000)
(126) San Benito Youth Services: Youth Center Land Acquisition	(25,000)
(126.5) City of San Bernardino: Santa Fe Depot Restoration	(400,000)
(127) City of San Buenaventura: Promenade structural repairs and beach access improvements	(750,000)
(128) City of San Carlos: Youth Center..	(800,000)
(129) City of San Diego: ADA Retrofit to Session Memorial Park	(150,000)
(130) City of San Diego: Emerald Hills Park Picnic Shelter	(50,000)

Item	Amount
(131) City of San Diego: Encanto Recreation Center Bleachers and Public Announcement System	(8,000)
(132) City of San Diego: Highway Mitigation in two parks along Interstate 15.....	(1,000,000)
(133) City of San Diego: Lake Murray Comfort Station....	(200,000)
(134) City of San Diego: Larson Field Multipurpose Athletic Field.....	(100,000)
(135) City of San Diego: Marie Widman Community Park Comfort Station Construction..	(250,000)
(136) City of San Diego: Martin Luther King, Jr. Recreation Center Lighting	(20,000)
(137) City of San Diego: Paradise Hills Revitalization	(229,000)
(138) City of San Diego: Tijuana River Valley Ballpark Irrigation and Bleachers	(70,000)
(140) San Diego County: Park and playground cleanup in conjunction with "I Love a Clean San Diego" Program ...	(50,000)

Item		Amount
(141) San Diego County: Sweetwater Regional Park Campground expansion.....	(250,000)	
(142) City of San Fernando: Renovation and Construction Projects at Brand Park	(450,000)	
(143) City and County of San Francisco: Chinese Recreation Center.....	(550,000)	
(144) City and County of San Francisco: Conservatory of Flowers rehabilitation.....	(2,500,000)	
(145) City and County of San Francisco: de Young Memorial Museum education facilities .	(2,500,000)	
(146) City and County of San Francisco: Edgehill Mountain Open Space Park acquisition.....	(300,000)	
(147) City and County of San Francisco: Fallon Building restoration.....	(1,000,000)	
(148) City and County of San Francisco: Harvey Milk Plaza	(300,000)	
(149) City and County of San Francisco: Margaret Haywood Clubhouse renovation	(500,000)	
(150) City and County of San Francisco: Mini Park and Community Gardens	(500,000)	

Item	Amount
(151) City and County of San Francisco: North Mission Open Space	(1,100,000)
(152) City of San Jacinto: Regional Aquatic Center Swimming Pool...	(1,000,000)
(153) County of San Joaquin: Stanislaus River Bicycle and Pedestrian Bridge .	(250,000)
(154) City of San Jose: "Plugged In" Center in East San Jose.....	(100,000)
(155) County of San Mateo: North Fair Oaks Playground ..	(100,000)
(156) County of San Mateo: Pescadero Performing Arts Center Renovations.....	(250,000)
(157) City of Santa Ana: Delhi Community Center.....	(800,000)
(158) City of Santa Ana: Reading City Youth and Moms..	(70,000)
(159) Santa Barbara County: Picnic area and playground equipment for park in Old Town Goleta.....	(400,000)
(160) City of Santa Clarita: Boys and Girls Club	(250,000)
(161) Santa Cruz County: Rancho San Andreas Castro Adobe	(950,000)
(163) City of Santa Maria: Youth Center	(500,000)

Item		Amount
(164) City of Santa Paula: Las Piedras, Teague and Mill Parks: Basketball Court Improvements		(20,000)
(165) City of Santa Rosa: Burbank Senior Center renovation and expansion		(75,000)
(166) City of Santee: Town Center Park.		(75,000)
(167) City of Scotts Valley: Civic Center renovation		(25,000)
(168) City of Seal Beach: Regional Bikeway project		(650,000)
(169) City of Sebastopol: Laguna de Santa Rosa Outdoor Classroom		(95,000)
(170) City of Spring Valley: LaMar Street Park Design and Development		(400,000)
(171) City of Spring Valley: Park Land Acquisition for Library, Gym and Teen Center		(500,000)
(172) City of Stanton: Neighborhood Center		(300,000)
(173) Sunrise Park and Recreation District: Play Equipment and Surfacing Material at Antelope Station Park and Blue Oak Park		(100,000)

Item	Amount
(174) Sunrise Recreation and Park District: Upgrading of playground equipment and park infrastructure.....	(100,000)
(175) Sutter County: Tierra Buena Park improvements.....	(50,000)
(176) Sweetwater Authority: Sweetwater Reservoir fishing access.....	(750,000)
(176.5) Tia Juana Valley Water District: Tijuana River Valley Environmental Restoration Flood control study	(150,000)
(177) Tulare County: Creation of the Tulare Santa Fe Trail.	(250,000)
(177.5) City of Turlock: Historical Buildings.....	(175,000)
(178) Tuolumne County: Funding to Repair Check Dams in the Emigrant Wilderness Area.....	(25,000)
(179) City of Visalia: Historic Preservation of the Fox Theater.....	(65;000)
(180) City of Walnut: Expansion of snackbar and field improvements.....	(100,000)
(181) Western Center Community Foundation: Western Center for Archaelogy and Paleontology.....	(1,000,000)

Item		Amount
(182) City of Westminster: Purchase Passenger Vans to Serve Vietnamese Seniors	(50,000)	
(183) City of Westminster: Little Saigon Cultural Heritage Museum	(250,000)	
(184) City of Willits: Willits Little League and Soccer	(300,000)	
(185) City of Yucaipa: Community Swimming Pool	(250,000)	
(186) City of Yucca Valley: Public Park facility	(750,000)	

3790-101-0262—For local assistance, Department of Parks and Recreation, payable from the Habitat Conservation Fund, to be available for expenditure during the 1999–00, 2000–01 and 2001–02 fiscal years 2,000,000

Schedule:

(1) 80.25.001-Local Grants-Habitat Conservation Fund Program 2,000,000

Provisions:

1. The funds appropriated by this item shall be available only for projects submitted to the Department of Parks and Recreation for consideration during the evaluation process for the Habitat Conservation Fund Program.
2. The funds appropriated by this item shall be used for purposes consistent with the requirements of the Habitat Conservation Fund, and the Unallocated Account of the Cigarette and Tobacco Products Surtax Fund.
3. Notwithstanding Section 16304(c) of the Government Code, funding appropriated in this item shall be subject to the revision requirements provided in Section 16304.1 of the Government Code.

3790-101-0263—For grants to cities, counties, or special districts, as specified in Division 5 (commencing with Section 5001) of the Public Resources Code, Department of Parks and Recreation, payable from

Item		Amount
the Off-Highway Vehicle Trust Fund, to be available for expenditure during the 1999–00, 2000–01 and 2001–02 fiscal years		16,555,000
Schedule:		
(1) 80.12-OHV Grants for, cities, counties, special districts, or federal agencies	16,555,000	
Provisions:		
1. Notwithstanding Section 16304(c) of the Government Code, funding appropriated in this item shall be subject to the revision requirements provided in Section 16304.1 of the Government Code.		
3790-101-0858—For local assistance, Department of Parks and Recreation, payable from the Recreational Trails Fund, to be available for expenditure during the 1999–00, 2000–01 and 2001–02 fiscal years		4,500,000
Schedule:		
(1) 80.12-OHV Grants for, cities, counties, special districts, or federal agencies	1,350,000	
(2) 80.25-Recreational Grants	3,150,000	
Provisions:		
1. The funds appropriated in Schedules (1) and (2) shall be available for expenditure for local assistance or capital outlay.		
2. Notwithstanding Section 16304(c) of the Government Code funding appropriated in this item shall be subject to the revision requirements provided in Section 16304.1 of the Government Code.		
3790-101-0890—For local assistance, Department of Parks and Recreation, payable from the Federal Trust Fund, to be available for expenditure during the 1999–00, 2000–01 and 2001–02 fiscal years		2,375,000
Schedule:		
(1) 80.25-Recreational Grants	2,000,000	
(2) 80.30-Historic Preservation Grants.	375,000	
Provisions:		
1. Notwithstanding Section 16304(c) of the Government Code, funding appropriated in this item shall be subject to the revision requirements provided in Section 16304.1 of the Government Code.		
3790-102-0001—For local assistance, Department of Parks and Recreation		530,000
Schedule:		
(a) 80.25-Recreational Grants	530,000	

Item		Amount
(1) City of Stockton: Tall Ships Celebration	(50,000)	
(2) City of San Diego: Tall Ships Celebration	(175,000)	
(3) City of Long Beach: Tall Ships Celebration	(100,000)	
(4) Master Mariners Benevolent Foundation: Tall Ships Celebration	(100,000)	
(5) Master Mariners Benevolent Foundation: Fueling and Provisioning of Tall Ships	(105,000)	
3790-111-0235—For transfer by the Controller from Public Resources Account, Cigarette and Tobacco Products Surtax Fund to the Community Parklands Fund—0716		121,000
Provisions:		
1. Notwithstanding Section 16304(c) of the Government Code the balance of all appropriations from the Community Parklands Fund, including any amounts encumbered, shall revert on June 30, 2000, to the Public Resources Account, Cigarette and Tobacco Products Surtax Fund.		
3790-112-0235—For transfer by the Controller from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund to the Natural Resources Infrastructure Fund (0383)		(575,000)
Provisions:		
1. The funds transferred by this item shall be used for purposes consistent with the requirements of the Public Resources Account, Cigarette and Tobacco Products Surtax Fund.		
3790-301-0001—For capital outlay, Department of Parks and Recreation		7,304,000
Schedule:		
(1) 90.CB.600-Morro Bay SP: Campground Rehabilitation and Day Use Area—Preliminary Plans	69,000	
(2) 90.H6.605-Cuyamaca Rancho SP: Rehabilitation of Paso Picacho Campground—Construction	1,535,000	

Item	Amount
(3) 90.RS.205-Statewide: State Park System—Minor Projects	3,146,000
(4) 90.RS.220-Statewide: Disasters Program—Minor Projects	250,000
(5) 90.RS.402-Statewide: Inholding Purchases—Acquisition	500,000
(6) 90.RS.810-Capital Outlay Projects—Acquisition, preliminary plans, working drawings, construction	3,000,000
(7) 90.3F.605-Benbow Lake SRA: Benbow Dam Repair—Construction	1,208,000
(7.1) 90.47.100-Lake Oroville SRA: Sewer System Rehabilitation—Preliminary plans and working drawings	168,000
(11) 90.90.110-Bodie SHP: Health and Safety Mitigation—Preliminary plans, working drawings and construction	428,000
(12) Reimbursements—Capital Outlay Projects	−3,000,000

Provisions:

1. Notwithstanding any other provision of law, the Department of Parks and Recreation may borrow funds from the State Parks and Recreation Fund in order to provide advance cash for fully authorized reimbursement-funded projects. The loan shall be requested in writing by the Department of Parks and Recreation to the Controller's office as needed for cash-flow and will not be subject to any interest.
2. In the event the Department of Parks and Recreation receives additional unanticipated reimbursements from any agency of any local government or the federal government for other capital outlay projects, expenditure may be authorized in accordance with Section 28.50 of this act.
3. As part of the development of preliminary plans and working drawings pursuant to Schedule (7.1), the Department of Parks and Recreation shall determine, with Department of Finance concurrence, the appropriate cost sharing ratio between the state and the local users for the project and shall calculate the appropriate local contribution for the project. Before any construction funding is

Item		Amount

appropriated: (a) the department and the Lake Oroville Area Public Utility District (LOAPUD) shall agree on cost sharing as determined during the planning process; (b) LOAPUD shall agree to reimburse the state for its share of the total project; (c) LOAPUD shall agree to accept ownership of the sewer system upon completion of the project; and (d) the department and LOAPUD shall agree on the cost sharing for future operating and maintenance costs and future replacement or repairs of the sewer system. If agreement on these conditions cannot be reached between the department and LOAPUD, the department shall consider other alternatives including, but not limited to, eventual phasing out of state participation in the system or direct billing of homeowners for the local share of repairs and maintenance.

4. To the extent that the department receives reimbursement from LOAPUD for prior year operating and maintenance expenses for the system (incurred prior to July 1, 1999), those funds shall be remitted to the department for deposit by the Controller in the General Fund, notwithstanding subdivision (b) of Section 5010 of the Public Resources Code.

3790-301-0140—For capital outlay, Department of Parks and Recreation, payable from the California Environmental License Plate Fund 248,000

Schedule:

(1) 90.HA.105-Anza Borrego Desert SP: General Plan—Study 248,000

3790-301-0262—For capital outlay, Department of Parks and Recreation, payable from the Habitat Conservation Fund 2,500,000

Schedule:

(1) 90.RS.406-Habitat Conservation: Proposed Additions—Acquisition 1,000,000

(2) 90.RS.407-Santa Lucia Mountains: Proposed Additions—Acquisition..... 1,500,000

Provisions:

1. The funds appropriated in Schedule (1) of this item shall be expended for state park acquisitions located in the Klamath-Siskiyou, Sierra Foothills and Low Coastal Mountain, Southwest Mountain

Item		Amount
and Valley, and Sierra Nevada Landscape Provinces.		
3790-301-0263—For capital outlay, Department of Parks and Recreation, payable from the Off-Highway Vehicle Trust Fund		10,815,000
Schedule:		
(1) 90.RS.206-Statewide: OHV Minors—Minor Projects	330,000	
(2) 90.RS.405-Statewide: OHV Opportunity Purchases and Prebudget Appraisals—Study and Acquisition	400,000	
(3) 90.RS.414-Guzman Ranch Project—Acquisition and Study	5,305,000	
(4) 90.RS.422-Chappie Shasta—Acquisition	2,500,000	
(5) 90.RS.605-Statewide: Budget Package/Schematic Planning—Study	30,000	
(6) 90.7C.400-Oceano Dunes SVRA: La Grande Tract—Acquisition	2,200,000	
(7) 90.7K.601-Carnegie SVRA: Alameda/Tesla Development—Preliminary plans	50,000	
Provisions:		
1. Funds appropriated in Schedule (5) shall be used to develop design information or cost information for new projects for which funds have not been appropriated previously, but which are anticipated to be included in the Governor's Budget for the 2000–01 or 2001–02 fiscal year.		
2. To the extent they are expended for acquisitions, the funds appropriated in Schedule (2) shall be available for inholding acquisitions, parcels adjacent to existing state vehicular recreation areas or parcels available through tax default that fall within the department's five-year plan for program expansion.		
3. With regard to Schedule (3), the Department of Parks and Recreation shall notify the Joint Legislative Budget Committee and the chairs of the fiscal committees of each house of the Legislature not less than 30 days prior to the expenditure of funds for the acquisition of land for the Fresno Area Off-Highway Recreational Area.		

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3790-301-0728—For capital outlay, Department of Parks and Recreation, payable from the Recreation and Fish and Wildlife Enhancement Fund		447,000
Schedule:		
(1) 90.RS.205-Statewide: State Park System—Minor Projects	447,000	
3790-301-0786—For capital outlay, Department of Parks and Recreation, payable from the California Wildlife, Coastal and Park Land Conservation Fund of 1988		841,000
Schedule:		
(1) 90.RS.230-Statewide: Stewardship Program—Minor Projects	125,000	
(2) 90.RS.235-Statewide: Volunteer Program—Minor Projects	81,000	
(3) 90.RS.240-Statewide: California Sno-Park—Minor Projects	385,000	
(4) 90.RS.260-Statewide: Recreational Trails—Minor Projects	250,000	
Provisions:		
1. Funds appropriated in Schedule (1) of this item shall be available for expenditure until June 30, 2002.		
3790-301-0890—For capital outlay, Department of Parks and Recreation, payable from the Federal Trust Fund		600,000
Schedule:		
(1) 90.RS.801-Federal Trust Fund: Acquisition and construction	600,000	
3790-302-0001—For capital outlay, Department of Parks and Recreation		20,697,000
Schedule:		
(1) 90.B2.205-Auburn State Recreation Area: Quarry Road Stabilization—Minor Project	47,000	
(1.1) 90.9H.120-Colonel Allensworth State Historic Park: Restorations—Preliminary plans, working drawings, and construction	12,000,000	
(1.2) 90.CO.402-Henry W. Coe State Park: Mt. Hamilton—Acquisition	2,000,000	
(1.25) 90.EC.401-Kenneth B. Hahn State Recreation Area: Expansion—Acquisition	4,000,000	
(1.27) Los Encinos State Historic Park: Earthquake Repair—Minor Project	400,000	

Item		Amount
(1.3) 90.5N.411-Mount Diablo State Park: Open Space—Acquisition....	250,000	
(2) 90.FB.101-Pio Pico State Historic Park: Restoration—Preliminary plans, working drawings, construction.....	500,000	
(3) 90.6L.400-Tomales Bay State Park: Scenic Lands, Millerton Point Acquisition—Acquisition	1,500,000	

Provisions:

1. Of the funds available in Schedule (1.1), $6,000,000 shall be allocated in the 1999–00 fiscal year, with the remaining $6,000,000 allocated in the 2000–01 fiscal year.

3790-311-0001—For transfer by the Controller to the Habitat Conservation Fund-(0262)..... 2,500,000

Provisions:

1. The funds transferred by this item shall be used for purposes consistent with the requirements of the Habitat Conservation Fund.

3790-401—For the 1999–00 fiscal year, the balance as of July 1, 1999, deposits in, and accruals to the Conservation and Enforcement Services Account in the Off-Highway Vehicle Trust Fund shall be transferred by the State Controller to the Off-Highway Vehicle Trust Fund. All funds transferred pursuant to this item shall be available for expenditure by the Department of Parks and Recreation for purposes of conservation and enforcement activities pursuant to Sections 23 and 25 of Chapter 1027 of the Statutes of 1987 which are authorized for expenditure within Items 3790-001-0263, 3790-101-0263, and 3790-301-0263. The Controller shall make the transfers quarterly or at such intervals as determined necessary to meet the cash-flow needs of the Off-Highway Vehicle Trust Fund.

3790-490—Reappropriation, Department of Parks and Recreation. The balances of the appropriations provided in the following citations are reappropriated for the purposes and subject to the limitations, unless otherwise specified, provided for the appropriations:

0001—General Fund

(1) Item 3790-301-0001, Budget Act of 1996 (Ch. 162, Stats. 1996)

(3) 90.RS.130-Statewide: Dispatch Centers—Construction and equipment, provided that

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	the amount of this reappropriation shall not exceed $100,000.	
(2)	Item 3790-301-0001, Budget Act of 1997 (Ch. 282, Stats. 1997), as reappropriated by Item 3790-490, Budget Act of 1998 (1) Reimbursements-Transportation Enhancement Activities Program, provided that the amount of this reappropriation shall not exceed $1,691,000 and the reimbursement authority provided in this item for the Stanford Mansion SHP—Preliminary plans, working drawings, and construction shall be available for expenditure until June 30, 2001.	
(3)	Item 3790-301-0001, Budget Act of 1997 (Ch. 282, Stats. 1997), as reappropriated by Item 3790-490, Budget Act of 1998 (4) 90.94.101-Stanford Mansion SHP—Preliminary plans, working drawings, and construction, provided that the funds shall be available for expenditure until June 30, 2001.	
(4)	Item 3790-301-0001, Budget Act of 1997 (Ch. 282, Stats. 1997), as reappropriated by Item 3790-490, Budget Act of 1998 (5) 90.FB.101-Pio Pico SHP—Preliminary plans, working drawings, and construction.	
(5)	Item 3790-301-0001, Budget Act of 1998 (Ch. 324, Stats. 1998) (1) 90.CB.600-Morro Bay SP: Campground and Day Use Rehabilitation—Preliminary plans.	
(6)	Item 3790-301-0001, Budget Act of 1998 (Ch. 324, Stats. 1998) (2) 90.H6.605-Cuyamaca Rancho SP: Rehabilitation of Paso Picacho Campground—Preliminary plans and working drawings, provided that this reappropriation is limited to the working drawings phase.	
(7)	Item 3790-301-0001, Budget Act of 1998 (Ch. 324, Stats. 1998) (7) 90.3F.605-Benbow Lake SRA: Benbow Dam Repair—Preliminary plans and working drawings, provided that this reappropriation is limited to the working drawings phase.	
(8)	Item 3790-301-0001, Budget Act of 1998 (Ch. 324, Stats. 1998)	

Item	Amount
(8) 90.8J.600-Columbia SHP: Knapp Block Rehabilitation—Study and preliminary plans, provided that this reappropriation is limited to the preliminary plan stage.	
(9) Subdivision (e) of Section 1 of Chapter 953 of the Statutes of 1998, in augmentation of Item 3790-302-0001, Budget Act of 1998 (Ch. 324, Stats. 1998)	
(3) 90.FB.100-Pio Pico SHP: Restoration—Preliminary plans, working drawings, and construction	
0235-Public Resources Account	
(1) Item 3790-301-0235, Budget Act of 1996 (Ch. 162, Stats. 1996)	
(1) 90.5N.400-Mount Diablo State Park—Acquisition	
0263-Off-Highway Vehicle Trust Fund	
(1) Item 3790-301-0263, Budget Act of 1996 (Ch. 162, Stats of 1996)	
(4) 90.RS.411-San Diego Area: OHV Site Acquisition—Acquisition	
0545-River Parkway Subaccount	
(1) Item 3790-301-0545, Budget Act of 1998, (Ch. 324, Stats. of 1998)	
(1) 90.RS.811-River Parkway Program—Minor projects, provided that the amount of this reappropriation may not exceed $628,000.	
3790-491—Reappropriation, Department of Parks and Recreation. Notwithstanding any other provision of the law, the unliquidated encumbrance for the appropriation provided in the following citation is reappropriated until June 30, 2004. The unencumbered balance shall not be available for encumbrance.	
0733—State Beach, Park, Recreational and Historical Facilities Bond Act of 1974	
(1) Item 3790-101-733 (a)(1), Budget Act of 1994 (Ch. 139, Stats. 1994), City of Fresno: Agricultural Museum	
3810-001-0140—For support of Santa Monica Mountains Conservancy, for payment to Item 3810-011-0941, payable from the California Environmental License Plate Fund	437,000
1. In the event reimbursements or additional Santa Monica Mountains Conservancy Fund moneys are received, the Department of Finance may authorize the transfer of support expenditure author-	

Item		Amount
ity from this item to the Santa Monica Mountains Conservancy Fund or to reimbursements.		
3810-011-0941—For support of Santa Monica Mountains Conservancy, payable from the Santa Monica Mountains Conservancy Fund		120,000
Schedule:		
(a) 10-Santa Monica Mountains Conservancy	557,000	
(d) Amount payable from the California Environmental License Plate Fund (Item 3810-001-0140)	–437,000	
Provisions:		
1. Notwithstanding Article 4 (commencing with Section 11040) of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government Code, the Attorney General shall continue to provide legal services to the Santa Monica Mountains Conservancy consistent with the manner in which the Attorney General provides legal services to state agencies that are funded by appropriations made from the General Fund.		
2. (a) The Santa Monica Mountains Conservancy shall not encumber state appropriated funds for the purchase or acquisition of real property directly or through any public agency intermediary, including the State Public Works Board, that requires the payment of interest costs, or late fees or penalties, unless the conservancy certifies all of the following: (1) that the purchase is necessary to implement an acquisition identified in the high-priority category of the work program submitted annually to the Legislature pursuant to Section 33208 of the Public Resources Code, or amendments made thereto, (2) that the purchase agreement does not involve interest payments or terms in excess of those that the State Public Works Board may enter into pursuant to Section 15854.1 of the Government Code, and (3) that the purchase agreement does not commit the state to future appropriations.		
(b) The Santa Monica Mountains Conservancy shall report periodically to the Legislature, but no less frequently than twice yearly, concerning the status of any purchases certified as required in (a) and the amount of state		

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funds thus far encumbered for interest, penalties, or other principal surcharges.		
3810-301-0001—For capital outlay, Santa Monica Mountains Conservancy		15,000,000
Schedule:		
(.9) 20.10.140-Capital outlay and grants	15,000,000	
Provisions:		
1. The amount appropriated in this item is available for encumbrance for either capital outlay or local assistance through the 2001–02 fiscal year.		
2. The funds available in this item are available for activities consistent with Division 23 (commencing with Section 33000) of the Public Resources Code for the following projects: the Oakmont acquisition, $5,000,000 and unspecified projects, $10,000,000.		
3810-301-0941—For capital outlay, Santa Monica Mountains Conservancy, payable from the Santa Monica Mountains Conservancy Fund		0
(1) 50.20.001-Capital Outlay acquisitions	50,000	
(2) Reimbursements	−50,000	
Provisions:		
1. Notwithstanding any other provision of law, the funds appropriated by this item are available for encumbrance for either capital outlay or local assistance through the 2001–02 fiscal year.		
3820-001-0001—For support of San Francisco Bay Conservation and Development Commission		2,784,000
Schedule:		
(a) 10-Bay Conservation and Development	3,740,000	
(b) Reimbursements	−675,000	
(d) Amount payable from the Federal Trust Fund (Item 3820-001-0890).	−106,000	
(e) Amount payable from the Bay Fill Clean-up and Abatement Fund (Item 3820-001-0914)	−175,000	
Provisions:		
1. Of the amount appropriated in this item, the $100,000 provided in reimbusements from the San Francisco International Airport shall only be expended for the San Francisco Bay Conservation and Development Commission's participation in the Regional Airport Systems Plan and for work relating to the processing of the airport's antici-		

Item		Amount
pated permit application. These funds shall be expended only in accordance with the memorandum of understanding entered into by the Airport Commission of the City and County of San Francisco and the San Francisco Bay Conservation and Development Commission.		
2. Of the amount appropriated in this item, $174,000 shall be available only for the review or update of the following elements of the San Francisco Bay Plan: Carrying out the Bay Plan, Dredging, Navigational Safety, Marshes and Mudflats, Public Access and Wildlife, and Fish and Wildlife.		
3820-001-0890—For support of San Francisco Bay Conservation and Development Commission, for payment to Item 3820-001-0001, payable from the Federal Trust Fund		106,000
3820-001-0914—For support of San Francisco Bay Conservation and Development Commission, for payment to Item 3820-001-0001, payable from the Bay Fill Clean-up and Abatement Fund		175,000
3830-001-0140—For support of San Joaquin River Conservancy, payable from the California Environmental License Plate Fund		202,000
Schedule:		
(a) 10-San Joaquin River Conservancy.	212,000	
(b) Reimbursements	−10,000	
Provisions:		
1. Acquisitions and enhancements administered pursuant to this item shall not be undertaken if they would require increased state funds for management purposes.		
3830-301-0104—For capital outlay, San Joaquin River Conservancy, payable from the San Joaquin River Conservancy Fund		0
Schedule:		
(1) 20—Capital Outlay Acquisition and Enhancement Projects	5,000,000	
(2) Reimbursements	−5,000,000	
Provisions:		
1. Acquisitions and enhancements pursuant to this item shall not be undertaken if they would require increased state funds for management purposes.		
2. Notwithstanding any other provision of law, the funds appropriated by this item are available for encumbrance for either capital outlay or local assistance through the 2001–02 fiscal year.		

Item		Amount
3. Notwithstanding any other provision of law, upon approval and order of the Department of Finance, loans may be made to the San Joaquin River Conservancy Fund from the California Environmental License Plate Fund to meet cash-flow needs due to delays in collecting reimbursements. Any loan authorized by the Department of Finance pursuant to this provision shall only be made if the conservancy has a valid contract or certification which demonstrates that sufficient funds will be available to repay the loan. All money so transferred shall be repaid to the special fund as soon as possible, but not later than the end of the fiscal year.		
3840-001-0140—For support of Delta Protection Commission, payable from the California Environmental License Plate Fund		132,000
3840-001-0516—For support of Delta Protection Commission, payable from the Harbors and Watercraft Revolving Fund		155,000
3850-001-0296—For support of Coachella Valley Mountains Conservancy, payable from the Coachella Valley Mountains Conservancy Fund		30,000
Schedule:		
(a) 10-Coachella Valley Mountains Conservancy	229,000	
(b) Reimbursements	−199,000	
Provisions:		
1. Acquisitions and enhancements administered pursuant to this item shall not be undertaken if they would require increased state funds for management purposes.		
3850-301-0296—For capital outlay, Coachella Valley Mountains Conservancy, payable from the Coachella Valley Mountains Conservancy Fund		100,000
Schedule:		
(1) 20-Coachella Valley Mountains, Acquisition and Enhancement Projects and Costs	600,000	
(2) Reimbursements	−500,000	
Provisions:		
1. Acquisitions and enhancements pursuant to this item shall not be undertaken if they would require increased state funds for management purposes.		
2. Notwithstanding any other provision of law, the funds appropriated by this item are available for encumbrance for either capital outlay or local assistance through the 2001–02 fiscal year.		

Item		Amount
3. Notwithstanding any other provision of law, upon approval and order of the Department of Finance, loans may be made to the Coachella Valley Mountains Conservancy Fund from the California Environmental License Plate Fund to meet cash-flow needs due to delays in collecting reimbursements. Any loan authorized by the Department of Finance pursuant to this provision shall only be made if the conservancy has a valid contract or certification which demonstrates that sufficient funds will be available to repay the loan. All money so transferred shall be repaid to the special fund as soon as possible, but not later than the end of the fiscal year.		
3860-001-0001—For support of Department of Water Resources		53,190,000
Schedule:		
(a) 10-Continuing Formulation of the California Water Plan	36,445,000	
(ax) 15-CalFed Bay-Delta Program	8,000,000	
(b) 20-Implementation of the State Water Resources Development System	2,050,000	
(c) 30-Public Safety and Prevention of Damage	28,965,000	
(d) 40-Services	4,818,000	
(e) 50.01-Management and Administration	48,227,000	
(f) 50.02-Distributed Management and Administration	–48,227,000	
(g) Reimbursements	–9,678,000	
(h) Amount payable from the California Environmental License Plate Fund (Item 3860-001-0140)	–745,000	
(i) Amount payable from the Central Valley Project Improvement Subaccount (Item 3860-001-0404)	–2,986,000	
(j) Amount payable from the Delta Levee Rehabilitation Subaccount (Item 3860-001-0409)	–1,703,000	
(k) Amount payable from the Feasibility Projects Subaccount (Item 3860-001-0445)	–2,967,000	
(*l*) Amount payable from the Water Conservation and Groundwater Recharge Subaccount (Item 3860-001-0446)	–488,000	

Item		Amount
(m)	Amount payable from the Energy Resources Programs Account (Item 3860-001-0465)	−1,649,000
(n)	Amount payable from the Local Projects Subaccount (Item 3860-001-0543)	−291,000
(o)	Amount payable from the Sacramento Valley Water Management and Habitat Protection Subaccount (Item 3860-001-0544)	−162,000
(p)	Amount payable from the 1984 State Clean Water Bond Fund (Item 3860-001-0740)	−5,000
(q)	Amount payable from the 1986 Water Conservation and Water Quality Bond Fund (Item 3860-001-0744)	−289,000
(r)	Amount payable from the 1988 Water Conservation Fund (Item 3860-001-0790)	−290,000
(s)	Amount payable from the Federal Trust Fund (Item 3860-001-0890)	−5,191,000
(t)	Amount payable from the Renewable Resources Investment Fund (Item 3860-001-0940)	−644,000

Provisions:

1. The amounts appropriated in Items 3860-001-0001 to 3860-001-0940, inclusive, shall be transferred to the Water Resources Revolving Fund (0691) for direct expenditure in such amounts as the Department of Finance may authorize, including cooperative work with other agencies.
3. Of the amount appropriated in this item for Integrated Storage Investigations:
   (a) $4,200,000 shall be available to complete the Sites and Alternatives off-stream storage investigation, subject to the following:
      (1) No more than $1,200,000 may be spent on the "Engineering and Economic Studies" element of CalFed's proposed tasks for the North of Delta Offstream Storage Studies.
      (2) If any off-stream construction should proceed, beneficiaries shall be required to reimburse all prior planning expenditures from the General Fund.

Item	Amount
(b) $5,800,000 shall be allocated to other elements of the CalFed integrated storage investigations, subject to the following: (1) No less than $2,000,000 shall be for a groundwater-conjunctive use study.	
3860-001-0140—For support of Department of Water Resources, for payment to Item 3860-001-0001, payable from the California Environmental License Plate Fund	745,000
3860-001-0404—For support of Department of Water Resources, for payment to Item 3860-001-0001, payable from the Central Valley Project Improvement Subaccount	2,986,000
3860-001-0409—For support of Department of Water Resources, for payment to Item 3860-001-0001, payable from the Delta Levee Rehabilitation Subaccount	1,703,000
3860-001-0445—For support of Department of Water Resources, for payment to Item 3860-001-0001, payable from the Feasibility Projects Subaccount	2,967,000
3860-001-0446—For support of Department of Water Resources, for payment to Item 3860-001-0001, payable from the Water Conservation and Groundwater Recharge Subaccount	488,000
3860-001-0465—For support of Department of Water Resources, for payment to Item 3860-001-0001, payable from the Energy Resources Programs Account	1,649,000
3860-001-0543—For support of Department of Water Resources, for payment to Item 3860-001-0001, payable from the Local Projects Subaccount	291,000
3860-001-0544—For support of Department of Water Resources, for payment to Item 3860-001-0001, payable from the Sacramento Valley Water Management and Habitat Protection Subaccount	162,000
3860-001-0740—For support of Department of Water Resources, for payment to Item 3860-001-0001, payable from the 1984 State Clean Water Bond Fund	5,000
3860-001-0744—For support of the Department of Water Resources, for payment to Item 3860-001-0001, payable from the 1986 Water Conservation and Water Quality Bond Fund	289,000
3860-001-0790—For support of the Department of Water Resources, for payment to Item 3860-001-0001, payable from the 1988 Water Conservation Fund	290,000
3860-001-0890—For support of Department of Water Resources, for payment to Item 3860-001-0001, payable from the Federal Trust Fund	5,191,000

Item	Amount
3860-001-0940—For support of Department of Water Resources, for payment to Item 3860-001-0001, payable from the Renewable Resources Investment Fund	644,000
3860-002-0001—For support of Department of Water Resources	3,000,000
Schedule:	
(a) 10-Continuing Formulation of the California Water Plan 3,000,000	
Provisions:	
1. Of the amount appropriated in this item, $1,000,000 shall be used annually, in each of the 1999–00, 2000–01, and 2001–02 fiscal years, to pay for the statewide update of the inventory of groundwater basins contained in Bulletin 118-80, which includes, but is not limited to, the following: the review and summary of boundaries and hydrographic features, hydrogeologic units, yield data, water budgets, well protection characteristics, and water quality and active monitoring data; development of a water budget for each groundwater basin; development of a format and procedures for publication of water budgets on the Internet; development of the model groundwater management ordinance; and development of guidelines for evaluating local groundwater management plans.	
3860-005-0144—For transfer by the Controller from the California Water Fund to the Delta Flood Protection Fund (0176)	(1,533,000)
3860-101-0001—For local assistance, Department of Water Resources	8,000,000
Schedule:	
(a) 30.20-Flood Control Subventions ... 2,000,000	
(b) 30.20-Delta Levee Subventions 6,000,000	
3860-101-0176—For local assistance, Department of Water Resources, payable from the Delta Flood Protection Fund	2,333,000
Schedule:	
(a) 30.20-Flood Control Subventions ... 2,333,000	
3860-101-0446—For local assistance, Department of Water Resources, payable from the Water Conservation and Groundwater Recharge Subaccount	11,243,000
3860-101-0543—For local assistance, Department of Water Resources, payable from the Local Projects Subaccount	18,000,000

Item		Amount
3860-101-0544—For local assistance, Department of Water Resources, payable from the Sacramento Valley Water Management and Habitat Protection Subaccount		7,983,000
3860-101-0740—For local assistance, Department of Water Resources, Program 10.29—Conservation Loans, payable from the 1984 State Clean Water Bond Fund		20,000
3860-101-0744—For local assistance, Department of Water Resources, Program 10.29—Conservation Loans, payable from the 1986 Water Conservation and Water Quality Bond Fund		10,000,000
3860-101-0786—For local assistance, Department of Water Resources, payable from the California Wildlife, Coastal, and Park Land Conservation Fund of 1988		87,000
3860-101-0790—For local assistance, Department of Water Resources, Program 10.29—Conservation Loans, payable from the 1988 Water Conservation Fund		5,000,000
3860-201-0001—For local assistance, Department of Water Resources		9,025,000
Schedule:		
(a) City of Mendota-Drinking Water Supply	500,000	
(b) Anaheim Bay/Pacific Coast Highway Debris Removal	50,000	
(d) Salton Sea	2,000,000	
(e) City of Chico-Flood Study	100,000	
(f) Sacramento Area Flood Control Agency-Magpie Creek	1,750,000	
(g) Colusa Basin Drainage District	3,000,000	
(h) City of Yucca Valley-Flood Control Project	200,000	
(i) Bethel Island Municipal District-Levees	250,000	
(j) Santa Barbara Flood Control District-Santa Rosa Creek Restoration	100,000	
(*l*) City of Woodland-Flood Feasibility Study	425,000	
(m) City of Westminster-Water Tank Replacement	400,000	
(n) City of Santee-Forester Creek Flood Control Project	250,000	
Provisions		
1. The funds appropriated in Schedule (b) of this item shall be used to obtain the services of the Or-		

Item		Amount
ange County Conservation Corps to remove debris along the Anaheim Bay channel.		
3860-301-0001—For capital outlay, Department of Water Resources		22,225,000
Schedule:		
(1) 30.95.010-Sacramento Riverbank Protection Project	2,700,000	
(2) 30.95.115-American River Flood Control Project Phase 1: Common Elements	2,500,000	
(3) 30.95.202-Sacramento/San Joaquin River Basins Comprehensive Study	5,650,000	
(4) 30.95.205-Sutter County Bridge Replacement	680,000	
(5) 30.95.280-Terminus Dam, Lake Kaweah Project	11,507,000	
(6) 30.95.285-Willow Slough Bypass Levee Subsidence Repair	2,940,000	
(7) 30.95.286-Middle Creek Feasibility Study	500,000	
(8) 30.95.290-Hamilton City Feasibility Study	300,000	
(9) 30.95.295-Tehama Feasibility Study	100,000	
(10) Reimbursements-American River Flood Control Project Phase 1: Common Elements	−750,000	
(11) Reimbursements-Terminus Dam, Lake Kaweah Project	−3,452,000	
(12) Reimbursements-Middle Creek Feasibility Study	−250,000	
(13) Reimbursement-Hamilton City Feasibility Study	−150,000	
(14) Reimbursement-Tehama Feasibility Study	−50,000	
Provisions:		
1. The funds appropriated by this item may be expended for the acquisition of land, easements, and rights-of-way, including, but not limited to, borrow pits, spoil areas, and easements for levees, clearing, flood control works, and flowage, and for appraisals, surveys, and engineering studies necessary for the completion or operation of the projects in the Sacramento and San Joaquin watersheds as authorized by Section 8617.1 and Chapters 1 (commencing with Section 12570), 2		

Item		Amount
	(commencing with Section 12639), 3 (commencing with Section 12800), 3.5 (commencing with Section 12840), and 4 (commencing with Section 12850) of Part 6 of Division 6 of the Water Code.	
	2. The amounts appropriated in this item are also for advances to the federal government or payments to the federal government or others for incidental construction or reconstruction items that are an obligation of the state in connection with the completion or operation of the projects and for materials and necessary construction, reconstruction, relocation, or alterations to highways, railroads, bridges, powerlines, communication lines, pipelines, irrigation works, and other structures and facilities and for appraisals, surveys, and engineering studies incidental thereto.	
	3. The funds appropriated in this item include funding for preliminary plans, working drawings, construction supervision, contract administration, and other work activities to be performed by Department of Water Resources personnel in completion of the projects.	
	4. Notwithstanding Section 26.00 of this act, funds may be transferred, with the approval of the Department of Finance, between projects specified in this item and other Department of Water Resources major capital outlay projects with an active appropriation. The Director of Finance shall notify, in writing, the chairperson of the committee in each house that considers appropriations and the Chairperson of the Joint Legislative Budget Committee, within 30 days, or such lesser time as the Chairperson of the Joint Legislative Budget Committee, or his or her designee, may determine, prior to any transfer.	
3860-301-0413—For capital outlay, Department of Water Resources, payable from the South Delta Barriers Subaccount		3,270,000
	Schedule:	
	(1) 10.95.015 South Delta Barriers Program	3,270,000
3860-490—Reappropriation, Department of Water Resources. Notwithstanding any other provision of law, the balance of the appropriation in Item 3860-001-0001, Budget Act of 1998, (Ch. 324, Stats. 1998) is		

Item	Amount

reappropriated for the Colusa Basin Sediment Removal program, and shall be available for encumbrance and expenditure until June 30, 2000.

3860-491—Reappropriation, Department of Water Resources. Notwithstanding any other provision of law, the balances of the amounts appropriated in the following citations are hereby reappropriated to the Department of Water Resources for the purposes and subject to the limitations, unless otherwise specified, provided for in that appropriation:

0001—General Fund

(1) Item 3860-301-0001, Budget Act of 1998 (Ch. 324, Stats. 1998)
   (8) 30.95.250-Yuba River Preconstruction Engineering and Design Work—Preliminary plans and working drawings

(2) Item 3680-301-0001, Budget Act of 1998 (Ch. 324, Stats. 1998)
   (12) Reimbursements-Yuba River-Preconstruction Engineering and Design Work

CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY

3900-001-0001—For support of State Air Resources Board, for payment to Item 3900-001-0044..... 30,334,000

Provisions:

1. Of the amount appropriated in this item, $500,000 shall be expended for the purchase of an equal number of fixed and mobile state-of-the-art air pollution data gathering and monitoring equipment, and for personnel to review monitoring data and to assess the effects of both criteria and noncriteria pollutants on children's health. The monitors shall be located in proximity to schools, day care centers, and outdoor recreational facilities where children are present and where elevated exposures to air pollutants may occur.
2. Of the amount appropriated in this item, $78,000 shall be available for ISO 14000 environmental management system projects, subject to enactment of a statute establishing ISO 14000 program parameters.
3. Of the amount appropriated in this item, $6,000,000 shall be used for the Diesel Emissions Incentives Program, and shall only be available for expenditure if legislation that establishes the

Item		Amount
Carl Moyer Memorial Air Standards Program is enacted by January 1, 2000.		
3900-001-0044—For support of State Air Resources Board, payable from the Motor Vehicle Account, State Transportation Fund		51,633,000
Schedule:		
(a) 15-Mobile Source	90,420,000	
(b) 25-Stationary Source	42,412,000	
(c) 30.01-Program Direction and Support	9,482,000	
(d) 30.02-Distributed Program Direction and Support	–9,482,000	
(e) Reimbursements	–5,100,000	
(f) Amount payable from the General Fund (Item 3900-001-0001)	–30,334,000	
(g) Amount payable from the Air Pollution Control Fund (Item 3900-001-0115)	–23,805,000	
(h) Amount payable from the Vehicle Inspection and Repair Fund (Item 3900-001-0421)	–9,499,000	
(i) Amount payable from the Air Toxics Inventory and Assessment Account (Item 3900-001-0434)	–1,480,000	
(j) Amount payable from the High Polluter Repair or Removal Account (Item 3900-001-0582)	–214,000	
(k) Amount payable from the Federal Trust Fund (Item 3900-001-0890).	–10,767,000	
Provisions:		
1. Of the amount appropriated in this item, $1,000,000 shall be used to contract with, and may be advanced to, the San Joaquin Valleywide Air Pollution Study Agency for the California Regional Particulate Matter Air Quality Study.		
2. The Air Resources Board shall, when expending any funds appropriated in this item in conducting research on vulnerable populations, coordinate with the State Department of Health Services.		
3900-001-0115—For support of State Air Resources Board, for payment to Item 3900-001-0044, payable from the Air Pollution Control Fund		23,805,000
Provisions:		
1. Of the amount appropriated in this item, $14,000,000 shall be used for the Diesel Emissions Incentives Program, and shall be contingent on the availability of funds from a settlement with		

Item	Amount
diesel engine manufacturers and the enactment of legislation by January 1, 2000, that establishes the Carl Moyer Memorial Air Standards Program.	
3900-001-0421—For support of State Air Resources Board, for payment to Item 3900-001-0044, payable from the Vehicle Inspection and Repair Fund	9,499,000
3900-001-0434—For support of State Air Resources Board, for payment to Item 3900-001-0044, payable from the Air Toxics Inventory and Assessment Account	1,480,000
3900-001-0582—For support of State Air Resources Board, for payment to Item 3900-001-0044, payable from the High Polluter Repair or Removal Account	214,000
3900-001-0890—For support of State Air Resources Board, for payment to Item 3900-001-0044, payable from the Federal Trust Fund	10,767,000
3900-101-0044—For local assistance, State Air Resources Board, for assistance to counties in the operation of local air pollution control districts, payable from the Motor Vehicle Account, State Transportation Fund	15,111,000
Schedule:	
(a) 35-Subvention 15,111,000	
Provisions:	
1. Of the amount appropriated in this item, $7,600,000 shall be expended only for enforcement and compliance activities carried out by local air pollution control districts. It is the intent of the Legislature that these funds shall not be used to reduce the fees paid by permittees to the local districts.	
3910-001-0001—For support of California Integrated Waste Management Board, for payment to Item 3910-001-0387	92,000
Provisions:	
1. Of the amount appropriated in this item, $69,000 shall be available for ISO 14000 environmental management system projects, subject to enactment of a statute establishing ISO 14000 program parameters.	
3910-001-0100—For support of California Integrated Waste Management Board, for payment to Item 3910-001-0387, payable from the California Used Oil Recycling Fund	3,757,000

Item	Amount
Provisions:	
1. Notwithstanding subdivision (c) of Section 48653 of the Public Resources Code, the aggregate of appropriations from the California Used Oil Recycling Fund may exceed $3,000,000 during the 1999–00 fiscal year.	
3910-001-0226—For support of California Integrated Waste Management Board, for payment to Item 3910-001-0387, payable from the California Tire Recycling Management Fund	10,018,000
Provisions:	
1. The amount appropriated in this item includes revenues derived from the assessment of fines and penalties imposed as specified in Section 13332.18 of the Government Code.	
2. Notwithstanding Section 42889 of the Public Resources Code, expenditures for administration of the Tire Recycling Program may exceed the limits set forth in subdivisions (a) and (b) of Section 42889 of the Public Resources Code.	
3. Of the amount appropriated in this item, $5,000,000 shall be for waste tire remediation and enforcement programs. The funds specified in this provision shall not be available for expenditure by the California Integrated Waste Management Board prior to 30 days after notification of the Joint Legislative Budget Committee of the allocation plan.	
3910-001-0281—For support of California Integrated Waste Management Board, for payment to Item 3910-001-0387, payable from the Recycling Market Development Revolving Loan Account, Integrated Waste Management Fund	6,600,000
Provisions:	
1. Notwithstanding Section 42010 of the Public Resources Code, $4,000,000 of the funds appropriated in this item shall be available for expenditure, until June 30, 2002, for market development activities undertaken pursuant to Chapter 672 of the Statutes of 1997, including the development of recycled content product specifications, the promotion of procurement of recycled content products, the creation of regional cooperative efforts for market development, and the enhancement of recycled market development zone administration.	

Item		Amount
3910-001-0386—For support of California Integrated Waste Management Board, for payment to Item 3910-001-0387, payable from the Solid Waste Disposal Site Cleanup Trust Fund		409,000
Provisions:		
1. Notwithstanding Section 48020 of the Public Resources Code, expenditures for administration of the Solid Waste Cleanup Trust Fund Program may exceed the limits set forth in paragraph (2) of subdivision (c) of Section 48020 of the Public Resources Code.		
3910-001-0387—For support of California Integrated Waste Management Board, payable from the Integrated Waste Management Account, Integrated Waste Management Fund		33,160,000
Schedule:		
(a) 10-Planning and Enforcement	20,994,000	
(b) 15-Disposal Site Cleanup and Maintenance	409,000	
(c) 20-Waste Reduction and Resource Recovery	39,043,000	
(d) 25-Tire Recycling	10,018,000	
(e) 30.01-Administration	8,114,000	
(f) 30.02-Distributed Administration	−8,114,000	
(g) Reimbursements	−804,000	
(gx) Amount payable from General Fund (Item 3910-001-0001)	−92,000	
(h) Amount payable from California Used Oil Recycling Fund (Item 3910-001-0100)	−3,757,000	
(i) Amount payable from California Used Oil Recycling Fund (paragraph (4) of subdivision (a) of Section 48653 of the Public Resources Code)	−3,000,000	
(j) Amount payable from California Used Oil Recycling Fund (paragraph (1) of subdivision (a) of Section 48653 of the Public Resources Code)	−2,500,000	
(k) Amount payable from California Tire Recycling Management Fund (Item 3910-001-0226)	−10,018,000	

Item		Amount
(*l*)	Amount payable from Recycling Market Development Revolving Loan Account, Integrated Waste Management Fund (Item 3910-001-0281)	–6,600,000
(m)	Amount payable from Recycling Market Development Revolving Loan Account (Section 42010 of the Public Resources Code)	–8,574,000
(n)	Amount payable from Solid Waste Disposal Site Cleanup Trust Fund (Item 3910-001-0386)	–409,000
(o)	Amount payable from the Farm and Ranch Solid Waste Cleanup and Abatement Account (Item 3910-001-0558)	–998,000
(p)	Amount payable from Federal Trust Fund (Item 3910-001-0890)	–552,000

Provisions:

1. Notwithstanding Section 42010 of the Public Resources Code, the California Integrated Waste Management Board may offset the costs of administering the revolving loan program for Recycling Market Development Zones with funds appropriated by this item.
2. The amount appropriated in this item includes revenues derived from the assessment of fines and penalties imposed as specified in Section 13332.18 of the Government Code.
3. Of the amount appropriated in this item, $1,440,000 shall be available for a two-year, interest-free loan program designed to improve environmental compliance at small, rural, or publicly owned solid waste facilities. At least 30 days prior to beginning this loan program, the Integrated Waste Management Board shall report to the Chair of the Joint Legislative Budget Committee on the criteria the board proposes to use to award the loans. Those criteria shall include, but not be limited to, considerations of the size, location, and profitability of the solid waste facility and the nature and seriousness of the environmental threat posed by the facility's noncompliance.

3910-001-0558	—For support of California Integrated Waste Management Board, for payment to Item 3910-001-0387, payable from the Farm and Ranch Solid Waste Cleanup and Abatement Account	998,000

Item	Amount
Provisions:	
1. Notwithstanding Section 48100 of the Public Resources Code, expenditures for administration of the Farm and Ranch Solid Waste Cleanup and Abatement Grant Program may exceed the limits set forth in paragraph (3)(A) of subdivision (c) of Section 48100 of the Public Resources Code.	
3910-001-0890—For support of California Integrated Waste Management Board, for payment to Item 3910-001-0387, payable from the Federal Trust Fund	552,000
3910-003-0100—For transfer by the Controller from the California Used Oil Recycling Fund to the Farm and Ranch Solid Waste Cleanup and Abatement Account pursuant to paragraph (2)(A) of subdivision (c) of Section 48100 of the Public Resources Code	(333,000)
3910-003-0226—For transfer by the Controller from the California Tire Recycling Management Fund to the Farm and Ranch Solid Waste Cleanup and Abatement Account pursuant to paragraph (2)(A) of subdivision (c) of Section 48100 of the Public Resources Code	(333,000)
3910-003-0387—For transfer by the Controller from the Integrated Waste Management Account, Integrated Waste Management Fund to the Recycling Market Development Revolving Loan Account as a loan pursuant to subdivision (e) of Section 42010 of the Public Resources Code	(5,000,000)
3910-004-0387—For transfer by the Controller from the Integrated Waste Management Account, Integrated Waste Management Fund to the Solid Waste Disposal Site Cleanup Trust Fund pursuant to paragraph (1) of subdivision (b) of Section 48027 of the Public Resources Code	(5,000,000)
3910-005-0387—For transfer by the Controller from the Integrated Waste Management Account, Integrated Waste Management Fund to the Farm and Ranch Solid Waste Cleanup and Abatement Account pursuant to paragraph (2)(A) of subdivision (c) of Section 48100 of the Public Resources Code	(334,000)
3910-101-0226—For local assistance, California Integrated Waste Management Board, payable from the California Tire Recycling Management Fund	500,000
Provisions:	
1. The amount appropriated in this item includes revenues derived from the assessment of fines and	

Item		Amount
penalties imposed as specified in Section 13332.18 of the Government Code.		
3910-101-0387—For local assistance, California Integrated Waste Management Board, payable from the Integrated Waste Management Account, Integrated Waste Management Fund		7,500,000
Provisions:		
1. Notwithstanding any other provision of law, the total amount of grants made by the board pursuant to Section 47200 of the Public Resources Code shall not exceed $6,000,000.		
3910-101-0890—For local assistance, California Integrated Waste Management Board, payable from the Federal Trust Fund		1,500,000
3930-001-0001—For support of Department of Pesticide Regulation		13,246,000
Schedule:		
(a) 12-Registration and Health Evaluation	13,171,000	
(b) 17-Enforcement, Environmental Monitoring and Data Management	28,811,000	
(c) 20.10-Executive and Administrative Services	4,717,000	
(d) 20.20-Distributed Executive and Administrative Services	−4,717,000	
(e) Reimbursements	−659,000	
(f) Amount payable from the Department of Pesticide Regulation Fund (Item 3930-001-0106)	−23,470,000	
(g) Amount payable from the California Environmental License Plate Fund (Item 3930-001-0140)	−470,000	
(h) Amount payable from the Food Safety Account (Item 3930-001-0224)	−1,964,000	
(i) Amount payable from the Federal Trust Fund (Item 3930-001-0890)	−2,173,000	
Provisions:		
1. Of the amount appropriated in this item, $2,700,000 shall be used for grants administered through the Pest Management Alliance Program, and $300,000 for administration of the program.		

Item	Amount
3930-001-0106—For support of Department of Pesticide Regulation, for payment to Item 3930-001-0001, payable from the Department of Pesticide Regulation Fund	23,470,000
Provisions:	
1. The amount appropriated in this item includes revenues derived from the assessment of fines and penalties imposed as specified in Section 13332.18 of the Government Code.	
2. Of the funds appropriated in this item, $825,000 shall be expended for the proper and timely review and registration of pesticides pursuant to Division 7 (commencing with Section 12500) of the Food and Agricultural Code. The Department of Pesticide Regulation shall give first priority for the expenditure of these funds to the registration of products that replace less environmentally friendly products currently on the market, and second priority to ensuring full environmental and public health review of products prior to registration.	
3930-001-0140—For support of Department of Pesticide Regulation, for payment to Item 3930-001-0001, payable from the California Environmental License Plate Fund	470,000
3930-001-0224—For support of Department of Pesticide Regulation, for payment to Item 3930-001-0001, payable from the Food Safety Account	1,964,000
Provisions:	
1. The amount appropriated in this item includes revenues derived from the assessment of fines and penalties imposed as specified in Section 13332.18 of the Government Code.	
3930-001-0890—For support of Department of Pesticide Regulation, for payment to Item 3930-001-0001, payable from the Federal Trust Fund	2,173,000
3930-003-0106—For transfer by the Controller from the Department of Pesticide Regulation Fund to the Food Safety Account pursuant to Section 12846.5 of the Food and Agricultural Code	(1,643,000)
3930-101-0001—For local assistance, Department of Pesticide Regulation	2,449,000
Schedule:	
(a) 17-Enforcement, Environmental Monitoring and Data Management 12,917,000	

Item		Amount
(b) Amount payable from the Department of Pesticide Regulation Fund (Item 3930-101-0106)	–466,000	
(c) Amount payable from the Department of Pesticide Regulation Fund (Section 12844 of the Food and Agricultural Code)	–10,002,000	
3930-101-0106—For local assistance, Department of Pesticide Regulation, for payment to Item 3930-101-0001, payable from the Department of Pesticide Regulation Fund		466,000
Provisions:		
1. The amount appropriated in this item includes revenues derived from the assessment of fines and penalties imposed as specified in Section 13332.18 of the Government Code.		
3930-295-0001—For local assistance, Department of Pesticide Regulation, for reimbursement, in accordance with the provisions of Section 6 of Article XIII B of the California Constitution or Section 17561 of the Government Code, of the costs of any new program or increased level of service of an existing program mandated by statute or executive order, State Controller		225,000
Schedule:		
(1) 98.01.120.089-Pesticide Use Reports (Ch. 1200, Stats. 89)	225,000	
Provisions:		
1. Allocations of funds provided in this item to the appropriate local entities shall be made by the Controller in accordance with the provisions of each statute or executive order that mandates the reimbursement of the costs, and shall be audited to verify the actual amount of the mandated costs in accordance with subdivision (d) of Section 17561 of the Government Code. Audit adjustments to prior year claims may be paid from this item. Funds appropriated in this item may be used to provide reimbursement pursuant to Article 5 (commencing with Section 17615) of Chapter 4 of Part 7 of Division 4 of Title 2 of the Government Code.		
3940-001-0001—For support of State Water Resources Control Board		59,639,000
Schedule:		
(a) 10-Water Quality	337,763,000	
(b) 20-Water Rights	10,507,000	

Item	Amount
(c) 30.01-Administration	14,210,000
(d) 30.02-Distributed Administration	−14,210,000
(e) Reimbursements	−8,240,000
(f) Amount payable from the Leaking Underground Storage Tank Cost Recovery Fund (Item 3940-001-0025)	−2,279,000
(g) Amount payable from the Unified Program Account (Item 3940-001-0028)	−588,000
(h) Amount payable from the Waste Discharge Permit Fund (Item 3940-001-0193)	−14,430,000
(i) Amount payable from the Environmental Protection Trust Fund (Item 3940-001-0225)	−1,554,000
(j) Amount payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund (Item 3940-001-0235)	−1,628,000
(*l*) Amount payable from the Integrated Waste Management Account, Integrated Waste Management Fund (Item 3940-001-0387)	−5,594,000
(m) Amount payable from the State Revolving Fund Loan Subaccount (Item 3940-001-0417)	−464,000
(n) Amount payable from the Small Communities Grant Subaccount (Item 3940-001-0418)	−425,000
(o) Amount payable from the Water Recycling Subaccount (Item 3940-001-0419)	−137,000
(p) Amount payable from the Drainage Management Subaccount (Item 3940-001-0422)	−64,000
(q) Amount payable from the Delta Tributary Watershed Subaccount (Item 3940-001-0423)	−220,000
(r) Amount payable from the Seawater Intrusion Control Subaccount (Item 3940-001-0424)	−34,000
(s) Amount payable from the Underground Storage Tank Tester Account (Item 3940-001-0436)	−51,000

Item		Amount
(t)	Amount payable from the Underground Storage Tank Cleanup Fund (Item 3940-001-0439)....	−220,355,000
(tx)	Amount payable from the Harbors and Watercraft Revolving Fund (Item 3940-001-0516)	−252,000
(u)	Amount payable from the Underground Storage Tank Fund (Item 3940-001-0475)	−1,431,000
(v)	Amount payable from the 1984 State Clean Water Bond Fund (Item 3940-001-0740)	−286,000
(w)	Amount payable from the Federal Trust Fund (Item 3940-001-0890).....	−29,997,000
(x)	Amount payable from the Special Deposit Fund (Item 3940-001-0942).....	−602,000

Provisions:

1. Notwithstanding any other provision of law, upon approval and order of the Director of Finance, the State Water Resources Control Board may borrow sufficient funds, from special funds that otherwise provide support for the board, for cash purposes. Any such loans are to be repaid with interest at the rate earned in the Pooled Money Investment Account.
2. Of the amount appropriated in this item, $272,000 shall be used to review applications for a hydroelectric project license for compliance with the federal Clean Water Act. Any fees received from applicants shall be used to reduce expenditures from the General Fund.
3. Of the amount appropriated in this item, $3,923,000 shall not be expended until after the enactment of a statute that defines and codifies the State Water Resources Control Board's Impaired Water Bodies Restoration Program.
4. Of the amount appropriated in this item, one-third shall be available for expenditure only upon adoption of a trailer bill which contains the provisions of Assembly Bill 50, as amended May 28, 1999, and which directs the State Water Resources Control Board to address identified problems with its permitting, enforcement, and water quality monitoring efforts.

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	5. Of the amount appropriated in this item, $65,000 shall be available for ISO 14000 environmental management system projects, subject to enactment of trailer bill language establishing ISO 14000 program parameters.	
	6. Of the amount appropriated in this item, $3,000,000 shall be allocated for the purposes of updating waste discharge requirements and renewing National Pollutant Discharge Elimination System permits in accordance with the State Water Resources Control Board's administrative procedure manual standards and federal law, respectively.	
	7. Of the amount appropriated in this item, $1,000,000 shall be allocated to expand the existing toxicity testing program to test all priority watersheds identified by the State Water Resources Control Board in its annual priority watershed list where such testing would be beneficial, $1,000,000 shall be allocated to expand the existing Toxic Substances Monitoring Program, the State Mussel Watch Program, and the Coastal Fish Contamination Study, and $2,000,000 shall be allocated to contract with the United States Geological Service to monitor groundwater basins on a rotating basis.	
	8. Of the amount appropriated in this item, $400,000 shall be allocated to complete Phase I of the analysis necessary for the State Water Resources Control Board to adopt the California Inland Surface Waters Plan and the Bays and Estuaries Plan by July 1, 2000.	
	9. Of the amount appropriated in this item, $3,000,000 shall be allocated for inspections of National Pollutant Discharge Elimination System and waste discharge requirements permit holders, in accordance with Administrative Procedures Manual adopted standards and $500,000 shall be allocated for inspection of stormwater discharges.	
3940-001-0025—For support of State Water Resources Control Board, for payment to Item 3940-001-0001, payable from the Leaking Underground Storage Tank Cost Recovery Fund		2,279,000
3940-001-0028—For support of State Water Resources Control Board, for payment to Item 3940-001-0001, payable from the Unified Program Account		588,000

Item	Amount
Provisions: 1. It is intended that the total funding provided by this item and Item 3940-001-0475 be maintained in 1999–00 for the state underground storage tank regulatory activities. In the event that revenues for the Unified Program Account are insufficient to support the appropriation in this item because of delays in shifting programmatic responsibilities to certified unified program agencies, this item may be reduced and a corresponding increase may be made to Item 3940-001-0475, upon approval of the Department of Finance. Any funding adjustments to this item or to Item 3940-001-0475 which would result in a total expenditure authorization exceeding the cumulative appropriation amount of these two items remain subject to the provisions of Section 27.00.	
3940-001-0193—For support of State Water Resources Control Board, for payment to Item 3940-001-0001, payable from the Waste Discharge Permit Fund.....	14,430,000
3940-001-0225—For support of State Water Resources Control Board, for payment to Item 3940-001-0001, payable from the Environmental Protection Trust Fund	1,554,000
3940-001-0235—For support of State Water Resources Control Board, for payment to Item 3940-001-0001, payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund.....	1,628,000
3940-001-0387—For support of State Water Resources Control Board, for payment to Item 3940-001-0001, payable from the Integrated Waste Management Account, Integrated Waste Management Fund.....	5,594,000
3940-001-0417—For support of State Water Resources Control Board, for payment to Item 3940-001-0001, payable from the State Revolving Fund Loan Subaccount.....	464,000
3940-001-0418—For support of State Water Resources Control Board, for payment to Item 3940-001-0001, payable from the Small Communities Grant Subaccount.....	425,000
3940-001-0419—For support of State Water Resources Control Board, for payment to Item 3940-001-0001, payable from the Water Recycling Subaccount	137,000
3940-001-0422—For support of State Water Resources Control Board, for payment to Item 3940-001-0001, payable from the Drainage Management Subaccount.....	64,000

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3940-001-0423—For support of State Water Resources Control Board, for payment to Item 3940-001-0001, payable from the Delta Tributary Watershed Subaccount	220,000
3940-001-0424—For support of State Water Resources Control Board, for payment to Item 3940-001-0001, payable from the Seawater Intrusion Control Subaccount	34,000
3940-001-0436—For support of State Water Resources Control Board, for payment to Item 3940-001-0001, payable from the Underground Storage Tank Tester Account	51,000
3940-001-0439—For support of State Water Resources Control Board, for payment to Item 3940-001-0001, payable from the Underground Storage Tank Cleanup Fund	220,355,000
Provisions: 1. The amount appropriated in this item includes revenues derived from the assessment of fines and penalties imposed as specified in Section 13332.18 of the Government Code.	
3940-001-0475—For support of State Water Resources Control Board, for payment to Item 3940-001-0001, payable from the Underground Storage Tank Fund	1,431,000
Provisions: 1. Pursuant to subdivision (b) of Section 25287 of the Health and Safety Code, the surcharge to be included in the fee paid to a local agency by each person who submits an application for a permit to operate an underground storage tank shall be $56 per tank, during the 1999–00 fiscal year. This surcharge shall be transmitted to the State Water Resources Control Board and deposited in the Underground Storage Tank Fund.	
3940-001-0516—For support of State Water Resources Control Board, for payment to Item 3940-001-0001, payable from the Harbors and Watercraft Revolving Fund	252,000
3940-001-0740—For support of State Water Resources Control Board, for payment to Item 3940-001-0001, payable from the 1984 State Clean Water Bond Fund	286,000
3940-001-0890—For support of State Water Resources Control Board, for payment to Item 3940-001-0001, payable from the Federal Trust Fund	29,997,000

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Provisions:	
1. Of the amount appropriated in this item, $6,000,000 shall not be expended until after the enactment of a statute that defines and codifies the State Water Resources Control Board's Impaired Water Bodies Restoration Program.	
3940-001-0942—For support of State Water Resources Control Board, for payment to Item 3940-001-0001, payable from the Special Deposit Fund	602,000
3940-011-0740—For transfer by the Controller from the 1984 State Clean Water Bond Fund to the State Water Pollution Control Revolving Fund	1,193,000
Provisions:	
1. Of the amount appropriated by this item, one-third shall be available for expenditure only upon adoption of legislation that contains the provisions of A.B. 50 of the 1999–2000 Regular Session, as amended May 28, 1999, and that directs the State Water Resources Control Board to address identified problems with its permitting, enforcement, and water quality monitoring efforts.	
3940-101-0001—For local assistance, State Water Resources Control Board	500,000
Schedule:	
(a) Yucaipa Valley Water District: Western Regional Interceptor Project 500,000	
3940-101-0744—For local assistance, State Water Resources Control Board, payable from the 1986 Water Conservation and Water Quality Bond Fund	11,063,000
Provisions:	
1. Of the amount appropriated by this item, one-third shall be available for expenditure only upon adoption of legislation that contains the provisions of A.B. 50 of the 1999–2000 Regular Session, as amended May 28, 1999, and that directs the State Water Resources Control Board to address identified problems with its permitting, enforcement, and water quality monitoring efforts.	
3940-102-0001—For local assistance, State Water Resources Control Board	272,000
Schedule:	
(a) Forgiveness of Ventura County loan 272,000	
3960-001-0001—For support of Department of Toxic Substances Control, for payment to Item 3960-001-0014	36,374,000

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Provisions:

1. The Director of the Department of Toxic Substances Control may expend from this item: (a) $14,428,000 for the following activities at the Stringfellow Federal Superfund site: (1) operation and maintenance of pretreatment plants to treat contaminated groundwater extracted from the site, (2) site maintenance and groundwater monitoring, and (3) implementation of work to stabilize the site, and (b) $11,523,000 for the operation of the Illegal Drug Laboratory Removal Program.
2. Notwithstanding Section 2.00 of this act, the funds appropriated for removal and remedial action at the Stringfellow Federal Superfund site shall be available for encumbrance for three fiscal years subsequent to the fiscal year in which the funds are appropriated, and disbursements in liquidation of encumbrances shall be pursuant to Section 16304.1 of the Government Code.
3. Of the amount appropriated in this item, $2,224,000 shall be used for state oversight costs at open and closing military bases. The expenditure of these funds shall not relieve the federal government of the responsibility to pay for all state oversight costs. The department shall take all steps necessary to recover these costs from the federal government including, but not limited to, filing civil actions authorized by state and federal law.
4. Of the amount appropriated in this item, $2,000,000 shall be used to fund additional field investigation personnel in the hazardous waste management enforcement program, to be located in regional offices and dedicated to enforcement activities. No fewer than six of these added positions shall be committed to surveillance and enforcement activities in counties where no unified program agency has been certified by the Secretary for Environmental Protection pursuant to Chapter 6.11 (commencing with Section 25404) of Division 20 of the Health and Safety Code. To the extent necessary, if the Department of Personnel Administration approves the use of geographic pay differentials for department personnel in areas with a high cost of living, up to $500,000 of this amount may be used to fund these differentials.

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5. Of the amount appropriated in this item, $654,000 shall be used for personnel or scientific activities necessary to identify hazardous chemicals not adequately characterized in the current system and develop standards and procedures to address those deficiencies. The department shall give priority to addressing hazardous wastes containing chemicals of which the use or release has increased in the recent past.		
6. Of the amount appropriated in this item, $900,000 shall be used to improve the department's existing Calsites database to make it more accessible to the public and to integrate "Cortese List" sites and schoolsites into the database. Of this amount, no more than $550,000 shall be used to design, install, test and evaluate the upgraded database platform and to make it available on the Internet. The remaining funds shall be used to update information regarding the listed sites, oversee required investigations by potentially responsible parties, and coordinate with other governmental agencies to validate site information.		
7. Of the amount appropriated in this item, $178,000 shall be available for ISO 14000 environmental management system projects, subject to the enactment of legislation in the 1999–2000 Regular Session establishing ISO 14000 program parameters.		
3960-001-0014—For support of Department of Toxic Substances Control, payable from the Hazardous Waste Control Account		31,370,000
Schedule:		
(a) 12-Site Mitigation	74,077,000	
(b) 13-Hazardous Waste Management	41,206,000	
(c) 15-Statewide Support	3,986,000	
(d) 19.01-Administration	24,642,000	
(e) 19.02-Distributed Administration	–24,642,000	
(f) 20-Science, Pollution Prevention and Technology	10,922,000	
(g) Reimbursements	–4,228,000	
(h) Amount payable from General Fund (Item 3960-001-0001)	–36,374,000	
(i) Amount payable from California Used Oil Recycling Fund (Item 3960-001-0100)	–399,000	
(j) Amount payable from Toxic Substances Control Account (Item 3960-001-0557)	–35,661,000	

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(k) Amount payable from Federal Trust Fund (Item 3960-001-0890).....–22,229,000	
Provisions:	
1. Notwithstanding any other provisions of law, upon approval and order of the Director of Finance, the Department of Toxic Substances Control may borrow sufficient funds, from special funds that otherwise provide support for the department, for cash purposes. Any such loans are to be repaid with interest at the rate earned by the Pooled Money Investment Account.	
2. Notwithstanding any other provisions of law, upon request of the Director of the Department of Toxic Substances Control, and approval of the Department of Finance, the Controller shall increase the appropriation in this item in an amount necessary to pay the Board of Equalization any additional costs the board may incur to make refunds required by Chapter 737 of the Statutes of 1998, provided sufficient funds are available for such purposes and the board provides workload information that justifies the increase.	
3960-001-0100—For support of Department of Toxic Substances Control, for payment to Item 3960-001-0014, payable from the California Used Oil Recycling Fund.....	399,000
3960-001-0456—For support of Department of Toxic Substances Control, payable from the Expedited Site Remediation Trust Fund.....	450,000
Provisions:	
1. Notwithstanding any other provisions of law, upon request of the Department of Toxic Substances Control, the Department of Finance may augment the amount available for expenditure in this item to pay costs associated with orphan shares at sites selected for the Expedited Site Remediation Pilot Program from any uncommitted funds in the Expedited Site Remediation Trust Fund not sooner than 30 days after notification in writing of the necessity therefor to the chairperson of the committee in each house of the Legislature that considers appropriations, the chairpersons of the committees and the appropriate subcommittees in each house that consider the budget, and the Chairperson of the Joint Legislative Budget Committee.	

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2. The amount appropriated in this item includes revenues derived from the assessment of fines and penalties imposed as specified in Section 13332.18 of the Government Code.

3960-001-0557—For support of Department of Toxic Substances Control, for payment to Item 3960-001-0014, payable from the Toxic Substances Control Account 35,661,000

Provisions:

1. The amount appropriated in this item includes revenues derived from the assessment of fines and penalties imposed as specified in Section 13332.18 of the Government Code.
2. Notwithstanding paragraph (a)(1) of Section 25173.7 of the Health and Safety Code, of the funds appropriated in this item, $6,986,000 is for orphan site determination, investigation, removal and remedial action at state-only orphan sites and for the state match for National Priority List cleanups. The Director of the Department of Toxic Substances Control shall report, in writing, not later than 30 days after the end of the fiscal year to the Chairperson of the Joint Legislative Budget Committee, the chairperson of the legislative fiscal committees that act on the department's budget, the Chairperson of the Environmental Safety and Toxic Materials Committee of the Assembly, and the Chairperson of the Environmental Quality Committee of the Senate actions taken under this provision.
3. Notwithstanding Section 2.00 of this act, the $6,986,000 referenced in Provision 2 of this item shall be available for encumbrance for three fiscal years subsequent to the fiscal year in which the funds are appropriated, and disbursements in liquidation of encumbrances shall be pursuant to Section 16304.1 of the Government Code.
4. Notwithstanding Section 25385.8(b) of the Health and Safety Code, there shall be transferred from this item an amount not to exceed $5,000,000 to the Hazardous Substance Account and subsequently to the Hazardous Substance Clearing Account and appropriated therefrom to pay the principal of, and interest on, bonds sold pursuant to Article 7.5 (commencing with Section 25385) to the extent that the funds in the Hazardous Substance Clearing Account, including any transfers

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from the General Fund, and the Superfund Bond Trust Fund are insufficient to pay the principal of, and interest on, the bonds.	
3960-001-0890—For support of Department of Toxic Substances Control, for payment to Item 3960-001-0014, payable from the Federal Trust Fund	22,229,000
3960-011-0058—For transfer by the Controller from the Rail Accident Prevention and Response Fund to the Hazardous Spill Prevention Account, Rail Accident Prevention and Response Fund	(222,000)
Provisions:	
1. The amount specified in this item is an estimate of the funds available in the Rail Accident Prevention and Response Fund and does not represent a limit on the funds that may be transferred.	
3960-011-0059—For transfer by the Controller from the Hazardous Spill Prevention Account, Rail Accident and Prevention Response Fund, to the Toxic Substances Control Account	(222,000)
Provisions:	
1. The amount specified in this item is an estimate of the funds available in the Hazardous Spill Prevention Account and does not represent a limit on the funds that may be transferred.	
3960-011-0557—For transfer by the Controller from the Toxic Substances Control Account to the Expedited Site Remediation Trust Fund.....	(414,000)
Provisions:	
1. Notwithstanding any other provisions of law, upon request of the Department of Toxic Substances Control, the Controller shall transfer funds from the Toxic Substances Control Account to the Expedited Site Remediation Trust Fund, pursuant to Chapter 6.85 (commencing with Section 25396) of Division 20 of the Health and Safety Code. The amount of the funds transferred shall not exceed the proceeds of fines and penalties deposited in the Toxic Substances Control Account in the 1999–00 fiscal year, exclusive of the fines and penalties transferred to the Hazardous Substance Account pursuant to Section 25192 of the Health and Safety Code for expenditure in accordance with Section 25385.9 of the Health and Safety Code.	
2. The amount specified in this item is an estimate of the funds available from the proceeds of fines and penalties described in Provision 1, and does not	

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represent a limit on the funds that may be transferred.

3. The amount appropriated in this item includes revenues derived from the assessment of fines and penalties imposed as specified in Section 13332.18 of the Government Code.

3960-012-0001—For transfer by the Controller to the Toxic Substances Control Account 4,800,000

Provisions:

1. The amount transferred by this item shall be expended for direct site remediation costs, as defined in Section 25337 of the Health and Safety Code, and shall be used to meet part of the requirement of paragraph (a)(1) of Section 25173.7 of the Health and Safety Code.

3960-013-0001—For transfer by the Controller to the Superfund Bond Trust Fund (0826)..... 3,256,000

3960-490—Reappropriation, Department of Toxic Substances Control. Notwithstanding any other provision of law, up to $950,000 of the appropriation made in Provision 2 of Item 3960-001-0014 of the Budget Act of 1998 (Ch. 324, Stats. 1998), is hereby reappropriated for development of a new hazardous waste manifest tracking system within the Department of Toxic Substances Control.

3980-001-0001—For support of Office of Environmental Health Hazard Assessment 11,262,000

Schedule:

(a) 10-Health Risk Assessment..... 15,499,000
(b) Reimbursements..... −3,478,000
(c) Amount payable from the California Environmental License Plate Fund (Item 3980-001-0140) ..... −759,000

Provisions:

1. In response to an anticipated petition by affected industries and other interested parties for statewide rulemaking, of the funds appropriated in this item, $250,000 shall be used to: (1) fund, by interagency agreement with the State Air Resources Board, a review and evaluation of scientific studies relating to exposures of Californians to vehicular diesel exhaust in a sufficient range of reasonably anticipated circumstances; and (2) subsequently support the development of regulations in response to further defining the term "clear and reasonable warning" under Section 25249.6 of the Health and Safety Code in the con-

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text of anticipated environmental exposures to vehicular diesel exhaust.		
3980-001-0140—For support of Office of Environmental Health Hazard Assessment, for payment to Item 3980-001-0001, payable from the California Environmental License Plate Fund		759,000
HEALTH AND HUMAN SERVICES		
4100-001-0890—For support of the State Council on Developmental Disabilities, payable from the Federal Trust Fund		6,033,000
Schedule:		
(a) 10-State Council Planning and Operations	1,245,000	
(b) 20-Community Program Development	1,426,000	
(c) 30-Allocation to Area Boards	3,362,000	
Provisions:		
1. In the event federal funds from the Basic State Grant to the State Council on Developmental Disabilities are available to the council in an amount exceeding the amounts appropriated in this item, the additional funds shall be used only for the following purposes, unless the funds are specifically designated by federal law for other purposes:		
(a) To augment the allocation to the Program Development Fund.		
(b) To fund the costs of salary and benefit increases approved by the Legislature that exceed the Budget Act appropriation.		
(c) To fund the implementation of any portion of the state plan as approved by the council.		
4110-001-0001—For support of Area Boards on Developmental Disabilities		0
Schedule:		
(a) 10-Area Board Services	6,731,000	
(b) Reimbursements	–6,731,000	
4120-001-0001—For support of Emergency Medical Services Authority		1,841,000
Schedule:		
(a) 10-Emergency Medical Services Authority	3,659,000	
(b) Amount payable from the Emergency Medical Services Training Program Approval Fund (Item 4120-001-0194)	–23,000	

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(c) Amount payable from the Emergency Medical Services Personnel Fund (Item 4120-001-0312).....	−768,000	
(d) Amount payable from the Federal Trust Fund (Item 4120-001-0890)..	−1,027,000	
4120-001-0194—For support of Emergency Medical Services Authority, for payment to Item 4120-001-0001, payable from the Emergency Medical Services Training Program Approval Fund.....		23,000
4120-001-0312—For support of Emergency Medical Services Authority, for payment to Item 4120-001-0001, payable from the Emergency Medical Services Personnel Fund.....		768,000
4120-001-0890—For support of Emergency Medical Services Authority, for payment to Item 4120-001-0001, payable from the Federal Trust Fund		1,027,000
4120-101-0001—For local assistance, Emergency Medical Services Authority, Program 10, grants to local agencies		7,207,000

Provisions:

1. The General Fund support for poison control centers shall augment, but not replace, local expenditures for existing poison control center services. These funds shall be used primarily to increase services to underserved counties and populations and for poison prevention and information services. The Director of the Emergency Medical Services Authority may contract with eligible poison control centers for the distribution of these funds.
2. Upon the request of the Director of the Emergency Medical Services Authority, and subject to the approval of the Department of Health Services, the California Medical Assistance Commission, and the Department of Finance, moneys appropriated in this item may be transferred to the Emergency Services and Supplemental Payments Fund for expenditure as provided in Item 4260-101-0693 for local assistance for the purposes specified in that item.
3. The Emergency Medical Services Authority shall use the following guidelines in administering state-funded grants to local agencies: (a) funding eligibility shall be limited to rural multicounty regions that demonstrate a heavy use of the emergency medical services system by nonresidents, (b) local agencies shall provide matching funds of at least

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$1 for each dollar of state funds received, (c) state funding shall be used to provide only essential minimum services necessary to operate the system, as defined by the authority, (d) no region shall receive both federal and state funds in the same fiscal year for the same purpose, and (e) the Emergency Medical Services Authority shall monitor the use of the funds by recipients to assure that these funds are used in an appropriate manner.	
4. Each region shall be eligible to receive up to one-half of the total cost of a minimal system for that region, as defined by the Emergency Medical Services Authority. However, the authority may reallocate unclaimed funds among regions.	
5. Notwithstanding Provision 3(b), each region with a population of 300,000 or less as of June 30, 1999, shall receive the full amount for which it is eligible if it provides a cash match of $0.41 per capita or more. Failure to provide local cash contributions at the specified level shall result in a proportional reduction in state funding.	
6. It is the intent of the Legislature that the Emergency Medical Services Authority shall seek a federal fund match through the California Medical Assistance Commission for any portion of the General Fund appropriation in this item to the extent permitted under Section 14085.6 of the Welfare and Institutions Code.	
4120-101-0890—For local assistance, Emergency Medical Services Authority, Program 10, payable from the Federal Trust Fund	2,084,000
4130-001-0632—For support of Health and Welfare Agency Data Center, payable from the Health and Welfare Agency Data Center Revolving Fund.....	282,798,000
Schedule:	
(a) 10-Facilities Operations 107,301,000	
(b) 20-Administration 25,400,000	
(c) 30-Systems Management Services..150,097,000	
Provisions:	
1. Notwithstanding any other provision of law, the Director of Finance may authorize expenditures for the Health and Welfare Agency Data Center in excess of the amount appropriated not sooner than 30 days after providing notification in writing to the chairperson of the fiscal committee of each house of the Legislature and the Chairperson of	

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	the Joint Legislative Budget Committee, or no sooner than such lesser time as the chairperson of the committee, or his or her designee, may in each instance determine.	
	2. Funds appropriated in this item are in lieu of the amounts that otherwise would have been appropriated pursuant to Section 11755 of the Government Code.	
	3. Notwithstanding any other provision of law, the Health and Welfare Agency Data Center shall submit a Feasibility Study Report or equivalent federal planning document to the Department of Finance for review and approval prior to award of the systems implementation contract for each welfare automation consortium with the exception of the Los Angeles Eligibility Automated Determination, Evaluation, and Reporting System (LEADER) and ISAWS, for which the Health and Welfare Agency Data Center shall continue to submit Special Project Reports or the equivalent federal planning document.	
	4. Notwithstanding any other provision of law, the Health and Welfare Agency Data Center is authorized to receive and expend reimbursements for the new KIDZ service offering subject to approval of the Feasibility Study Report in support of the project by the Department of Information Technology and concurrence to pay for the new service offering at the data center by both the federal Administration for Children and Families and the affected KIDZ consortium counties.	
4140-001-0001—For support of Office of Statewide Health Planning and Development		2,006,000
Schedule:		
(a) 10-Health and Policy Analysis	3,871,000	
(b) 30-Health Professions Development	4,623,000	
(c) 42-Facilities Development	20,383,000	
(d) 45-Cal Mortgage Loan Insurance	3,733,000	
(e) 60-Healthcare Information	10,777,000	
(f) 80.01-Administration	9,127,000	
(g) 80.02-Distributed Administration	−8,772,000	
(h) Reimbursements	−3,318,000	
(i) Amount payable from the Hospital Building Fund (Item 4140-001-0121)	−18,291,000	

Item		Amount
(j) Amount payable from the California Health Data and Planning Fund (Item 4140-001-0143)		–14,075,000
(k) Amount payable from the Registered Nurse Education Fund (Item 4140-001-0181)		–745,000
(*l*) Amount payable from the Federal Trust Fund (Item 4140-001-0890).		–735,000
(m) Amount payable from the Health Facilities Construction Loan Insurance Fund (Section 129200, Health and Safety Code)		–4,133,000
(n) Amount payable from the Minority Health Professions Education Fund (Section 128355, Health and Safety Code)		–439,000

Provisions:

1. Of the amount appropriated in this item, up to $1,115,000 shall be used to expand the Health Professions Career Opportunity Program to an additional five to seven undergraduate institutions that have substantial enrollments of students from under-represented populations and a good potential for increasing the number of applicants and entrants into medical school and other health profession training programs. It is the intent of the Legislature that up to $125,000 of that $1,115,000 shall be used to increase the publication schedule of the Health Pathways newsletter and produce updated publications on health professions careers and preparation.
2. The Office of Statewide Health Planning and Development shall submit to the fiscal committees of each house of the Legislature by March 1, 2000, an evaluation of the current review process for seismic safety construction plans. The evaluation shall include, as appropriate, recommendations to assure initital plans are reviewed within 120 days and subsequent reviews are completed within 30 days.

4140-001-0121—For support of Office of Statewide Health Planning and Development, for payment to Item 4140,001-0001, payable from the Hospital Building Fund		18,291,000

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4140-001-0143—For support of Office of Statewide Health Planning and Development, for payment to Item 4140-001-0001, payable from the California Health Data and Planning Fund		14,075,000
4140-001-0181—For support of Office of Statewide Health Planning and Development, for payment to Item 4140-001-0001, payable from the Registered Nurse Education Fund		745,000
4140-001-0890—For support of Office of Statewide Health Planning and Development, for payment to Item 4140-001-0001, payable from the Federal Trust Fund		735,000
4140-101-0001—For local assistance, Office of Statewide Health Planning and Development		7,420,000
Schedule:		
(aa) 10-Health Policy and Analysis	2,000,000	
(a) 30-Health Professions Development (Family Physician Training)	6,820,000	
(b) Reimbursements	−400,000	
(c) Amount payable from the Federal Trust Fund (Item 4140-101-0890)	−1,000,000	

Provisions:

1. Notwithstanding subdivision (a) of Section 2.00 of this act, or any other provision of law, the funds appropriated in this item for contracts with accredited medical schools or programs that train primary care physicians' assistants or primary care nurse practitioners, as well as contracts with hospitals or other health care delivery systems located in California, that meet the standards of the Health Manpower Policy Commission established pursuant to Article 1 (commencing with Section 128200) of Chapter 4 of Part 3 of Division 107 of the Health and Safety Code, shall continue to be available for the 2000–01, 2001–02, and 2002–03 fiscal years.
2. Of the amount appropriated in this item, up to $185,000 shall be used by the Song-Brown Family Physician Training Program to provide grants to California family practice residency programs to recruit graduating medical school students from under-represented populations. It is the intent of the Legislature that these grants be used to recruit graduates of in-state or out-of-state medical schools to residency programs in medically under-served areas of the state. The Office of

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Statewide Health Planning and Development shall report to the Legislature during the 2000–01 budget hearings on its implementation of this provision.		
4140-101-0890—For local assistance, Office of Statewide Health Planning and Development, for payment to Item 4140-101-0001, payable from the Federal Trust Fund		1,000,000
4140-111-0236—For local assistance, Office of Statewide Health Planning and Development, Program 10, Health Policy and Analysis, payable from the Unallocated Account, Cigarette and Tobacco Products Surtax Fund		1,047,000
4170-001-0001—For support of Department of Aging		3,892,000
Schedule:		
(a) 10-Nutrition	3,336,000	
(b) 20-Senior Community Employment Service	453,000	
(c) 30-Supportive Services and Centers	2,470,000	
(d) 40-Special Projects	4,655,000	
(e) 50.01-Administration	6,353,000	
(f) 50.02-Distributed Administration	–6,353,000	
(g) Reimbursements	–2,054,000	
(h) Amount payable from the State HICAP Fund (Item 4170-001-0289)	–159,000	
(i) Amount payable from the Federal Trust Fund (Item 4170-001-0890)	–4,809,000	
Provisions:		
1. Not more than 60 days after the enactment of this Budget Act and prior to the establishment of additional Health Insurance Counseling and Advocacy Program sites on February 1, 2000, the Department of Aging shall convene and facilitate a planning process for the expansion that includes representatives from the Area Agencies on Aging, the California HICAP Association, and other appropriate organizations and stakeholder groups. This workgroup shall also report to the Legislature during the hearings for the 2000–01 budget on its recommendations for future legislative actions that may be needed to ensure the success of the program expansion.		
4170-001-0289—For support of Department of Aging, for payment to Item 4170-001-0001, payable from the State HICAP Fund		159,000

Item		Amount
4170-001-0890—For support of Department of Aging, for payment to Item 4170-001-0001, payable from the Federal Trust Fund		4,809,000

Provisions:

1. The Department of Finance may authorize the transfer of funds between this item and Item 4170-101-0890 no sooner than 30 days after written notification to the chairpersons of the fiscal committees of each house and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the Chairperson of the Joint Legislative Budget Committee may determine. The notification shall include: (1) the amount of the proposed transfer; (2) an identification of the purposes for which the funds will be used; (3) documentation that the proposed activities must be carried out in the current year and that no other funds are available for their support; and (4) the impact of any transfer on the level of services.
2. All support necessary for the toll-free telephone line of the Health Insurance Counseling and Advocacy Program shall be provided with funds appropriated in this item.

4170-101-0001—For local assistance, Department of Aging		34,052,000
Schedule:		
(a) 10-Nutrition	65,980,000	
(b) 20-Senior Community Employment Service	7,067,000	
(c) 30-Supportive Services and Centers	37,012,000	
(d) 40-Special Projects	22,755,000	
(e) Reimbursements	−2,071,000	
(f) Amount payable from the State HICAP Fund (Item 4170-101-0289)	−1,021,000	
(g) Amount payable from the Federal Trust Fund (Item 4170-101-0890)	−95,670,000	

Provisions:

1. Notwithstanding Section 26.00 of this act, the Department of Finance, upon notification by the California Department of Aging, may authorize transfers between Program 10—Nutrition and Program 30—Supportive Services and Centers in

Item		Amount
	response to budget revisions submitted by the Area Agencies on Aging.	
	2. Of the funds appropriated in this item for expansion of the Ombudsman Program, $1,500,000 shall be used to move each local Long-Term Care Ombudsman office halfway from its current service ratio down to the desired ratio of one certified ombudsman for every 2,000 long-term care beds. Another $500,000 shall be allocated to all Long-Term Care Ombudsman offices based upon the number of beds located within each local program's area of service.	
	3. Of the funds appropriated in this item for expansion of the Health Insurance Counseling and Advocacy Program (HICAP), $367,000 shall be used to establish a new site within each planning and service area that does not currently have an independent site, and $300,000 shall be allocated to all HICAP sites to increase support for telephone inquiries.	
	4. Of the funds appropriated in this item, $3,196,000 shall be available for the expansion of community-based programs. These funds shall be allocated according to the following schedule: $1,500,000 for Linkages, $1,000,000 for the home-delivered meals nutrition program, $200,000 for Brown Bag, $187,000 for Respite purchase of service, $183,000 for Senior Companion, and $126,000 for Foster Grandparents. Included in this funding are administrative costs for participating Area Agencies on Aging, as provided for in subdivision (b) of Section 9536 of the Welfare and Institutions Code. An Area Agency on Aging shall not qualify for community-based service program expansions funded in this act for any program from which they have transferred funds as allowed by subdivision (e) of Section 9535 of the Welfare and Institutions Code.	
4170-101-0289—For local assistance Department of Aging, for payment to Item 4170-101-0001, payable from the State HICAP Fund		1,021,000
4170-101-0890—For local assistance, Department of Aging, for payment to Item 4170-101-0001, payable from the Federal Trust Fund		95,670,000
	Provisions:	
	1. Provision 1 of Item 4170-001-0890 is also applicable to this item.	

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2. Notwithstanding subdivision (d) of Section 28.00 of this act, the Department of Finance upon notification by the California Department of Aging may authorize augmentations in this item for budget revisions submitted by Area Agencies on Aging and approved by the Department of Aging for estimated entitlements of per-meal reimbursements from the U.S. Department of Agriculture and for funds allocated to Area Agencies on Aging for federal Title III one-time-only allocations.
3. Notwithstanding Section 26.00 of this act, the Department of Finance, upon notification by the Department of Aging, may authorize transfers between Program 10—Nutrition and Program 30—Supportive Services and Centers in response to budget revisions submitted by the Area Agencies on Aging.

4170-490—Reappropriation, Department of Aging. Notwithstanding any other provision of law, as of June 30, 1999, the appropriation provided in the following citation is reappropriated for the purposes specified and shall be available for expenditure until June 30, 2000:

0001—General Fund

(1) Item 4170-101-0001, Budget Act of 1998 (Ch. 324, Stats. 1998), Schedule (c), for Supportive Services and Centers. The balance of the $300,000 made available for construction of the building shell and related site work for the Acacia Adult Day Services Center in Garden Grove.

4180-001-0983—For support of Commission on Aging, payable from the California Fund for Senior Citizens 197,000

Provisions:

1. Funds appropriated in this item from the California Fund for Senior Citizens shall be allocated by the Commission on Aging for the purposes specified in Section 18723 of the Revenue and Taxation Code.
2. Pursuant to Section 18723 of the Revenue and Taxation Code, the unencumbered balance of this item as well as the unencumbered balance of prior year appropriations from the California Fund for Senior Citizens may be carried over and expended in any following fiscal year.

Item		Amount
4180-002-0886—For support of Commission on Aging, payable from the California Seniors Special Fund		73,000
Provisions:		
1. Pursuant to Section 18773 of the Revenue and Taxation Code, the unencumbered balance of this item as well as the unencumbered balance of prior year appropriations from the California Seniors Special Fund may be carried over and expended in any following fiscal year.		
4180-002-0890—For support of Commission on Aging, payable from the Federal Trust Fund		280,000
4200-001-0001—For support of Department of Alcohol and Drug Programs		4,946,000
Schedule:		
(a) 15-Alcohol and Other Drug Services Program	29,144,000	
(b) 30.01-State Administration	8,303,440	
(c) 30.02-State Administration—distributed	−8,303,440	
(d) Reimbursements	−3,563,000	
(e) Amount payable from Driving-Under-the-Influence Program Licensing Trust Fund (Item 4200-001-0139)	−1,676,000	
(f) Amount payable from Narcotic Treatment Program Licensing Trust Fund (Item 4200-001-0243)	−1,036,000	
(g) Amount payable from Audit Repayment Trust Fund (Item 4200-001-0816)	−67,000	
(h) Amount payable from the Federal Trust Fund (Item 4200-001-0890)	−17,856,000	
Provisions:		
1. Upon order of the Department of Finance, the Controller shall transfer such funds as are necessary between this item and Item 4200-101-0001.		
2. The Director of the Department of Finance may authorize the transfer of the support General Fund appropriation among the Alcohol and Other Drug Services Program and the Administration Program in response to shifts in workload among the two programs.		

Item	Amount
4200-001-0139—For support of Department of Alcohol and Drug Programs, for payment to Item 4200-001-0001, payable from the Driving-Under-the-Influence Program Licensing Trust Fund	1,676,000
Provisions:	
1. Notwithstanding any other provision of law, the Director of Finance may authorize expenditures for the Driving-Under-the-Influence Program Licensing Trust Fund in excess of the amount appropriated not sooner than 30 days after notification in writing of the necessity therefor is provided to the chairpersons of the fiscal committees and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the chairperson of the committee, or his or her designee, may in each instance determine.	
4200-001-0243—For support of Department of Alcohol and Drug Programs, for payment to Item 4200-001-0001, payable from the Narcotic Treatment Program Licensing Trust Fund	1,036,000
Provisions:	
1. Notwithstanding any other provision of law, the Director of Finance may authorize expenditures for the Narcotic Treatment Program Licensing Trust Fund in excess of the amount appropriated not sooner than 30 days after notification in writing of the necessity therefor is provided to the chairpersons of the fiscal committees and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the chairperson of the committee, or his or her designee, may in each instance determine.	
4200-001-0816—For support of Department of Alcohol and Drug Programs, for payment to Item 4200-001-0001, payable from the Audit Repayment Trust Fund	67,000
4200-001-0890—For support of Department of Alcohol and Drug Programs, for payment to Item 4200-001-0001, payable from the Federal Trust Fund	17,856,000
Provisions:	
1. Upon order of the Department of Finance, the Controller shall transfer such funds as are necessary between this item and Item 4200-101-0890.	
4200-101-0001—For local assistance, Department of Alcohol and Drug Programs	38,028,000

Item		Amount
	Schedule:	
	(a) 15-Alcohol and Other Drug Services Program	302,286,000
	(b) Reimbursements	−10,863,000
	(c) Amount payable from the Federal Trust Fund (Item 4200-101-0890).....	−253,251,000
	(d) Amount payable from Resident-Run Housing Revolving Fund (Item 4200-101-0977)	−144,000
	Provisions:	
	1. Upon order of the Department of Finance, the Controller shall transfer funds as are necessary between this item and Item 4200-001-0001.	
	2. Upon approval of the Department of Finance, one or more short-term loans not to exceed a cumulative total of $59,745,000 may be made available from the General Fund when there is a delay in the allocation of federal Substance Abuse Prevention and Treatment (SAPT) Block Grant funds to California. The loans shall be repaid, with interest calculated pursuant to subdivision (a) of Section 16314 of the Government Code, upon receipt of the federal SAPT Block Grant.	
	3. Of the funds appropriated in this item that are carried over from prior fiscal years, $3,000,000 per year shall be allocated to counties on a competitive grant basis to develop and expand drug court-related substance abuse treatment in the 1999–00 fiscal year.	
4200-101-0890—For local assistance, Department of Alcohol and Drug Programs, for payment to Item 4200-101-0001, payable from the Federal Trust Fund.....		253,251,000
	Provisions:	
	1. Upon order of the Department of Finance, the Controller shall transfer such funds as are necessary between this item and Item 4200-001-0890.	
	2. The Department of Alcohol and Drug Programs (DADP) shall require county offices of alcohol and drug programs to give funding priority, within the funds expended on youth prevention programs, to establishing, expanding, or improving programs for the target populations identified by the federal grant requirements.	
	3. The DADP shall require the county offices of alcohol and drug programs, receiving SAPT Block Grant funds, to manage service capacity and give	

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	priority to individuals on the waiting list, for alcohol and other drug treatment services. Funds shall be expended pursuant to federal grant requirements.	
4200-101-0977—For local assistance, Department of Alcohol and Drug Programs, for payment to Item 4200-101-0001, payable from the Resident-Run Housing Revolving Fund		144,000
	Provisions:	
	1. To the extent that moneys available in the Resident-Run Housing Revolving Trust Fund are less than the amount appropriated by this item, this appropriation shall be limited to that lesser amount.	
	2. Notwithstanding any other provision of law, if revenues and loan repayments to the Resident-Run Housing Revolving Fund are sufficient to create additional allocation workload, the Director of Finance may authorize expenditures for the Department of Alcohol and Drug Programs in excess of the amount appropriated not sooner than 30 days after notification in writing of the necessity therefor is provided to the chairpersons of the fiscal committees and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the chairperson of the committee, or his or her designee, may in each instance determine.	
4200-102-0001—For local assistance, Department of Alcohol and Drug Programs, for perinatal substance abuse treatment programs (Drug Medi-Cal)		4,000,000
	Schedule:	
	(a) 15-Alcohol and Other Drug Services Program 7,575,000	
	(b) Reimbursements ..... −3,575,000	
	Provisions:	
	1. Upon order of the Department of Finance, the Controller shall transfer funds as are necessary between this item and Item 4200-001-0001 for support costs associated with the perinatal substance abuse treatment programs.	
	2. The funds appropriated by this item, exclusive of funds allocated to alcohol and drug-free living programs and transitional living programs, are available to provide funding for the state's share of expenditures for perinatal substance abuse services provided to persons eligible for Medi-Cal.	

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	3. Provisions 2 and 3 of Item 4200-103-0001 also apply to this item.	
	4. Notwithstanding Sections 26.00, 28.00 and 28.50 of this act, the Director of Finance shall authorize the transfer of funds to this item from Item 4200-103-0001 as necessary to maintain the funding level for the perinatal substance abuse treatment program at a minimum level of twenty-five million dollars ($25,000,000).	
4200-103-0001—For local assistance, Department of Alcohol and Drug Programs, Drug Medi-Cal Services		31,300,000
	Schedule:	
	(a) 15-Alcohol and other Drug Services Program 67,600,000	
	(b) Reimbursements .....–36,300,000	
	Provisions:	
	1. Upon order of the Department of Finance, the Controller shall transfer funds as are necessary between this item and Item 4200-001-0001.	
	2. The funds appropriated in this item are available to provide funding for the state's share of expenditures for substance abuse services provided to persons eligible for Medi-Cal.	
	3. Notwithstanding subdivision (a) of Section 2.00 and Section 26.00 of this act, the Department of Finance may authorize a transfer of expenditure authority between this item and Item 4200-102-0001 so that the funds appropriated in either item may be used to pay the state and federal share of prior fiscal years' allowable Medi-Cal costs that exceed the amount encumbered in prior fiscal years. The Director of Finance shall notify the Legislature within 10 days after authorizing a transfer pursuant to this provision unless prior notification of the transfer has been included in the Medi-Cal estimates submitted pursuant to Section 14100.5 of the Welfare and Institutions Code.	
	4. Notwithstanding any other provision of law, both the federal and nonfederal shares of any money recovered for previously paid Drug Medi-Cal program services provided pursuant to Chapter 7 (commencing with Section 14000) of Part 3 of Division 9 of the Welfare and Institutions Code are hereby appropriated and shall be expended as soon as practicable for Drug Medi-Cal services, as defined in the Welfare and Institutions Code.	

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5. Notwithstanding Sections 26.00, 28.00, and 28.50 of this act, the Director of Finance shall authorize the transfer of funds from this item to Items 4200-102-0001 and 4200-104-0001, as necessary to maintain the funding level for the perinatal substance abuse treatment program at a minimum level of $25,000,000.

4200-104-0001—For local assistance, Department of Alcohol and Drug Programs, for perinatal substance abuse treatment programs 23,635,000
Schedule:
(a) 15-Alcohol and Other Drug Services Program 23,635,000
Provisions:
1. Upon order of the Department of Finance, the Controller shall transfer funds as are necessary between this item and Item 4200-001-0001 for support costs associated with the perinatal substance abuse treatment programs.
2. Of the funds appropriated in this item, $3,600,000 shall be used to fund existing residential perinatal treatment programs that were begun through federal Center for Substance Abuse Treatment grants but whose grants have since expired. For counties in which there is such a provider, the Department of Alcohol and Drug Programs shall include language in those counties' allocation letters that indicates the amount of the allocation designated for the provider during the fiscal year. Additionally, to the extent the department has identified the best practices in these programs, it shall attempt to disseminate the best practices to other perinatal treatment programs.
3. Of the funds appropriated in this item, $3,000,000 shall be allocated to counties on an ongoing basis using the current standard allocation methodology to expand or establish perinatal treatment programs. These funds may not be used to supplant the funds made available in Provision 2 of this item.

4200-490—Reappropriation, Department of Alcohol and Drug Programs. Notwithstanding any other provision of law, the balances of the following appropriations are reappropriated for the purposes provided for in those appropriations. Of the amounts reappropriated pursuant to this item, up to $1,400,000 shall be allocated to counties for costs incurred in connec-

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tion with serving residents of other counties. The funds reappropriated by this item shall be available for encumbrance and expenditure until June 30, 2000:		
0001—General Fund		
(a) Item 4200-101-0001, Budget Act of 1997 (Ch. 282, Stats. 1997)		
(b) Item 4200-102-0001, Budget Act of 1997 (Ch. 282, Stats. 1997)		
(c) Item 4200-101-0001, Budget Act of 1998 (Ch. 324, Stats. 1998)		
(d) Item 4200-102-0001, Budget Act of 1998 (Ch. 324, Stats. 1998)		
4200-495—Reversion, Department of Alcohol and Drug Programs. As of June 30, 1999, a total of $4,999,000 of the appropriation provided in the following citation shall revert to the General Fund.		
0001—General Fund		
(1) Item 4200-101-0001, Budget Act of 1998 (Ch. 324, Stats. 1998)		
4220-001-0001—For support of Child Development Policy Advisory Committee appointed pursuant to Section 8286 of the Education Code		488,000
Schedule:		
(a) 10-Child Development Policy Advisory Committee	899,000	
(b) Reimbursements	−411,000	
4260-001-0001—For support of Department of Health Services		188,357,000
Schedule:		
(1) 10-Public and Environmental Health	275,283,000	
(2) 20-Health Care Services.....	397,402,000	
(3) 30.01-Departmental Administration	40,877,000	
(4) 30.02-Departmental Administration Distributed	−33,421,000	
(5) Reimbursements	−22,900,000	
(6) Amount payable from the Breast Cancer Research Account (Item 4260-001-0007).....	−1,620,000	
(7) Amount payable from the Breast Cancer Control Account (Item 4260-001-0009)	−7,784,000	
(8) Amount payable from the Nuclear Planning Assessment Special Account (Item 4260-001-0029).....	−546,300	

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(9) Amount payable from the Motor Vehicle Account, State Transportation Fund (Item 4260-001-0044)...	−858,600
(10) Amount payable from the Sale of Tobacco to Minors Control Account (Item 4260-001-0066).....	−2,138,200
(11) Amount payable from the Occupational Lead Poisoning Prevention Account (Item 4260-001-0070).....	−3,126,200
(12) Amount payable from the Medical Waste Management Fund (Item 4260-001-0074)	−1,078,000
(13) Amount payable from the Radiation Control Fund (Item 4260-001-0075).....	−13,443,500
(14) Amount payable from the Tissue Bank License Fund (Item 4260-001-0076).....	−169,300
(15) Amount payable from the Childhood Lead Poisoning Prevention Fund (Item 4260-001-0080).....	−4,231,200
(16) Amount payable from the Export Document Program Fund (Item 4260-001-0082)	−143,000
(17) Amount payable from the Clinical Laboratory Improvement Fund (Item 4260-001-0098)	−5,532,600
(18) Amount payable from the Health Statistics Special Fund (Item 4260-001-0099).....	−12,238,000
(19) Amount payable from the Wine Safety Fund (Item 4260-001-0116)..	−55,300
(20) Amount payable from the Water Device Certification Special Account (Item 4260-001-0129).....	−140,700
(21) Amount payable from the Food Safety Fund (Item 4260-001-0177).....	−2,956,100
(22) Amount payable from the Environmental Laboratory Improvement Fund (Item 4260-001-0179).....	−2,847,000
(23) Amount payable from the Genetic Disease Testing Fund (Item 4260-001-0203).....	−61,198,400

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(25)	Amount payable from the Health Education Account, Cigarette and Tobacco Products Surtax Fund (Item 4260-001-0231)	−36,353,000
(26)	Amount payable from the Hospital Services Account, Cigarette and Tobacco Products Surtax Fund (Item 4260-001-0232)	−1,721,000
(27)	Amount payable from the Physician Services Account, Cigarette and Tobacco Products Surtax Fund (Item 4260-001-0233)	−115,000
(28)	Amount payable from the Research Account, Cigarette and Tobacco Products Surtax Fund (Item 4260-001-0234)	−1,738,000
(28.1)	Amount payable from Unallocated Account, Cigarette and Tobacco Products Surtax Fund (Item 4260-001-0236)	−407,000
(29)	Amount payable from the Infant Botulism Treatment and Prevention Fund (Item 4260-001-0272)	−1,191,000
(30)	Amount payable from the Safe Drinking Water Account (Item 4260-001-0306)	−7,982,600
(31)	Amount payable from the Registered Environmental Health Specialist Fund (Item 4260-001-0335)	−187,000
(32)	Amount payable from the Mosquitoborne Disease Surveillance Account (Item 4260-001-0478)	−29,000
(33)	Amount payable from Cancer Research Fund (Item 4260-001-0589)	−25,063,700
(34)	Amount payable from the Drinking Water Treatment and Research Fund (Item 4260-001-0622)	−547,000
(35)	Amount payable from the Administration Account (Item 4260-001-0625)	−3,027,000
(36)	Amount payable from the Water System Reliability Account (Item 4260-001-0626)	−1,457,000

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(37)	Amount payable from the Source Protection Account (Item 4260-001-0627)	−2,410,000
(38)	Amount payable from the Small System Technical Assistance Account (Item 4260-001-0628)	−1,514,000
(39)	Amount payable from the Domestic Violence Training and Education Fund (Item 4260-001-0642)	−803,700
(40)	Amount payable from the Emergency Services and Supplemental Payments Fund (Item 4260-001-0693)	−120,000
(41)	Amount payable from the California Alzheimer's and Related Disorders Research Fund (Item 4260-001-0823)	−260,700
(42)	Amount payable from the Medi-Cal Inpatient Payment Adjustment Fund (Item 4260-001-0834)	−777,600
(43)	Amount payable from the Federal Trust Fund (Item 4260-001-0890)	−263,057,000
(44)	Amount payable from the Local Health Capital Expenditure Account, County Health Services Fund (Item 4260-001-0900)	−17,000

Provisions:

1. Of the total amount of reimbursements in this item, $3,555,000 shall be available for administration, research, and training projects. Notwithstanding Section 28.00 of this act, the State Department of Health Services shall report any new project over $200,000 or any increase in excess of $400,000 for an identified project.
2. Except as otherwise prohibited by law, the department shall promulgate emergency regulations to adjust the public health fees set by regulation to an amount, such that if the new fees were effective throughout the 1999–00 fiscal year, the estimated revenues would be sufficient to offset at least 95 percent of the approved program level intended to be supported by those fees.
3. Effective July 1, 1999, the annual fee for a general acute care hospital, acute psychiatric hospital, special hospital, general acute care rehabilitation hospital and chemical dependency recovery hos-

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pital shall be $75.65 per bed. Effective July 1, 1999, the annual fee for a skilled nursing facility, intermediate care facility, or intermediate care facility for the developmentally disabled is $168.33 per bed.

The fees of the State Department of Health Services that are subject to the annual fee adjustment pursuant to subdivision (a) of Section 100445 of the Health and Safety Code shall be increased by 4.77 percent, effective July 1, 1999.

4. When entering into contracts with health care service plans that provide comprehensive dental benefits to Medi-Cal beneficiaries on an at-risk basis, the State Department of Health Services may require that the health care service plans pay for the costs of the administrative and regulatory oversight required to monitor the contract compliance terms of the agreement with the department.
5. A comprehensive health interview survey of this state shall be conducted in collaboration with the State Department of Health Services, the University of California at Los Angeles, the Center for Health Policy Research, as well as other interested entities. Of the amount appropriated in this item, not more than $2,000,000, including federal funds, shall be used for this purpose. The State Department of Health Services shall also seek additional funding from federal sources and foundations for this purpose. Notwithstanding any other provision of law, the department may conduct a competitive process, implement an interagency trade agreement, or use other administrative means in order to conduct this activity.
7. Of the increased amount appropriated in this item, $150,000 shall be used to conduct an independent evaluation of the state's capacity to collect race/ethnicity and primary language information. This shall include an inventory of current data bases, program needs, and costs to develop capacity with priorities based on health disparities.
8. The State Department of Health Services shall provide information to consumers, patients, and health care providers regarding women's gynecological cancers pursuant to Section 138.4 of the Health and Safety Code. In meeting this requirement, the department may use not more than $150,000 of the amount appropriated in this item,

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	as well as the additional position in the Office of Women's Health designated for this purpose, and shall seek appropriate in-kind assistance from professional organizations, nonprofit agencies, and the University of California system, and foundation grant funding. The department shall provide a report to the Legislature no later than January 1, 2000, on implementation of Section 138.4 of the Health and Safety Code.	
	9. The State Department of Health Services shall provide a report to the Legislature on the implementation of the Cancer Research Act of 1997 no later than August 31, 1999. At a minimum, this report shall contain a list of all grantees and their federal funding levels, specify what level of grant funding is designated to address gender-specific cancers and other cancers, and how these grants have not duplicated federal research efforts.	
	10. The State Department of Health Services shall review and revise the maximum contaminant level (MCL) for Dibromochloropropane according to the procedures contained in Section 116365 of the Health and Safety Code. In the event the department's MCL determination is less stringent than the MCL set as a public health goal by the Office of Environmental Health Hazards, the fiscal and policy committees of the Legislature shall be so notified by the department.	
	11. Of the amount appropriated in this item, $5,000,000 shall be used to establish a cancer genetics program in order to assist families in linking genetic susceptibilities to cancer, provide assistance to individuals and their families in managing the cancer, including counseling, and train other health professionals in the techniques and benefits of cancer genetic risk assessment. Of this amount, $2,500,000 shall be allocated to the comprehensive cancer research centers to establish a program, and $2,500,000 for genetics research shall be awarded on a competitive basis by the State Department of Health Services.	
4260-001-0007—For support of Department of Health Services, for payment to Item 4260-001-0001, payable from the Breast Cancer Research Account		1,620,000

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4260-001-0009—For support of Department of Health Services, for payment to Item 4260-001-0001, payable from the Breast Cancer Control Account.....	7,784,000
4260-001-0029—For support of Department of Health Services, for payment to Item 4260-001-0001, payable from the Nuclear Planning Assessment Special Account	546,300
4260-001-0044—For support of Department of Health Services, for payment to Item 4260-001-0001, payable from the Motor Vehicle Account, State Transportation Fund.....	858,600
4260-001-0066—For support of Department of Health Services, for payment to Item 4260-001-0001, payable from the Sale of Tobacco to Minors Control Account.....	2,138,200
Provisions:	
1. The amount appropriated in this item includes revenues derived from the assessment of fines and penalties imposed as specified in Government Code Section 13332.18.	
4260-001-0070—For support of Department of Health Services, for payment to Item 4260-001-0001, payable from the Occupational Lead Poisoning Prevention Account.....	3,126,200
Provisions:	
1. The amount appropriated in this item includes revenues derived from the assessment of fines and penalties imposed as specified in Section 13332.18 of the Government Code.	
4260-001-0074—For support of Department of Health Services, for payment to Item 4260-001-0001, payable from the Medical Waste Management Fund	1,078,000
Provisions:	
1. The amount appropriated in this item includes revenues derived from the assessment of fines and penalties imposed as specified in Government Code Section 13332.18.	
4260-001-0075—For support of Department of Health Services, for payment to Item 4260-001-0001, payable from the Radiation Control Fund.....	13,443,500
Provisions:	
1. The amount appropriated in this item includes revenues derived from the assessment of fines and penalties imposed as specified in Government Code Section 13332.18.	

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4260-001-0076—For support of Department of Health Services, for payment to Item 4260-001-0001, payable from the Tissue Bank License Fund	169,300
4260-001-0080—For support of Department of Health Services, for payment to Item 4260-001-0001, payable from the Childhood Lead Poisoning Prevention Fund	4,231,200
4260-001-0082—For support of Department of Health Services, for payment to Item 4260-001-0001, payable from the Export Document Program Fund	143,000
4260-001-0098—For support of Department of Health Services, for payment to Item 4260-001-0001, payable from the Clinical Laboratory Improvement Fund	5,532,600
Provisions: 1. The amount appropriated in this item includes revenues derived from the assessment of fines and penalties imposed as specified in Section 13332.18 of the Government Code. 2. Notwithstanding any other provision of law, the Department of Health Services shall not impose fees on clinical laboratories that were not subject to state fees prior to January 1, 1996, until exemption from the federal Clinical Laboratory Improvement Amendments (CLIA; P.L. 100–578) of 1988 is granted. Expenditures for the Clinical Laboratory Program shall not exceed amounts collected in clinical laboratory fees plus federal grant funds provided by the Health Care Financing Administration to support this program. Since the date of exemption from CLIA is unknown, the Department of Finance may adjust the amounts provided for this program by this item and from federal funds pursuant to the provisions of Sections 27.00 and 28.00 of this act.	
4260-001-0099—For support of Department of Health Services, for payment to Item 4260-001-0001, payable from the Health Statistics Special Fund.....	12,238,000
4260-001-0116—For support of Department of Health Services, for payment to Item 4260-001-0001, payable from the Wine Safety Fund	55,300
Provisions: 1. The funds appropriated in this item represent half-year funding for the Wine Safety Program, which sunsets January 1, 2000, pursuant to Chapter 1025 of the Statutes of 1993.	

Item	Amount
4260-001-0129—For support of Department of Health Services, for payment to Item 4260-001-0001, payable from the Water Device Certification Special Account	140,700
4260-001-0177—For support of Department of Health Services, for payment to Item 4260-001-0001, payable from the Food Safety Fund	2,956,100
4260-001-0179—For support of Department of Health Services, for payment to Item 4260-001-0001, payable from the Environmental Laboratory Improvement Fund	2,847,000
4260-001-0203—For support of Department of Health Services, for payment to Item 4260-001-0001, payable from the Genetic Disease Testing Fund	61,198,400
4260-001-0231—For support of Department of Health Services, for payment to Item 4260-001-0001, payable from the Health Education Account, Cigarette and Tobacco Products Surtax Fund	36,353,000
4260-001-0232—For support of Department of Health Services, for payment to Item 4260-001-0001, payable from the Hospital Services Account, Cigarette and Tobacco Products Surtax Fund	1,721,000
4260-001-0233—For support of Department of Health Services, for payment to Item 4260-001-0001, payable from the Physician Services Account, Cigarette and Tobacco Products Surtax Fund	115,000
4260-001-0234—For support of Department of Health Services, for payment to Item 4260-001-0001, payable from the Research Account, Cigarette and Tobacco Products Surtax Fund	1,738,000
4260-001-0236—For support of Department of Health Services, for payment to Item 4260-001-0001, payable from the Unallocated Account, Cigarette and Tobacco Products Surtax Fund	407,000
4260-001-0272—For support of Department of Health Services, for payment to Item 4260-001-0001, payable from the Infant Botulism Treatment and Prevention Fund	1,191,000
4260-001-0306—For support of Department of Health Services, for payment to Item 4260-001-0001, payable from the Safe Drinking Water Account	7,982,600
Provisions: 1. The amount appropriated in this item includes revenues derived from the assessment of fines and penalties imposed as specified in Government Code Section 13332.18.	

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4260-001-0335—For support of Department of Health Services, for payment to Item 4260-001-0001, payable from the Registered Environmental Health Specialist Fund	187,000
4260-001-0478—For support of Department of Health Services, for payment to Item 4260-001-0001, payable from the Mosquitoborne Disease Surveillance Account	29,000
4260-001-0589—For support of Department of Health Services, for payment to Item 4260-001-0001, payable from the Cancer Research Fund	25,063,700
4260-001-0622—For support of Department of Health Services, for payment to Item 4260-001-0001, payable from the Drinking Water Treatment and Research Fund	547,000
Provisions: 1. The State Department of Health Services shall provide a status update to the Legislature by January 1, 2000, on implementation of Chapter 997 of the Statutes of 1998. This update shall, at a minimum, include a summary to date of all public water systems that have submitted preapplications, a project description of those that have been funded, and a description of all funded treatment research proposals.	
4260-001-0625—For support of Department of Health Services, for payment to Item 4260-001-0001, payable from the Administration Account, Safe Drinking Water State Revolving Loan Fund	3,027,000
4260-001-0626—For support of Department of Health Services, for payment to Item 4260-001-0001, payable from the Water System Reliability Account, Safe Drinking Water State Revolving Loan Fund	1,457,000
4260-001-0627—For support of Department of Health Services, for payment to Item 4260-001-0001, payable from the Source Protection Account, Safe Drinking Water State Revolving Loan Fund	2,410,000
4260-001-0628—For support of Department of Health Services, for payment to Item 4260-001-0001, payable from the Small System Technical Assistance Account, Safe Drinking Water State Revolving Loan Fund	1,514,000
4260-001-0642—For support of Department of Health Services, for payment to Item 4260-001-0001, payable from the Domestic Violence Training and Education Fund	803,700

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	Provisions:	
	1. Of the amount appropriated in this item, $250,000 shall be used to translate protective orders, and related forms as deemed appropriate, into Spanish and other threshold languages. Notwithstanding any other provision of law, the State Department of Health Services may conduct a competitive process, implement an interagency agreement, or use other administrative means to conduct this activity. For the purposes of this provision, the State Department of Health Services shall seek appropriate in-kind assistance from nonprofit agencies, professional organizations, the University of California, and foundation grant funding.	
4260-001-0693—For support of Department of Health Services, for payment to Item 4260-001-0001, payable from the Emergency Services and Supplemental Payments Fund		120,000
	Provisions:	
	1. To the extent that moneys available in the Emergency Services and Supplemental Payments Fund are less than the amount appropriated in this item, this appropriation shall be limited to that lesser amount.	
	2. Notwithstanding any other provision of law, if revenues to the Emergency Services and Supplemental Payments Fund are sufficient to create additional allocation workload, the Director of Finance may authorize expenditures for the Department of Health Services in excess of the amount appropriated not sooner than 30 days after notification in writing of the necessity therefor is provided to the chairpersons of the fiscal committees and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the chairperson of the committee, or his or her designee, may in each instance determine.	
	3. Funds appropriated by this item and augmentations authorized pursuant to Provision 2 may be transferred by executive order approved by the Director of Finance from the Department of Health Services to the California Medical Assistance Commission if revenues to the Emergency Services and Supplemental Payments Fund are sufficient to create allocation workload for that commission.	

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4260-001-0823—For support of Department of Health Services, for payment to Item 4260-001-0001, payable from the California Alzheimer's and Related Disorders Research Fund	260,700
4260-001-0834—For support of Department of Health Services, for payment to Item 4260-001-0001, payable from the Medi-Cal Inpatient Payment Adjustment Fund	777,600
4260-001-0890—For support of Department of Health Services, for payment to Item 4260-001-0001, payable from the Federal Trust Fund	263,057,000
Provisions:	
1. The limitations and conditions applicable to Item 4260-001-0001 also apply to this item if appropriate.	
2. Of the funds appropriated in this item, $49,037,000 shall be available for administration, research, and training projects. Notwithstanding Section 28.00 of this act, the State Department of Health Services shall report under that section any new project over $200,000 or any increase in excess of $400,000 for an identified project.	
4260-001-0900—For support of Department of Health Services, in lieu of the amounts that otherwise would be appropriated in the Local Health Capital Expenditure Account of the County Health Services Fund pursuant to Chapter 1351, Statutes of 1980, for payment to Item 4260-001-0001, payable from the Local Health Capital Expenditure Account, County Health Services Fund	17,000
4260-002-0001—For transfer by the Controller to the Cancer Research Fund	25,000,000
4260-002-0942—For support of Department of Health Services, payable from the Health Facilities Citation Penalties Account, Special Deposit Fund	1,000,000
4260-003-0942—For support of Department of Health Services, payable from the Federal Citation Penalties Account, Special Deposit Fund	205,000
4260-007-0890—For support of Department of Health Services, payable from the Federal Trust Fund	18,859,000
Provisions:	
1. Notwithstanding Section 28.00 of this act, adjustments may be made to align the federal funds for legislative actions and other technical adjustments affecting the recipient department's appropriation authority.	

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4260-011-0001—For transfer by the Controller to the Infant Botulism Fund (0272)..... 0

Provisions:

1. Notwithstanding any other provision of law, the Director of Finance may approve a General Fund loan of up to $831,000 to support the development of Botulism Immune Globulin. The loan shall be repaid from fees collected for providing Botulism Immune Globulin to patients of infant botulism or other forms of botulism. The Department of Health Services shall repay the loan with interest to the General Fund over the five years subsequent to the licensure of Botulism Immune Globulin by the United States Food and Drug Administration. The rate of interest shall be at the rate earned by moneys invested in the Pooled Money Investment Account.

4260-101-0001—For local assistance, Department of Health Services, Medical Assistance Program, payable from the Health Care Deposit Fund (912) after transfer from the General Fund 7,628,395,000

Schedule:

(a) 20.10.030-Benefits (Medical Care and Services)..... 18,702,607,000
(b) 20.10.010-Eligibility (County Administration)..... 1,027,134,000
(c) 20.10.020-Fiscal Intermediary Management..... 203,157,000
(d) Prior Fiscal Year Reconciliation..... 0
(e) Amount payable from the Federal Trust Fund (Item 4260-101-0890) .....–12,297,525,000
(f) Amount payable from Federal Trust Fund (Item 4260-103-0890).... –6,978,000

Provisions:

1. The aggregate principal amount of disproportionate share hospital general obligation debt that may be issued in the 1999–00 fiscal year pursuant to subparagraph (A) of paragraph (2) of subdivision (f) of Section 14085.5 of the Welfare and Institutions Code shall be $0.
2. Notwithstanding any other provision of law, both the federal and nonfederal shares of any money recovered for previously paid health care services, provided pursuant to Chapter 7 (commencing with Section 14000) of Part 3 of Division 9 of the Welfare and Institutions Code, are

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hereby appropriated and shall be expended as soon as practicable for medical care and services as defined in the Welfare and Institutions Code.

3. Notwithstanding any other provision of law, accounts receivable for recoveries as described in Provision 2 above shall have no effect upon the positive balance of the General Fund or the Health Care Deposit Fund. Notwithstanding any other provision of law, money recovered as described in this item that is required to be transferred from the Health Care Deposit Fund to the General Fund shall be credited by the Controller to the General Fund without regard to the appropriation from which it was drawn.
4. Without regard to fiscal year, the General Fund shall make one or more loans available not to exceed a cumulative total of $45,000,000 to be transferred as needed to the Health Care Deposit Fund to meet cash needs. The loans are subject to the repayment provisions of Section 16351 of the Government Code. Any additional loan requirement in excess of $45,000,000 shall be processed in the manner prescribed by Section 16351 of the Government Code.
5. Notwithstanding any other provision of law, the Director of Health Services may give public notice relative to proposing or amending any rule or regulation that could result in increased costs in the Medi-Cal program only after approval by the Department of Finance as to the availability of funds; and any rule or regulation adopted by the Director of Health Services and any communication that revises the Medi-Cal program shall be effective only from and after the date upon which it is approved as to availability of funds by the Department of Finance.
6. Of the funds appropriated in this item, up to $50,000 may be allocated for attorneys' fees awarded pursuant to state or federal law without prior notification to the Legislature. Individual settlements authorized under this language shall not exceed $5,000. The semiannual estimates of Medi-Cal expenditures due to the Legislature in January and May shall reflect attorney fees paid 15 or more days prior to the transmittal of the estimate.

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7. Change orders to the medical or the dental fiscal intermediary contract for amounts exceeding a total cost of $250,000 shall be approved by the Director of Finance not sooner than 30 days after written notification of the change order is provided to the chairpersons of the fiscal and policy committees in each house and to the Chairperson of the Joint Legislative Budget Committee or not sooner than such lesser time as the Chairperson of the Joint Legislative Budget Committee, or his or her designee, may designate. If there are changes or potential changes in federal funding, the Department of Finance shall provide timely written notification of the changes to the chairperson of the fiscal committee in each house and the Chairperson of the Joint Legislative Budget Committee. The semiannual estimates of Medi-Cal expenditures due to the Legislature in January and May may constitute the notification required by this provision.
8. Recoveries of advances made to counties in prior years pursuant to Section 14153 of the Welfare and Institutions Code are reappropriated to the Health Care Deposit Fund for reimbursement of those counties where allowable costs exceeded the amounts advanced. Recoveries in excess of the amounts required to fully reimburse allowable costs shall be transferred to the General Fund. When a projected deficiency exists in the Medical Assistance Program, these funds, subject to notification to the Chairperson of the Joint Legislative Budget Committee, are appropriated and shall be expended as soon as practicable for the state's share of payments for medical care and services, county administration, and fiscal intermediary services.
9. The Department of Finance may transfer funds representing all or any portion of any estimated savings that are a result of improvements in the Medi-Cal claims processing procedures from the Medi-Cal services budget or the support budget of the State Department of Health Services (Item 4260-001-0001) to the fiscal intermediary budget item for purposes of making improvements to the Medi-Cal claims system.
10. Upon order of the Director of Finance, the Controller shall transfer such funds as are necessary

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between this item and Item 4300-101-0001 for the state's share of expenditures for developmental services provided to persons eligible for Medi-Cal.

11. Notwithstanding subdivision (a) of Section 2.00 and Section 26.00 of this act, the Department of Finance may authorize transfer of expenditure authority between Schedule (a), (b), or (c) and Schedule (d). Schedule (d) may be used for the liquidation of prior years' excess obligations of Item 4260-101-0001.

    The Director of Finance shall notify the Legislature within ten days of authorizing such a transfer unless prior notification of the transfer has been included in the Medi-Cal estimates submitted pursuant to Section 14100.5 of the Welfare and Institutions Code.
12. The Department of Finance may transfer funds from this item to Item 4260-001-0001 from funds appropriated for the implementation of Medi-Cal outreach and simplification activities.
13. Of the funds appropriated in this item, $500,000 shall solely be used for an evaluation of the State Only Family Planning (Family PACT) Program.
14. The State Department of Health Services shall convene, as needed, a workgroup consisting of representatives from the counties, consumer groups, the Legislature, children's groups and others as deemed appropriate, to discuss and craft options for streamlining the Medi-Cal application process and related functions.
15. Notwithstanding any other provision of law, any funds designated in the budget for the settlement of the Rocio v. Belshé litigation that are left unclaimed shall be used by the State Department of Health Services to facilitate the enrollment of immigrant communities eligible to participate in the Medi-Cal Program.
16. Of the amount designated in the administration's Outreach Plan for Healthy Families and Medi-Cal for Children, not more than $7,200,000 may be used for advertising and not more than $1,270,000 may be used for public relations activities. Increased funding in these areas shall focus on expanding the enrollment of eligible children living in immigrant communities that are underserved and linguistically diverse.

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17. Notwithstanding any other provision of law, of the total funds appropriated for community-based outreach contracts to enroll eligible children under the Medi-Cal and Healthy Families programs, an amount of up to $2,000,000 over the fiscal year is available to successful contractors, as determined by the State Department of Health Services, as an advanced payment for the nonfederal share of the contract award. The State Department of Health Services shall determine the most effective means for making the advanced payments and ensuring that contractors meet any specified criteria.
18. The State Department of Health Services, in cooperation with the Managed Risk Medical Insurance Board, shall convene as needed, a workgroup consisting of representatives from the counties, consumer groups, the Legislature, children's groups, and others, as deemed appropriate, to discuss and craft options for implementing a single point of entry method for Medi-Cal and Healthy Families enrollment and related functions.
19. The State Department of Health Services shall modify, as necessary, billing procedures to provide for Medi-Cal reimbursement for psychiatric services provided for individuals diagnosed as having mental retardation.
20. On or before October 1, 1999, the State Department of Health Services shall convene a work group composed of, but not limited to, representatives of the pharmaceutical industry, physicians, health care organizations, and entities representing Medi-Cal beneficiaries, to discuss and create options for streamlining the Treatment Authorization Request (TAR) process and to improve patient access to prescription medications. Among the options the working group may take into consideration is the appropriateness of the physician's prescribing a drug not on the Medi-Cal formulary or List of Contract Drugs as sufficient to ensure reimbursement to the pharmacist. On or before March 1, 2000, the department shall provide the Legislature a summary of the recommendations of the work group.
21. The State Department of Health Services shall use a portion of the funds allocated in this item

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for the Medi-Cal and Healthy Families outreach to conduct a public awareness survey to measure the effectiveness of the department's outreach program for Medi-Cal and Healthy Families.

22. Of the amount appropriated in this item for the 1999–00 reduction of the state administrative fee in the Disproportionate Share Hospital Program, no funds shall be made available to Los Angeles County until the Office of Statewide Health Planning and Development has certified to the budget committees of the Legislature and the director of the Department of Finance that Los Angeles County has submitted plans to begin construction of a 750-bed Medical Center to replace LAC/USC Medical Center. Until that time, all funds that would be available to Los Angeles County pursuant to the 1999–00 Disproportionate Share Hospital administrative fee reduction and the Disproportionate Share Hospital allocation methodology shall be held in a separate account. This section shall apply only to the share of Disproportionate Share Hospital funds that would be allocated to the Los Angeles County Department of Health Services and shall not impact any other hospital public or private.

4260-101-0693—Notwithstanding any other provision of law, moneys available in the Emergency Services and Supplemental Payments Fund, after the appropriation made by Item 4260-001-0693 of this act, are appropriated to the Department of Health Services for expenditure for local assistance for the purposes specified in Section 14085.6 of the Welfare and Institutions Code.

4260-101-0890—For local assistance, Department of Health Services, for payment to Item 4260-101-0001, payable from the Federal Trust Fund..... 12,297,525,000

Provisions:

1. Any of the provisions in Item 4260-101-0001 that are relevant to this item also apply to this item.

4260-102-0001—For local assistance, Department of Health Services, Program 20.10.030-Benefits (Medical Care and Services), for supplemental reimbursement for debt service pursuant to Section 14085.5 of the Welfare and Institutions Code..... 49,033,000

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4260-102-0890—For local assistance, Department of Health Services, Program 20.10.030—Benefits (Medical Care and Services), payable from Federal Trust Fund, for supplemental reimbursement for debt service pursuant to Section 14085.5 of the Welfare and Institutions Code		52,358,000
4260-103-0890—For local assistance, for refugee services, Department of Health Services, for payment to Item 4260-101-0001, payable from the Federal Trust Fund		6,978,000
Provisions:		
1. Any of the provisions in Item 4260-101-0001 that are relevant to this item also apply to this item.		
4260-111-0001—For local assistance, Department of Health Services		402,303,000
Schedule:		
(1) 10.10.010-Vital Records Improvement Project	300,000	
(2) 10.20.010-Environmental Management	410,000	
(3) 10.20.040-Drinking Water	91,285,000	
(4) 10.30.030-Childhood Lead Poisoning Prevention	8,500,000	
(5) 10.30.040-Chronic Diseases	99,502,000	
(6) 10.30.050-Communicable Disease Control	68,478,000	
(7) 10.30.060-AIDS	232,872,000	
(8) 20.30-County Health Services	124,555,000	
(9) 20.40-Primary Care and Family Health	1,388,370,000	
(10) Reimbursements-Family Health Services, CCS Enrollment Fees, and GHPP Repayments	−325,000	
(11) Reimbursements-Primary Care and Family Health, WIC Rebates and Recoveries	−250,001,000	
(12) Reimbursements-Public Health Service AIDS	−13,129,000	
(13) Reimbursements-Chronic Diseases	−7,342,000	
(14) Amount payable from the Breast Cancer Control Account (Item 4260-111-0009)	−7,143,000	
(15) Amount payable from the Childhood Lead Poisoning Prevention Fund (Item 4260-111-0080)	−11,800,000	

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(16)	Amount payable from the Health Statistics Special Fund (Item 4260-111-0099)	−300,000
(17)	Amount payable from the Health Education Account, Cigarette and Tobacco Products Surtax Fund (Item 4260-111-0231)	−54,316,000
(18)	Amount payable from the Hospital Services Account, Cigarette and Tobacco Products Surtax Fund (Item 4260-111-0232)	−80,898,000
(19)	Amount payable from the Physician Services Account, Cigarette and Tobacco Products Surtax Fund (Item 4260-111-0233)	−10,386,000
(20)	Amount payable from the Unallocated Account, Cigarette and Tobacco Products Surtax Fund (Item 4260-111-0236)	−82,311,000
(21)	Amount payable from the Child Health and Safety Fund (Item 4260-111-0279)	−491,000
(22)	Amount payable from the Drinking Water Treatment and Research Fund (Item 4260-111-0622)	−4,453,000
(23)	Amount payable from the Water System Reliability Account, Safe Drinking Water State Revolving Loan Fund (Item 4260-111-0626)	−1,702,000
(24)	Amount payable from the Source Protection Account, Safe Drinking Water State Revolving Loan Fund (Item 4260-111-0627)	−250,000
(25)	Amount payable from the Safe Drinking Water State Revolving Loan Fund (Item 4260-111-0629)	−84,817,000
(26)	Amount payable from the Federal Trust Fund (Item 4260-111-0890)	−1,002,305,000

Provisions:

1. Of the total amount of reimbursements in this item, $7,725,000 shall be available for administration, research and training projects. Notwithstanding Section 28.00 of this act, the Department of Health Services shall report under that section, any new project over $200,000 or any increase in excess of $400,000 for an identified project.

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2. Program 10.30.060-AIDS:
The Office of AIDS in the State Department of Health Services, in allocating and processing contracts and grants, shall comply with the same requirements that are established for contracts and grants for other public health programs. The contracts or grants administered by the Office of AIDS shall be exempt from the Public Contract Code and shall be exempt from approval by the Department of Finance and the Department of General Services prior to their execution.
3. Program 20.40-Primary Care and Family Health:
(a) Notwithstanding Section 28.00 of this act, the Department of Finance, upon request of the State Department of Health Services, may authorize and approve a budget revision to augment Schedule (9) Primary Care and Family Health, WIC Rebates and Recoveries, in this item for any additional rebate moneys or recoveries that become available for the Special Supplemental Food Program for Women, Infants, and Children (WIC) during this fiscal year.
(b) Counties may retain 50 percent of total enrollment and assessment fees that are collected by the counties for the CCS program. Fifty percent of the enrollment and assessment fee for each county shall be offset from the state's match for that county.
4. Nonfederal funds appropriated in this item and Item 4260-001-0001 which have been budgeted to meet the state's Temporary Assistance for Needy Families maintenance-of-effort requirement established pursuant to the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193) may not be expended in any way that would cause their disqualification as a federally allowable maintenance-of-effort expenditure.
5. All of the $2,500,000 increased appropriation contained in this item for the Rural Health Clinic Program shall be allocated to current grant recipients in proportion to their current award.
6. (a) All of the $3,500,000 increased appropriation contained in this item for the Seasonal Agricultural and Migratory Worker Program shall

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be allocated to current grant recipients in proportion to their current award.

(b) Of the amount appropriated in this item, $1,000,000 shall be allocated on a one-time-only basis to community clinics currently funded under the Seasonal and Agricultural Migratory Workers Program and located in counties that have been adversely affected by the agricultural freeze in the winter of 1998 in the central valley. These funds shall be allocated in proportion to the amount of damage caused to agricultural crops in the counties declared by the state to have an emergency. Information obtained from the Department of Food and Agriculture may be used for this purpose. Notwithstanding any other provision of law, the State Department of Health Services shall use the most expeditious administrative means feasible to allocate these funds within 30 days of enactment of this budget.

7. In awarding grants for the Community Challenge Grant Program, the State Department of Health Services shall use criteria to encourage projects based on research and tested program designs, similar to the guidelines used in the California Department of Education's Teen Pregnancy Prevention Grant Program. It is not the intent of the Legislature to preclude the selection of innovative programs designed to test new approaches or strategies, as long as these program designs do not conflict with the available research.
8. Of the increased amount appropriated in this item, $4,000,000 shall be used to augment existing health care services contracts executed under the state's American Indian Health Program.
9. Of the increased amount appropriated in this item, $355,000 shall be annually appropriated for a period of up to three years to establish and operate a satellite outreach and treatment office for Parkinson's Disease. It shall be located at the University Southern California School of Medicine, which is a National Parkinson's Foundation Center for Excellence, operates both a Parkinson's treatment and research program, and is located in a geographic area that has direct access to an urban population. The satellite office shall, among other things, offer proper diagnosis, clinical treatment,

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and education to Parkinson's patients and caregivers that are from communities of color and would not otherwise have access to those services. Among other things, this shall include diagnostic and clinical services, social services support for nonmedical needs, educational material in several languages, and patient-family health care professional education.

10. (a) Of the amount appropriated in this item, $2,200,000 of additional funds shall be used to expand the Early Intervention Projects, including new project sites as well as expanding service capacity at existing sites. For new project sites, at least one project shall be located in a rural area that is underserved, and at least one project site shall be focused on communities of color that are underserved. For existing sites, a high priority shall be placed on expanding service capacity to serve women and communities of color.

(b) Of the amount appropriated in this item, $1,000,000 of additional funds shall be used to expand partner counseling and referral services activities. The State Department of Health Services shall consult with constituency groups as to the most effective methods and strategies to be used, and how to focus the funds for effectiveness.

(c) Of the amount appropriated in this item, $1,500,000 of additional funds shall be used to develop and expand services provided by community facilities that are or will be licensed as residential care facilities for the chronically ill. Notwithstanding any other provision of law, the State Department of Health Services may conduct a competitive process or use other administrative means in order to allocate these funds.

(d) Of the amount appropriated in this item, $3,000,000 of additional funds shall be used to expand education and prevention efforts to mitigate the spread of HIV/AIDS in communities of color with high risk factors, and women with high risk factors.

(e) Of the amount appropriated in this item, $1,600,000 of additional funds shall be used

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to provide anonymous HIV testing at family planning clinics.

11. Of the amount appropriated in this item, $2,500,000 shall be used to expand the Battered Women's Shelter Program. Of this amount $1,250,000 shall be used to expand transitional housing for women and families leaving emergency shelters and expand shelter-based support services, such as legal assistance, job assistance and related services designed to stabilize families in underserved communities. The remaining $1,250,000 shall be allocated on a competitive basis to provide community-based domestic violence services, and technical assistance to nonprofit organizations whose primary purpose is to serve domestic violence victims in underserved communities.
12. Of the amount appropriated in this item, $1,500,000 shall be used to provide additional funds for the Alzheimer's Disease Research, Diagnosis, and Treatment Centers, and $500,000 shall be used to address special areas of concern in the treatment and provision of care for individuals with Alzheimer's disease. These special areas of concern shall include models of care for rural areas, partnerships with medical schools for additional training in the field of dementia, and development of treatment strategies that provide culturally appropriate care.
13. The State Department of Health Services, in conjunction with the Managed Risk Medical Insurance Board, shall develop proposals for obtaining federal financial participation using General Fund moneys for the Access for Infants and Mothers program. The Department shall also develop proposals for obtaining federal financial participation using General Fund moneys for breast cancer screening services provided through the Breast Cancer Early Detection Program. These proposals shall be presented to the fiscal committees of the Legislature, and the Legislative Analyst's Office for review no later than March 30, 2000.
14. Of the amount appropriated in this item or Item 4260-111-0236 for the California Healthcare for Indigents Program, any funds that were to be made available to Los Angeles County shall be

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	withheld until the Office of Statewide Health Planning and Development has certified to the budget committees of the Legislature and the Director of Finance that Los Angeles County has submitted plans to begin construction of a 750-bed medical center to replace the Los Angeles County/University of Southern California Medical Center. If at the end of the 1999–00 state fiscal year Los Angeles County has not submitted plans for a 750-bed medical center, the funds that were withheld shall be made available to other programs funded from this item.	
4260-111-0009	—For local assistance, Department of Health Services, for payment to Item 4260-111-0001, payable from the Breast Cancer Control Account	7,143,000
4260-111-0080	—For local assistance, Department of Health Services, for payment to Item 4260-111-0001, payable from the Childhood Lead Poisoning Prevention Fund	11,800,000
4260-111-0099	—For local assistance, Department of Health Services, for payment to Item 4260-111-0001, payable from the Health Statistics Special Fund	300,000
4260-111-0231	—For local assistance, Department of Health Services, for payment to Item 4260-111-0001, payable from the Health Education Account, Cigarette and Tobacco Products Surtax Fund	54,316,000
4260-111-0232	—For local assistance, Department of Health Services, for payment to Item 4260-111-0001, payable from the Hospital Services Account, Cigarette and Tobacco Products Surtax Fund	80,898,000
4260-111-0233	—For local assistance, Department of Health Services, for payment to Item 4260-111-0001, payable from the Physician Services Account, Cigarette and Tobacco Products Surtax Fund	10,386,000
4260-111-0236	—For local assistance, Department of Health Services, for payment to Item 4260-111-0001, payable from the Unallocated Account, Cigarette and Tobacco Products Surtax Fund	82,311,000
4260-111-0279	—For local assistance, Department of Health Services, for payment to Item 4260-111-0001, payable from the Child Health and Safety Fund	491,000

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4260-111-0622—For local assistance, Department of Health Services, for payment to Item 4260-111-0001, payable from the Drinking Water Treatment and Research Fund	4,453,000
4260-111-0626—For local assistance, Department of Health Services, for payment to Item 4260-111-0001, payable from the Water System Reliability Account, Safe Drinking Water State Revolving Loan Fund	1,702,000
4260-111-0627—For local assistance, Department of Health Services, for payment to Item 4260-111-0001, payable from the Source Protection Account, Safe Drinking Water State Revolving Loan Fund....	250,000
4260-111-0629—For local assistance, Department of Health Services, for payment to Item 4260-111-0001, payable from the Safe Drinking Water State Revolving Loan Fund	84,817,000
Provisions: 1. The State Department of Health Services shall provide the Legislature with a status update on the allocation of the Safe Drinking Water State Revolving Fund moneys by January 1, 2000. At a minimum, the update shall include a project priority list, a summary of the projects funded and scheduled to be funded, and a description of the technical assistance provided by the department.	
4260-111-0890—For local assistance, Department of Health Services, for payment to Item 4260-111-0001, payable from the Federal Trust Fund.....	1,002,305,000
Provisions: 1. Of the funds appropriated in this item, $57,207,000 shall be available for administration, research, and training projects. Notwithstanding the provisions of Section 28.00 of this act, the State Department of Health Services shall report under that section any new project over $200,000 or any increase in excess of $400,000 for an identified project. 2. The State Department of Health Services shall offer services under the Farmer's Market Nutrition Program to the extent that federal matching funds are available.	
4260-112-0001—For local assistance, Department of Health Services, for implementation of the Healthy Families Program (Public Health)	2,123,000

Item		Amount
Schedule:		
(a) 20.40—Primary Care and Family Health	9,045,000	
(b) Amount payable from the Federal Trust Fund (Item 4260-112-0890)	−6,922,000	
4260-112-0890—For local assistance, Department of Health Services, for payment to Item 4260-112-0001, payable from the Federal Trust Fund		6,922,000
4260-113-0001—For local assistance, Department of Health Services, for the Healthy Families Program (Medi-Cal)		3,523,000
Schedule:		
(a) 20.10.010-Eligibility (County Administration)	7,921,000	
(b) 20.10.020-Fiscal Intermediary Management	748,000	
(c) 20.10.030-Benefits (Medical Care and Services)	13,309,000	
(d) Amount payable from the Federal Trust Fund (Item 4260-113-0890)	−18,455,000	
4260-113-0890—For local assistance, Department of Health Services, for payment to Item 4260-113-0001, payable from the Federal Trust Fund		18,455,000
4260-114-0942—For local assistance, Department of Health Services, payable from the Women, Infants, and Children Vendor Fines and Penalties Account, Special Deposit Fund		100,000
4260-115-0001—For transfer by the Controller to the Safe Drinking Water State Revolving Loan Fund		15,417,000
Provisions:		
1. If a state bond act is approved and becomes operative during the 1999–00 fiscal year and provides funds for the Safe Drinking Water State Revolving Loan Fund, the Director of Finance shall direct the Controller to transfer funds from the revolving fund to the General Fund in an amount sufficient to fully reimburse the General Fund for all transfers made from the General Fund to the revolving fund to the extent the bond act provides funds for the revolving fund and authorizes that reimbursement.		
4260-115-0890—For transfer by the Controller from the Federal Trust Fund to the Safe Drinking Water State Revolving Loan Fund		69,400,000

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4260-116-0890—For transfer by the Controller to various Federal Funds		(7,700,000)
Provisions:		
1. Of the amount appropriated by this item, $7,700,000 will be transferred as follows:		
(a) Transfer $3,027,000 to Administration Account, Safe Drinking Water State Revolving Loan Fund		
(b) Transfer $3,159,000 to Water System Reliability Account, Safe Drinking Water State Revolving Loan Fund		
(c) Transfer $1,514,000 to Small System Technical Assistance Account, Safe Drinking Water State Revolving Loan Fund		
4260-295-0001—For local assistance, Department of Health Services, for reimbursement, in accordance with the provisions of Section 6 of Article XIII B of the California Constitution or of Section 17561 of the Government Code, of the costs of any new program or increased level of service of an existing program mandated by statute or executive order, State Controller		7,064,000
Schedule:		
(1) 98.01.026.891-SIDS Contacts by Local Health Officers (Ch. 268, Stats. 1991)	325,000	
(2) 98.01.045.374-SIDS Notices (Ch. 453, Stats. 1974)	35,000	
(3) 98.01.091.692-Pacific Beach Safety (Ch. 916, Stats. 1992)	71,000	
(4) 98.01.095.589-SIDS Autopsies (Ch. 955, Stats. 1989)	1,869,000	
(5) 98.01.108.888-AIDS Search Warrants (Ch. 1088, Stats. 1988)	899,000	
(6) 98.01.116.381-Medi-Cal Beneficiary Death Notices (Ch. 102, Stats. 1981 and Ch. 1163, Stats. 1981)	100,000	
(7) 98.01.159.788-Inmates AIDS Testing (Ch. 1597, Stats. 1988)	1,241,000	
(8) 98.01.160.390-Perinatal services for alcohol/drug exposed infants (Ch. 1603, Stats. 1990)	2,524,000	
Provisions:		
1. Except as provided in Provision 2, allocations of funds appropriated by this item to the appropriate local entities shall be made by the State Controller		

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in accordance with the provisions of each statute or executive order that mandates the reimbursement of the costs, and shall be audited to verify the actual amount of the mandated costs in accordance with subdivision (d) of Section 17561 of the Government Code. Audit adjustments to prior year claims may be paid from this item. Funds appropriated by this item may be used to provide reimbursement pursuant to Article 5 (commencing with Section 17615) of Chapter 4 of Part 7 of Division 4 of Title 2 of the Government Code.

2. If any of the scheduled amounts are insufficient to provide full reimbursement of costs, the Controller may, upon notifying the Director of Finance in writing, augment those deficient amounts from the unencumbered balance of any other scheduled amounts therein. No order may be issued pursuant to this provision unless written notification of the necessity therefor is provided to the chairperson of the committee in each house that considers appropriations and the Chairperson of the Joint Legislative Budget Committee or his or her designee.

4260-301-0001—For capital outlay, Department of Health Services 484,000

Schedule:

(1) 94.50.010-Southern California Laboratory: Fire and Life Safety Renovation—Preliminary plans and working drawings 484,000

4260-401—In the event the bonds authorized for replacement laboratory facilities in the City of Richmond, as authorized by Section 100500 of the Health and Safety Code, are not sold, the Department of Health Services shall commit, from the amount appropriated to the department by this act for its support, a sufficient amount to repay interim financing loans incurred for that facilities purpose. It is the intent of the Legislature that this commitment requirement be included in future Budget Acts until outstanding loans for interim financing are repaid either through the sale of bonds or from an appropriation.

4260-402—In the event the bonds authorized for the Capital Area Plan project in Chapter 761, Statutes 1997 are not sold, the Department of Health Services shall commit a sufficient portion of its support appropriation, as determined by the Department of Finance, which is provided for in this Budget Act to

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repay any interim financing. It is the intent of the Legislature that this commitment shall be included in future Budget Acts until all interim financing is repaid either through the proceeds from the sale of bonds or from an appropriation.	
4260-490—Reappropriation, Department of Health Services. Notwithstanding any other provision of law, the balances of the appropriations provided in the following citations are reappropriated for the purposes specified and shall be available for expenditure as cited below:	
0001—General Fund	
(1) Item 4260-001-0001 (1), Budget Act of 1998 (Ch. 324, Stats. 1998), 10-Public and Environmental Health.	
Provisions:	
1. Notwithstanding any other provision of law, the balance of the $3,000,000 appropriated for development of the Valley Fever Vaccine shall be available for encumbrance and expenditure until June 30, 2001.	
0823—California Alzheimer's and Related Disorders Research Fund	
(1) Item 4260-001-0823, Budget Act of 1998 (Ch. 324, Stats. 1998), 10-Public Environmental Health.	
Provisions:	
1. Notwithstanding any other provision of law, the balance of the $395,000 appropriated for the California Alzheimer's Program shall be available for encumbrance and expenditure until June 30, 2000.	
4270-001-0001—For support, California Medical Assistance Commission	1,259,000
Schedule:	
(a) 10-California Medical Assistance Commission 2,517,000	
(b) Reimbursements −1,258,000	
4280-001-0001—For support of Managed Risk Medical Insurance Board	1,323,000
Schedule:	
(a) 40-Healthy Families Program 1,369,000	
(b) Reimbursements −46,000	
4280-001-0309—For support of Managed Risk Medical Insurance Board, for payment to Item 4280-001-0313, payable from the Perinatal Insurance Fund	739,000

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Provisions:		
1. Provision 1 of Item 4280-001-0313 also applies to this item.		
4280-001-0313—For support of Managed Risk Medical Insurance Board, payable from the Major Risk Medical Insurance Fund		740,000
Schedule:		
(a) 10-Major Risk Medical Insurance Program	740,000	
(b) 20-Access for Infants and Mothers Program	739,000	
(d) Amount payable from the Perinatal Insurance Fund, (Item 4280-001-0309)	−739,000	
Provisions:		
1. Notwithstanding any other provision of law, the Director of Finance may authorize expenditures for the Managed Risk Medical Insurance Board in excess of the amount appropriated not sooner than 30 days after notification in writing of the necessity therefor is provided to the chairpersons of the fiscal committees and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the chairperson of the committee, or his or her designee, may in each instance determine.		
4280-001-0890—For support of Managed Risk Medical Insurance Board, payable from Federal Trust Fund, for Program 40, Healthy Families Program		1,945,000
4280-101-0001—For local assistance, Managed Risk Medical Insurance Board, for the Healthy Families Program		68,121,000
Schedule:		
(a) 20-Access for Infants and Mothers Program	1,992,000	
(b) 40-Healthy Families Program	66,129,000	
Provisions:		
1. The Managed Risk Medical Insurance Board shall report to the fiscal and policy committees of the Legislature, on a quarterly basis, the number of enrollments, disenrollments, and terminations, and reasons for terminations, in the Healthy Families Program. This data shall be reported in such a manner as to facilitate comparison by county or health care service area, and by plan.		
2. The State Department of Health Services, in cooperation with the Managed Risk Medical Insur-		

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	ance Board, shall convene, as needed, a workgroup consisting of representatives from the counties, consumer groups, the Legislature, children's groups, and others as deemed appropriate, to discuss and develop options for implementing a single point-of-entry method for Medi-Cal and Healthy Families enrollment and related functions.	
4280-101-0890—For local assistance, Managed Risk Medical Insurance Board, payable from the Federal Trust Fund, for the Healthy Families Program		129,332,000
Schedule:		
(a) 20-Access for Infants and Mothers.	3,866,000	
(b) 40-Healthy Families Program	125,466,000	
4280-102-0001—For local assistance, Managed Risk Medical Insurance Board, for the Healthy Families Program administrative contracts		9,759,000
Schedule:		
(a) 40-Healthy Families Program	11,231,000	
(b) Reimbursements	−1,472,000	
4280-102-0890—For local assistance, Managed Risk Medical Insurance Board, for Program 40, Healthy Families Program administrative contracts		11,815,000
4280-111-0232—For transfer by the Controller from the Hospital Services Account, Cigarette and Tobacco Products Surtax Fund to the Perinatal Insurance Fund, for the Access for Infants and Mothers Program		(25,877,000)
4280-111-0233—For transfer by the Controller from the Physician Services Account, Cigarette and Tobacco Products Surtax Fund to the Perinatal Insurance Fund, for the Access for Infants and Mothers Program		(13,760,000)
4280-112-0233—For transfer by the Controller from the Physician Services Account, Cigarette and Tobacco Products Surtax Fund to the Major Risk Medical Insurance Fund, for the Managed Risk Medical Insurance Program		(3,607,000)
4300-001-0001—For support of Department of Developmental Services		27,144,000
Schedule:		
(a) 10-Community Services Program	22,755,000	
(b) 20-Developmental Centers Program	9,060,000	
(c) 35.01-Administration	20,915,000	
(d) 35.02-Distributed Administration	−20,915,000	
(e) Reimbursements	−2,676,000	

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(f) Amount payable from the Developmental Disabilities Program Development Fund (Item 4300-001-0172)	−233,000	
(g) Amount payable from the Federal Trust Fund (Item 4300-001-0890)..	−1,762,000	

Provisions:

1. The State Department of Developmental Services shall convene at least two public forums to present and discuss the draft analysis on the Regional Center Core Staffing Study. The purpose of these forums shall be to provide a broad range of constituency groups with the opportunity to examine the data, ask questions, and provide comment to the department, prior to the final release of the study.
2. The State Department of Developmental Services shall include, as part of its standard fiscal audit review of the regional centers, an examination of expenditures for case management and related functions. The department shall make this information available to the public upon request, once the fiscal audit review is deemed complete by the department.
3. The Department of Developmental Services shall enter into an interagency agreement with the University of California's Medical Investigation of Neurodevelopmental Disorders (M.I.N.D.) Institute to have prepared a comprehensive pilot study to examine all factors surrounding the increased numbers of persons with autism and autism spectrum disorders in California from 1977–1999. The department shall report to the Legislature on a trimonthly basis on the progress of the study. The study shall be completed by June 30, 2000, with copies made available to the Legislature and Governor. Funding will be provided based on the actual cost of the study and under no circumstances shall exceed $1,000,000.

4300-001-0172—For support of Department of Developmental Services, for payment to Item 4300-001-0001, payable from the Developmental Disabilities Program Development Fund.....	233,000
4300-001-0890—For support of Department of Developmental Services, for payment to Item 4300-001-0001, payable from the Federal Trust Fund	1,762,000

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Provisions:		
1. Upon order of the Director of Finance, the State Controller shall transfer such funds as are necessary between this item and Item 4300-101-0890 in order to effectively administer the Early Intervention Program (Part C of the Individuals with Disabilities Education Act).		
4300-003-0001—For support of Department of Developmental Services, for Developmental Centers		53,805,000
Schedule:		
(a) 20-Developmental Centers Program	527,807,000	
(b) Reimbursements	–472,601,000	
(c) Amount payable from the California State Lottery Education Fund (Item 4300-003-0814)	–663,000	
(d) Amount payable from the Federal Trust Fund (Item 4300-003-0890)	–738,000	
Provisions:		
1. The General Fund shall make a loan available to the State Department of Developmental Services not to exceed a cumulative total of $80,000,000. The loan funds will be transferred to this item as needed to meet cash-flow needs due to delays in collecting reimbursements from the Health Care Deposit Fund, and subject to the repayment provisions of Section 16351 of the Government Code.		
2. Of the amount appropriated in Schedule (a), $834,400 is provided for payment of energy service contracts as required in connection with issuance of Public Works Board Energy Efficiency Revenue Bonds (State Pool Program), Series 1986 A.		
3. To the extent that the State Department of Developmental Services is eligible to receive additional Title XIX Medi-Cal reimbursements as a result of population increases in the developmental centers, the department is authorized to expend those reimbursements for the care of the additional clients upon approval of the Director of Finance.		
4. Upon order of the Director of Finance, the Controller shall transfer such funds as are necessary between this item and Items 4300-101-0001 and 4440-011-0001. Within 10 working days after approval of a transfer as authorized by this provi-		

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sion, the Department of Finance shall notify the chairperson of the fiscal committee of each house of the Legislature of the transfer, including the amount transferred, how the amount was determined, and how the amount will be utilized.

5. The State Department of Developmental Services (DDS) shall notify the chairperson of the fiscal committee of each house of the Legislature, the Senate Special Committee on Developmental Disabilities and Mental Health, and the Senate Health and Human Services Committee of specific outcomes resulting from citations and the results of annual surveys conducted by the State Department of Health Services as well as findings of any other government agency authorized to conduct investigations or surveys of state developmental centers. DDS shall forward the notifications, including a copy of the specific findings, to the chairpersons of the respective committees within 10 working days of its receipt of these findings. DDS also shall forward these findings, within three working days of submission, to the appropriate investigating agency. In addition, DDS shall provide notification to the above-mentioned committee chairs, within three working days, of its receipt of information concerning any investigation initiated by the United States Department of Justice and the private nonprofit corporation designated by the Governor pursuant to Division 4.7 (commencing with Section 4900) of the Welfare and Institutions Code or concerning any findings or recommendations resulting from any of these investigations.
6. The State Department of Developmental Services shall provide the Legislature with a status update by January 1, 2000, on the implementation plan for increasing staff at the developmental centers. This status update shall include, at a minimum, the number of level-of-care staff hired, a list of any special salary incentives provided, remaining vacancies by classification, and the department's plan for filling those vacancies.
7. The State Department of Developmental Services shall provide the Legislature with a status update by February 1, 2000, on the forensic population of consumers residing in the developmental centers. This status update shall, at a minimum, include a

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three-year projection of the population, the installation of security arrangements at each developmental center to date, a description of any special training provided to employees, a description of any special incidents regarding this population, a description of any training programs provided to this population, and a listing of the referring courts and number of consumers from the previous year.

8. The State Department of Developmental Services shall collaborate with the State Department of Mental Health and a constituency advisory committee to develop a comprehensive plan for the transition of forensic individuals with developmental disabilities from Napa State Hospital to other appropriate living arrangements as determined by the State Department of Developmental Services. The comprehensive plan shall be provided to the appropriate policy committees and the fiscal committees of the Legislature upon its completion.
9. Upon the approval by the Director of Finance of the State Department of Developmental Services' retirement and retention plan, $10,000,000 of the funds appropriated in Schedule (a) shall be used for salary incentives such as recruitment and retention bonuses for developmental center staff.
10. Of the amount appropriated in this item, $1,500,000 shall be used to provide health, dental, vision, and pension benefits to janitorial workers contracted by the State Department of Developmental Services for the developmental centers.
11. Transfers of forensic clients to Lanterman Developmental Center and Porterville Developmental Center shall be arranged on a flow basis to ensure community security and safety and client stability.
12. The State Department of Developmental Services shall consult with local law enforcement in the communities surrounding Lanterman Developmental Center and Porterville Developmental Center in the development, and ongoing modification of a security plan for each developmental center. This consultation shall include discussions with interested community representatives.

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13. The State Department of Developmental Services shall provide specialized security training to level-of-care and, as necessary, non-level-of-care, staff at both Lanterman and Porterville developmental centers to ensure the safest and most therapeutic environment possible for both clients and employees.	
14. The State Department of Developmental Services shall provide to the fiscal and policy committees of each house of the Legislature and local community representatives, as requested, a quarterly status update commencing October 1, 1999, for the prior quarter, on the progress of modifications at Porterville Developmental Center and Lanterman Developmental Center.	
15. Before any placements of high-risk developmental center residents are made at Lanterman Developmental Center or in the expanded secured beds at Porterville Developmental Center approved as part of this act, all planned security measures approved in the capital outlay plan for each facility shall be in place as follows: (1) double fencing to enclose the units to be used as secured client housing and training facilities, (2) observation towers, (3) electronic surveillance systems, (4) exterior security lighting, (5) personal alarm systems in each unit, (6) enclosure of nurses' stations, (7) sally ports, and (8) security screens for all windows. In addition, security personnel shall be hired, trained, and in place at the time that admissions begin.	
4300-003-0814—For support of Department of Developmental Services, for payment to Item 4300-003-0001, payable from the California State Lottery Education Fund	663,000
Provisions:	
1. All funds received pursuant to Proposition 37 that are allocable to the Department of Developmental Services pursuant to Section 8880.5 of the Government Code, and that are in excess of the amount appropriated in this item, are hereby appropriated in augmentation of this item. These additional funds may be expended only upon written approval of the Director of Finance.	
4300-003-0890—For support of Department of Developmental Services, for payment to Item 4300-003-0001, payable from the Federal Trust Fund	738,000

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4300-004-0001—For support of Department of Developmental Services (Proposition 98), for Developmental Centers			12,782,000
Schedule:			
(a) 20-Developmental Centers Program		17,682,000	
(1) 20.17-AB 1202 Contracts	7,311,000		
(2) 20.66-Medi-Cal Eligible Education Services	10,371,000		
(b) Reimbursements		−4,900,000	
Provisions:			
1. Of the amount appropriated in this item, $4,756,000 is to be used to provide the General Fund match for Medi-Cal Eligible Education Services.			
4300-101-0001—For local assistance, Department of Developmental Services, for Regional Centers			757,962,000
Schedule:			
10.10-Regional Centers			
(a) 10.10.010-Operations		329,152,000	
(b) 10.10.020-Purchase of Services		1,243,642,000	
(c) 10.10.060-Early Intervention Programs		20,200,000	
(d) 10.20.010-Program Development		1,426,000	
(e) 10.70 Habilitation Services		20,449,000	
(f) Reimbursements		−808,331,000	
(g) Amount payable from Developmental Disabilities Program Development Fund (Item 4300-101-0172)		−3,815,000	
(h) Amount payable from Developmental Disabilities Services Account (Item 4300-101-0496)		−30,000	
(i) Amount payable from Federal Trust Fund (Item 4300-101-0890)		−44,731,000	
Provisions:			
1. Upon order of the Director of Finance, the Controller shall transfer such funds as are necessary between this item and Item 4300-003-0001. The Director of Finance may authorize the transfer of funds between this item and Item 4260-101-0001 for the state's share of expenditures for developmental services provided to persons eligible under the California Medical Assistance Program.			

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3. A loan shall be made available from the General Fund to the State Department of Developmental Services not to exceed a cumulative total of $160,000,000. The loan funds shall be transferred to this item as needed to meet cash-flow needs due to delays in collecting reimbursements from the Health Care Deposit Fund, and are subject to the repayment provisions of Section 16351 of the Government Code.
4. Upon order of the Director of Finance, the Controller shall transfer such funds as are necessary between this item and Item 5160-001-0001 to provide for the transportation costs to and from work activity programs of clients who are receiving vocational rehabilitation services through the Vocational Rehabilitation/Work Activity Program (VR/WAP) Transition program.
5. Upon order of the Director of Finance, in order to more effectively meet client service needs, the Controller shall transfer the General Fund share of program costs as necessary between this item and Items 5160-001-0001 and 5160-101-0001 to provide for the net transfer of clients between the Department of Developmental Services and the Department of Rehabilitation for the following:
   (a) The conversion of regional center day programs to work activity or supported employment programs.
   (b) The transfer between day programs and VR/WAP or VR/Supported Employment Programs.
   (c) Clients originating from subdivision (b) of this provision who transfer to a work activity or a supported employment program upon closure from VR.
   (d) The transfer of funds shall be accomplished through a budget revision, on a quarterly basis, in the fiscal year in which the clients initially transferred from the regional center day programs.
6. Of the funds appropriated in Schedule (b), $150,000 shall be used to support access to and coordination of donated dental services.
7. The State Department of Developmental Services shall include a provision in its annual contract with the regional centers that requires the regional centers to provide to the department a listing of all

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	contracts for personnel and administrative services and the salary schedule for all personnel classifications used by the Regional Center. The department shall provide this information to the public upon request.	
4300-101-0172	—For local assistance, Department of Developmental Services, for payment to Item 4300-101-0001, payable from the Developmental Disabilities Program Development Fund	3,815,000
	Provisions: 1. Notwithstanding any other provision of law, the Director of Finance may authorize expenditures for the Department of Developmental Services in excess of the amount appropriated no sooner than 30 days after notification in writing of the chairperson of the fiscal committees and the Chairperson of the Joint Legislative Budget Committee, or no sooner than such lesser time as the chairperson of the committee, or his or her designee, may in each instance determine. 2. Of the amount appropriated in this item, $1,500,000 shall be used on a one-time-only basis to expand community-based dental services and mental health services for persons with developmental disabilities provided through the Wellness Initiative.	
4300-101-0496	—For local assistance, Department of Developmental Services, for payment to Item 4300-101-0001, payable from the Developmental Disabilities Services Account.....	30,000
4300-101-0890	—For local assistance, Department of Developmental Services, for Regional Centers, for payment to Item 4300-101-0001, payable from Federal Trust Fund.....	44,731,000
	Provisions: 1. Upon order of the Director of Finance, the Controller shall transfer such funds as are necessary between this item and Item 4300-001-0890 in order to effectively administer the Early Intervention Program (Part C of the Individuals with Disabilities Education Act). 2. It is the intent of the Legislature that family resource centers may operate through a variety of organizations within their local communities. 3. The State Department of Developmental Services, through coordination with the regional center, shall ensure local interagency coordination	

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and collaboration in the provision of early intervention services, including local training activities, child find activities, public awareness, and the family resource center activities.		
4300-295-0001—For local assistance, Department of Developmental Services, for reimbursement, in accordance with the provisions of Section 6 of Article XIII B of the California Constitution or of Section 17561 of the Government Code, of the costs of any new program or increased level of service of an existing program mandated by statute or executive order, State Controller		486,000
Schedule:		
(1) 98.01.064.480-Judicial Proceedings (Ch. 644, Stats. 1980)	87,000	
(2) 98.01.069.475-Attorney Fees (Ch. 694, Stats. 1975)	189,000	
(3) 98.01.125.380-MR Representation (Ch. 1253, Stats. 1980)	107,000	
(4) 98.01.130.480-Conservatorship (Ch. 1304, Stats. 1980)	103,000	
(5) 98.01.135.776-Guardianship/ Conservatorship filings (Ch. 1357, Stats. 1976)	0	
Provisions:		
1. Except as provided in Provision 3 below, allocations of funds provided in this item to the appropriate local entities shall be made by the Controller in accordance with the provisions of each statute or executive order that mandates the reimbursement of the costs, and shall be audited to verify the actual amount of the mandated costs in accordance with subdivision (d) of Section 17561 of the Government Code. Audit adjustments to prior year claims may be paid from this item. Funds appropriated in this item may be used to provide reimbursement pursuant to Article 5 (commencing with Section 17615) of Chapter 4 of Part 7 of Division 4 of Title 2 of the Government Code.		
2. Pursuant to Section 17581 of the Government Code, mandates identified in the appropriation schedule of this item with an appropriation of $0 and included in the language of this provision are specifically identified by the Legislature for suspension during the 1999–00 fiscal year:		

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(a) Guardianship/Conservatorship filings, (Ch. 1357, Stats. 1976)		
3. If any of the scheduled amounts are insufficient to provide full reimbursement of costs, the Controller may, upon notifying the Director of Finance in writing, augment those deficient amounts from the unencumbered balance of any other scheduled amounts therein. No order may be issued pursuant to this provision unless written notification of the necessity therefor is provided to the chairperson of the committee in each house that considers appropriations and the Chairperson of the Joint Legislative Budget Committee or his or her designee.		
4300-301-0001—For capital outlay, Department of Developmental Services		8,288,000
Schedule:		
(1) 55.15.130-Agnews: Fire & Life Safety Upgrades, Building 54—Preliminary plans, working drawings, and construction	2,461,000	
(2) 55.50.330-Porterville: Air condition main kitchen—Construction	1,000,000	
(3) 55.50.320-Porterville: Security Improvements, Phase I—Construction	973,000	
(4) 55.50.350-Porterville: Security Improvements, Phase II—Working drawings and construction	2,240,000	
(5) 55.50.360-Porterville: Security Improvements, Phase III—Preliminary plans, working drawings, and construction	1,614,000	
Provisions:		
1. Architectural and engineering services for the project specified in Schedule 5 of this item shall be contracted pursuant to Section 1330 of Title 21 of the California Code of Regulations. Design and construction services for that project shall be contracted in accordance with Section 3.10 of the State Contracting Manual and Section 1102 of the Public Contract Code.		
4300-490—Reappropriation, Department of Developmental Services. Notwithstanding any other provision of law, as of June 30, 1999, the balances of the appropriations provided in the following citations are reappropriated for the purposes specified and		

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shall be available for expenditure until June 30, 2000.

0001—General Fund

(1) Item 4300-101-0001 (a) 10.10.010 and (b) 10.10.020, Budget Act of 1998 (Ch. 324, Stats. 1998) for regional centers. One-half of the savings generated by regional centers operating under performance-based contracts shall be reappropriated for one-time expenditures that are approved by the Department of Developmental Services.

(2) Item 4300-101-0001 (a) 10.10.010 and (b) 10.10.020, Budget Act of 1998 (Ch. 324, Stats. 1998) for implementation of statewide testing and training as contained in the interagency agreement between the State Department of Developmental Services and the State Department of Education, Regional Occupational Center Programs Unit.

(3) Item 4300-101-0001 (a) 10.10.010 and (b) 10.10.020, Budget Act of 1998 (Ch. 324, Stats. 1998) for the Life Quality Assessment interagency agreement with the Organization of Area Boards on Developmental Disabilities.

(4) Item 4300-101-0001 (a) 10.10.020, Budget Act of 1998 (Ch. 324, Stats. 1998) for continuation of Self Determination Projects ($500,000).

4300-491—Reappropriation, Department of Developmental Services. The balances of the appropriations provided for in the following citations are reappropriated for the purposes and subject to the limitations, unless otherwise specified, provided for in those appropriations:

0001—General Fund

(1) Item 4300-301-0001, Budget Act of 1998 (Ch. 324, Stats. 1998):

(a) Schedule (2) 55.50.330-Porterville: Air condition main kitchen—Working drawings

(b) Schedule (3.5) 55.50.350-Porterville: Security Improvements Phase II—Construction

4300-495—Reversion. Department of Developmental Services. As of June 30, 1999, the unencumbered balances of the appropriations provided in the following citations shall revert to the General Fund.

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0001—General Fund		
(1) Item 4300-301-0001—Schedule (1), Budget Act of 1998 (Ch. 324, Stats. 1998), 55.15.130—Department of Developmental Services, Agnew Fire & Life Safety Upgrades, Building 54—Preliminary plans and working drawings.		
4440-001-0001—For support of Department of Mental Health		25,816,000
Schedule:		
(a) 10-Community Services	28,380,000	
(b) 20-Long-Term Care Services	9,144,000	
(c) 35.01-Departmental Administration	15,040,000	
(d) 35.02-Distributed Departmental Administration	−15,040,000	
(e) Reimbursements	−9,542,000	
(ex) Less funding provided by capital outlay (Item 4440-301-0001)	−166,000	
(f) Amount payable from the Federal Trust Fund (Item 4440-001-0890)	−2,000,000	
Provisions:		
1. Upon order of the Director of Finance, and following 30-day notification to the Joint Legislative Budget Committee, the Controller shall transfer between this item and Item 4440-016-0001 those funds that are necessary for direct community services, as well as administrative and ancillary services related to the provision of direct services.		
2. Of the funds appropriated for support of the Sexually Violent Predator program, any funds in excess of the amount needed for the program shall revert to the General Fund unless the expenditure of those funds is approved by the Department of Finance. Approval of the Department of Finance may not be effective sooner than 30 days after notification to the Joint Legislative Budget Committee.		
3. If the federal funds appropriated for support of the State Department of Mental Health/Department of Rehabilitation Cooperative Program are not made available to the state, the positions authorized to support this program shall be eliminated.		
4. Of the amount appropriated in this item, $500,000 shall be used to conduct a competitive process to contract for a comprehensive caregiver training program whereby train-the-trainer workshops will produce volunteer training professionals		

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from health and social services agencies. These individuals shall represent agencies that will have the ability to establish or expand their own support programs.

5. The State Department of Mental Health, in conjunction with the Department of Corrections (CDC) and the Board of Prison Terms, shall report to the Department of Finance by January 1, 2000, on criteria and statutory changes that should be made to ensure that CDC referrals of potentially mentally disordered offenders are made using criteria that more closely align with certifiable status.

4440-001-0890—For support of Department of Mental Health, for payment to Item 4440-001-0001, payable from the Federal Trust Fund 2,000,000

Provisions:

1. Upon order of the Department of Finance, the State Controller shall transfer such funds as are necessary between this item and Item 4440-101-0890.

4440-011-0001—For support of the State Hospitals, Department of Mental Health 323,183,454

Schedule:

(a) 20.10-Long-Term Care Services-Lanterman-Petris-Short.....109,463,454
(b) 20.20-Long-Term Care Services-Penal Code and Judicially Committed 319,533,000
(c) 20.30-Long-Term Care Services-Other State Hospital Services 52,519,000
(d) Reimbursements ..... –157,910,000
(e) Amount payable from the California State Lottery Education Fund (Item 4440-011-0814)..... –422,000

Provisions:

1. Upon order of the Director of Finance, the Controller shall transfer such funds as are necessary between this item and Items 4300-003-0001, 4300-004-0001, 5240-001-0001, and 5460-001-0001.
2. Upon order of the Director of Finance, and following 30-day notification to the Joint Legislative Budget Committee, the Controller shall transfer between this item and Item 4440-016-0001 those funds that are necessary for direct community ser-

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vices, as well as administrative and ancillary services related to the provision of direct services.

3. Upon approval of the State Department of Mental Health, a portion of the funds appropriated in Schedule (b) shall be available to reimburse counties for the cost of treatment and legal services to patients in the four State Department of Mental Health State Hospitals, pursuant to Section 4117 of the Welfare and Institutions Code. Expenditures made under this item shall be charged to either the fiscal year in which the claim is received or the fiscal year in which the Controller issues the warrant. Claims filed by local jurisdictions for legal services may be scheduled by the Controller for payment.
4. The reimbursements identified in Schedule (d) of this item shall include amounts received by the State Department of Mental Health as a result of billing for LPS state hospital bed day expenditures attributable to conservatees who are gravely disabled as defined in subparagraph (B) of paragraph (1) of subdivision (h) of Section 5008 of the Welfare and Institutions Code (Murphy Conservatee).
5. Of the total amount attributable in the 1999–00 fiscal year to patient-generated collections for LPS patients, the Controller shall transfer the first $8,000,000 as revenue to the General Fund, and the remainder shall be used to offset county costs for LPS state hospital beds.
6. Of the funds appropriated for the Sexually Violent Predator program, any funds in excess of the amount needed for the program shall revert to the General Fund unless the expenditure of those funds is approved by the Department of Finance. Approval of the Department of Finance may not be effective sooner than 30 days after notification to the Joint Legislative Budget Committee.
7. The State Department of Mental Health shall provide specialized training to local law enforcement located in the immediate vicinity of Napa State Hospital and Metropolitan State Hospital, as needed, in order to ensure both patient and local community safety. At a minimum, the training shall include information on how to identify a patient, procedures for notifying the state hospitals,

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and techniques for diffusing and appropriately controlling potentially difficult situations.

8. The State Department of Mental Health shall provide specialized training to level-of-care and, as necessary, non-level-of-care, staff at both Napa and Metropolitan State Hospitals to ensure the safest and most therapeutic environment possible for both patients and employees.
9. The State Department of Mental Health shall provide a status update to the Legislature by January 10, 2000, regarding patients referred, or while in custody, under the Penal Code. This status update shall include a three-year projection of patient population, a description of any special incidents regarding this patent population, and a description of any special training programs provided to employees and to patients.
10. Transfers of low- and medium-security risk Penal Code patients to Napa State Hospital or Metropolitan State Hospital shall be arranged on a flow basis to ensure community security and safety and patient stability. In no instance shall the number of Penal Code or forensic patients admitted exceed a net of 30 patients in any month at either state hospital.
11. The State Department of Mental Health shall collaborate with the State Department of Developmental Services to develop a comprehensive plan for the transition of forensic individuals with developmental disabilities from Napa State Hospital to other appropriate living arrangements as determined by the State Department of Developmental Services. The comprehensive plan shall be provided to the policy and fiscal committees of the Legislature upon its completion.
12. The State Department of Mental Health shall consult with the Sheriff of the County of Napa and the Police Chief of the City of Napa in the development, and ongoing modification, of a security plan for Napa State Hospital. The State Department of Mental Health shall also consult with the designated city official from the City of Norwalk.
13. The State Department of Mental Health shall report to the fiscal and policy committees of each house of the Legislature by November 1, 2000,

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on the use of a marginal cost methodology, and any other applicable cost methodologies deemed appropriate, for determining the cost of supporting additional patients at the state hospitals. At a minimum, the report shall note the manner in which the methodologies would be applied for budgeting purposes, the benefits and detriments of each methodology referenced, and the potential savings or costs.		
4440-011-0814—For support of Department of Mental Health, for payment to Item 4440-011-0001, payable from the California State Lottery Education Fund...		422,000
Provisions:		
1. All funds received pursuant to Proposition 37 that are allocable to the Department of Mental Health pursuant to Section 8880.5 of the Government Code, and that are in excess of the amount appropriated in this item, are appropriated in augmentation of this item. These additional funds may be expended only upon written approval of the Director of Finance.		
4440-012-0001—For support of the State Hospitals (Proposition 98), Department of Mental Health		3,400,000
Schedule:		
(a) 20.10-Long-Term Care Services-Lanterman-Petris-Short.....	3,400,000	
(b) 20.30-Long-Term Care Services—Other State Hospital Services	367,000	
(c) Reimbursements	−367,000	
Provisions:		
1. The funds appropriated in this item are available to contract for the provision of education services for mental health patients on state hospital grounds.		
4440-016-0001—For support of Department of Mental Health, for Conditional Release Services		16,283,000
Schedule:		
(a) 20-Long-Term Care Services	16,283,000	
Provisions:		
1. The funds appropriated in this item shall be used to provide community services as provided in Section 4360 of the Welfare and Institutions Code. These funds shall support direct community services, as well as administrative and ancillary services related to the provision of direct services.		

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2. Upon order of the Director of Finance, and following 30-day notification to the Joint Legislative Budget Committee, the Controller shall transfer between this item and Items 4440-001-0001 and 4440-011-0001 those funds that are necessary for direct community services, as well as administrative and ancillary services related to the provision of direct services.		
3. The State Department of Mental Health shall provide forensic conditional release services mandated either in Title 15 (commencing with Section 1600) of Part 2 or in Title 15 (commencing with Section 2960) of Article 3 of the Penal Code, through contracts with programs which integrate the supervision and treatment roles and providers selected consistent with Section 1615 of the Penal Code.		
4. Of the funds appropriated in this item, it is intended that no funds shall be available for the payment of treatment services to persons on court visit from state hospitals to the community as designated in subdivision (a) of Section 4117 of the Welfare and Institutions Code.		
4440-101-0001—For local assistance, Department of Mental Health		64,756,000
Schedule:		
(a) 10.25-Community Services—Other Treatment	674,769,000	
(b) 10.40-Community Services—Adult System of Care	7,772,000	
(c) 10.47-Community Services—Children's Mental Health Services	37,754,000	
(d) 10.85-AIDS	1,500,000	
(dx) 10.97-Community Services—Healthy Families	11,568,000	
(e) Reimbursements	−668,607,000	
Provisions:		
1. Augmentations to reimbursements in this item from the Office of Emergency Services for Disaster Relief are exempt from Section 28.00 of this act. The State Department of Mental Health shall provide written notification to the Joint Legislative Budget Committee describing the nature and planned expenditure of these augmentations when the amount received exceeds $200,000.		
2. It is the intent of the Legislature that local expenditures for mental health services for Medi-Cal		

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eligible individuals serve as the match to draw down maximum federal financial participation to continue the Short-Doyle/Medi-Cal program.

3. The funds appropriated in Schedule (b) are for allocation to those counties that had Adult System of Care programs funded pursuant to Chapter 982 of the Statutes of 1988, and may not be used for any other purpose unless approved by the Director of Finance and following 30-day notification to the Joint Legislative Budget Committee.
4. Of the funds appropriated in Schedule (b), $4,000,000 is allocated to Ventura County for the Adult System of Care program. These funds are to be utilized by the county only in support of a mental health system, serving the adult mentally ill population of the county, in accordance with the principles associated with the system of care model, as set forth in Part 3 (commencing with Section 5800) of Division 5 of the Welfare and Institutions Code. These funds may not be used to supplant other funding for mental health services. The State Department of Mental Health shall audit the use of these funds to ensure compliance with the requirement that they be used solely in support of the adult system of care program. Should Ventura County not agree to the audit requirement or not wish to pursue an adult system of care program, these funds may be redistributed to any other county to promote an adult system of care effort.
5. Of the $13,400,000 appropriated in this item for the Children's System of Care (CSOC) Program, $7,400,000 shall be allocated to Los Angeles County to supplement its existing CSOC Program, $5,000,000 shall be allocated to counties seeking to establish their own CSOC Program, and $1,000,000 shall be allocated to counties with existing CSOC Programs deemed by the State Department of Mental Health to be underfunded. Notwithstanding any other provision of law, the department may conduct a competitive process, or use any other administrative means, in order to allocate these funds in accordance with this provision.
6. Of the funds appropriated in Schedule (c), $1,333,400 shall be allocated to Ventura County for the Children's System of Care program. These

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funds are to be utilized by the county only in support of a mental health system, serving the seriously emotionally disturbed children of the county, in accordance with the principles associated with the system-of-care model, as set forth in Part 4 (commencing with Section 5850) of Division 5 of the Welfare and Institutions Code. These funds may not be used to supplant other funding for mental health services. The State Department of Mental Health shall audit the use of these funds to ensure compliance with the requirement that they are to be used solely in support of the Children's System of Care program. If Ventura County does not agree to the audit requirement or does not wish to pursue a children's system-of-care program, these funds may be redistributed to other counties to implement or expand a children's system-of-care effort.

Of the funds appropriated in Schedule (b), $4,000,000 is allocated to Ventura County for the Adult System of Care program. These funds may be utilized by the county only in support of a mental health system, serving the adult mentally ill population of the county, in accordance with the principles associated with the system-of-care model, as set forth in Part 3 (commencing with Section 5800) of Division 5 of the Welfare and Institutions Code. These funds may not be used to supplant other funding for mental health services. The State Department of Mental Health shall audit the use of these funds to ensure compliance with the requirement that they be used solely in support of the Adult System of Care program. If Ventura County does not agree to the audit requirement or does not wish to pursue an Adult System of Care program, these funds may be redistributed to any other county to promote an adult-system-of-care effort.

7. Of the amount appropriated in this item, $10,000,000 shall be allocated to counties for planning and incentive grants to provide integrated services, including substance abuse, housing assistance, vocational rehabilitation, and access to medications for severely mentally ill adults who would otherwise be at risk of homelessness or incarceration. These funds may be used for treatment services, outreach, and related

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services necessary to stabilize mentally ill adults. Notwithstanding any other provision of law, the State Department of Mental Health may conduct a competitive process, or use any other administrative means, in order to allocate these funds in an effective and expeditious manner.		
4440-101-0311—For local assistance, Department of Mental Health, all funds that are transferred into the Traumatic Brain Injury Fund pursuant to subdivision (f) of Section 1464 of the Penal Code		500,000
Schedule:		
(a) 10.87-Community Services—Traumatic Brain Injury Projects	840,000	
(b) Reimbursements	−340,000	
4440-101-0890—For local assistance, Department of Mental Health, payable from the Federal Trust Fund		36,231,000
Schedule:		
(a) 10.25-Community Services—other treatment	32,608,000	
(b) 10.75-Community Services—Homeless Mentally Disabled	3,623,000	
Provisions:		
1. The funds appropriated in this item are for assistance to local agencies in the establishment and operation of mental health services, in accordance with Division 5 (commencing with Section 5000) of the Welfare and Institutions Code.		
2. Notwithstanding any other provision of law, funds appropriated in Item 4440-101-0890 of the Budget Act of 1998 for rollover by the counties in the 1999–00 fiscal year shall be used only for the specified purposes for which they were allocated, subject to review and approval of the Department of Mental Health.		
3. The Department of Mental Health may authorize advance payments of federal grant funds on a monthly basis to the counties for grantees. These advance payments may not exceed one-twelfth of Section 2.00 of the individual grant award for the 1999–00 fiscal year.		
4. Upon order of the Department of Finance, the Controller shall transfer such funds as are necessary between this item and Item 4440-001-0890.		
5. The State Department of Mental Health, in consultation with county mental programs, shall provide to the fiscal and appropriate policy commit-		

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	tees of the Legislature an analysis on the supplemental seriously emotionally disturbed treatment services provided to children enrolled in the Healthy Families Program, as administered by the Managed Risk Medical Insurance Board. The analysis shall include, at a minimum, a fiscal estimate of county capacity to meet the treatment needs of additional Healthy Family enrollees requiring these services and a methodology for assuring that counties maintain service levels to children, which shall be similar to the base benchmarking technique used in the Early Periodic Screening Diagnosis and Treatment Program.	
4440-102-0001—For local assistance, Department of Mental Health (Proposition 98) for early mental health services		15,000,000
4440-103-0001—For local assistance, Department of Mental Health, Program 10.25-Community Services: Other Treatment for Mental Health Managed Care		169,202,000
Provisions:		
	1. The allocation of funds appropriated in this item shall be determined based on a methodology developed by the State Department of Mental Health in consultation with a statewide organization representing counties. This methodology shall be based on a review of actual and projected expenditures for mental health services for Medi-Cal beneficiaries, by county.	
	2. Of the amount appropriated in this item, $8,000,000 shall be transferred to the Mental Health Managed Care Deposit Fund (Fund 0865).	
	3. Upon order of the Director of Finance and agreement between the State Department of Mental Health and the State Department of Health Services, the State Controller shall transfer between this item and Item 4260-101-0001 any General Fund amount determined necessary to fully reflect the transfer of responsibility for administration of mental health services pursuant to the implementation of mental health managed care, including any adjustments that may be necessary to implement the San Mateo field test.	
	4. Notwithstanding any other provision of law, the emergency regulations adopted pursuant to Section 14680 of the Welfare and Institutions Code to implement the second phase of Mental Health Managed Care as provided in Part 2.5 (commenc-	

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	ing with Section 5775) of Division 5 of the Welfare and Institutions Code shall remain in effect until July 1, 2000, or until the regulations are made permanent, whichever occurs first, and shall not be subject to the repeal provisions of Section 11346.1 of the Government Code until that time.	
	5. The State Department of Mental Health shall provide the policy and fiscal committees of the Legislature with a copy of the independent assessment regarding the Medi-Cal Specialty Mental Health Services Coordination waiver as submitted to the federal Health Care Financing Administration.	
4440-111-0001—For local assistance, Department of Mental Health, for care giver resource centers serving families of brain-damaged adults		9,247,000
4440-131-0001—For local assistance, Department of Mental Health, for services to special education pupils		12,334,000
Provisions:		
	1. In allocating to the counties funds for mental health services to pupils who are specified in accordance with Chapter 26.5 (commencing with Section 7570) of Division 7 of Title 1 of the Government Code and the Individuals with Disabilities Education Act Section 602(a) Amendments of 1990, as defined in Section 300.5 of Title 34 of the Code of Federal Regulations, and who meet the requirements of Section 56026 of the Education Code and Sections 3030 and 3031 of Title 5 of the California Code of Regulations, the Department of Mental Health may allocate the funds based on the individual county's needs, in lieu of using the allocation method set forth in Welfare and Institutions Code Section 5701.	
4440-295-0001—For local assistance, Department of Mental Health, for reimbursement, in accordance with the provision of Section 6 of Article XIII B of the California Constitution or of Section 17561 of the Government Code, or the costs of any new program or increased level of service of an existing program mandated by statute or executive order, State Controller		39,181,000
Schedule:		
(1) 98.01.049.877-Coroner's Costs (Ch. 498, Stats. 1977)	105,000	

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(2)	98.01.081.579-Short-Doyle Case Management (Ch. 815, Stats. 1979)	0
(3)	98.01.103.678-Mentally Disordered Offender Recommitments (Ch. 1036, Stats. 1978)	185,000
(4)	98.01.111.479-Not Guilty By Reason of Insanity (Ch. 1114, Stats. 1979)	291,000
(5)	98.01.132.784-Short-Doyle Audits (Ch. 1327, Stats. 1984)	0
(6)	98.01.135.285-Residential Care Services (Ch. 1352, Stats. 1985)	0
(7)	98.01.174.784-Services to Handicapped Students (Ch. 1747, Stats. 1984)	38,600,000

Provisions:

1. Except as provided in Provision 2 below, allocations of funds appropriated by this item to the appropriate local entities shall be made by the State Controller in accordance with the provisions of each statute or executive order that mandates the reimbursement of the costs, and shall be audited to verify the actual amount of the mandated costs in accordance with subdivision (d) of Section 17561 of the Government Code. Audit adjustments to prior year claims may be paid from this item. Funds appropriated by this item may be used to provide reimbursement pursuant to Article 5 (commencing with Section 17615) of Chapter 4 of Part 7 of Division 4 of Title 2 of the Government Code.
2. If any of the scheduled amounts are insufficient to provide full reimbursement of costs, the State Controller may, upon notifying the Director of Finance in writing, augment those deficient amounts from the unencumbered balance of any other scheduled amount therein. No order may be issued pursuant to this provision unless written notification of the necessity therefor is provided to the chairperson of the committee in each house that considers appropriations and the Chairperson of the Joint Legislative Budget Committee or his or her designee.
3. Pursuant to Section 17581 of the Government Code, mandates identified in the appropriation schedule of this item with an appropriation of $0

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and included in the language of this provision are specifically identified by the Legislature for suspension during the 1999–00 fiscal year: (a) Short-Doyle Case Management (Ch. 815, Stats. 1979) (b) Short-Doyle Audits (Ch. 1327, Stats. 1984) (c) Residential Care Services (Ch. 1352, Stats. 1985)		
4440-301-0001—For capital outlay, Department of Mental Health		10,950,000
Schedule:		
(1) 55.35.920-Metro: Replace R&T and Administration Buildings—Construction	12,318,000	
(2) 55.10.205-Minor Projects	868,000	
(2.1) 55.18.260-Atascadero: Improve Perimeter and Roofline Security—Preliminary plans, working drawings, and construction	902,000	
(3) Reimbursements	−3,138,000	
Provisions:		
1. Of the amount appropriated in Schedule (2), $207,000 shall be used for minor capital outlay to conduct modifications associated with relocating the main entrance gate at Metropolitan State Hospital and completing related improvements.		
2. Of the amount appropriated in Schedule (2), $125,000 shall be allocated to the City of Norwalk for the engineering, design, and installation of a traffic light on Bloomfield Avenue as part of a minor project to relocate the main access gate at Metropolitan State Hospital. This allocation shall only be made if further traffic studies determine the traffic light to be necessary, and upon approval by the Department of Finance based on documentation provided by the State Department of Mental Health or the City of Norwalk.		
4440-301-0660—For capital outlay, Department of Mental Health, payable from Public Building Construction Fund		23,809,000
Schedule:		
(1) 55.18.255-Sexually Violent Predator Facility—Preliminary plans and working drawings	16,025,000	

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(2)	55.45.255-Patton: Fire & Life Safety and Environmental Improvements, EB Building—Construction	7,784,000

Provisions:

1. The State Public Works Board may issue lease-revenue bonds, notes or bond anticipation notes pursuant to Chapter 5 (commencing with Section 15830) of Part 10b of Division 3 of Title 2 of the Government Code to finance the preliminary plans, working drawings, and construction for the projects authorized by this item.
2. The State Public Works Board and the Department of Mental Health may obtain interim financing for the project costs authorized in this item from any appropriate source including but not limited to the Pooled Money Investment Account pursuant to Sections 16312 and 16313 of the Government Code.
3. The maximum amount of bonds, notes or bond anticipation notes to be sold shall not exceed the cost of preliminary plans, working drawings, and construction and any additional amounts necessary to pay interim and permanent financing costs.
4. In the event the bonds authorized for the project identified in Schedule (1) are not sold, the Department of Mental Health shall commit a sufficient portion of its support appropriation provided for in this Budget Act to repay any loans from the Pooled Money Investment Account. It is the intent of the Legislature that this commitment shall be included in future Budget Acts until outstanding loans are repaid either through the sale of bonds or from an appropriation.
5. Funds appropriated for preliminary plans and working drawings for the project identified in Schedule (1) of this item may not be expended until 30 days after the Department of Finance provides written notification to the Joint Legislative Budget Committee that all project scope and program issues have been identified and resolved. The written notice shall identify the project scope and program changes that differ from the "Feasibility Study, Bed Needs and Related Facility" report dated April, 1998.

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4440-301-0768—For capital outlay, Department of Mental Health, payable from the Earthquake Safety and Public Buildings Rehabilitation Fund of 1990 5,103,000
Schedule:
(1) 55.35.920-Metro: Replace R&T and Administration Buildings—Construction..... 5,103,000

4440-490—Reappropriation, Department of Mental Health. Notwithstanding any other provision of law, the balances, as of June 30, 1999, of the appropriations provided in the following citations are reappropriated for the purposes provided for in the appropriation and shall be available for expenditure until June 30, 2000:
0001-General Fund
(1) Item 4440-111-0001, Sec. 2.00, Budget Act of 1998 (Ch. 324, Stats. 1998).

4440-495—Reversion, Department of Mental Health. As of June 30, 1999, a total of $5,000,000 of the appropriation provided in the following citation shall revert to the General Fund.
0001—General Fund
(1) Item 4440-011-0001, Budget Act of 1998 (Ch. 324, Stats. 1998).

4700-001-0890—For support of Department of Community Services and Development, payable from the Federal Trust Fund 9,119,000
Schedule:
(a) 20-Energy Programs..... 7,871,000
(b) 40-Community Services 2,358,000
(c) 50.01-Administration..... 2,843,000
(d) 50.02-Distributed Administration ... −2,843,000
(e) Reimbursements..... −1,110,000
Provisions:
1. On a federal fiscal year basis, the Department of Community Services and Development shall make the following program allocation for the community services block grant, as a percentage of the total block grant:
(a) Administration ..... 5 percent
The department shall provide the Controller with the dollar value of this allocation limit, as it relates to the appropriation in this item, at the beginning of the state fiscal year, and shall update this information whenever necessary to reflect federal revisions to the grant.

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2. Any unexpended federal funds from Item 4700-001-0890, Budget Act of 1998, shall be in augmentation of Item 4700-001-0890 of this act and not subject to the provisions of Section 28.00.		
4700-101-0001—For local assistance, Department of Community Services and Development		8,000,000
Schedule:		
(a) 40-Community Services	1,000,000	
(b) 47-Naturalization Services	7,000,000	
Provisions:		
1. The administrative expenses of the Department of Community Services and Development related to naturalization services provided under Schedule (b) shall not exceed 5 percent of the total funds appropriated for that program.		
4700-101-0890—For local assistance, Department of Community Services and Development, for assistance to individuals and payments to service providers, payable from the Federal Trust Fund		112,053,000
Schedule:		
(a) 20-Energy Programs	63,685,000	
(b) 40-Community Services	50,482,000	
(c) Reimbursements	−2,114,000	
Provisions:		
1. On a federal fiscal year basis, the department shall make the following program allocations for the community services block grant as a percentage of the total block grant:		
(a) Discretionary	5 percent	
(b) Migrant and seasonal farm workers	10 percent	
(c) Native American Indian programs	3.9 percent	
(d) Community action agencies and rural community services	76.1 percent	
All grantees under the community services block grant program shall be subject to standard state contracting procedures required under the program.		
2. The department shall provide the State Controller with the dollar value of these allocation limits, as they relate to the appropriation in this item, at the beginning of the fiscal year, and shall update this information whenever necessary to reflect federal revisions to the grant.		

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3. Funds collected by the department from energy contractors as a result of overpayments shall be used for local assistance for energy programs, and funds collected from community service block grant (CSBG) contractors as a result of overpayments shall be used for local assistance for CSBG programs in 1999–00.	
4. Funds scheduled in Item 4700-101-0890 may be transferred to Item 4700-001-0890 for the administration of the Low Income Home Energy Assistance Programs, subject to approval of the Department of Finance.	
5. Any unexpended federal funds from Item 4700-101-0890, Budget Act of 1998, shall be in augmentation of Item 4700-101-0890 of this act and not subject to the provisions of Section 28.00.	
5100-001-0001—For support of Employment Development Department, for payment to Item 5100-001-0870	23,194,000
5100-001-0184—For support of Employment Development Department, for payment to Item 5100-001-0870, payable from the Employment Development Department Benefit Audit Fund	8,855,000
Provisions:	
1. The amount appropriated in this item includes revenues derived from the assessment of fines and penalties imposed as specified in Section 13332.18 of the Government Code.	
5100-001-0185—For support of Employment Development Department, for payment to Item 5100-001-0870, payable from the Employment Development Contingent Fund	37,705,000
Provisions:	
1. Funds appropriated in this item are in lieu of the amounts that otherwise would have been appropriated for administration pursuant to Section 1586 of the Unemployment Insurance Code.	
2. Notwithstanding the provisions of Item 9840-001-0494, the Director of Finance may authorize the creation of deficiencies pursuant to Section 11006 of the Government Code for the purposes of this item.	
3. The amount appropriated in this item includes revenues derived from the assessment of fines and penalties imposed as specified in Section 13332.18 of the Government Code.	

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5100-001-0514—For support of Employment Development Department, for payment to Item 5100-001-0870, payable from the Employment Training Fund	67,330,000

Provisions:

1. Notwithstanding subdivision (a) of Section 2.00 of this act, funds disencumbered from Employment Training Fund training contracts during 1999–00 are hereby appropriated for transfer to, and in augmentation of, this item for allocation by the Employment Training Panel for training contracts. The Employment Development Department shall notify the Legislature by September 1, 2000, of the actual amount of funds appropriated pursuant to this provision.
2. Any funds appropriated for the Employment Development Department, State-Local Cooperative Labor Market Information Program, if not expended by June 30, 2000, shall be made available to the Employment Training Fund for purposes of funding job training contracts.
3. In order to reduce the incidence of contract disencumberances, the Employment Training Panel shall adopt performance goals of annual reductions. Disencumberances shall be reduced to no more than 30 percent of available funds for the 1999–00 fiscal year, 25 percent for the 2000–01 fiscal year, and 22 percent for the 2001–02 fiscal year.

5100-001-0579—For support of Employment Development Department, payable from the Welfare-to-Work Grant Fund—Federal, to be available for expenditure during the 1999–00, 2000–01, and 2001–02 fiscal years	634,000
5100-001-0588—For support of Employment Development Department, for payment to Item 5100-001-0870, payable from the Unemployment Compensation Disability Fund	136,720,000

Provisions:

1. The Employment Development Department shall submit on October 1, 1999, and April 20, 2000, to the Department of Finance for its review and approval, an estimate of expenditures for both the current and budget years, including the assumptions and calculations underlying Employment Development Department projections for expenditures from this item. The Department of Finance

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shall approve, or modify, the assumptions underlying all estimates within 15 working days of the due date. If the Department of Finance does not approve or modify in writing, the assumptions underlying all estimates within 15 working days of the due date, the Employment Development Department shall consider the assumptions and calculations approved as submitted. If the Department of Finance determines that the estimate of expenditures differs from the amount appropriated by this item, the Director of Finance shall so report to the Legislature. At the time the report is made, the amount of this appropriation shall be adjusted by the difference between this Budget Act appropriation and the approved estimate of the Department of Finance. Revisions reported pursuant to this provision are not subject to Section 28.00 of this act.

2. Notwithstanding the provisions of Item 9840-001-0988, the Director of Finance may authorize the creation of deficiencies pursuant to Section 11006 of the Government Code, for the purposes of this item.

5100-001-0869—For support of state programs under the Job Training Partnership Act, Employment Development Department, for Program 60—Job Training Partnership, payable from the Consolidated Work Program Fund 160,191,000

Schedule:

(a)	60.11-Administrative Cost Pool	9,120,000
(b)	60.20-Incentive and Technical Assistance	8,767,000
(c)	60.30-Older Workers	7,660,000
(d)	60.40-Educational Linkages	13,974,000
(e)	60.60-Displaced Workers Program .	98,031,000
(f)	60.65-Veterans	733,000
(g)	60.85-School to Career	21,906,000

Provisions:

1. The funds appropriated in this item may be transferred to Item 5100-101-0869, upon the approval of the Department of Finance, when service delivery areas decide to operate projects under the federal guidelines applicable to Adult and Youth Training Programs.
2. Notwithstanding subdivision (a) of Section 2.00 of this act, funds disencumbered from Job Training Partnership Act subgrants during the 1999–00

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	fiscal year are hereby appropriated for transfer to, and in augmentation of, this item for allocation by the Employment Development Department for Job Training Partnership Act subgrants.	
	3. Provision 1 of Item 5100-001-0588 also applies to this item.	
	4. Of the funds appropriated in this item from the Governor's Title III 40 percent discretionary funds, $1.8 million shall be used to conform current data collection and reporting, and performance management systems to federal Workforce Investment Act requirements.	
	5. Of the funds appropriated in this item from the Governor's Title III 40 percent discretionary funds, $5.4 million shall be allocated to local Service Delivery Areas or Local Workforce Investment Boards for transition activities related to implementation of the federal Workforce Investment Act.	
5100-001-0870—For support of Employment Development Department, payable from the Unemployment Administration Fund—Federal		506,332,000
Schedule:		
(a) 10-Employment and Employment Related Services	201,847,000	
(b) 21-Tax Collections and Benefit Payments	487,226,000	
(c) 22-California Unemployment Insurance Appeals Board	53,997,000	
(d) 30.01-General Administration	48,616,000	
(e) 30.02-Distributed General Administration	−43,964,000	
(f) 50-Employment Training Panel	60,468,000	
(g) Reimbursements	−26,896,000	
(h) Amount payable from the General Fund (Item 5100-001-0001)	−23,194,000	
(i) Amount payable from the Employment Development Department Benefit Audit Fund (Item 5100-001-0184)	−8,855,000	
(j) Amount payable from the Employment Development Contingent Fund (Item 5100-001-0185)	−37,705,000	
(k) Amount payable from the Employment Training Fund (Item 5100-001-0514)	−67,330,000	

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(*l*)	Amount payable from the Unemployment Compensation Disability Fund (Item 5100-001-0588)	−136,720,000
(m)	Amount payable from the School Employees Fund (Item 5100-001-0908)	−758,000
(n)	Amount payable from the Employment Development Contingent Fund (Sec. 1586, Unemployment Insurance Code)	−400,000

Provisions:

1. Funds appropriated in this item are in lieu of the amounts that otherwise would have been appropriated pursuant to Section 1555 of the Unemployment Insurance Code.
2. Provision 1 of Item 5100-001-0588 also applies to funds appropriated in this item for the Unemployment Insurance program.
3. Of the funds appropriated in this item, the amount of $4,648,000 in Program 21, for costs to expand the New Employee Registry Process (NER), may not be encumbered or expended until the Department of Information Technology and the Department of Finance reviews and approves the NER and Tax Engineering and Modernization special project reports. The funds shall be allocated in the amount approved by the Department of Finance based on the approved special project reports.
4. The Employment Development Department shall report by March 1, 2000, to the appropriate committees of the Legislature on the implementation of the unemployment insurance toll-free line. At a minimum, the report shall include (a) the daily and monthly call volume, (b) the average length of time both English-speaking and non-English-speaking callers must wait before speaking with a representative for claim filing and information requests, (c) estimates of the appropriate staff levels required to answer all incoming calls and have an average wait of not more than three minutes before talking to a representative, and (d) recommendations on additional interpreter services that may be needed to handle caller language requirements.
5. It is the intent of the Legislature that funds available for the Trade Adjustment Act and North American Free Trade Act programs be used for

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	outreach activities, including, but not limited to, the use of radio, television, and other media, and that the Employment Development Department form partnerships with other organizations, including, but not limited to, chambers of commerce, educational organizations, and trade organizations, to inform displaced workers and affected employers about the training opportunities available through these and other programs. To the extent possible, the Employment Development Department shall seek increased federal funding in order to conduct additional outreach activities for these programs. The department shall report during the 2000–01 fiscal year budget hearings on the outcomes of these activities, including, but not limited to, the number of employers certified, the industries of those employers, the number or workers trained, and the results of this training.	
5100-001-0908—For support of Employment Development Department, for payment to Item 5100-001-0870, payable from the School Employees' Fund ...		758,000
	Provisions:	
	1. Notwithstanding the provisions of Item 9840-001-0988, the Director of Finance may authorize the creation of deficiencies pursuant to Section 11006 of the Government Code, for the purposes of this item.	
	2. Funds appropriated in this item are in lieu of the amounts that otherwise would have been appropriated for administration pursuant to Section 822 of the Unemployment Insurance Code.	
	3. Provision 1 of Item 5100-001-0588 also applies to this item.	
5100-011-0184—For support of the Employment Development Department, the amount of the unencumbered balance exceeding $1,000,000 in the Employment Development Department Benefit Audit Fund as of June 30, 2000, shall be transferred to the General Fund.		
5100-011-0185—For support of Employment Development Department payable from the Employment Development Contingent Fund. Notwithstanding any other provision of law, the State Controller shall transfer to the General Fund the amount, as determined by the Director of Finance, in the Employ-		

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ment Development Contingent Fund as of June 30, 2000, that is in excess of the $1,000,000 reserve required by Section 1590 of the Unemployment Insurance Code.	
5100-011-0890—For support of Employment Development Department, payable from the Federal Trust Fund, for transfer to the Unemployment Administration Fund	(506,332,000)
5100-021-0890—For support of Employment Development Department, payable from the Federal Trust Fund, for transfer to the Consolidated Work Program Fund	(160,191,000)
5100-031-0890—For transfer from the Federal Trust Fund to the Welfare-to-Work Fund	(634,000)
5100-101-0001—For local assistance, Employment Development Department	700,000
Provisions:	
1. The Department may transfer funds from this item to Item 5100-001-0001 for the administration of the California Youthbuild Program, subject to approval of the Department of Finance.	
5100-101-0579—For local assistance under the Welfare-to-Work Grant, Employment Development Department, payable from the Welfare-to-Work Fund—Federal, for expenditure during 1999–00, 2000–01 and 2001–02 fiscal years	3,594,000
5100-101-0588—For local assistance, Employment Development Department, for Program 21—Tax Collections and Benefit Payments, payable from the Unemployment Compensation Disability Fund	1,680,742,000
Provisions:	
1. Notwithstanding Item 9840-001-0988, the Director of Finance may authorize the creation of deficiencies pursuant to Section 11006 of the Government Code for the purposes of this item.	
2. Funds appropriated in this item are in lieu of the amounts that otherwise would have been appropriated pursuant to Section 3012 of the Unemployment Insurance Code.	
3. Provision 1 of Item 5100-001-0588 also applies to this item.	
5100-101-0869—For local assistance under the Job Training Partnership Act, Employment Development Department, for Program 60-Job Training Partnership, payable from the Consolidated Work Program Fund	409,747,000

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Schedule:		
(a) 60.60-Displaced Workers Program		151,651,000
(b) 60.70-Adult and Youth Training Programs		117,966,000
(c) 60.80-Summer Youth Programs		140,130,000
Provisions:		
1. Notwithstanding subdivision (a) of Section 2.00 of this act, funds disencumbered from Job Training Partnership Act subgrants during 1999–00 are hereby appropriated for transfer to and in augmentation of this item for allocation by the Employment Development Department for Job Training Partnership Act subgrants.		
2. Provision 1 of Item 5100-001-0588 also applies to this item.		
5100-101-0871—For local assistance, Employment Development Department, for Program 21—Tax Collections and Benefit Payments, payable from the Federal Unemployment Fund		2,607,547,000
Provisions:		
1. Funds appropriated in this item are in lieu of the amounts that would have otherwise been appropriated pursuant to Section 1521 of the Unemployment Insurance Code.		
2. Provision 1 of Item 5100-001-0588 also applies to this item.		
5100-101-0890—For local assistance, Employment Development Department, payable from the Federal Trust Fund, for transfer to the Consolidated Work Program Fund		(409,747,000)
5100-101-0908—For local assistance, Employment Development Department, for Program 21—Tax Collections and Benefit Payments, payable from the School Employees' Fund		31,738,000
Provisions:		
1. Notwithstanding Item 9840-001-0988, the Director of Finance may authorize the creation of deficiencies pursuant to Section 11006 of the Government Code for the purposes of this item.		
2. Funds appropriated in this item are in lieu of the amounts that otherwise would have been appropriated for benefits pursuant to Section 822 of the Unemployment Insurance Code.		
3. Provision 1 of Item 5100-001-0588 also applies to this item.		

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5100-111-0890—For local assistance, Employment Development Department, payable from the Federal Trust Fund, for transfer to the Federal Unemployment Fund (0871)		(2,607,547,000)
5100-131-0890—For transfer by the Controller from the Federal Trust Fund to the Welfare-to-Work Fund		(3,594,000)
5100-301-0588—For capital outlay, Employment Development Department, payable from the Unemployment Compensation Disability Fund		99,000
Schedule:		
(1) 80.37.001-Minor projects	99,000	
5100-301-0870—For capital outlay, Employment Development Department, payable from the Unemployment Administration Fund-Federal		1,072,000
Schedule:		
(1) 80.40.001-Vallejo: Renovation and Asbestos Abatement—Preliminary plans and working drawings	291,000	
(2) 80.92.001-San Bernardino: Renovation and Asbestos Abatement—Construction	427,000	
(3) 80.97.001-Torrance: Renovation and Asbestos Abatement—Preliminary plans and working drawings	206,000	
(4) 80.37.001-Minor Projects	148,000	
5100-301-0871—For capital outlay, Employment Development Department payable from the Unemployment Fund-Federal		1,652,000
Schedule:		
(1) 80.92.001-San Bernardino: Renovation and Asbestos Abatement—Construction	1,652,000	
5100-301-0890—For capital outlay, Employment Development Department, payable from the Federal Trust Fund, for transfer to the Unemployment Administration Fund-Federal		(1,072,000)
Schedule:		
(1) 80.40.001-Vallejo: Renovation and Asbestos Abatement—Preliminary plans and working drawings	(291,000)	
(2) 80.92.001-San Bernardino: Renovation and Asbestos Abatement—Construction	(427,000)	

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(3) 80.97.001-Torrance: Renovation and Asbestos Abatement—Preliminary plans and working drawings	(206,000)	
(4) 80.37.001-Minor Projects	(148,000)	
5100-302-0890—For capital outlay, Employment Development Department, payable from the Federal Trust Fund, for transfer to the Unemployment Fund-Federal		(1,652,000)
Schedule:		
(1) 80.92.001-San Bernardino: Renovation and Asbestos Abatement—Construction	(1,652,000)	
5100-311-0690—For capital outlay, Employment Development Department. To prevent the loss of funds in the Employment Development Department Building Funds, the unencumbered balances of the funds deposited in the Employment Development Department Building Fund shall be transferred to the Federal Unemployment Fund.		
Provisions:		
1. The Employment Development Department shall report to the Legislature by September 1, 2000, the amount of funds transferred pursuant to this item.		
5100-490—Reappropriation—Employment Development Department. Notwithstanding any other provision of law, the balances of the appropriations provided for in the following citations are reappropriated for the purposes and subject to the limitations, unless otherwise specified, provided for in those appropriations, and shall be made available for expenditure for the periods indicated below:		
0001—General Fund		
(1) $1,250,000 of the balance of the appropriation provided for in Chapter 1051 of the Statutes of 1998, for at-risk youth demonstration projects, for expenditure until June 30, 2002.		
0870—Federal Fund		
(1) $591,000 of the balance of the appropriation provided for in Schedule (a), Item 5100-001-0870, Section 2.00, Budget Act of 1998 (Ch. 324, Stats. 1998) for One-Stop Career Centers shall be available for expenditure until June 30, 2000.		
5120-001-0869—For support of the State Workforce Investment Board, payable from the Consolidated Work Program Fund		3,600,000

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Provisions:		
1. The funds appropriated in this item shall be used to establish and support the State Workforce Investment Board to meet federal requirements under the Workforce Investment Act of 1998 (Title I, P.L. 105-220). These funds shall be used by the board to develop and support the following systems and program components: Labor Market Information, Performance-Based Accountability, Eligible Service Provider Certification Process, and Consumer Report.		
5160-001-0001—For support of Department of Rehabilitation		43,578,000
Schedule:		
(a) 10-Vocational Rehabilitation Services	301,914,000	
(b) 20-Habilitation Services	2,844,000	
(c) 30-Support of Community Facilities	5,792,000	
(d) 40.01-Administration	21,959,000	
(e) 40.02-Distributed Administration	–21,959,000	
(f) Reimbursements	–7,816,000	
(g) Amount payable from the Federal Trust Fund (Item 5160-001-0890)	–255,307,000	
(gx) Amount payable from Special Deposit Fund (Item 5160-001-0942).	–489,000	
(i) Amount payable from the Vending Stand Account (Item 5160-001-0600)	–3,360,000	
Provisions:		
1. In order to participate in the County Mental Health Cooperative Programs, a county shall identify, in its joint proposal with a local office of the Department of Rehabilitation, cash and in-kind resources it shall make available for prevocational and other services to supplement vocational rehabilitation resources.		
2. Upon order of the Director of Finance, the Controller shall transfer such funds as are necessary between this item and Item 4300-101-0001 to provide for the transportation costs to and from work activity programs of clients who are receiving vocational rehabilitation services through the Vocational Rehabilitation/Work Activity Program (VR/WAP) Transition program.		
3. The department shall maximize its use of certified time as a match for federal vocational rehabilita-		

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	tion funds. To the extent that certified time is available, it shall be used in lieu of the General Fund moneys.	
	4. The Department of Rehabilitation shall report to the budget committees of the Legislature during spring budget hearings on the availability of reimbursement funding to continue limited-term positions in the Americans With Disabilities Act Compliance Unit during the 2000–01 fiscal year.	
5160-001-0600—For support of Department of Rehabilitation, for payment to Item 5160-001-0001, payable from the Vending Stand Fund		3,360,000
5160-001-0890—For support of Department of Rehabilitation, for payment to Item 5160-001-0001, payable from the Federal Trust Fund		255,307,000
Provisions:		
	1. The amount appropriated in this item that is payable from federal Social Security Act funds for vocational rehabilitation services for SSI/SSDI recipients shall be expended only to the extent that funds received exceed the amount appropriated by Item 5160-101-0890 that is payable from the federal Social Security Act funds. It is the intent of the Legislature that first priority of federal Social Security Act funding be given to Independent Living Centers in the amount of federal Social Security Act funding appropriated by Item 5160-101-0890.	
5160-001-0942—For support of Department of Rehabilitation, for payment to Item 5160-001-0001, payable from the Special Deposit Fund		489,000
5160-101-0001—For local assistance, Department of Rehabilitation		77,589,000
Schedule:		
	(a) 10-Vocational Rehabilitation Services 487,000	
	(b) 20-Habilitation Services 94,816,000	
	(c) 30-Support of Community Facilities 10,258,000	
	(d) Amount payable from Federal Trust Fund (Item 5160-101-0890) –7,523,000	
	(e) Reimbursements –20,449,000	
Provisions:		
	1. Upon order of the Director of Finance, the Controller shall transfer funds as are necessary between this item and Item 5160-001-0001 to provide the state's share of client service expenditures for habilitation clients who are eli-	

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gible to become vocational rehabilitation clients. 2. The Department of Rehabilitation shall submit quarterly reports to the Legislature and the Department of Finance on its Supported Employment Program expenditures and caseload. Each report shall include data on the number of groups, the reported size of groups, the attendance rate, and the number of individual placements. Each report shall also indicate the number of programs that are restructured following the adoption of the new rate methodology, the nature of that restructuring, and how the restructuring affects program costs.	
5160-101-0890—For local assistance, Department of Rehabilitation, for payment to Item 5160-101-0001, payable from the Federal Trust Fund.....	7,523,000
5160-495—Reversion, Department of Rehabilitation. As of June 30, 1999, the unencumbered balance of the appropriation provided in the following citation shall revert to the General Fund. 0001—General Fund (1) Item 5160-101-0001—Schedule (b) Budget Act of 1998 (Ch. 324, Stats. 1998), 20-Habilitation Services.	
5170-001-0001—For support of State Independent Living Advisory Council.....	0
Schedule: (a) 10-State Council Services..... 417,000 (b) Reimbursements..... –417,000	
5180-001-0001—For support of Department of Social Services	80,991,000
Schedule: (a) 16-Welfare Programs..... 80,066,000 (b) 25-Social Services and Licensing...124,862,000 (c) 35-Disability Evaluation and Other Services.....186,523,000 (d) 60.01-Administration..... 34,471,000 (e) 60.02-Distributed Administration ...–34,054,000 (f) Reimbursements .....–16,360,000 (g) Amount payable from Foster Family Home and Small Family Home Insurance Fund (Item 5180-001-0131)..... –3,000,000 (h) Amount payable from the Federal Trust Fund (Item 5180-001-0890) ..... –291,517,000	

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Provisions:

1. The Department of Finance may authorize the transfer of funds from Schedule (b) of this item to Schedule (c), Program 25.45, of Item 5180-151-0001, Community Care Licensing, in order to allow counties to perform the facilities evaluation function.
2. The Department of Finance may authorize the transfer of funds from Schedule (b) of this item to Schedule (a)(2), Program 25.25.020, of Item 5180-151-0001, Adoptions, in order to allow counties to perform the adoptions program function.
3. Nonfederal funds appropriated in this item which have been budgeted to meet the state's Temporary Assistance for Needy Families maintenance-of-effort requirement established pursuant to the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193) may not be expended in any way that would cause their disqualification as a federally allowable maintenance-of-effort expenditure.
4. Of the amount appropriated in this item, $2,000,000 shall be allocated on a one-time basis as follows: (a) $1,000,000 to local food bank programs to expand refrigeration space, purchase vehicles, or purchase other equipment that would be directly used for the purchase, delivery, or distribution of food products or for other uses that would allow food banks to increase the amount of food they can receive and distribute, with the allocation process for this $1,000,000 to be developed by the department in consultation with the Emergency Food Assistance Advisory Board; (b) $900,000 to local food distribution programs; (c) $100,000 for regional and statewide efforts for food purchase or to aid in the collection of donated food.
6. The State Department of Social Services shall collect and analyze data on foster family agency (FFA) and non-relative foster family home (FFH) placements, including but not limited to, statewide and county-specific utilization patterns and historic trends; rates of payment, including specialized care increments; and comparative data on the characteristics of (a) counties and their placement policies, (b) the children placed in each kind

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of placement, including demographic information as well as information such as the number of prior placements, length of stay, and treatment goals and (c) the FFA and non-relative FFH placements in terms of purpose, number of certified beds, number of children in residence.

The department shall report its findings to the appropriate fiscal and policy committees of the Legislature by June 30, 2000. This report shall include recommendations for a second phase of study, to begin June 30, 2000, to determine how FFA and non-relative FFH placements are and should be utilized to meet the needs of children and families. The second phase shall include, at a minimum, the identification and comparison of (a) county and FFA standards of practice for certification or licensure and oversight of homes and the services and supports provided to parents, (b) the criteria counties use to determine whether to place children into an FFA or non-relative FFH, (c) how often and why counties place children into FFA homes when the child is assessed as needing an FFH placement, (d) the reasons that foster parents choose to enroll and remain with the county or an FFA, and (e) the outcomes for children placed out of home in these facilities, both during the placement and after they have left placement. The department shall convene a steering committee to provide direction for this study.

7. The State Department of Social Services shall report during budget hearings for the 2000–01 fiscal year on its implementation of regional foster care ombudsman offices, including, but not limited to, the process by which it established north and south regional offices and data collection procedures. The department shall also provide preliminary information on the potential need for additional regional offices or staff, including at a minimum the number of calls received by the offices, the time of day when calls are received, and the resolution of these calls.
8. The State Department of Social Services shall plan and conduct a study of the factors that enable child support obligors to meet, or that prevent them from meeting, their obligations, in order to identify ways to improve child support collections and satisfaction with the system for custodial and

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	noncustodial parents. The department shall submit its findings and recommendations to the Legislature no later than March 1, 2000.	
5180-001-0131	—For support of Department of Social Services, for payment to Item 5180-001-0001, for claim payments and the operation and maintenance of the Foster Family Home and Small Family Home Insurance Fund	3,000,000
	Provisions:	
	1. The Department of Finance is authorized to approve expenditures from the unexpended balance available from prior years' appropriations in the Foster Family Home and Small Family Home Insurance Fund during the 1999–00 fiscal year, in those amounts made necessary by increases in either the payment of claims or the costs of operating and maintaining the Foster Family Home and Small Family Home Insurance Fund, which are within or in excess of amounts appropriated in this act for that year.	
	If the Department of Finance determines that the estimate of expenditures will exceed the expenditures authorized for the 1999–00 fiscal year, the department shall notify the Legislature. Upon notification the amount of the limitation for the 1999–00 fiscal year shall be increased by the amount of such excess from the unexpended balance available from prior years' appropriations in the Foster Family Home and Small Family Home Insurance Fund.	
5180-001-0270	—For support of Department of Social Services, payable from the Technical Assistance Fund	1,721,000
5180-001-0271	—For support of Department of Social Services, payable from the Certification Fund	1,165,000
5180-001-0279	—For support of Department of Social Services, payable from the Child Health and Safety Fund	891,000
5180-001-0890	—For support of Department of Social Services, for payment to Item 5180-001-0001, payable from the Federal Trust Fund	291,517,000
	Provisions:	
	1. The Department of Finance may authorize the transfer of federal funds from this item to Item 5180-151-0890 in order to allow counties to perform the adoptions program functions, and the fa-	

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cilities evaluation function in Community Care Licensing in the Department of Social Services.	
5180-002-0001—For support of Department of Social Services	20,189,000
Schedule:	
(a) 16-Welfare Programs 69,715,000	
(b) Reimbursements ..... −122,000	
(c) Amount payable from the Federal Trust Fund (Item 5180-002-0890) ..... −49,404,000	
Provisions:	
1. Funds in this item shall be used for contracts and interagency agreements in the child support program, unless otherwise authorized by the Department of Finance no sooner than 30 days after providing notification in writing to the chairperson of the fiscal committee of each house of the Legislature and the Chairperson of the Joint Legislative Budget Committee, or no sooner than such lesser time as the chairperson of the committee, or his or her designee, may in each instance determine.	
2. Of the funds appropriated in this item for costs to expand the New Employee Registry (NER), the department shall not encumber or expend these funds until the Department of Information Technology and the Department of Finance review and approve the NER Special Project Report. The funds shall be allocated in the amount approved by the Department of Finance based on the approved Special Project Report.	
5180-002-0890—For support of Department of Social Services, for payment to Item 5180-002-0001, payable from the Federal Trust Fund	49,404,000
Provisions:	
1. Provisions 1 and 2 of Item 5180-002-0001 also apply to this item.	
5180-011-0001—For transfer by the Controller to the Foster Family Home and Small Family Home Insurance Fund	2,034,000
Provisions:	
1. Provision 1 of Item 5180-001-0131 also applies to this item.	
5180-011-0279—For transfer by the Controller from the Child Health and Safety Fund to the State Children's Trust Fund	17,000

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5180-011-0890—For transfer by the Controller from the Federal Trust Fund to the Foster Family Home and Small Family Home Insurance Fund	966,000
Provisions:	
1. Provision 1 of Item 5180-001-0131 also applies to this item.	
5180-101-0001—For local assistance, Department of Social Services	2,633,896,000
Schedule:	
(a) 16.30-CalWORKs	4,709,139,000
(1) 16.30.010-Assistance Payments	3,082,152,000
(2) 16.30.020-Services	507,867,000
(3) 16.30.030-Administration	490,034,000
(4) 16.30.040-Child Care	427,673,000
(5) 16.30.050-County Probation Facilities	201,413,000
(b) 16.40-Foster Care	985,600,000
(c) 16.45-Non-Assistance Child Support Incentives	156,221,000
(d) 16.50-Adoption Assistance Program	195,006,000
(e) 16.55-Refugee Cash Assistance	4,825,000
(f) 16.60-Food Stamps	66,397,000
(g) Reimbursements	−4,118,000
(h) Amount payable from the Employment Training Fund (Item 5180-101-0514)	−30,000,000
(i) Amount payable from the Federal Trust Fund (Item 5180-101-0890)	−3,449,174,000
Provisions:	
1. No funds appropriated in this item shall be encumbered unless every rule or regulation adopted and every all-county letter issued by the Department of Social Services that adds to the cost of any welfare program is approved by the Department of Finance as to the availability of funds before it becomes effective. In making the determination as to availability of funds to meet the expenditures of a rule, regulation, or all-county letter that would increase the costs of a welfare	

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program, the Department of Finance shall consider the amount of the proposed increase on an annualized basis, the effect the change would have on the expenditure limitations for the program set forth in this act, the extent to which the rule, regulation, or all-county letter constitutes a deviation from the premises under which the expenditure limitations were prepared, and any additional factors relating to the fiscal integrity of the program or the state's fiscal situation.

Notwithstanding Control Sections 27.00, 28.00 and 28.50 of this act, the availability of funds contained in this item for welfare rules, regulations, or all-county letters that add to program costs funded from the General Fund in excess of $500,000 on an annual basis, including those that are the result of a federal regulation but excluding those that are (a) specifically required as a result of the enactment of a federal or state law, or (b) included in the appropriation made by this act, shall not be approved by the Department of Finance sooner than 30 days after notification in writing of the necessity therefor to the chairperson of the committee in each house that considers appropriations and the Chairperson of the Joint Legislative Budget Committee, or such lesser time as the chairperson of the committee, or his or her designee, may in each instance determine.

Funds appropriated in this item are for welfare programs consisting of state and federal statutory law, regulations, and court decisions, if funds necessary to carry out those decisions are specifically appropriated in this act.

For purposes of this provision, "welfare" means those program elements under Welfare Programs as identified in the Governor's Budget.

2. Notwithstanding Chapter 1 (commencing with Section 18000) of Part 6 of Division 9 of the Welfare and Institutions Code, a loan not to exceed $500,000,000 shall be made available from the General Fund, from funds not otherwise appropriated, to cover the federal share of costs of a program(s) when the federal funds have not been received by this state prior to the usual time for transmitting that federal share to the counties of this state. This loan from the General Fund shall

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be repaid when the federal share of costs for the program or programs becomes available.

3. The Department of Finance may authorize the transfer of amounts from this item to Item 5180-001-0001 in order to fund the cost of the administrative hearing process associated with changes in aid payments in the CalWORKs program.
4. The Department of Finance is authorized to approve expenditures in those amounts made necessary by changes in either caseload or payments, or any rule or regulation adopted and any all-county letter issued as a result of the enactment of a federal or state law, the adoption of a federal regulation, or the following of a court decision, during the 1999–00 fiscal year that are within or in excess of amounts appropriated in this act for that year.

   If the Department of Finance determines that the estimate of expenditures will exceed the expenditures authorized for this item, the department shall so report to the Legislature. At the time as the report is made, the amount of the limitation shall be increased by the amount of the excess unless and until otherwise provided by law.
5. Notwithstanding Section 26.00 of this act, the CalWORKs funding for counties under Schedule (a)(2), 16.30.020—Services; Schedule (a)(3), 16.30.030—Administration; and Schedule (a)(4), 16.30.040—Child Care shall be made as a single allocation pursuant to Section 15204.2 of the Welfare and Institutions Code, except as otherwise provided by Sections 10553.2 and 15204.8. During fiscal year 1999–00, the Department of Social Services may retain up to ten percent of the funds to be allocated pursuant to Sections 10553.2, 15204.2 and 10204.8 of the Welfare and Institutions Code for the purpose of augmenting local allocations based upon actual expenditures, but the department shall fully allocate those funds by June 30, 2000.
6. Of the funds appropriated in this item for CalWORKs Services, Administration, and Child Care, any funds that remain unexpended in the 1999–00 fiscal year shall be available for reappropriation by the Legislature for the 2000–01 fiscal year for the CalWORKs program.

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7. Nonfederal funds appropriated in this item which have been budgeted to meet the state's Temporary Assistance for Needy Families maintenance-of-effort requirement established pursuant to the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193) may not be expended in any way that would cause their disqualification as a federally allowable maintenance-of-effort expenditure.
8. In the event of declared disaster and upon county request, the State Department of Social Services may act in the place of any county and assume direct responsibility for the administration of eligibility and grant determination. Upon recommendation of the Director of Social Services, the Department of Finance may authorize the transfer of funds from Items 5180-101-0001 and 5180-101-0890, to Items 5180-001-0001 and 5180-001-0890, for this purpose.
9. The State Department of Social Services shall submit semiannual reports to the Legislature on the amount spent by counties on substance abuse and mental health treatment services for CalWORKs recipients and, if available, the number of recipients receiving those services.
10. It is the intent of the Legislature that counties use Temporary Assistance for Needy Families funds to screen, assess, and provide services to CalWORKs recipients with learning disabilities, or use the services of appropriate agencies, including, but not limited to, community colleges and adult education programs, for this purpose.
11. It is the intent of the Legislature that $3,500,000 of the funds appropriated by this item for CalWORKs program services be used to fund the incremental cost of providing wage-based community service jobs or subsidized employment positions, in which the recipient's grant is diverted to an employer and paid in the form of wages, for CalWORKs recipients who have reached the 18- or 24-month time limits specified in Section 11454 of the Welfare and Institutions Code. These funds shall be allocated separately to counties that elect to operate those wage-based community service or subsidized employment programs.

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12. By September 30, 1999, the State Department of Social Services shall identify (a) those counties which have unspent single allocation as of June 30, 1999, in excess of their projected Employment Services need in the 1999–00 fiscal year according to the department's model ("surplus counties"), and (b) those counties which, according to the department's model, have an Employment Services need that will exceed their unspent single allocation ("shortfall counties").

Notwithstanding any other provisions of law, the department shall recover an amount of CalWORKs single allocation funds rolled forward from the 1998–99 fiscal year into the 1999–00 fiscal year from surplus counties, proportionate to each of those county's excess rollover, and shall allocate this amount to shortfall counties in order to ensure that each shortfall county has sufficient funds to meet its Employment Services need, according to the department's model and capture the balance necessary to recover the total amount utilized as a fund source in the item.

13. Notwithstanding Section 26.00 of this act, the State Department of Social Services may transfer amounts appropriated in Subschedule (a)(2) of this item, for county fiscal incentives, to other program components within Program 16.30, CalWORKs, to assure that the state meets the federal Temporary Assistance to Needy Families maintenance-of-effort requirement. For each amount transferred from Subschedule (a)(2) of this item to other components within the CalWORKs program, a like amount of federal Temporary Assistance to Needy Families funds shall be transferred from Item 5180-101-0890 back to Subschedule (a)(2) of this item for county fiscal incentives to assure no net loss of funding for those incentive payments.
14. The schedule of rates and the components used in the rate calculations specified in the regulations of the State Department of Social Services for foster family agencies shall be adjusted commensurate with the California Necessities Index.
15. The State Department of Social Services shall collect information from the counties regarding the types of and reasons for sanctions on individuals in the CalWORKs program. The depart-

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ment shall provide this information to the Legislature by January 1, 2000.	
16. The State Department of Social Services shall take whatever action may be needed and appropriate to define the term "needy families" for purposes of Subsection (a) of Section 601 of Title 42 of the United States Code.	
5180-101-0514—For local assistance, Department of Social Services, for payment to Item 5180-101-0001, payable from the Employment Training Fund	30,000,000
5180-101-0890—For local assistance, Department of Social Services, for payment to Item 5180-101-0001, payable from the Federal Trust Fund	3,449,174,000
Provisions:	
1. Provisions 1, 4, 5, 6, 8, 9, 10, 11, 12, 13, 14, 15, 16, and 17 of Item 5180-101-0001 also apply to this item.	
2. The Department of Finance may authorize the transfer of amounts from this item to Item 5180-001-0890 in order to fund the cost of the administrative hearing process associated with changes in aid payments in the CalWORKs program.	
5180-102-0001—For local assistance, Department of Social Services	25,000,000
Schedule:	
(a) 16.30.020-CalWORKs Services 25,000,000	
Provisions:	
1. This appropriation shall be used to match federal Welfare-to-Work grant funds appropriated to the Employment Development Department. Notwithstanding Section 15204.2 of the Welfare and Institutions Code, these funds shall be separately allocated to the counties and expended in a manner which meets the federal Welfare-to-Work grant matching requirements.	
5180-111-0001—For local assistance, Department of Social Services	3,069,663,000
Schedule:	
(a) 16.70-SSI/SSP 2,472,793,000	
(b) 25.15-IHSS..... 1,766,319,000	
(1) 25.15.010-Services 1,625,029,000	
(2) 25.15.020-Administration..... 141,290,000	
(c) Reimbursements..... -1,053,279,000	

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	(d) Amount payable from the Federal Trust Fund (Item 5180-111-0890)	−116,170,000

Provisions:

1. Provisions 1 and 4 of Item 5180-101-0001 also apply to this item.
2. Notwithstanding Chapter 1 (commencing with Section 18000) of Part 6 of Division 9 of the Welfare and Institutions Code, a loan not to exceed $59,000,000 shall be made available from the General Fund from funds not otherwise appropriated, to cover the federal share or reimbursable share, or both, of costs of a program(s) when the federal funds or reimbursements (from the Health Care Deposit Fund or counties) have not been received by this state prior to the usual time for transmitting payments for the federal or reimbursable share of costs for this state. That loan from the General Fund shall be repaid when the federal share of costs for the program(s) becomes available, or in the case of reimbursements, subject to Section 16351 of the Government Code. County reimbursements also shall be subject to Section 16314 of the Government Code, which specifies the rate of interest. The department may offset a county's share of cost of the In-Home Supportive Services (IHSS) program against local assistance payments made to the county if the county fails to reimburse its share of cost of the IHSS program to the state.
3. The Department of Finance may authorize the transfer of amounts between this item and Item 5180-151-0001 in order to reflect modifications in the use of federal Title XX funds. The funds shall not be approved sooner than 30 days after notification in writing of the necessity therefor to the chairperson of the committee in each house that considers appropriations and the Chairperson of the Joint Legislative Budget Committee, or such lesser time as the chairpersons of the committees, or their designees, may in each instance jointly determine.

5180-111-0551	—For transfer by the Controller from the Temporary Assistance for Needy Families Fund to the Federal Trust Fund	(4,149,096,000)

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Provisions:

1. Transfers made pursuant to this item may be for state operations and local assistance expenses eligible for funding through the federal Temporary Assistance for Needy Families block grant established pursuant to the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193).
2. No transfer of funds exceeding $1,000,000,000 in any quarter of the fiscal year quarter may be made pursuant to this item except with the prior approval of the Director of Finance.
3. Of the funds appropriated for transfer in this item, $270,700,000 is reserved for CalWORKs Stage I and II Child Care. The Director of Finance is authorized to approve transfers from the funding reserve in this item for transfer to, and in augmentation of, the amount appropriated in Item 5180-101-0890, Program 16.30.040, CalWORKs Child Care, for expenditure by the State Department of Social Services and to Item 5180-112-0551, which shall be received by the State Department of Education as an augmentation to be used for CalWORKs Child Care. The Department of Finance shall provide written notice to the chairperson of the fiscal committee of each house of the Legislature and the Chairperson of the Joint Legislative Budget Committee at the time the transfer is approved.

5180-111-0890—For local assistance, Department of Social Services for payment to Item 5180-111-0001, payable from the Federal Trust Fund 116,170,000

Provisions:

1. The Department of Finance may authorize the transfer of amounts between this item and Item 5180-151-0890, in order to reflect modifications in the use of federal Title XX funds. The funds shall not be approved sooner than 30 days after notification in writing of the necessity therefor to the chairperson of the committee in each house that considers appropriations and the Chairperson of the Joint Legislative Budget Committee, or such lesser time as the chairpersons of the committees, or their designees, may in each instance jointly determine.

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5180-112-0551—For transfer by the Controller from the federal Temporary Assistance for Needy Families Fund to the Federal Trust Fund	(0)
Provisions:	
1. Pursuant to authorization in the federal Personal Responsibility and Work-Opportunity and Reconciliation Act of 1996 (P.L. 104-193) and subject to the limitations of this provision, the amount in this item shall be transferred from the federal Temporary Assistance for Needy Families (TANF) block grant to the Child Care and Development Fund (CCDF) as an augmentation to Item 6110-196-0890 for use by the State Department of Education for CalWORKs local assistance Stage II child care. These moneys shall be used only for direct services to Stage II child care recipients, and the department shall use other existing funds available for child care quality expenditures to meet the 4 percent quality requirement of federal law associated with increased CCDF expenditures. Once additional quality expenditures would be required beyond the existing expenditures as a result of transfers pursuant to this provision, these transfers shall remain TANF funds and shall not be transferred to the CCDF.	
5180-113-0551—For transfer by the Controller from the federal Temporary Assistance for Needy Families Fund to the Federal Trust Fund	(267,300,000)
Provisions:	
1. Pursuant to authorization contained in the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193), the amount in this item shall be transferred from the federal Temporary Assistance to Needy Families (TANF) Block Grant to the Child Care and Development Fund administered by the State Department of Education, and the entire amount so transferred shall be used for CalWORKs local assistance child care.	
5180-141-0001—For local assistance, Department of Social Services	341,397,000
Schedule:	
(a) 16.80-County Administration.... 843,948,000	
(b) 16.85-Automation Projects 92,377,000	
(c) Reimbursements .....–11,480,000	

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	(d) Amount payable from the Federal Trust Fund (Item 5180-141-0890)	–583,448,000

Provisions:

1. Notwithstanding Chapter 1 (commencing with Section 18000) of Part 6 of Division 9 of the Welfare and Institutions Code, a loan not to exceed $127,000,000 shall be made available from the General Fund, from funds not otherwise appropriated, to cover the federal share of costs of a program(s) when the federal funds have not been received by this state prior to the usual time for transmitting that federal share to the counties of this state. This loan from the General Fund shall be repaid when the federal share of costs for the program or programs becomes available.
2. In the event of declared disaster and upon county request, the State Department of Social Services may act in the place of any county and assume direct responsibility for the administration of eligibility and grant determination. Upon recommendation of the Director of Social Services, the Department of Finance may authorize the transfer of funds from Items 5180-141-0001 and 5180-141-0890, to Items 5180-001-0001 and 5180-001-0890, for this purpose.
3. Provision 1 of Item 5180-101-0001 also applies to this item.
4. Pursuant to public assistance caseload estimates reflected in the annual Governor's Budget, the Department of Finance may approve expenditures in those amounts made necessary by changes in caseload that are in excess of amounts appropriated in this act. If the Department of Finance determines that the estimate of expenditures will exceed the expenditures authorized for this item, the department shall so report to the Legislature. At the time the report is made, the amount of the limitation shall be increased by the amount of the excess unless and until otherwise provided by law.
5. The department shall take the necessary steps to ensure counties repay the $6,644,028 in loans made pursuant to Provision 1 of Item 5180-141-0001 of Section 2.00 of the Budget Act of 1996, Provision 17 of Item 5180-141-0001 of Section 2.00 of the Budget Act of 1997 and Provision 6 of

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	Item 5180-141-0001 of Section 2.00 of the Budget Act of 1998.	
	6. Nonfederal funds appropriated in this item which have been budgeted to meet the state's Temporary Assistance for Needy Families maintenance-of-effort requirement established pursuant to the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193) may not be expended in any way that would cause their disqualification as a federally allowable maintenance-of-effort expenditure.	
	7. Section 11.00 of this act shall apply to contracts entered into for the development and implementation of the Consortium IV and Welfare Client Data Systems consortia of the Statewide Automated Welfare System.	
	8. The department shall seek from the United States Department of Agriculture a waiver, for as many areas of the state as permitted by federal law, of the requirement that limits food stamp eligibility for unemployed persons who are at least 18 years of age, but not more than 50 years of age, to three months in a three-year period. The department shall request the waiver regardless of whether any county has requested the department to seek a waiver.	
5180-141-0890—For local assistance, Department of Social Services, for payment to Item 5180-141-0001, payable from the Federal Trust Fund		583,448,000
Provisions:		
	1. Provisions 2 to 4, inclusive, of Item 5180-141-0001 also apply to this item.	
5180-151-0001—For local assistance, Department of Social Services		661,451,000
Schedule:		
(a) 25.25-Children's Services	1,434,040,000	
(1) 25.25.010-Child Welfare Services	1,335,738,000	
(2) 25.25.020-Adoptions	67,181,000	
(3) 25.25.030-Child Abuse Prevention	31,121,000	
(b) 25.35-Special Programs	171,227,000	
(1) 25.35.010-Specialized Services	9,022,000	

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	(2) 25.35.020-Access Assistance for the Deaf 5,804,000	
	(3) 25.35.030-Maternity Care 600,000	
	(4) 25.35.040-Refugee Assistance Services.....30,000,000	
	(5) 25.35.050-County Services Block Grant 125,801,000	
	(c) 25.45-Community Care Licensing	14,738,000
	(d) Reimbursements	–81,733,000
	(e) Amount payable from the Child Health and Safety Fund (Item 5180-151-0279)	–199,000
	(f) Amount payable from the Federal Trust Fund (Item 5180-151-0890)	–876,622,000

Provisions:

1. The funds appropriated in this item are for social services programs, for the cost of special social services programs for which federal grants in aid are made to the state; for grants or services to local agencies for the extension of child welfare services as provided by Chapter 5 (commencing with Section 16500) of Part 4 of Division 9 of the Welfare and Institutions Code; for the cost of the adoption programs and care of children, to be expended in accordance with Chapter 2 (commencing with Section 16100) of Part 4 of Division 9 of the Welfare and Institutions Code; for the costs incurred by counties, including, but not limited to, the required county funds for prevention of child abuse and neglect as provided by Chapter 11 (commencing with Section 18950) of Part 6 of Division 9 of the Welfare and Institutions Code.
2. Provision 1 of Item 5180-101-0001 also applies to this item.
3. Notwithstanding Chapter 1 (commencing with Section 18000) of Part 6 of Division 9 of the Welfare and Institutions Code, a loan not to exceed $50,000,000 shall be made available from the General Fund from funds not otherwise appropriated, to cover the federal share of costs of a program(s) when the federal funds have not been re-

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ceived by this state prior to the usual time for transmitting that federal share to the counties of this state. That loan from the General Fund shall be repaid when the federal share of costs for the program(s) becomes available.

4. The Department of Finance may authorize the establishment of positions and transfer of amounts from this item to Item 5180-001-0001, in order to allow the state to perform the facilities evaluation function of Community Care Licensing in the event the counties fail to perform that function.
5. The Department of Finance may authorize the transfer of amounts between this item and Item 5180-111-0001 in order to reflect modifications in the use of Title XX funds. The funds shall not be approved sooner than 30 days after notification in writing of the necessity therefor to the chairperson of the committee in each house that considers appropriations and the Chairperson of the Joint Legislative Budget Committee, or such lesser time as the chairpersons of the committees, or their designees, may in each instance jointly determine.
6. Nonfederal funds appropriated in this item which have been budgeted to meet the state's Temporary Assistance for Needy Families maintenance-of-effort requirement established pursuant to the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193) may not be expended in any way that would cause their disqualification as a federally allowable maintenance-of-effort expenditure.
7. Of the amount appropriated in this item, $68,376,000 shall be provided to counties to fund additional emergency response services and shall be allocated based on child welfare services caseload and county unit costs. However no county shall receive less than $75,000. These funds shall be expressly targeted for emergency response services solely for the protection of children and shall be used to supplement, and shall not be used to supplant, child welfare services funds. A county is not required to provide a match of the funds received pursuant to this provision if the county appropriates the required full match for the county's child welfare services program exclusive of the funds received pursuant to this provision. The State Department of Social Services shall reallo-

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cate any funds that counties choose not to accept under this provision, to other counties based on the allocation formula specified in this provision.

8. The Department of Finance shall report to the appropriate fiscal and policy committees of the Legislature on or before February 1, 2000, on the expenditure of funds in the Special Circumstances program. This report shall include, at a minimum, information on the percentage of funds used for administrative purposes in each county, the types of assistance provided to individuals, and the effects of providing this assistance.
9. The Department of Social Services shall collaborate with the counties to simplify the application process for the Special Circumstances Program and identify other changes needed to minimize the administrative cost of the program.
10. The Department of Social Services shall develop and implement a quarterly claims processing, payment, and reporting system for the adult protective services program by September 1, 1999. The system shall capture data that will allow the Department of Finance and the Legislature to review the funding needs for the program, including the number of investigations each county conducts and the outcomes of those investigations and county expenditures on administration and services. County expenditure data shall include, at a minimum, the cost per service, service utilization, cost of investigation, length of case, one-time costs, and other county administrative costs. Counties shall begin using the state claims system no later than September 1, 1999, in order to receive state funding for adult protective service programs.
11. Of the funds appropriated in this item, $2,000,000 shall be allocated to counties to fund innovative pilot programs to serve foster children with unmet or underserved placement needs. A county that has entered into an agreement with a private, nonprofit agency or agencies to offer an innovative program that serves foster children with unmet specialized placement needs or to develop services not available in the community for these children may apply to the State Department of Social Services for funding on a competitive basis. Priority in fund-

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	ing shall be given to the following types of programs: (a) programs that will serve foster youth who are currently being placed by county probation departments in out-of-state programs because of the lack of appropriate in-state or in-county placements, and (b) programs for which waivers have been granted pursuant to Chapter 12.86 (commencing with Section 18987.6) of Part 6 of Division 9 of the Welfare and Institutions Code. The Department of Finance may authorize the transfer of funds appropriated in this item, in an amount not to exceed 50 percent thereof, to Item 5180-101-0001 for the purpose of implementing these programs.	
	12. The Department of Finance may authorize the transfer of up to $75,000 from this item to Item 5180-001-0001 to fund the state administrative costs associated with the public health nursing program.	
	13. Of the funds appropriated in this item, $318,000 in Child Care Development Fund (CCDF) reimbursements from the State Department of Education for licensing visits to child care facilities shall be available for expenditure, upon federal approval of the state's CCDF plan, for quality improvement activities.	
5180-151-0279	—For local assistance, Department of Social Services, for payment to 5180-151-0001, payable from the Child Health and Safety Fund.....	199,000
5180-151-0890	—For local assistance, Department of Social Services, for payment to Item 5180-151-0001, payable from the Federal Trust Fund.....	876,622,000
	Provisions:	
	1. Provisions 1, 2, 4, 5, 7, and 11 of Item 5180-151-0001 also apply to this item.	
5180-490	—Reappropriation, Department of Social Services. Notwithstanding any other provision of law, the balances of the appropriations provided for in the following citations are reappropriated for the purposes and subject to the limitations, unless otherwise specified, provided for in those appropriations, and shall be available for expenditure until June 30, 2000:	
	0001—General Fund	
	(1) The balance of the $350,000 appropriation to develop a Risk Assessment Tool (Structured Decision Making) in Program 25 of Item 5180-001-	

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0001 of the Budget Act of 1998 (Ch. 324, Stats. 1998), is reappropriated for transfer to and in augmentation of Program 25 of Item 5180-001-0001 of this act to support the continuing development of the Structured Decision Making tool under Child Welfare Services.

(2) The balances of the appropriations for CalWORKs administration, services, and child care in Item 5180-101-0001 of the Budget Act of 1998 (Ch. 324, Stats. 1998) are reappropriated for transfer to and in augmentation of Subschedules (a)(2), (a)(3), or (a)(4) of Item 5180-101-0001 of this act and administered pursuant to Provision 5 of Item 5180-101-0001.

(3) The balance of the $1,000,000 appropriation to implement the Substance Abuse/HIV Adoptions Program established by Chapter 1014 of the Statutes of 1998, is reappropriated for transfer to and in augmentation of Item 5180-151-0001 of this act to support the continued development and implementation of this program.

(4) The balance of the $552,000 appropriation to conduct a study of the Child Welfare Services (CWS) workload in Item 5180-001-0001 of the Budget Act of 1998 (Ch. 324, Stats. 1998) is reappropriated for transfer to and in augmentation of Program 25 of Item 5180-001-0001 of this act to support the continued development and implementation of the CWS workload study.

(5) The unexpended balance of the appropriation for the Special Circumstances Program in Item 5180-151-0001 of the Budget Act of 1998 (Ch. 324, Stats. 1998) is reappropriated for transfer to and in augmentation of Item 5180-151-0001 of this act and may only be used to continue goods and services for SSI/SSP recipients through the Special Circumstances Program. The reappropriated unexpended balance may not be used for county administration.

0890—Federal Fund

(1) The balance of the $350,000 appropriation to develop a Risk Assessment Tool (Structured Decision Making) in Program 25 of Item 5180-001-0890 of the Budget Act of 1998 (Ch. 324, Stats. 1998) is reappropriated for transfer to and in augmentation of Program 25 of Item 5180-001-0890 of this act to support the continuing

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development of the Structured Decision Making tool under Child Welfare Services.

(2) The balances of the appropriations for CalWORKs administration, services, and child care in Item 5180-101-0890 of the Budget Act of 1998 (Ch. 324, Stats. 1998) are reappropriated for transfer to and in augmentation of Programs 16.30.020 or 16.30.030 or 16.30.040 of Item 5180-101-0890 of this act.

(3) The balance of the appropriation for County Probation Facilities in Item 5180-101-0890 of the Budget Act of 1998 (Ch. 324, Stats. 1998) is reappropriated for transfer to and in augmentation of Program 16.30.050, Item 5180-101-0890, of this act.

(4) The balance of the $258,000 appropriation to conduct a study of the Child Welfare Services (CWS) workload in Item 5180-001-0890 of the Budget Act of 1998 (Ch. 324, Stats. 1998) is reappropriated for transfer to and in augmentation of Program 25 of Item 5180-001-0890 of this act to support the continued development and implementation of the CWS workload study.

(5) The balance of the amounts appropriated for Beno v. Shalala in Program 16.30.010, CalWORKs Assistance Payments, Item 5180-101-0001, Budget Act of 1998, is reappropriated for transfer to and in augmentation of Item 5180-001-0001, Program 16-Welfare Programs, of this act to fulfill the requirements of the court decision in Beno v. Shalala, 30 F. 3d 1057.

(6) The balance of the amounts appropriated for the federal Welfare-to-Work Match in Item 5180-102-0001, Budget Act of 1998, is reappropriated for transfer to and in augmentation of Item 5180-102-0001 of this act to fulfill the requirements of the federal Welfare-to-Work Match.

YOUTH AND ADULT CORRECTIONAL AGENCY

5240-001-0001—For support of the Department of Corrections 3,812,955,000

Schedule:

(a) 21-Institution Program 2,902,513,833

(b) 22-Health Care Services Program 537,431,947

Item	Amount
(c) 31-Community Correctional Program	472,146,220
(d) 41.01-Administration	127,720,000
(e) 41.02-Distributed Administration	−127,720,000
(f) Reimbursements	−50,713,000
(g) Amount payable from the Federal Trust Fund (Item 5240-001-0890).	−1,795,000
(i) Amount payable from the Inmate Welfare Fund (Item 5240-001-0917)	−45,829,000

Provisions:

1. Funds appropriated to accommodate projected institutional population levels in excess of those that actually materialize, if any, shall revert to the General Fund.
2. Funds appropriated to accommodate projected parole population levels in excess of those that actually materialize, if any, shall revert to the General Fund.
3. Any funds recovered as a result of audits of locally operated return-to-custody centers shall revert to the General Fund.
4. When contracting with counties for vacant jail beds for any inmate under the jurisdiction of the Director of the Department of Corrections, the department shall not reimburse counties more than the average amount it costs the state to provide the same services in comparable state institutions. This restriction shall not apply to any existing contract, but shall apply to the extension or renewal of that contract. In addition, the total operational cost of incarcerating state inmates in lease county jail beds (which includes state costs, but is exclusive of one-time and capital outlay costs), shall not exceed the department's average cost for operating comparable institutions.
5. Notwithstanding any other provision of law, funds appropriated in Schedule (a) for McGee Training Facility rent payments may be transferred to Item 5240-003-0001 by the Controller, upon order of the Director of Finance, as necessary to provide rental payments on lease revenue bonds for the McGee Training Facility if a bond sale occurs.
6. Notwithstanding any other provision of law, but subject to providing 30 days' prior notification to the Joint Legislative Budget Committee, funds

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appropriated in Schedule (a) or (b), or both, of this item may be transferred to Item 5240-101-0001, Schedule (b), upon order of the Director of Finance, to provide funds for the reimbursement of counties for the cost of holding parole violators in local jail.

7. Notwithstanding any other provision of law, upon approval of the Department of Finance, the Department of Corrections may transfer, between Schedules (a), (b), and (c) of this item, up to 5 percent of the amounts appropriated in these schedules. Any transfer of funds appropriated in Schedules (a), (b), and (c) of this item exceeding 5 percent may occur not sooner than 30 days after notification thereof to the Chairperson of the Joint Legislative Budget Committee and the chairpersons of the fiscal committees of the Legislature.
8. The Bureau of State Audits shall conduct an investigative review of the management of personnel at prison facilities operated by the Department of Corrections. The bureau shall consult with the Department of Personnel Administration in the conduct of its review. The bureau shall review the personnel management policies and practices at an appropriate sample of state prisons and recommend what changes, if any, are warranted to (a) hold down state overtime and other personnel costs, (b) comply with state civil service laws and professional personnel management practices, and (c) ensure good management-employee relations. The report shall be submitted to the Joint Legislative Budget Committee and the fiscal committees of both houses of the Legislature no later than January 1, 2000.
9. A funding factor equal to the existing casework services standard (currently $83.57) shall be prospectively included in the Department of Correction's Population Budget Change Proposal for the Preventing Parolee Crime Program.
10. Notwithstanding Section 3054 of the Penal Code, of the funds appropriated in this item, $2,000,000 shall be expended to establish a fourth pilot program for female parolees located in the City and County of San Francisco and a fifth pilot program located in Fresno County, with each location providing services to about 250 parolees annually. The department is autho-

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rized to enter into contracts or to amend contracts for this purpose. 11. Of the funds appropriated in this item, $500,000 shall be expended for prevention, education, treatment, and related tests, for inmates infected with hepatitis B and C. Any funds not used for these purposes shall revert to the General Fund. 12. Of the funds appropriated in this item, $650,000 shall be used for the expansion of 500 re-entry work furlough community correctional beds. Special consideration shall be given to the expansion of at least 150 beds in the City of Long Beach area. Notwithstanding other provisions of law, the Department of Corrections shall contract for these beds on a per diem basis only. 13. Of the funds appropriated in this item, $6,000,000 shall be available only for drug treatment in community-based aftercare for graduates of the In-Prison Therapeutic Community Drug Treatment program. This funding is intended to ensure that at least 50 percent of the graduates from the In-Prison Therapeutic Community Drug Treatment Program are placed in community aftercare. 14. Of the funds appropriated in this item, $3,000,000 shall be available only for an additional 1,500 slots of In-Prison Therapeutic Community Drug Treatment programming. 15. Of the funds appropriated in this item, $5,000,000 shall be available only for expanding pre-release programs to include a cognitive-behavioral life skills approach. 16. Of the funds appropriated in this item, $5,000,000 shall be available only for parole casework services to assist parolees in transitioning back into the community. 17. Of the funds appropriated in this item, $3,100,000 shall be available only for nonresidential, multiservice day treatment facilities, at two sites, that provide needs assessment services, drug testing, literacy and vocational classes, and cognitive skills centers. 18. Of the amount appropriated in this item, $750,000 shall be available only to contract with nonprofit organizations for the provision of transitional case management services for inmates with AIDS.	

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	19. Of the amount appropriated in this item, $3,000,000 shall be available only to expand job placement programs that also provide referrals for other services to three additional sites, and to provide an evaluation of the cost-effectiveness of the programs.	
	20. Of the funds appropriated in this item, $1,000,000 shall be available only for a community punishment pilot project providing a continuum of responses for parole violators, including, but not limited to, mandatory community service assignments, restitution, intensive supervision, home detention, electronic monitoring, halfway-house services, counseling, rehabilitation programs, and mandatory random drug testing.	
	21. Of the funds appropriated in this item, $840,000 shall be one-time funding available only for contracting with nonprofit groups to implement a mentoring program for parolees.	
	22. The Bureau of State Audits shall conduct a fiscal and performance audit of the medical operations of the Department of Corrections in order to determine whether the department appropriately and efficiently manages its medical operations. The audit shall focus upon the provision of medical services, other than psychiatric services, and include recommendations for the operation of the department's medical facilities on prison grounds in a managed care environment that would avoid the waste of medical resources while also ensuring the provision of quality and accessible care in keeping with federal court mandates. The audit shall include, but not be limited to, a review of (1) the procurement of medical services and whether individual institutions inappropriately award medical contracts on a sole-source basis, (2) the effectiveness of the utilization review system and the department's standards of medical care, (3) the effectiveness of the department's implementation of inmate copayment requirements, and (4) the appropriateness of staffing levels, the staffing mix, and acuity mix of beds provided in medical facilities on the grounds of state prisons. The report shall be submitted to the Joint Legislative Budget Committee and the fiscal committees of each	

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house of the Legislature no later than January 1, 2000.		
5240-001-0890—For support of the Department of Corrections, for payment to Item 5240-001-0001, payable from the Federal Trust Fund		1,795,000
5240-001-0917—For support of the Department of Corrections, for payment to Item 5240-001-0001, payable from the Inmate Welfare Fund		45,829,000
5240-003-0001—For support of the Department of Corrections for rental payments on lease revenue bonds		225,987,000
Schedule:		
(a) Southern Maximum Security Complex	12,172,000	
(b) Mule Creek State Prison	15,917,000	
(c) California State Prison Corcoran	33,996,000	
(d) Pelican Bay State Prison	27,078,000	
(e) Central California Women's Facility	15,432,000	
(f) Calipatria State Prison	18,515,000	
(g) Centinella State Prison	19,485,000	
(h) Pleasant Valley State Prison	18,952,000	
(i) High Desert State Prison	24,159,000	
(j) Valley State Prison	14,637,000	
(k) Salinas Valley State Prison	24,049,000	
(*l*) CSATF & SP at Corcoran II	35,006,000	
(m) Emergency Bed Program	8,818,000	
(n) Insurance	1,129,000	
(nx) Various institutions	2,177,000	
(o) Reimbursements	–45,535,000	
5240-011-0678—For transfer by the Controller to the General Fund, payable from the Prison Industries Revolving Fund		(6,000,000)
Provisions:		
1. The Prison Industry Authority may borrow funds from the General Fund for a period of 180 days or less, as appropriate and necessary for cash management purposes, subject to the approval of the Director of the Department of Finance. Any loan made pursuant to this provision shall be repaid with interest at the rate earned by the Pooled Money Investment Account.		
5240-101-0001—For local assistance, Department of Corrections		48,583,000
Schedule:		
(a) 21-Institution Program	15,282,000	
(b) 31-Community Correctional Program	33,301,000	

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Provisions:

1. The amount appropriated in this item is provided for the following purposes:
   a. To pay the transportation costs of prisoners to and between state prisons, including the return of parole violators to prison and for the conveying of persons under provisions of Division 3 (commencing with Section 3000) of the Welfare and Institutions Code and the Western Interstate Corrections Compact (Section 11190 of the Penal Code), in accordance with Section 26749 of the Government Code. Claims filed by local jurisdictions shall be filed within six months after the end of the month in which those transportation costs are incurred. Expenditures shall be charged to either the fiscal year in which the claim is received by the Controller or the fiscal year in which the warrant is issued by the Controller.

      Claims filed by local jurisdictions directly with the Controller may be paid by the Controller.
   b. To pay the expenses of returning fugitives from justice from outside the state, in accordance with Sections 1389, 1549, and 1557 of the Penal Code. Claims filed by local jurisdictions shall be filed within six months after the end of the month in which expenses are incurred, expenditures shall be charged to either the fiscal year in which the claim is received by the Controller or the fiscal year in which the warrant is issued by the Controller, and any restitution received by the state for those expenses shall be credited to the appropriation of the year in which the Controller's receipt is issued.

      Claims filed by local jurisdictions directly with the Controller may be paid by the Controller.
   c. To pay court costs and county charges, payable under Sections 4700.1, 4750 to 4755, inclusive, and 6005 of the Penal Code. Claims shall be filed by local jurisdictions within six months after the end of the month in which a service is performed by the coroner, a hearing is held on the return of a writ of habeas corpus, the district attorney declines to prosecute a

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case referred by the Department of Corrections, a judgment is rendered for a court hearing or trial, an appeal ruling is rendered for the trial judgment, or an activity is performed as permitted by these sections. Expenditures shall be charged to either the fiscal year in which the claim is received by the Controller or the fiscal year in which the warrant is issued by the Controller.

Claims filed by local jurisdictions directly with the Controller may be paid by the Controller.

d. To reimburse counties for the cost of detaining state parolees pursuant to Section 4016.5 of the Penal Code. Claims shall be filed by local jurisdictions within six months after the end of the month in which the costs are incurred. Claims filed by local jurisdictions may not include booking fees, may not recover detention costs in excess of $59 per day, and shall be limited to the detention costs for those days on which parolees are held subject only to a Department of Corrections request pursuant to subdivision (b) of Section 4016.5 of the Penal Code. Expenditures shall be charged to either the fiscal year in which the claim is received by the Department of Corrections or the fiscal year in which the warrant is issued.

2. Notwithstanding any other provision of law, upon 30-day prior notification to the Chairperson of the Joint Legislative Budget Committee, funds appropriated in Schedule (b) of this item may be transferred to Schedules (a) or (b), or both, of Item 5240-001-0001, upon order of the Director of Finance, to provide funds for the reimbursement of counties for the cost of holding parole violators in local jails or for the auditing or monitoring of local assistance costs.

5240-102-0001—For local assistance, Department of Corrections 400,000

Schedule:

(a) 21-Institution Program 400,000

Provisions:

1. Of the amount appropriated in this item, $400,000 shall be available on a one-time basis only for the purpose of providing the funding for security im-

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provements at the Imperial County administrative building located in Brawley.		
5240-103-0001—For local assistance, Department of Corrections		1,748,429
Schedule:		
(a) 31-Community Correctional Program	1,748,429	
Provisions:		
1. The funds appropriated by this item shall be allocated to the City of Coalinga to provide equity with regard to community correctional facility contract issues.		
5240-295-0001—For local assistance, Department of Corrections, for reimbursement, in accordance with the provision on Section 6 of Article XIII B of the California Constitution or Section 17561 of the Government Code, of the costs of any new program or increased level of service of an existing program mandated by statute or executive order, State Controller		1,958,000
Schedule:		
(1) 98.01.082.081-Prisoner Parental Rights (Ch. 820, Stats. 81)	1,958,000	
Provisions:		
1. Allocations of funds provided in this item to the appropriate local entities shall be made by the Controller in accordance with the provisions of each statute or executive order that mandates the reimbursement of the costs, and shall be audited to verify the actual amount of the mandated costs in accordance with subdivision (d) of Section 17561 of the Government Code. Audit adjustments to prior year claims may be paid from this item. Funds appropriated in this item may be used to provide reimbursement pursuant to Article 5 (commencing with Section 17615) of Chapter 4 of Part 7 of Division 4 of Title 2 of the Government Code.		
5240-301-0001—For capital outlay, Department of Corrections		22,789,000
Schedule:		
(1) 61.01.001-Statewide: Budget Packages and Advance Planning	400,000	
(2) 61.04.040-California Correctional Institution Facility, Tehachapi: Wastewater Treatment Renovation—Construction	10,261,000	

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(3) 61.04.045-California Correctional Institution, Tehachapi: New Potable Water Source (Phase II)—Preliminary plans and working drawings	133,000
(10) 61.07.107-Folsom State Prison, Represa: Renovate Branch Wiring, Building #5—Preliminary plans	61,000
(11) 61.07.108-Folsom State Prison, Represa: Renovate Branch Wiring, Maintenance Shops—Preliminary plans	78,000
(12) 61.08.029-California Institution for Men, Chino: TB/HIV Housing Engineering Controls—Preliminary plans and working drawings	140,000
(13) 61.09.029-California Medical Facility, Vacaville: TB/HIV Housing Engineering Controls—Preliminary plans and working drawings	69,000
(14) 61.09.030-California Medical Facility, Vacaville: Cell Window Modification—Preliminary plans	185,000
(15) 61.09.050-California Medical Facility, Vacaville: Electrified Fence—Working drawings and construction	3,297,000
(16) 61.10.046-California Men's Colony, San Luis Obispo: Hospital Air Conditioning—Preliminary plans and working drawings	65,000
(16.1) 61.10.047-California Men's Colony, San Luis Obispo: Wastewater Collection Treatment Upgrade—Preliminary plans and working drawings	950,000
(17) 61.11.010-Richard J. Donovan Correctional Facility, San Diego: Reverse Osmosis Purification System—Preliminary plans and working drawings	355,000
(20) 61.14.030-Minor Projects	5,500,000
(22) 61.15.036-California Rehabilitation Center, Norco: Perimeter Fence—Preliminary plans	120,000

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(24) 61.16.021-Sierra Conservation Center, Jamestown: Effluent Disposal Pipeline— Acquisition	350,000	
(25) 61.35.003-Salinas Valley State Prison, Soledad: Mental health inpatient care facility—Preliminary plans.....	825,000	

Provisions:

1. The funds appropriated in Schedule (1) are to be allocated by the Department of Corrections, upon approval by the Department of Finance to develop design and cost information for new projects for which funds have not been previously appropriated, but for which preliminary plan funds, working drawings funds, or working drawings and construction funds are expected to be included in the 2000–01 or 2001–02 Governor's Budget, and for which cost estimates or preliminary plans can be developed prior to legislative hearings on the 2000–01 and 2001–02 Governor's Budgets, respectively. These funds may be used for all of the following: budget package development, architectural programming, engineering assessments, schematic design, and preliminary plans. The amount appropriated in this item for that purpose is not be construed as a commitment by the Legislature as to the amount of capital outlay funds it will appropriate in any future year.
2. As used in this appropriation, studies shall include site studies and suitability reports, environmental studies, master planning, architectural programming and schematics.

5240-301-0660—For capital outlay, State Public Works Board, payable from the Public Buildings Construction Fund		100,416,000
Schedule:		
(1) 61.01.950-Statewide: Ten Administrative Segregation Housing Units—Construction.....	79,821,000	
(2) 61.06.425-Deuel Vocational Institution, Tracy: Reception Center Screening and Evaluation—Construction	501,000	

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(3) 61.07.425-California State Prison-Sacramento, Represa: Correctional Clinical Case Management and Enhanced Outpatient Care—Construction	1,438,000
(4) 61.08.425-California Institution for Men-Central, Chino: Correctional Clinical Case Management and Reception Center Screening and Evaluation Program—Construction	772,000
(5) 61.08.427-California Institution for Men-Minimum, Chino: Correctional Clinical Case Management—Construction	460,000
(6) 61.09.426-California State Prison-Solano, Vacaville: Correctional Clinical Case Management—Construction	433,000
(7) 61.09.427-California State Prison-Solano, Vacaville: Correctional Treatment Center, Phase II—Construction	2,106,000
(9) 61.11.425-Richard J. Donovan Correctional Facility, San Diego: Correctional Clinical Case Management and Reception Center Screening and Evaluation—Construction	600,000
(11) 61.13.426-California Institution for Women, Frontera: Correctional Clinical Case Management and Enhanced Outpatient Care—Construction	533,000
(12) 61.13.427-California Institution For Women, Frontera: Reception Center Screening and Evaluation—Construction	478,000
(15) 61.15.425-California Rehabilitation Center, Norco: Correctional Clinical Case Management—Construction	481,000
(16) 61.17.425-Avenal State Prison, Avenal: Correctional Clinical Case Management—Construction	457,000

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(17) 61.18.426-Mule Creek State Prison, Ione: Correctional Clinical Case Management and Enhanced Outpatient Care—Construction	1,186,000
(18) 61.18.427-Mule Creek State Prison, Ione: Correctional Treatment Center, Phase II—Construction	1,968,000
(19) 61.21.425-California State Prison-Los Angeles County, Lancaster: Correctional Clinical Case Management and Enhanced Outpatient Care—Construction.....	1,354,000
(20) 61.23.425-California State Prison-Corcoran, Corcoran: Correctional Clinical Case Management and Enhanced Outpatient care—Construction	1,155,000
(21) 61.26.425-Central California Women's Facility, Madera: Enhanced Outpatient Care and Reception Center Screening and Evaluation—Construction.....	922,000
(22) 61.26.426-Central California Women's Facility, Madera: Correctional Clinical Case Management—Construction	519,000
(23) 61.27.425-Wasco State Prison-Reception Center, Wasco: Reception Center Screening and Evaluation—Construction.....	646,000
(24) 61.27.426-Wasco State Prison-Reception Center, Wasco: Correctional Clinical Case Management—Construction	547,000
(25) 61.28.426-North Kern State Prison, Delano: Reception Center Screening and Evaluation—Construction	692,000
(26) 61.28.427-North Kern State Prison, Delano: Correctional Clinical Case Management—Construction	547,000
(28) 61.30.426-Centinela State Prison, Imperial: Correctional Treatment Center, Phase II—Construction.....	1,430,000

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(29) 61.34.426-Ironwood State Prison, Blythe: Correctional Treatment Center, Phase II—Construction.....	1,370,000

Provisions:

1. The funds appropriated in Schedule (1) shall be available as necessary for the purposes of preliminary plans, working drawings, construction, long lead and equipment items.
2. The State Public Works Board may issue lease-revenue bonds, notes or bond anticipation notes pursuant to Chapter 3.1 (commencing with Section 15819.1) of Part 10b of Division 3 of Title 2 of the Government Code to finance the construction of the projects scheduled in this item.
3. The State Public Works Board and the California Department of Corrections may obtain interim financing including, but not limited to, the Pooled Money Investment Account pursuant to Sections 16312 and 16313 of the Government Code for the project costs authorized in this item.
4. The maximum amount of bonds, notes, and bond anticipation notes to be sold shall not exceed the cost of construction and any additional amounts necessary to pay interim and permanent financing costs.
5. In the event the bonds authorized for these projects are not sold, the Department of Corrections shall commit a sufficient portion of its support appropriation provided for in this act to repay any loans for interim financing. It is the intent of the Legislature that this commitment shall be included in future Budget Acts until outstanding loans for interim financing are repaid either through the sale of bonds or from an appropriation.

5240-401—If the bonds authorized for the projects scheduled in Item 5240-301-0660 of Section 2.00 of the Budget Act of 1997 (Ch. 282, Stats. 1997) are not sold, the Department of Corrections shall commit a sufficient portion of its support appropriation provided for in this act to repay any loans from the Pooled Money Investment Account. It is the intent of the Legislature that this commitment shall be included in future Budget Acts until outstanding loans are repaid either through the sale of bonds or from an appropriation.

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5240-402—In the event the bonds authorized for the Department of Corrections Headquarters Building project in Chapter 782 of the Statutes of 1998 are not sold, the Department of Corrections shall commit a sufficient portion of its support appropriation, as determined by the Department of Finance, which is provided for in this Budget Act to repay any interim financing. It is the intent of the Legislature that this commitment shall be included in future Budget Acts until all interim financing is repaid either through the proceeds from the sale of bonds or from an appropriation.

5240-490—Reappropriation, Department of Corrections. Notwithstanding any other provision of law, the balances of the appropriations provided in the following citations are reappropriated for the purposes provided for in the appropriations and shall be available for expenditure as cited below:

0001—General Fund

Item 5240-301-0001, Budget Act of 1998 (Ch. 324, Stats. 1998)

(3) 61.06.42—Deuel Vocational Institution, Tracy: Reception Center Screening and Evaluation—Working drawings

(13) 61.08.425—California Institution for Men-Central, Chino: Correctional Clinical Case Management and Reception Center Screening and Evaluation—Working drawings

(15) 61.08.427—California Institution for Men-Minimum, Chino: Correctional Clinical Case Management—Working drawings

(16) 61.09.426—California State Prison-Solano, Vacaville: Correctional Clinical Case Management—Working drawings

(19) 61.11.425—Richard J. Donovan Correctional Facility, San Diego: Correctional Clinical Case Management and Reception Center Screening and Evaluation—Working drawings

(20) 61.12.426—California State Prison, San Quentin: Correctional Treatment Center, Phase II—Preliminary plans and working drawings

(21) 61.13.426—California Institution for Women, Frontera: Correctional Clinical Case Management and Enhanced Outpatient Care—Working drawings

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(22) 61.13.427—California Institution for Women, Frontera: Reception Center Screening and Evaluation—Working drawings	
(23) 61.13.428—California Institution for Women, Frontera: Correctional Treatment Center, Phase II—Preliminary plans and working drawings	
(28) 61.15.425—California Rehabilitation Center, Norco: Correctional Clinical Case Management—Working drawings	
(30) 61.17.425—Avenal State Prison, Avenal: Correctional Clinical Case Management—Working drawings	
(31) 61.18.426—Mule Creek State Prison, Ione: Correctional Clinical Case Management and Enhanced Outpatient Care—Working drawings	
(34) 61.23.425—California State Prison-Corcoran, Corcoran: Correctional Clinical Case Management and Enhanced Outpatient Care—Working drawings	
(35) 61.26.425—Central California Women's Facility, Madera: Enhanced Outpatient Care and Reception Center Screening and Evaluation—Working drawings	
(36) 61.26.426—Central California Women's Facility, Madera: Correctional Clinical Case Management—Working drawings	
(37) 61.27.425—Wasco State Prison-Reception Center, Screening and Evaluation—Working drawings	
(38) 61.27.426—Wasco State Prison-Reception Center, Wasco: Correctional Clinical Case Management—Working drawings	
(39) 61.28.426—North Kern State Prison, Delano: Reception Center Screening and Evaluation—Working drawings	
(40) 61.28.427—North Kern State Prison, Delano: Correctional Clinical Case Management—Working drawings	
Item 5240-302-0001, Budget Act of 1998 (Ch. 324, Stats. 1998)	
(1) 61.01.760—Humboldt Bay National Wildlife Refuge—Acquisition and construction	
(2) 61.01.762—Allensworth Ecological Reserve—Acquisition and construction	
(3) 61.01.763—Mayacama Mountains Sanctuary—Construction	

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(4) 61.01.764—Kern River Preserve—Acquisition and construction
(5) 61.01.766—California City Desert Tortoise Natural Area—Acquisition
(6) 61.01.767—Cowbird Trapping Program
(7) 61.01.770—Program Management
(8) 61.01.771—Starr Ranch Sanctuary—Acquisition and construction
(9) 61.01.772—Paul Wattis Sanctuary—Acquisition and construction
(10) 61.01.773—Burrowing Owl Habitat Enhancement—Acquisition and construction
(11) 61.01.774—Stanislaus River Parks—Acquisition and construction

Item 5240-303-0001, Budget Act of 1998 (Ch. 324, Stats. 1998) as added by Chapter 502 of the Statutes of 1998.

(1) Ten Administrative Segregation Housing Units—Preliminary plans and working drawings

0751-1990 Prison Construction Fund

Subdivision (b) of Section 7 of Chapter 981 of the Statutes of 1990, as reappropriated by Item 490-492, Budget Act of 1996 (Ch. 162, Stats. 1996)

(1) 61.34.001-California State Prison—Riverside County II: 2000-bed Level III prison together with a 400-bed support facility-Site acquisition, environmental studies, master planning, architectural programming, schematics, preliminary plans, working drawings, construction, long lead, and equipment.

Subdivision (a) of Section 1174.2 of the Penal Code, as reappropriated by Item 5240-492, Budget Act of 1996 (Ch. 162, Stats. 1996).

(2) 61.01.475-Pregnant and Parenting Women's Alternative Sentencing Act—Site acquisition, environmental studies, master planning, architectural programming, schematics, preliminary plans, working drawings, construction, long lead, and equipment.

5240-492—Reappropriation, Department of Corrections. Notwithstanding any other provision of law, the balances of the appropriations provided in the following citations are reappropriated for the purposes provided for in the appropriations and shall be available for expenditure as cited below:

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0001—General Fund		
(1) Item 5240-002-0001 Budget Act of 1998 as added by Chapter 502 of the Statutes of 1998. Available for expenditure until June 30, 2000, for the following:		
(a) Inmate pre-release program		
(b) Parolee job placement program		
(c) Three pilot programs to assist drug addicted female offenders		
(2) Item 5240-004-0001 Budget Act of 1998 as added by Chapter 502 of the Statutes of 1998. Available for expenditure until June 30, 2001, (administrative segregation).		
(3) The balance of the appropriation for Year 2000 Activities in Item 5240-001-0001 of Section 2.00 of the Budget Act of 1998 (Ch. 324, Stats. 1998) is reappropriated for expenditure to complete the Year 2000 remediation efforts of the department, to be available for expenditure until June 30, 2000.		
5430-001-0001—For support of the Board of Corrections		1,784,000
Schedule:		
(a) 11-Corrections Planning and Programs	619,000	
(b) 14-Facilities Standards and Operations	1,828,000	
(c) 21-Standards and Training for Local Officers	2,410,000	
(d) 31.01-Administration	317,000	
(e) 31.02-Distributed Administration	−317,000	
(f) Reimbursements	−524,000	
(g) Amount payable from the Corrections Training Fund (Item 5430-001-0170)	−2,218,000	
(h) Amount payable from the 1988 County Correctional Facilities Capital Expenditure and Youth Facility Fund (Item 5430-001-0796)	−331,000	
5430-001-0170—For support of the Board of Corrections, for payment to Item 5430-001-0001, payable from Corrections Training Fund		2,218,000
5430-001-0796—For support of the Board of Corrections, for payment to Item 5430-001-0001, payable from the 1988 County Correctional Facility Capital Expenditure and Youth Facility Fund		331,000

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5430-101-0170—For local assistance, Board of Corrections, Program 21—Standards and Training for Local Officers, payable from the Corrections Training Fund	14,720,000
5430-107-0890—For local assistance, Board of Corrections Program 11, payable from the Federal Trust Fund	75,000,000

Provisions:

1. Of the amount appropriated in this item, up to $5,000,000 shall be made available from the federal 1999 fiscal year Violent Offender/Truth-in-Sentencing Grant Program for allocation by the Board of Corrections to local governments through competitive grants to build or expand, or both build and expand, adult and juvenile detention facilities, as authorized. Local entities shall be responsible for providing matching funds of, at a minimum, 25 percent of the grant. Not more than 15 percent of this minimum match requirement may be provided with in-kind resources. The greater percentage of matching funds that a county provides, the higher the priority the county shall be given for allocation of funds.
2. The Legislature hereby declares that exigent circumstances exist regarding the impact on public safety of the increasing number of juvenile offenders in California and that, of the funds allocated to the state pursuant to the federal Violent Crime Control and Law Enforcement Act of 1994 (P.L. 103-322) and appropriated by this item, an amount not less than $70,000,000 shall be used to address these circumstances through grants to counties. Numerous county juvenile facilities throughout California are dilapidated and overcrowded, and expeditious construction and expansion of available bed capacity is critical. Capital construction and expansion are necessary to protect the life and safety of persons confined or employed in these facilities to avoid threatened closures or the imposition of court-ordered sanctions. There is an immediate need of $450,000,000 to address the local juvenile facility-housing crisis. The fast-rising number of violent juvenile offenders affects the efforts of law enforcement and threatens public safety throughout the state. The need to enhance public safety is particularly important to local jurisdic-

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tions that do not have adequate facilities to confine the increasing number of juvenile offenders. Therefore, notwithstanding the provisions of Chapters 324 and 339 of the Statutes of 1998, the Legislature intends that these funds be used to support the construction or expansion of juvenile detention facilities that are set forth in priority order and that possess a site assurance from the respective Board of Supervisors on the list of projects identified by the Board of Corrections effective May 20, 1999, and that no county request exceed a maximum cost-per-bed construction rate of $100,500. Local entities shall provide matching funds of at least 25 percent of the grant. Not more than 15 percent of this minimum match requirement may be provided with in-kind resources.

3. For the grant programs identified in Provisions 1 and 2 of this item, the Board of Corrections shall establish minimum standards, funding schedules, and procedures to ensure that, at a minimum, the following are on file or updated as deemed necessary:
   (a) Documentation of need for the project or projects.
   (b) Adoption of a formal county plan to finance construction of the proposed project or projects.
   (c) Submittal of a preliminary staffing plan for the project or projects.
   (d) Submittal of architectural drawings, which shall be approved by the Board of Corrections for compliance with minimum adult or juvenile detention facility standards and which shall also be approved by the State Fire Marshall for compliance with fire safety and life safety requirements.
   (e) Documentation that the facilities can be safely staffed and operated.
   (f) Submittal by the county, or a group of counties acting together, of a plan that identifies the county continuum-of-care model for prevention, intervention, supervision, treatment, and incarceration of juvenile and adult offenders. The plan shall also identify the manner in which the county will maximize all funding sources, including local criminal justice, local

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	social services, federal and state programs, and education, for providing appropriate services for juvenile and adult offenders.	
	5. Of the funds allocated pursuant to Provision 1 and 2 of this item, up to 3 percent may be transferred to support the administration, including technical assistance and oversight, of the implementation of the grant awards.	
	6. Notwithstanding any other provisions of the law, the funds appropriated in this item are available for expenditure until September 30, 2004.	
5430-110-0001—For local assistance, Board of Corrections		2,000,000
	Provisions:	
	1. Funds appropriated in this item are available for the purpose of expanding the existing jail facilities in Fresno County.	
5430-111-0001—For local assistance, Board of Corrections		37,700,000
	Provisions:	
	1. Of the amount appropriated in this item, $37,700,000 shall be allocated for Mentally Ill Offender Crime Reduction grants, pursuant to Chapter 501 of the Statutes of 1998, as set forth in priority order on the list of projects identified effective May 20, 1999, by the Board of Corrections. Further, no grant shall exceed $5,000,000. Notwithstanding the provisions of Chapter 501 of the Statutes of 1998, the board shall allocate $5,000,000 to the County of Los Angeles and $5,000,000 to the City and County of San Francisco for the purpose of demonstrating the effectiveness of interventions relating to mentally ill offenders who are likely to be committed to state prison.	
	2. Of the funds allocated pursuant to Provision 1, up to 3 percent may be transferred to Item 5430-001-0001 to support the administration, including technical assistance and oversight of the implementation of these grant awards.	
5430-295-0001—For local assistance, Board of Corrections, for reimbursement, in accordance with the provisions of Section 6 of Article XIII B of the California Constitution or of Section 17561 of the Government Code, of the costs of any new program		

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or increased level of service of an existing program mandated by statute or executive order, State Controller		717,000
Schedule:		
(1) 98.01.022.193-Mandates: Domestic Violence Treatment Program Approvals (Ch. 221, Stats. 1993)	717,000	
(2) 98.01.033.281-Mandates: Victims' Statements—Minors (Ch. 332, Stats. 1981)	0	

Provisions:

1. Allocations of funds provided in this item to the appropriate local entities shall be made by the Controller in accordance with the provisions of each statute or executive order that mandates the reimbursement of the costs, and shall be audited to verify the actual amount of the mandated costs in accordance with subdivision (d) of Section 17561 of the Government Code. Audit adjustments to prior year claims may be paid from this item. Funds appropriated in this item may be used to provide reimbursement pursuant to Article 5 (commencing with Section 17615) of Chapter 4 of Part 7 of Division 4 of Title 2 of the Government Code.
2. Pursuant to Section 17581 of the Government Code, mandates identified in the appropriation schedule of this item with an appropriation of $0 and included in the language of this provision are specifically identified by the Legislature for suspension during the 1999–00 fiscal year:
   (a) Victim's Statements—Minors (Ch. 332, Stats. 1981)

5430-401—Notwithstanding Section 749.26 of the Welfare and Institutions Code, for Juvenile Crime Enforcement and Accountability Challenge grants awarded pursuant to the Budget Act of 1996 and awarded prior to July 1, 1998, the period of grant operation shall be extended for one year to June 30, 2001. The Board of Corrections shall develop a final analysis of the grant program in a report to be submitted to the Legislature on or before March 1, 2002. It is the intent of the Legislature that funds for this extension will be appropriated in the Budget Act for the 2000–01 fiscal year if funds are available. The amount of funding necessary for the extension shall be identified by the Board of Corrections and sub-

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mitted to the Legislature no later than October 1, 1999.		
5440-001-0001—For support of the Board of Prison Terms, Program 10		17,586,000
5450-001-0001—For support of the Youthful Offender Parole Board, Program 10		3,348,000
5460-001-0001—For support of the Department of the Youth Authority		266,390,000
Schedule:		
(a) 20-Institutions and Camps	287,055,100	
(b) 30-Parole Services	46,035,000	
(c) 40-Education Services	10,668,000	
(d) 50.01-Administration	19,650,900	
(e) 50.02-Distributed Administration	-18,617,000	
(f) Reimbursements	-75,937,000	
(g) Amount payable from the 1988 County Correctional Facilities Capital Expenditure and Youth Facility Bond Fund (Item 5460-001-0796)	-20,000	
(h) Amount payable from the California State Lottery Education Fund—California Youth Authority (Item 5460-001-0831)	-910,000	
(i) Amount payable from the Federal Trust Fund (Item 5460-001-0890)	-1,535,000	
Provisions:		
1. Of the funds appropriated in Schedule (a), $31,000 is provided for payment of energy service contracts in connection with the issuance of Public Works Board Energy Efficiency Revenue Bonds (State Pool Program), Series 1986A.		
2. Notwithstanding any other provision of law, the Director of Finance may authorize a loan from the General Fund to the Department of the Youth Authority for the purpose of meeting operational cash-flow obligations for the 1999–00 fiscal year. The loan shall not exceed the estimated amount of uncollected reimbursements pursuant to Chapter 6 of the Statutes of 1996, for the final quarter of any fiscal year in which the loan is to be provided.		
3. Funds appropriated in this item may be used to expand the gang tattoo laser removal program. However, no more than $100,000 of the funds appropriated in this item may be expended for maintenance and personnel costs of tattoo removal pro-		

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grams that are in existence on the effective date of this act and that are not receiving state funding for the acquisition of new laser tattoo removal equipment. The additional funding appropriated in this item for maintenance and personnel, for preexisting tattoo removal programs that are receiving state funding, is intended to complement additional community and private fundraising efforts and is not intended to provide the primary funding for those gang tattoo removal programs.		
5460-001-0796—For support of the Department of the Youth Authority, for payment to Item 5460-001-0001, payable from the 1988 County Correctional Facility Capital Expenditure and Youth Facility Bond Fund		20,000
5460-001-0831—For support of the Department of the Youth Authority, for payment to Item 5460-001-0001, payable from the California State Lottery Education Fund—California Youth Authority		910,000
Provisions:		
1. All funds received pursuant to Proposition 37 that are allocable to the Department of the Youth Authority pursuant to Section 8880.5 of the Government Code and that are in excess of the amount appropriated in this item, are hereby appropriated in augmentation of this item. Such additional funds may be expended only upon written approval of the Department of Finance.		
5460-001-0890—For support of the Department of the Youth Authority, for payment to Item 5460-001-0001, payable from the Federal Trust Fund		1,535,000
5460-003-0001—For support of the Department of the Youth Authority for insurance on lease revenue bonds		4,000
5460-011-0001—For support of the Department of the Youth Authority (Proposition 98)		36,250,000
Schedule:		
(a) 40-Education Services	36,250,000	
5460-101-0001—For local assistance, Department of the Youth Authority		3,919,000
Schedule:		
(a) 20-Institutions and Camps	92,000	
(b) 30-Parole Services	3,827,000	
Provisions:		
1. Of the amount appropriated in this item, $2,919,000 is provided for the following purposes:		

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a. To pay the transportation costs of persons committed to the Department of the Youth Authority to or between its facilities, including the return of parole violators, provided that expenditures made under this item shall be charged to either the fiscal year in which the claim is received by the Controller or the fiscal year in which the warrant is issued by the Controller. However, claims shall be filed by local jurisdictions within six months after the end of the month in which the costs are incurred.		
b. To reimburse counties, pursuant to Section 1776 of the Welfare and Institutions Code, for the cost of the detention of Youth Authority parolees who are detained on alleged parole violations, provided that expenditures made under this item shall be charged to either the fiscal year in which the claim is received by the Controller or the fiscal year in which the warrant is issued by the Controller. However, claims shall be filed by local jurisdictions within six months after the end of the month in which the costs are incurred.		
5460-301-0001—For capital outlay, Department of the Youth Authority		18,127,000
Schedule:		
(1) 60.01.035-Statewide: Budget Packages and Advanced Planning	250,000	
(3) 60.02.085-Preston Youth Correctional Facility: Personal Alarms—Construction	1,811,000	
(4) 60.02.090-Preston Youth Correctional Facility: Remodel Visiting Hall—Preliminary plans and working drawings	112,000	
(5) 60.04.025-Northern Youth Correctional Reception Center, Clinic: Personal Alarms—Construction	1,059,000	
(6) 60.26.085-DeWitt Nelson Youth Correctional Facility: Personal Alarms—Construction	1,814,000	
(7) 60.26.090-O.H. Close Youth Correctional Facility: Personal Alarms—Construction	946,000	
(8) 60.26.095-Karl Holton Youth Correctional Facility: Personal Alarms—Construction	947,000	

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(9) 60.52.100-El Paso de Robles Youth Correctional Facility: Personal Alarms—Construction	1,672,000
(10) 60.52.105-El Paso de Robles Youth Correctional Facility: Special Education Classrooms—Preliminary plans	219,000
(12) 60.54.105-Fred C. Nelles Youth Correctional Facility: Personal Alarms—Construction	1,677,000
(13.1) 60.54.110.990-Fred C. Nelles Youth Correctional Facility: Replace air conditioning/Taft-Preliminary plans	128,000
(15) 60.58.090-Ventura Youth Correctional Facility: Personal Alarms—Construction	1,560,000
(16) 60.67.105-Heman G. Stark Youth Correctional Facility: Modify Ward Room Windows—Preliminary plans and working drawings	307,000
(17) 60.67.135-Heman G. Stark Youth Correctional Facility: Personal Alarms—Construction	1,784,000
(18) 60.67.140-Heman G. Stark Youth Correctional Facility: Fire Alarm System-Education—Preliminary plans	217,000
(19) 60.67.145-Heman G. Stark Youth Correctional Facility: Security Lighting Ward Rooms—Preliminary plans and working drawings	124,000
(20) 60.90.010-Minor Projects	3,500,000

Provisions:

1. The funds appropriated in Schedule (1) shall be allocated by the Department of the Youth Authority, upon approval of the Department of Finance, to develop design and cost information for new projects for which funds have not been previously appropriated, but for which preliminary plans funds, working drawings funds, or working drawing or construction funds are expected to be included in the Governor's Budget for the 2000–01 or 2001–02 fiscal year, and for which cost estimates and/or preliminary plans can be developed

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prior to legislative hearings on the Governor's Budget for the 2000–01 or 2001–02 fiscal year. These funds may be used for the following: budget package development, architectural programming, engineering assessments, schematic design, and preliminary plans. The amount appropriated in this item for these purposes shall not be construed as a commitment by the Legislature as to the amount of capital outlay funds it will appropriate in any future year.

2. As used in this appropriation, studies shall include site studies and suitability reports, environmental studies, master planning, architectural programming and schematics.

5460-301-0660—For capital outlay, Department of the Youth Authority, payable from the Public Buildings Construction Fund 8,577,000

Schedule:

(1) 60.26.050-DeWitt Nelson Youth Correctional Facility: Visitor's Security Entrance/Hall—Construction 2,692,000

(3) 60.56.030-Southern Youth Correctional Reception Center/Clinic: Visiting Facility—Construction..... 1,215,000

(4) 60.58.080-Ventura Youth Correctional Facility: Visitor's Security Entrance/Hall—Construction 2,692,000

(6) 60.67.110-Heman G. Stark Youth Correctional Facility: Correctional Treatment Center—Construction... 1,978,000

Provisions:

1. The State Public Works Board may issue lease-revenue bonds, notes, or bond anticipation notes pursuant to Chapter 5 (commencing with Section 15830) of Part 10b of Division 3 of Title 2 of the Government Code to finance the construction of the project authorized by this item.
2. The State Public Works Board and the Department of the Youth Authority may obtain interim financing for the project costs authorized in this item from any appropriate source, including, but not limited to, the Pooled Money Investment Account pursuant to Sections 16312 and 16313 of the Government Code.
3. The maximum amount of bonds, notes, or bond anticipation notes to be sold shall not exceed the

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cost of construction and any additional amounts necessary to pay interim and permanent financing costs.

5460-401—In the event the bonds authorized for the projects scheduled in Item 5460-301-0660, Budget Act of 1997, (Ch. 282, Stats. 1997) are not sold, the Department of the Youth Authority shall commit a sufficient portion of its support appropriation provided for in this Budget Act to repay any loans from the Pooled Money Investment Account. It is the intent of the Legislature that this commitment shall be included in future Budget Acts until outstanding loans are repaid either through the sale of bonds or from an appropriation.

5460-402—Notwithstanding Section 10108 of the Public Contract Code or Section 1760.6 of the Welfare and Institutions Code, or any other provision of the law, the Department of the Youth Authority may utilize ward labor to complete construction on the project for which funds were appropriated in Schedule (6) of Item 5460-301-0001 of Section 2.00 of the Budget Act of 1997 (Ch. 282, Stats. 1997).

5460-490—Reappropriation, Department of the Youth Authority: The balances of the appropriations provided for in the following citations are reappropriated for the purposes and subject to the limitations, unless otherwise specified, provided for in those appropriations:

0001-General Fund

Item 5460-301-0001, Budget Act of 1998 (Ch. 324, Stats. 1998).

(4) 60.02.075-Preston Youth Correctional Facility: Water Line Replacement—Acquisition, Preliminary plans, and working drawings.

(7) 60.54.090-Fred C. Nelles Youth Correctional Facility: Sewer Line Replacement—Preliminary plans and working drawings.

(10.5) 60.58.085-Ventura Youth Correctional Facility: Correctional Treatment Center—Preliminary plans and working drawings.

(13.5) 60.67.110-Heman G. Stark Youth Correctional Facility: Correctional Treatment Center—Preliminary plans and working drawings.

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5460-495—Reversion, Department of the Youth Authority. The unencumbered balance, as of June 30, 1999, of the appropriation provided in the following citation shall revert to the fund balance of the fund from which the appropriation was made:
0001-General Fund
(1) Item 5460-301-0001 (4.5), Budget Act of 1998 (Ch. 324, Stats. 1998), for Northern Youth Correctional Reception Center/Clinic: Correctional Treatment Center—Preliminary plans and working drawings.

EDUCATION

6110-001-0001—For support of Department of Education 37,748,000
Schedule:
(a) 10-Instruction 43,036,000
(b) 20-Instructional Support 57,350,000
(c) 30-Special Programs 35,619,000
(d) 41.00-Executive Management and Special Services 8,294,000
(e) 41.01-State Board of Education 1,210,000
(f) 42.01-Department Management and Special Services 24,881,000
(g) 42.02-Distributed Department Management and Special Services .....–24,881,000
(h) Reimbursements .....–13,005,000
(i) Amount payable from Federal Trust Fund (Item 6110-001-0890) .... –94,756,000
Provisions:
1. An amount equal to or greater than the amount appropriated in Schedule (e) shall be available for support of the State Board of Education.
2. Notwithstanding Sections 33190 and 51219 of the Education Code, or any other provision of law, the State Department of Education shall expend no funds to prepare (a) a statewide summary of student performance on school district proficiency assessments or (b) a compilation of information on private schools with five or fewer pupils.
3. Of the funds appropriated in this item, $90,000 shall be available only for Educational Technology support services pursuant to Section 51874 of the Education Code and for the expenses incurred by members of the Education Council for Technology in Learning in carrying out their duties.

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4. Notwithstanding any other provision of law, of the funds appropriated in this item, $2,500,000 shall be used to provide technical assistance and administrative support to the Healthy Start Program and $240,000 shall be used to provide technical assistance and administrative support for the Teen Pregnancy Prevention and Intervention Program (Art. 1 (commencing with Sec. 8800), Ch. 5, Pt. 6, Ed. C.).
5. Funds appropriated in this item may be expended or encumbered to make one or more payments under a personal services contract of a visiting educator pursuant to Section 19050.8 of the Government Code, a long-term special consultant services contract, or an employment contract between an entity that is not a state agency and a person who is under the direct or daily supervision of a state agency, only if all of the following conditions are met:
   (a) The person providing service under the contract provides full financial disclosure to the Fair Political Practices Commission in accordance with the rules and regulations of the commission.
   (b) The service provided under the contract does not result in the displacement of any represented civil service employee.
   (c) The rate of compensation for salary and health benefits for the person providing service under the contract does not exceed by more than 10 percent the current rate of compensation for salary and health benefits determined by the Department of Personnel Administration for civil service personnel in a comparable position. The payment of any other compensation or any reimbursement for travel or per diem expenses shall be in accordance with the State Administrative Manual and the rules and regulations of the State Board of Control.
6. Of the funds appropriated in this item, $150,000 shall be used for the Gang Risk Intervention Program (Ch. 5 (commencing with Sec. 58700), Pt. 31, Ed. C.).
7. The funds appropriated in Schedule (e) are for the support of the State Board of Education and shall

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be directed to meet the policy priorities of its members.

8. The funds appropriated in this item may not be expended for any REACH program.
9. The funds appropriated in this item may not be expended for the development or dissemination of program advisories, including, but not limited to, program advisories on the subject areas of reading, writing, and mathematics, unless explicitly authorized by the State Board of Education.
10. Of the funds appropriated in this item, $206,000 shall be available as matching funds for the State Department of Rehabilitation and provide coordinated services to disabled pupils. Expenditure of the funds shall be identified in the memorandum of understanding or other written agreement with the Department of Rehabilitation to ensure an appropriate match to federal vocational rehabilitation funds.
11. Of the funds appropriated in this item, no less than $3,633,000 is available for support of Child Care Services, including After School Programs pursuant to Chapters 318, 319, and 320 of the Statutes of 1998. (Program 30.10).
12. Pursuant to Provision 8 of Item 6110-196-0001 of Section 2.00 of this act, the Department of Finance may transfer up to $20,000,000 of federal funds to this item.
13. (a) Of the funds appropriated in this item, $410,000 is available for support of the Class Size Reduction Program (Ch. 6.10 (commencing with Sec. 52120), Pt. 28, Ed. C.).
    (b) Of the funds appropriated in this item $78,000 is available for support of Class Size Reduction for two 9th grade classes, as authorized by Chapter 6.8 (commencing with Section 52080) of Part 28 of the Education Code.
14. Of the amount appropriated in Schedule (b), $50,000 is for reporting the results of physical performance tests administered by school districts in 1999 pursuant to Chapter 6 (commencing with Section 60800) of Part 33 of the Education Code. The State Department of Education shall ensure that results comparing the performance of pupils in each school and district to na-

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	tional performance are reported to school district governing boards and shall submit a report of statewide results comparing the performance of California pupils to national performance to the Legislature and the Governor prior to January 1, 2000.	
	15. Of the funds appropriated in this item, $650,000 shall be allocated by the State Department of Education to an independent evaluator to assist school districts and county offices of education in developing data collection and analysis systems, and to perform an evaluation for the High-Risk First-Time Offenders Program pursuant to Article 1 (commencing with Section 47760) of Chapter 2 of Part 26.95 of the Education Code.	
	16. Of the funds appropriated in this item, $221,000 is available for support of the parental involvement program established pursuant to legislation enacted during the 1999–2000 Regular Session that becomes operative on or before January 1, 2000.	
	17. Of the funds appropriated in this item, $220,000 is available for support of the school safety program established pursuant to legislation enacted during the 1999–2000 Regular Session that becomes operative on or before January 1, 2000.	
	18. Of the funds appropriated in Schedule (b), $159,000 shall be expended to perform a management study and review of the State Department of Education's data collection systems, as they relate to the California Student Information System, to identify ways in which data collection at the state level can be more efficiently and effectively coordinated.	
	19. Of the funds appropriated in Schedule (b) of this item, $68,000 shall be available for administration of the Elementary School Intensive Reading Program established pursuant to Chapter 16 (commencing with Section 53025) of Part 28 of the Education Code.	
	20. Of the funds appropriated in this item, $250,000 is available for support of the English language learners program established pursuant to legislation enacted during the 1999–2000 Regular Session that becomes operative on or before January 1, 2000.	

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21. Of the funds appropriated in this item, $150,000 shall be available for the State Department of Education for the purpose of contracting for the development of the appropriate project approval documents required by the Department of Information Technology and the Department of Finance, and to prepare to receive electronic data transfer from the California School Information Services System. These funds shall only be available pending review and approval by the Department of Information Technology and the Department of Finance, consistent with the management study required by Provision 20.
22. Of the funds appropriated in Schedule (b), $75,000 in half-year funding shall be available for the State Department of Education to contract for an independent project oversight consultant. The Department of Information Technology and the Department of Finance shall review and approve the Request for Proposals prior to the State Department of Education entering into the contract. The independent project oversight consultant shall submit quarterly project reports on the progress of the California School Information Services System program to the Legislature, the Department of Finance, the Superintendent of Public Instruction, the State Board of Education, the Governor, the Legislative Analyst, and the Fiscal Crisis and Management Assistance Team beginning March 1, 2000.
23. Of the funds appropriated in Schedule (b), $1,000,000 is for support of advanced placement honors internet instruction. Of this amount $700,000 shall be expended for a sole source contract with the College Board to provide training to high school teachers in the delivery of these courses and $300,000 shall be available to the State Department of Education for administrative support.
24. Of the funds appropriated in this item, $500,000 shall be available for baseline data collection regarding English learners, and the ongoing costs of evaluating the services that English learners receive, including the costs of evaluating the program funded in Item 6110-125-0001.
25. Of the funds appropriated in this item, $99,000 shall be available for allocation to the State De-

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partment of Education on a one-time basis for the reprinting of the California Model Curriculum for Human Rights and Genocide handbook.	
26. Of the funds appropriated in this item, $450,000 shall be available to support the evaluation of programs administered by school districts and county offices of education. Of that amount, $250,000 shall be for statutorily required evaluations for which funding has never been provided and $200,000 shall be for evaluations chosen by the Superintendent of Public Instruction (SPI) and the State Board of Education (SBE) that focus on major program or policy areas that are of significant interest to educators, have statewide implications, and have not been adequately evaluated. Funding may be used for the collection of baseline data for multiple evaluations, and shall include a rigorous evaluation methodology that provides a high level of statistical confidence in the results. When feasible, these evaluations shall establish a control group to directly measure the impact of program services. When appropriate, the evaluations also shall assess the impact of services on different groups of pupils and, if possible, under different types of school conditions. On or before November 30, 1999, the SPI and the SBE shall agree upon the program or programs that shall be evaluated during the 1999–00 fiscal year. Nothing in this section shall preclude the SPI and the SBE from using part or all of these funds to conduct evaluations that are statutorily required. The State Department of Education may use up to 5 percent of the funds identified in this provision to administer the program of evaluation described in this provision.	
6110-001-0119—For support of Department of Education, Program 20.30—Administrative Services to local agencies, payable from the 1998 State School Facilities Fund	234,000
6110-001-0178—For support of the Department of Education, Program 20.30-Instructional Support, for the purpose of conducting schoolbus driver instructor training as provided in Section 40070 of the Education Code, payable from the Driver Training Penalty Assessment Fund	980,000

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6110-001-0231—For support of Department of Education, Program 20.10.045-Instructional Support, Curriculum Services—Health and Physical Education-Drug Free Schools, payable from the Health Education Account, Cigarette and Tobacco Products Surtax Fund	967,000
6110-001-0344—For support of Department of Education, Program 20.30-Administrative Services to local educational agencies, payable from the State School Building Lease-Purchase Fund	1,481,000
Provisions:	
1. Funds appropriated by this item are for support of the activities of the School Facilities Planning Division and are to be used exclusively for activities related to local school construction, reconstruction, rehabilitation, modernization, maintenance, deferred maintenance, year-round school programs, and schoolsite acquisition.	
6110-001-0687—For support of Department of Education, for the California State Agency for Donated Food Distribution, Program 30.50-Donated Food Distribution, payable from the Donated Food Revolving Fund	9,038,000
6110-001-0890—For support of Department of Education, for payment to Item 6110-001-0001, payable from the Federal Trust Fund	94,756,000
Provisions:	
1. The funds appropriated in this item include Federal Vocational Education Act funds for the 1998–99 fiscal year to be transferred to community colleges by means of interagency agreements. These funds shall be used by community colleges for the administration of vocational education programs.	
2. Of the funds appropriated in this item, $82,000 is available to the Advisory Commission on Special Education for the in-state travel expenses of the commissioners and the secretary to the commission.	
3. Of the funds appropriated in this item, $384,000 is available for programs for homeless youth and adults pursuant to the federal Stewart B. McKinney Act. The department shall participate on the Health and Welfare Agency Homeless Task Force and shall consult with the state Departments of Economic Opportunity, Mental Health, Housing	

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and Community Development, and Economic Development in operating this program.

4. Of the funds appropriated in this item, up to $364,000 shall be used to provide in-service training for special and regular educators and related persons, including, but not limited to, parents, administrators, and organizations serving severely disabled children. These funds are also to provide up to four positions for this purpose.
5. Of the funds appropriated in this item, $318,000 shall be used to provide training in culturally nonbiased assessment and specialized language skills to special education teachers through Second Language Immersion Institutes.
6. Of the amount appropriated in this item, $430,000 shall be used for the administration of the federal Public Charter School Program. For fiscal year 1999–00, one Education Program Consultant position shall support fiscal issues pertaining to charter schools, including development and implementation of the funding model pursuant to Chapter 34 of the Statutes of 1998.
7. Of the funds appropriated in this item, $3,290,000 shall be for the administration of programs funded with federal Goals 2000 Educate America Act funds. Funds shall be allocated for the following purposes:
   (a) $1,220,000 for general administration of the federal Goals 2000: Educate America Act funds and administration of local assistance grants and other programs using those federal funds.
   (b) $120,000 shall be for the state operations costs necessary to manage the contract identified in Provision 7(c) for the evaluation of the Class Size Reduction Program established pursuant to Chapter 6.10 (commencing with Sec. 52120) of Part 28 of the Education Code.
   (c) $500,000 for a contract for an independent evaluation of the Class Size Reduction Program as required by Section 52128 of the Education Code. Funds shall not be released for this purpose until the State Department of Education has certified to the Department of Finance that matching funds have been secured from third party sources for the class size reduction evaluation activities.

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(d) $500,000 is to support the California State University Center for Teaching Careers, established pursuant to Article 4 (commencing with Section 90530) of Chapter 11 of Part 55 of the Education Code.

(e) $450,000 shall be for the support of the alignment of the Golden State Exam (Art. 5 (commencing with Sec. 60650), Ch. 5, Pt. 33, Ed. C.) to the new content and performance standards and to support other assessment activities (Ch. 6.1 (commencing with Sec. 52050), Pt. 28, Ed. C.). In the process of aligning the Golden State Exam, the State Department of Education shall ensure that each of the individual Golden State Exam assessments meets the industry standard for validity and reliability. The department shall report on the validity and reliability coefficient of each of the exams and the progress it is making in ensuring that the assessments meet industry standards to the appropriate fiscal and policy committees of the Senate and Assembly, the Department of Finance, and the State Board of Education, prior to the administration of exams scheduled for the spring of 2000.

(f) $500,000 shall be available for an evaluation of the Reading Initiative Program (Art. 4 (commencing with Sec. 19335), Ch. 7, Pt. 11, Ed. C.) and to collect baseline data for the evaluation of the Elementary School Intensive Reading Program (Art. 1 (commencing with Sec. 53025), Ch. 16, Pt. 28, Ed. C.).

(g) $479,000 shall be for the costs of posting the curriculum frameworks in each subject in which they are adopted for kindergarten and grades 1 to 12 on the Internet website of the State Department of Education and for dissemination of the curriculum frameworks to local education agencies pursuant to a plan approved by the State Board of Education.

8. Of the funds appropriated in this item, $8,026,000 is from the Child Care and Development Block Grant Fund and includes $158,000 for an interagency agreement with the Child Development Programs Advisory Committee.

9. Of the funds appropriated in this item, $1,345,000 shall be used for administration of the Technology

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Literacy Challenge Grant Program. Of this amount, $580,000 is available only for contracted technical support and evaluation services associated with implementation of the Technology Literacy Challenge Grant Program.	
10. Of the funds appropriated in this item, $2,500,000 is for dispute resolution services, including mediation and fair hearing services, provided through contract for the Special Education Program.	
11. Upon certification by the Superintendent of Public Instruction, and approval by the Department of Finance, the Controller shall augment Program 30 of Item 6110-001-0890 of Section 2.00 of this act by the June 30, 1999, unencumbered balance of the $2,000,000 provided in Provision 8 of Item 6110-001-0890 of Section 2.00 of the Budget Act of 1997 (Ch. 282, Stats. 1997), for the development of a feasibility study report for a child care data collection and analysis system and for interim data collection and reporting in the event the remaining funds are still needed for completion of the project. The department shall specify the reasons therefor.	
12. Upon certification by the Superintendent of Public Instruction, and approval by the Department of Finance, the Controller shall augment Program 30 of Item 6110-001-0890 of this act, by the June 30, 1999, unencumbered balance of the $500,000 provided for the development of the Provider Accounting and Reporting Information System (PARIS) from Program 30 of Item 6110-001-0890 of Section 2.00 of the Budget Act of 1997 (Ch. 282, Stats. 1997) in the event the remaining funds are still needed for completion of the project. The department shall specify the reasons therefor.	
13. Of the funds appropriated in this item, $150,000 is for the development of a statewide information system for the Migrant Education Program (Art. 2 (commencing with Sec. 54440), Ch. 4, Pt. 29, Ed. C.). This system shall be an interim system to track and report data for the Migrant Education Program, as required by federal law, until it can be replaced by the California Statewide Information System.	

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14. Of the amount provided in this item, $843,000 is provided for staff for the Special Education Focused Monitoring Pilot Program to be established by the State Department of Education for the purpose of monitoring local education agency compliance with state and federal laws and regulations governing special education.	
15. Of the amount appropriated in this item, $36,000 shall be used for the administration of the federal class size reduction grant program (Sec. 5, P.L. 106-25).	
16. The State Department of Education may extend its current contract for mediation conferences and due process hearings authorized by Section 56504.5 of the Education Code until June 30, 2000. It is the intent of the Legislature that the department study the current mediation and due process hearing system, develop a new request for proposals, and execute a new contract by June 30, 2000. In studying the current mediation and due process hearing systems, the department shall seek ways of realizing cost efficiencies and containing cost increases.	
6110-001-0975—For support of Department of Education, Program 20.40.040-Library and Learning Resources, payable from the California Public School Library Protection Fund.....	15,000
Provisions:	
1. Subject to the conditions of Article 6 (commencing with Section 18175) of Chapter 2 of Part 6 of the Education Code, and based on increases in the funds deposited in the California Public School Library Protection Fund, the appropriation made in this item may be increased subject to the approval of the Department of Finance.	
6110-003-0001—For support of Department of Education, Program 20.30.020-Instructional Support, Standardized Account Code Structure	912,000
Provisions:	
1. The funds appropriated in this item shall be used only for the direct costs to administer the Standardized Account Code Structure program, as established by Chapter 237 of the Statutes of 1993, to assist any school district or county office of education in financial distress or bankruptcy, to make available standard fiscal, demographic, and performance data to policy decisionmakers, and	

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for indirect costs for those programs at the rate approved by the United States Department of Education.		
6110-004-0001—For support of Department of Education, Program 20.60.020-Instructional Support, School Crime Report		1,216,000
Provisions:		
1. Of the funds appropriated in this item, $371,000 shall be available to the State Department of Education for training and monitoring activities associated with the school crime reporting program pursuant to Chapter 1.2 (commencing with Section 628) of Title 15 of Part 1 of the Penal Code. The funds described in this provision shall be used only for the direct costs to administer that school crime reporting program, and for indirect costs of the program at the rate approved by the United States Department of Education. The amount specified in this provision includes $50,000 that shall be available for costs associated with the production of the school crime report.		
2. Of the funds appropriated in this item, $845,000 shall be allocated by the State Department of Education to the Butte County Office of Education pursuant to a contract entered into between the department and the Butte County Office of Education for the performance of other activities associated with the school crime reporting program identified in Provision 1.		
6110-005-0001—For support of Department of Education, as allocated by the Department of Education to the State Special Schools, Program 10.60.040		24,196,000
Schedule:		
(a) 10.60.040-Instruction	24,783,000	
(1) 10.60.040.001-School for the Blind, Fremont	3,362,000	
(2) 10.60.040.002-School for the Deaf, Fremont	12,242,000	
(3) 10.60.040.003-School for the Deaf, Riverside	9,179,000	
(b) Reimbursements	−587,000	

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Provisions:

1. Of the amount appropriated in this item, $362,000 shall be available for the assessment centers at the State Special Schools.
2. Of the amount appropriated in this item, $358,000 shall be used for the provision of a four-week extended session in the State Special Schools for the Deaf in Fremont and Riverside and the State Special School for the Blind in Fremont.
3. Of the amount appropriated in this item, up to $13,000 is provided for payment of energy service contracts in connection with the issuance of Energy Conservation Efficiency Revenue Bonds.

6110-006-0001—For support of Department of Education (Proposition 98), as allocated by the Department of Education to the State Special Schools..... 27,342,000

Schedule:

(a) 10.60.040-Instruction, State Special Schools..... 32,162,000
  (1) 10.60.040.001-School for the Blind, Fremont 4,088,000
  (2) 10.60.040.002-School for the Deaf, Fremont 10,754,000
  (3) 10.60.040.003-School for the Deaf, Riverside..... 9,509,000
  (7) 10.60.040.007-Diagnostic Centers ... 7,811,000
(b) Reimbursements..... −4,664,000
(c) Amount payable from the California State Lottery Education Fund (Item 6110-006-0814)..... −156,000

Provisions:

1. On or before January 15 of each year, the superintendent of each State Special School shall report to each school district the number of pupils from that district who are attending a State Special School and the estimated payment due on behalf of the district for those pupils pursuant to Section 59300 of the Education Code. The Controller shall withhold from the State School Fund in the first principal apportionment of that fiscal year the amount due from each school district, as reported to the Controller by the Superintendent of Public Instruction. The amount withheld shall be trans-

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	ferred from the State School Fund to this item. The Superintendent of Public Instruction is authorized to adjust the estimated payments required after the close of the fiscal year by reporting to the Controller the information needed to make the adjustment.	
	2. Of the funds appropriated in this item, $552,000 shall be used for the provision of a four-week extended session in the State Special Schools for the Deaf in Fremont and Riverside and the State Special School for the Blind in Fremont.	
6110-006-0814—For support of Department of Education, for payment to Item 6110-006-0001, payable from the California State Lottery Education Fund...		156,000
Provisions:		
	1. All funds received pursuant to Proposition 37 that are allocable to the State Special Schools pursuant to Section 8880.5 of the Government Code, and that are in excess of the amount appropriated in this item, are hereby appropriated in augmentation of this item.	
6110-007-0001—For support of Department of Education, Program 20.20.010-Instructional Materials Management and Distribution—Curriculum Frameworks and Instructional Materials.....		97,000
Provisions:		
	1. Funds appropriated by this item shall be used only for direct costs to conduct biennial state adoptions of basic instructional materials pursuant to Section 60200 of the Education Code and for indirect costs for that purpose at the rate approved by the United States Department of Education.	
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, Program 10.60.040.....		1,064,000
Provisions:		
	1. Funds appropriated in this item are in lieu of funds that otherwise would be transferred from the General Fund to Section A of the State School Fund in accordance with Sections 14007 and 41301.5 of the Education Code.	
6110-011-0001—For support of Department of Education, Program 10.10-School Apportionments, Principal Apportionments System.....		642,000

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Provisions:	
1. No funds appropriated in this item may be expended to redesign and rewrite the principal apportionment system unless a formal exemption from the Y2K Executive Order has been approved by the Department of Information Technology (DOIT) and unless the Department of Finance and DOIT have approved the Special Project Report and the Request For Proposal (RFP) prepared by the State Department of Education before the RFP is submitted to prospective contractors for this project.	
6110-013-0001—For support of Department of Education, Program 10.10-Audit Resources	475,000
Provisions:	
1. The funds appropriated in this item shall be used only for the direct costs of the contracts for audits.	
2. Notwithstanding any other provision of law, no funds shall be expended from this item without prior approval from the Department of Finance.	
6110-015-0001—For support of Department of Education, Program 20.20.020-Instructional Materials Management and Distribution	362,000
Provisions:	
1. Funds appropriated in this item are for transfer by the Controller, to the State Instructional Materials Fund, for allocation during the 1998–99 fiscal year pursuant to Article 3 (commencing with Section 60240) of Chapter 2 of Part 33 of the Education Code. These funds shall be transferred to the State Instructional Materials Fund by the Controller in amounts claimed by the Department of Education.	
2. Funds appropriated in this item for the Instructional Materials Management and Distribution Program shall be transferred for direct disbursement by the Department of Education from the State Instructional Materials Fund.	
6110-021-0001—For support, Department of Education, Program 30.20-Child Nutrition—Nutrition Education Projects	598,000
6110-101-0231—For local assistance, Department of Education, Program 20.10.045-Instructional Support, for county offices of education, payable from the Health Education Account, Cigarette and Tobacco Products Surtax Fund.....	3,800,000

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6110-101-0349—For local assistance, Department of Education, Program 20-Instructional Support, for allocation to the Fiscal Crisis and Management Assistance Team for the purpose of administering the California School Information Services program.....	1,000,000

Provisions:

1. Of the amount appropriated in this item, an amount equal to 8 percent or $500,000, whichever is greater, shall be available for purposes of implementing the Student-Friendly Services Through Technology project.
2. In addition to the $1,000,000 appropriated in this item, moneys deposited in the Educational Telecommunications Fund during the 1999–00 fiscal year pursuant to Provision 3 that are in excess of that amount are also hereby appropriated for the purposes specified in this item. However, the additional funds appropriated by this provision from the excess amounts appropriated in Provision 3 may not exceed $9,000,000.
3. Notwithstanding Section 10554 of the Education Code, for the 1999–00 fiscal year, the Controller shall transfer the following amounts from the General Fund into the Educational Telecommunications Fund for allocation pursuant to this item:
   (a) The lesser of $10,000,000 or the actual amount certified by the Superintendent of Public Instruction as reductions made to apportionments in the 1999–00 fiscal year for repayments of prior year excess apportionments identified pursuant to:
      (1) Repayments made pursuant to Chapter 789 of the Statutes of 1997.
      (2) Other audit settlements for excess apportionments identified as a result of audits, investigations, or inquiries.

6110-101-0814—For local assistance, Department of Education, Program 10.10, for allocation by the Controller in accordance with Section 8880.5 of the Government Code as enacted by the voters in Proposition 37 at the November 1984 general election, payable from the California State Lottery Education Fund	785,448,000

Provisions:

1. All funds received pursuant to Proposition 37 that are allocable to local education agencies that serve pupils in kindergarten or any of grades 1 to

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	12, inclusive, pursuant to Section 8880.5 of the Government Code, and that are in excess of the amount appropriated in this item, are hereby appropriated in augmentation of this item.	
6110-101-0890	—For local assistance, Department of Education, Title VI of the Elementary and Secondary Education Act, payable from the Federal Trust Fund	38,472,000
	Schedule:	
	(a) 10-Instruction 38,193,000	
	(b) 20-Instructional support 279,000	
	Provisions:	
	1. It is the intent of the Legislature that schools be encouraged to use the funds appropriated in this item to enhance, expand, and further the Public Schools Accountability Act of 1999 (Ch. 6.1 (commencing with Sec. 52050) Pt. 28, Ed.C.).	
6110-101-0975	—For local assistance, Department of Education, Program 20.40.040-Library and Learning Resources, payable from the California Public School Library Protection Fund	345,000
	Provisions:	
	1. Subject to the conditions of Article 6 (commencing with Section 18175) of Chapter 2 of Part 11 of the Education Code, and based on increases in the funds deposited in the California Public School Library Protection Fund, the appropriation made in this item may be increased subject to the approval of the Department of Finance.	
	2. The sum of $158,500,000 shall be transferred to this item from Item 6110-149-0001 by the Controller pursuant to Section 18182 of the Education Code. These funds, as well as the funds appropriated in this item, shall be available to fund the acquisition of school library materials pursuant to Article 7 (commencing with Section 18180) of Chapter 2 of Part 11 of the Education Code.	
6110-102-0231	—For local assistance, Department of Education, Program 20.10.045-Instructional Support, for local assistance, payable from the Health Education Account, Cigarette and Tobacco Products Surtax Fund.....	23,244,000
	Provisions:	
	1. On or before June 1, 2000, the State Department of Education shall report to the Joint Legislative Budget Committee on the amount of Tobacco-Use Prevention Education funds that it intends to	

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transfer from the competitive grades 9–12 program to the formula grades 4–8 program in the 1999–00 fiscal year.	
6110-102-0890—For local assistance, Department of Education, Program 20.60.038-Learn and Serve America Program, payable from the Federal Trust Fund	2,131,000
6110-103-0001—For local assistance, Department of Education (Proposition 98), Program 10.10.001.005-School Apportionments for transfer to Section A of the State School Fund, for the purposes of Section 8152 of the Education Code	10,696,000
Provisions:	
1. Notwithstanding Section 8154 of the Education Code, or any other provision of law, the funds appropriated in this item shall be the only funds available for and allocated by the Superintendent of Public Instruction for the apprentice programs operated by school districts and county offices of education.	
2. Notwithstanding Section 8152 of the Education Code, each 60-minute hour of teaching time devoted to each indentured apprentice enrolled in and attending classes of related and supplemental instruction as provided under Section 3074 of the Labor Code shall be reimbursed at the rate of $4.22 per hour. For purposes of this provision, each hour of teaching time may include up to 10 minutes for passing time and breaks.	
3. No school district or county office of education shall use funds allocated pursuant to this item to offer any new or expanded apprentice program unless the program has been approved by the Superintendent of Public Instruction.	
4. The Superintendent of Public Instruction shall report to the Department of Finance and the Legislature not later than October 1, 1999, on the amount of funds expended for and the hours of related and supplemental instruction offered in the apprentice program during the 1998–99 fiscal year, with information to be provided by the school district, county office of education, program sponsor, and trade. Expenditure information shall distinguish between direct and indirect costs, including administrative costs funded for the State Department of Education, school districts, and county offices of education. In addition, the	

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	report shall identify the hours of related and supplemental instruction proposed for the 1999–00 and 2000–01 fiscal years by the school district, county office of education, program sponsor, and trade. As a condition of receiving funds for the apprenticeship program, school districts and county offices of education shall report to the Superintendent of Public Instruction the information necessary for the completion of this report.	
	5. Notwithstanding Article 8 (commencing with Section 8150) of Chapter 1 of Part 6 of the Education Code, or any other provision of law, the total number of hours eligible for state reimbursement in apprentice programs operated by school districts and county offices of education shall be limited to an amount equal to the amount of the total appropriation made in this item divided by the hourly rate specified in Provision 2. The Superintendent of Public Instruction shall have the authority to determine which apprentice programs, and which hours offered in those programs, are eligible for reimbursement.	
	6. Of the funds appropriated in this item, $1,188,000 shall be used to provide an adjustment for growth of enrollment in apprenticeship programs operated by school districts and county offices of education and $1,252,000 shall be used to provide a rate increase from $4.22 per hour, as specified in Provision 2 of this item, to a reimbursement rate of $4.86 per hour consistent with the requirements specified in Provision 2 of this item.	
6110-103-0890	—For local assistance, Department of Education, Program 41.20.030.003-Robert C. Byrd Honors Scholarship Program, payable from the Federal Trust Fund	4,680,000
6110-104-0001	—For local assistance, Department of Education (Proposition 98), Program 10.10.011-School Apportionments, for transfer to Section A of the State School Fund, for summer school and remedial programs pursuant to Sections 37252.5 and 42239 of the Education Code	309,777,000
	Schedule:	
	(a) Program 10.10.011.003-School apportionments, for remedial summer school programs, for the purposes of Section 42239 of the Education Code....110,063,000	

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(b)	Program 10.10.011.004-School apportionments, for core academic summer school programs, for the purposes of Section 42239 of the Education Code	122,150,000
(c)	Program 10.10.001.007-School apportionments, for remedial instruction programs for pupils enrolled in grades 2 to 6, inclusive pursuant to Section 37252.5 of the Education Code	77,564,000

Provisions:

1. Notwithstanding subdivisions (e) and (f) of Section 42239 of the Education Code, for the 1999–00 fiscal year the Superintendent of Public Instruction shall allocate a minimum of $6,738 for supplemental summer school programs in each school district for which the prior fiscal year enrollment was less than 500 and that, in the 1999–00 fiscal year, offers at least 1,500 hours of supplemental summer school instruction. A small school district, as described above, that offers less than 1,500 hours of supplemental summer school offerings shall receive a proportionate reduction in its allocation. For the purpose of this provision, supplemental summer school programs shall be defined as programs authorized under paragraph (2) of subdivision (d) of Section 42239 of the Education Code.
2. (a) Of the funds appropriated in Schedule (a) of this item, $1,501,000 is for the purpose of providing a cost-of-living adjustment (COLA) to the remedial summer school program, in lieu of the amount that would otherwise be provided pursuant to statute.
   (b) Of the funds appropriated in Schedule (b) of this item, $1,761,000 is for the purpose of providing a cost-of-living adjustment (COLA) to the core academic summer school program, in lieu of the amount that would otherwise be provided pursuant to statute.
   (c) Of the funds appropriated in Schedule (c) of this item, $1,058,000 is for the purpose of providing a cost-of-living adjustment (COLA) to the remedial instruction program, in lieu of the amount that would otherwise be provided pursuant to statute.

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	3. Of the funds appropriated in Schedule (a) of this item, $30,000,000 is for the purpose of providing remedial instruction to pupils enrolled in grades 7 to 9, inclusive, pursuant to Section 37252.5 of the Education Code.	
	4. For the 1999–00 fiscal year, allocations for summer school attendance shall be based on hourly rates calculated pursuant to subdivisions (a) and (c) of Section 42239 of the Education Code, reduced by the deficit factor described in Section 42238.145 of the Education Code.	
	5. Notwithstanding any other provision of law, the Director of Finance may, to prevent deficiencies in any of the programs funded by the appropriation in this item, use the authority granted by Section 26.00 of this act to transfer funding between schedules of this item.	
6110-105-0001—For local assistance, Department of Education (Proposition 98), for transfer to Section A of the State School Fund for the purposes of Article 1 (commencing with Section 52300) of Chapter 9 of Part 28 of the Education Code		320,383,000
Schedule:		
(a) 10.10.004-Instruction Program—School Apportionments, Regional Occupational Centers and Programs		327,544,000
(b) Reimbursements		−7,161,000
Provisions:		
	1. Notwithstanding any other provision of law, the funds appropriated in this item are for transfer by the Controller to Section A of the State School Fund, in lieu of the amount that otherwise would be appropriated for transfer from the General Fund in the State Treasury to Section A of the State School Fund for the 1999–00 fiscal year pursuant to Sections 14002 and 14004 of the Education Code, in an amount as needed for apportionment pursuant to Article 1 (commencing with Section 52300) of Chapter 9 of Part 28 of the Education Code.	
	2. Funds appropriated in this item shall be apportioned by the Superintendent of Public Instruction pursuant to Article 1.5 (commencing with Section 52335) of Chapter 9 of Part 28 of the Education Code.	

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3. Because Chapter 482 of the Statutes of 1984 was chaptered after Chapter 268 of the Statutes of 1984, the Legislature's intent regarding the eligibility of regional occupational centers and programs for incentive funding for a longer instructional year under Section 46200 of the Education Code was not carried out. It is the intent of the Legislature that regional occupational centers and programs not be eligible for that incentive funding.

   Notwithstanding any other provision of law, the funds appropriated in this item may not be expended for the purposes of providing or continuing incentive funding for a longer instructional year pursuant to Section 46200 of the Education Code.

4. Notwithstanding any other provision of law, funds appropriated in this item for average daily attendance (ADA) generated by participants in welfare-to-work activities under the CalWORKs program established in Article 3.2 (commencing with Section 11320) of Chapter 2 of Part 3 of Division 9 of the Welfare and Institutions Code may be apportioned on an advance basis to local education agencies based on anticipated units of ADA if a prior application for this additional ADA funding has been approved by the Superintendent of Public Instruction.

5. Of the amount appropriated in this item, $1,161,000 is to fund remedial education services for participants in welfare-to-work activities under the CalWORKs program.

6110-107-0001—For local assistance, Department of Education (Proposition 98), Program 10.10-County Offices of Education Fiscal Oversight 4,080,000

Schedule:

(a) 10.10.002-COE Oversight..... 1,500,000
(b) 10.10.005-FCMAT 1,730,000
(c) 10.10.015-Interim Reporting 150,000
(d) 10.10.016-Staff Development..... 700,000

Provisions:

1. The funds appropriated in Schedule (a) of this item are for the purposes provided in paragraph (1) of subdivision (a) of Section 29 of Chapter 1213 of the Statutes of 1991.
2. Of the funds appropriated in Schedule (b) of this item:

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(a) $1,100,000 shall be allocated by the Controller directly to a county office of education, selected pursuant to subdivision (a) of Section 42127.8 of the Education Code to oversee Fiscal Crisis and Management Assistance Team (FCMAT) responsibilities with respect to these funds, to meet the costs of participation under Section 42127.8 of the Education Code.

(b) $250,000 shall be available to the FCMAT to pay for project management services for CSIS. It is the intent of the Legislature that these funds supplement and not supplant other CSIS funds available for project management services.

(c) $380,000 shall be allocated to FCMAT for the purpose of providing, through computer technology, financial and demographic information that is interactive and immediately accessible to all local education agencies to assist them in their decisionmaking process. To ensure a completely integrated system, this computer information should be developed in collaboration with the State Department of Education, and should be compatible with the hardware and software of the State Department of Education, so that this information may also assist state level policymakers in making comparable standardized financial information available to the local education agencies and the public.

3. The funds appropriated in Schedule (c) of this item are for the increased responsibility of county offices of education for oversight of school districts with audit exceptions, districts with qualified or negative interim reports, districts that may be unable to meet financial obligations for the current or subsequent two years, or districts with disapproved budgets, as provided under Chapter 924 of the Statutes of 1993. Allocation of such funds shall be administered by the Fiscal Crisis and Management Assistance Team (FCMAT) on a reimbursement basis and all reimbursements shall be subject to the approval of both the Department of Finance and the State Department of Education.

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4. The amount appropriated in Schedule (c) shall be available for expenditure for the 1999–00 and 2000–01 fiscal years. Any unexpended balance as of September 1, 2000, shall be available through July 30, 2001, for staff development purposes, pursuant to Provision 5 of this item.
5. Of the funds appropriated in Schedule (d) of this item, $500,000 is for the purpose of providing staff development to local education agency school finance and business personnel, as provided in Section 42127.8 of the Education Code. The funds appropriated in Schedule (d) shall be allocated by the Controller directly to a county office of education selected pursuant to subdivision (a) of Section 42127.8 of the Education Code to oversee FCMAT's responsibilities with respect to these funds. Of the remaining funds appropriated in Schedule (d), $200,000 is for the purpose of providing training that shall be developed and facilitated pursuant to Section 42127.8 of the Education Code to increase school district and school-level capacity to implement and manage site-based budgeting and decisionmaking governance structures.
6. The funds appropriated in this item shall be allocated in accordance with the above schedule unless a revision to the allocations contained herein has been approved by the Department of Finance. The Department of Finance may not authorize any such revision sooner than 30 days after notification in writing of the necessity therefor to the chairperson of the committee in each house that considers appropriations and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the chairperson of the joint committee, or his or her designee, may in each instance determine.

6110-108-0001—For local assistance, Department of Education (Proposition 98), for transfer to Section A of the State School Fund, Program 20.60.020.002—Tenth Grade Counseling pursuant to Section 48431.7 of the Education Code 9,749,000

Provisions:

1. Of the funds appropriated in this item, $139,000 is for the purpose of providing an adjustment for increases in enrollment at a rate of 1.47 percent and

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$136,000 is for the purpose of providing a cost-of-living adjustment at a rate of 1.41 percent.	
6110-109-0001—For local assistance, Department of Education (Proposition 98), Program 20.60-Gang Risk Intervention Program pursuant to Chapter 5.5 (commencing with Section 58730) of Part 31 of Division 4 of Title 2 of the Education Code.....	3,000,000
6110-110-0001—For local assistance, Department of Education (Proposition 98), Program 20.60.110—Reader Service for Blind Teachers, for transfer to the Reader Employment Fund established by Section 45371 for the purposes of Section 44925 of the Education Code	295,000
Provisions:	
1. Of the funds appropriated in this item, $4,000 is for the purpose of providing an adjustment for increases in average daily attendance at a rate of 1.47 percent and $4,000 is for the purpose of providing a cost-of-living adjustment (COLA) at a rate of 1.41 percent for the program.	
6110-111-0001—For local assistance, Department of Education (Proposition 98), for transfer to Section A of the State School Fund, Program 10.10.006—Home to School Transportation, pursuant to Article 10 (commencing with Section 41850) of Chapter 5 of Part 24 of the Education Code and Small School District Transportation, pursuant to Article 4.5 (commencing with Section 42290) of Chapter 7 of Part 24 of the Education Code	459,888,000
Schedule:	
(a) 10.10.009-Pupil Transportation 455,893,000	
(b) 10.10.008-Small School District Bus Replacement 3,995,000	
Provisions:	
1. Of the funds appropriated in this item, $6,570,000 is for the purpose of providing an adjustment for increases in average daily attendance at a rate of 1.47 percent and $6,395,000 is for the purpose of providing a cost-of-living adjustment at a rate of 1.41 percent.	
6110-111-0890—For local assistance, Department of Education, Elementary and Secondary Education Act, Title I—Program 20.10.056 Character Education Program, payable from the Federal Trust Fund .	175,000

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6110-112-0001—For local assistance, Department of Education (Proposition 98), for transfer by the Controller to Section A of the State School Fund, Program 20.60-Instructional Time and Staff Development Reform Program		225,146,000
Provisions:		
1. The funds appropriated in this item are available for the purposes of the Instructional Time and Staff Development Reform Program established by Article 7.5 (commencing with Section 44579) of Chapter 3 of Part 25 of the Education Code.		
2. Of the funds appropriated in this item, $3,280,000 is for the purpose of providing a cost-of-living adjustment for the Instructional Time and Staff Development Reform Program, in lieu of the amount that would otherwise be provided pursuant to statute.		
6110-112-0890—For local assistance, Department of Education, Program 20.60.036-Public Charter Schools, payable from the Federal Trust Fund		16,560,000
Provisions:		
1. The State Department of Education shall file an amendment to California's Public Charter School grant application with the United States Department of Education to change the maximum amount that a charter school may receive for an implementation grant from $150,000 to $250,000.		
6110-113-0001—For local assistance, Department of Education (Proposition 98), for purposes of a pupil testing program		62,669,000
Schedule:		
(a) 20.70.030.001-Golden State Examination	14,182,000	
(b) 20.70.030.002-Statewide Assessment	1,002,000	
(c) 20.70.030.004-Career Technical Assessment	800,000	
(d) 20.70.030.005-Assessment Review and Reporting	3,585,000	
(e) 20.70.030.006-STAR Program	42,100,000	
(f) 20.70.030.007-English Language Development Assessment	1,000,000	
Provisions:		
1. The funds appropriated in this item shall be for the pupil testing program authorized by Chapter 5 (commencing with Section 60600) and Chapter 7		

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(commencing with Section 60810) of Part 33 of the Education Code.		
2. The funds appropriated in Schedule (e) include funds for primary language tests administered pursuant to Article 4 (commencing with Section 60640) of Chapter 5 of Part 33 of the Education Code.		
3. The funds appropriated in Schedule (f) shall be available for administration of an English language development test meeting the requirements of Chapter 7 (commencing with Section 60810) of Part 33 of the Education Code.		
6110-114-0001—For local assistance, Department of Education, (Proposition 98), for transfer to Section A of the State School Fund for allocation by the Controller, for reimbursement of claims received pursuant to Sections 42243.6 and 42247 of the Education Code (court-ordered desegregation) State Apportionments		504,993,000
Schedule:		
(a) 10.10.018.005-Bakersfield Unified Elementary School District	5,289,000	
(b) 10.10.018.010—Los Angeles Unified School District	372,320,000	
(c) 10.10.018.015-San Bernardino Unified School District	11,854,000	
(d) 10.10.018.020-San Diego Unified School District	47,115,000	
(e) 10.10.018.025-San Francisco Unified School District	34,234,000	
(f) 10.10.018.030-San Jose Unified School District	27,557,000	
(g) 10.10.018.035-Stockton Unified School District	5,105,000	
(h) 10.10.018.040-Palo Alto Unified School District	459,000	
(i) 10.10.018.050-Redwood City Elementary School District	42,000	
(j) 10.10.018.055-San Mateo County Superintendent	70,000	
(k) 10.10.018.060-Santa Clara County Office of Education	13,000	
(*l*) 10.10.018.065-Sequoia High School District	352,000	
(m) 10.10.018.070-Menlo Park City Elementary School District	1,000	

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(n)	10.10.018.075-Ravenswood City Elementary School District.....	64,000
(o)	10.10.018.080-Las Lomitas.....	14,000
(p)	97.20.011.001-Payment for Audit Cost Claims.....	504,000

Provisions:

1. Of the funds appropriated in this item, $7,214,000 is for the purpose of providing an adjustment for increases in average daily attendance at a rate of 1.47 percent and $7,021,000 is for the purpose of providing a cost-of-living adjustment (COLA) at a rate of 1.41 percent.
2. Funds appropriated in this item are for reimbursement of amounts necessary to pay costs of desegregation programs initially mandated by the courts, as defined in Section 2205 of the Revenue and Taxation Code, pursuant to any final court order issued after January 1, 1978, and for the costs of audits as required by Provision 4 of this item.
3. Before submittal to the Controller for payment, school districts shall subject their past year actual claims to audit, in accordance with standards utilized by the Controller in prior years for the audit of past year actual desegregation claims, to ensure that the claims comply with the requirements of Sections 42243.6, 42247.1, 42247.3, and 42247.4 of the Education Code. School districts may contract with the Controller for the performance of those audits. All past year actual claims submitted to the Controller for payment shall be accompanied by any reports issued by the auditing entity, unless the auditing entity was the Controller.
4. The Controller shall reimburse only those past year actual claims that conform with the requirements set forth in Provision 3.
5. The Controller shall allocate funds appropriated in this item in accordance with the provisions of Sections 42243.6 and 42247 of the Education Code. Pursuant to Section 42243.8 of the Education Code, the Controller shall reimburse claims received pursuant to Sections 42243.6 and 42247 of the Education Code only from funds appropriated specifically for that purpose by the Legislature.
6. The Controller shall allocate funds appropriated in this item in accordance with the schedule contained herein, unless revision of that schedule has

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been approved by the Department of Finance. The Controller shall allocate these funds only for 1999–00 expenditures claimed by local education agencies.

7. The Department of Finance may not authorize any revisions to the schedule contained in this item sooner than 30 days after notification in writing of the necessity therefor to the Chairpersons of the Senate and Assembly Appropriations Committees and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the chairperson of the joint committee, or his or her designee, may in each instance determine.
8. Funds appropriated in this item shall not be used to reimburse local education agency claims for facilities lease costs, school construction, reconstruction, replacement of facilities, purchase of existing facilities, purchase of land, or the performance of deferred maintenance activities on facilities.
9. As a condition of receiving funding under this item, by March 1, 2000, each school district that receives reimbursement for the costs of a desegregation program shall submit to the Department of Education a summary of program outcome data over the preceding three years, or since the inception of its program, whichever period of time is less. The data in the summary shall include the ethnic distribution of pupils at schools supported with desegregation funds, and indicators of pupil success at those schools, including, but not limited to, SAT, Star, Matrix and English Language Development test scores, and in addition, for high schools, graduation rates and dropout rates. Districts also shall indicate whether their desegregation programs were initiated voluntarily or as a result of a consent decree.
10. It is the intent of the Legislature that the unencumbered balances of appropriations made for the purpose of K–12 Proposition 98 in this act first be used to pay audited deficits in court-ordered and voluntary desegregation programs for the 1994–95 and 1995–96 fiscal years, up to a maximum amount of $66,593,722, pursuant to the enactment of legislation during the 1999–2000 Regular Session that restricts state liabilities for increased costs above the cost-of-

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living adjustment (COLA) and adjustments in growth in enrollment for those programs for the 1999–00 fiscal year.		
6110-115-0001—For local assistance, Department of Education, for transfer to Section A of the State School Fund for allocation by the Controller (Proposition 98), Voluntary Desegregation, for reimbursement of claims received pursuant to Sections 42247 and 42249 of the Education Code		138,015,000
Schedule:		
(a) 10.10.019.092-Moorpark Unified School District	775,000	
(b) 10.10.019.001-Pittsburg Unified School District	6,000	
(c) 10.10.019.003-Fresno Unified School District	3,880,000	
(d) 10.10.019.004-Brawley Elementary School District	91,000	
(e) 10.10.019.005-El Centro Elementary School District	413,000	
(f) 10.10.019.006-Bakersfield City Elementary School District	669,000	
(g) 10.10.019.007-Hanford Unified School District	16,000	
(h) 10.10.019.008-Long Beach Unified School District	6,518,000	
(i) 10.10.019.009-Los Angeles Unified School District	41,630,000	
(j) 10.10.019.010-Pasadena City Unified School District	3,546,000	
(k) 10.10.019.011-Santa Monica-Malibu School District	382,000	
(*l*) 10.10.019.012-Whittier Union High School District	616,000	
(m) 10.10.019.013-Merced City Elementary School District	99,000	
(n) 10.10.019.014-Monterey Peninsula Unified School District	165,000	
(o) 10.10.019.015-North Monterey County Unified School District	407,000	
(p) 10.10.019.016-Fullerton Elementary School District	132,000	
(q) 10.10.019.017-Banning Unified School District	20,000	
(r) 10.10.019.018-Riverside Unified School District	302,000	

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(s)	10.10.019.019-Sacramento City Unified School District	2,287,000
(t)	10.10.019.020-San Bernardino City Unified School District	2,120,000
(u)	10.10.019.021-Chula Vista City Unified School District	302,000
(v)	10.10.019.022-San Diego City Unified School District	7,605,000
(w)	10.10.019.023-Sweetwater Union High School District	404,000
(x)	10.10.019.024-San Francisco Unified High School District	3,613,000
(y)	10.10.019.026-San Mateo Union High School District	83,000
(z)	10.10.019.027-Sequoia Union High School District	56,000
(aa)	10.10.019.028-Lompoc Unified School District	3,000
(bb)	10.10.019.029-Santa Barbara City Elementary School District	35,000
(cc)	10.10.019.030-Mountain View-Los Altos High School District	75,000
(dd)	10.10.019.031-San Jose City Unified School District	1,380,000
(ee)	10.10.019.032-Pajaro Valley Unified School District	1,317,000
(ff)	10.10.019.033-Oxnard Elementary School District	182,000
(gg)	10.10.019.034-Santa Paula Elementary School District	847,000
(hh)	10.10.019.035-ABC Unified School District	13,000
(ii)	10.10.019.036-Ventura Unified School District	47,000
(jj)	10.10.019.037-La Habra City Elementary School District	11,000
(kk)	10.10.019.038-Duarte Unified School District	22,000
(mm)	10.10.019.040-Berkeley City Unified School District	4,196,000
(nn)	10.10.019.041-Claremont Unified School District	220,000
(oo)	10.10.019.042-Gilroy Unified School District	950,000
(pp)	10.10.019.043-Sunnyvale Elementary School District	863,000

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(qq)	10.10.019.044-Oakland Unified School District	9,509,000
(rr)	10.10.019.045-Norwalk-La Mirada City Unified School District	1,837,000
(ss)	10.10.019.046-Kerman Unified School District	9,000
(tt)	10.10.019.047-Vista Unified School District	1,421,000
(uu)	10.10.019.061-Allensworth-Richgrove School District	1,378,000
(vv)	10.10.019.062-Carlsbad Unified School District	677,000
(ww)	10.10.019.063-San Dieguito Unified School District	562,000
(xx)	10.10.019.064-San Jose School District Collaboration	14,255,000
(yy)	10.10.019.065-West Contra Costa (Richmond) Unified School District	2,844,000
(zz)	10.10.019.066-Compton Unified School District	4,505,000
(aaa)	10.10.019.067-Ocean View Elementary School District	53,000
(bbb)	10.10.019.068-Redwood City School District	4,304,000
(ccc)	10.10.019.069-San Mateo City Elementary School District	211,000
(ddd)	10.10.019.075-Monrovia Unified School District	216,000
(eee)	10.10.019.076-Solano Beach Elementary School District	572,000
(fff)	10.10.019.088-Grant High School District	6,532,000
(ggg)	10.10.019.089-Sausalito Elementary School District	416,000
(hhh)	10.10.019.090-Lynwood Unified School District	2,315,000
(iii)	97.20.011.001-Payment for Audit Cost Claims	105,000

Provisions:

1. Funds appropriated by this item are for reimbursement of amounts necessary to pay the costs of desegregation programs, as defined in Section 42249 of the Education Code, initiated voluntarily by local education agencies and for the costs of audits as required by Provision 2 of this item.

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2. Before submittal to the Controller for payment, school districts shall subject their past year actual claims to audit, in accordance with standards utilized by the Controller in prior years for the audit of past year actual desegregation claims, to ensure that the claims comply with the requirements of Sections 42247, 42247.1, 42248, 42249, and 44249.2 of the Education Code. School districts may contract with the Controller for the performance of those audits. All past year actual claims submitted to the Controller for payment shall be accompanied by any reports issued by the auditing entity, unless the auditing entity was the Controller.
3. The Controller shall reimburse only those past year actual claims that conform with the requirements of Provision 2 of this item.
4. The Controller shall allocate funds appropriated by this item in accordance with Section 42247 of the Education Code. The Controller shall reimburse these claims only from funds appropriated specifically for that purpose by the Legislature.
5. The Controller shall allocate funds appropriated by this item in accordance with the schedule contained herein, unless a revision of that schedule has been approved by the Department of Finance. The Controller shall allocate the funds in Schedule 1 for the 1999–00 fiscal year expenditures claimed by local education agencies pursuant to Sections 42247 and 42249 of the Education Code.
6. The Department of Finance may not authorize any revisions to the schedule contained herein sooner than 30 days after notification in writing of the necessity therefor to the chairperson of the committee in each house that considers appropriations and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the chairperson of the joint committee, or his or her designee, may in each instance determine.
7. Funds appropriated in this item may not be used to reimburse local education agency claims for facilities lease costs, school construction, reconstruction, replacement of facilities, purchase of existing facilities, purchase of land, or the performance of deferred maintenance activities on facilities.

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8. Effective July 1, 1991, and notwithstanding any other provision of law to the contrary, no school district shall be required to comply with Sections 90 to 101, inclusive, of Title 5 of the California Code of Regulations. Any costs incurred after that date in compliance with those regulations shall be deemed to be incurred voluntarily and shall not be reimbursable as a state-mandated local program. Nothing in this provision shall be interpreted to deny reimbursement of claims for court-ordered or voluntary desegregation pursuant to Sections 42243.6, 42247, and 42249 of the Education Code.
9. As a condition of receiving funding under this item, by March 1, 2000, each school district that receives reimbursement for the costs of a desegregation program shall submit to the State Department of Education a summary of program outcome data over the preceding three years, or since the inception of its program, whichever period of time is less. The data in the summary shall include the ethnic distribution of pupils at schools supported with desegregation funds, and indicators of pupil success at those schools, including, but not limited to, SAT, Star, Matrix and English Language Development test scores, and in addition, for high schools graduation rates and dropout rates. Districts also shall indicate whether their desegregation programs were initiated voluntarily or as a result of a consent decree.
10. Of the funds appropriated in this item, $1,962,000 is for the purpose of providing an adjustment for increases in average daily attendance at a rate of 1.47 percent and $1,909,000 is for the purpose of providing a cost-of-living adjustment (COLA) at a rate of 1.41 percent for voluntary desegregation programs.
11. It is the intent of the Legislature that the unencumbered balances appropriations made for the purposes of K–12 Proposition 98 in this act first be used to pay audited deficits in court-ordered and voluntary desegregation programs for the 1994–95 and 1995–96 fiscal years, up to a maximum of $66,593,722, pursuant to the enactment of legislation during the 1999–2000 Regular Session that restricts state liabilities for increased costs above the cost-of-living adjust-

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	ment (COLA) and adjustments for growth in enrollment for those programs during the 1999–00 fiscal year.	
6110-116-0001	—For local assistance, Department of Education (Proposition 98), for transfer to Section A of the State School Fund, Program 20.60.030—School Improvement Programs, pursuant to Chapter 6 (commencing with Section 52000) of Part 28 of the Education Code	385,921,000
	Schedule:	
	(a) 20.60.030.010—For the purposes of making allowances for kindergarten and grades 1 to 6, inclusive....323,160,000	
	(b) 20.60.030.020—For the purpose of making allowances for grades 7 to 12, inclusive 62,761,000	
	Provisions:	
	1. From the funds appropriated in Schedule (b), the State Department of Education shall allocate $31.71 per unit of average daily attendance (ADA) generated by pupils enrolled in grades 7 and 8 to those school districts that received School Improvement Grants in the 1989–90 fiscal year at a rate of $30 per unit of ADA generated by pupils enrolled in grades 7 and 8.	
	2. The State Department of Education may ratably adjust per-pupil rates to conform to the current pupil counts and available funds.	
	3. Of the funds appropriated in Schedule (a) of this item, $4,617,000 is for the purpose of providing an adjustment for increase in average daily attendance at a rate of 1.47 percent and $4,493,000 is for the purpose of providing a cost-of-living adjustment (COLA) at a rate of 1.41 percent. Of the funds appropriated in Schedule (b) of this item, $897,000 is for the purpose of providing an adjustment for increases in average daily attendance at a rate of 1.47 percent, and $873,000 is for the purpose of providing a cost-of-living adjustment (COLA) at a rate of 1.41 percent.	
6110-117-0001	—For local assistance, State Department of Education, Program 10.70-Vocational Education, in lieu of the amount that otherwise would be appropriated pursuant to subdivision (b) of Section 19632 of the Business and Professions Code.....	562,000

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Provisions:	
1. Of the funds appropriated in this item, $50,000 shall be available to contract with the California Association of Student Councils for the purpose of providing leadership development and training to pupils in grades 3 to 12, inclusive.	
6110-118-0001—For local assistance, Department of Education (Proposition 98), for transfer to Section A of the State School Fund, Program 10.70—State Vocational Education, in lieu of the amount that would otherwise be appropriated pursuant to Section 19632 of the Business and Professions Code	1,000
6110-119-0001—For local assistance, Department of Education (Proposition 98), Program 20.40.60—Educational Services for Foster Youth pursuant to Chapter 11.3 (commencing with Section 42920) of Part 24 of the Education Code	7,677,000
Provisions:	
1. Of the funds appropriated in this item, $67,000 is for the purpose of providing an adjustment for increases in average daily attendance at a rate of 1.47 percent and $65,000 is for the purpose of providing a cost-of-living adjustment (COLA) at a rate of 1.41 percent.	
6110-120-0001—For local assistance, Department of Education (Proposition 98), for transfer to Section A of the State School Fund Program 20.40.100—Pupil Dropout Prevention Programs established pursuant to Article 6 (commencing with Section 52890) and Article 7 (commencing with Section 52900) of Chapter 12 of Part 28, Article 7 (commencing with Section 54720) of Chapter 9 of Part 29, and Chapter 3.5 (commencing with Section 58550) of Part 31 of, the Education Code	22,102,000
Provisions:	
1. The following provisions apply to pupil dropout prevention programs receiving funds pursuant to this item:	
(a) Prior to hiring an outreach consultant with funds appropriated in this item, a school or school district shall have adopted a plan, that includes a statement describing the specific duties of the outreach consultant and that has been approved by the Superintendent of Public Instruction. This duty statement shall require that the outreach consultant perform only activities that directly benefit "high-risk	

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pupils" as defined in subdivision (c) of Section 54721 of the Education Code. Each outreach consultant shall receive no more than $48,737 as annual compensation.

(b) A school district or any school receiving funds for outreach consultants in schools with motivation and maintenance plans developed in accordance with Article 7 (commencing with Section 54720) of Chapter 9 of Part 29 of the Education Code, shall collect and report data to the Superintendent of Public Instruction on pupil dropouts, together with any other data deemed necessary by the superintendent for the evaluation of motivation and maintenance programs. The data shall be reported in a format to be determined by the superintendent. Whenever feasible, the superintendent shall collect this data through the California Basic Educational Data System (CBEDS).

(c) Notwithstanding the schedule set forth in Section 58554 of the Education Code, (1) the maximum fee for an initial diagnosis prepared by an educational clinic under the terms of the contract entered into pursuant to Section 58553 or 58553.5 of the Education Code shall not exceed $100 and may be expended for outreach and pupil and family counseling in addition to the initial diagnosis of entering pupils, and (2) the maximum fee for each instructional hour or fee for additional diagnosis provided under the terms of a contract entered into pursuant to Section 58553 or 58553.5 of the Education Code shall not exceed $6.50 per hour.

Provisions:

2. Of the funds appropriated in this item, $203,000 is for the purpose of providing an adjustment for increases in average daily attendance at a rate of 1.47 percent and $197,000 is for the purpose of providing a cost-of-living adjustment (COLA) at a rate of 1.41 percent.
3. Of the funds appropriated in this item, $7,900,000 is for the purpose of augmenting the School Based Pupil Motivation and Maintenance Program established by Article 7 (commencing with Section 54720) of Chapter 9 of Part 29 of the Education

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	Code. Notwithstanding any other provision of law, these funds may be awarded to school districts that are currently not participating in that program.	
6110-122-0001	—For local assistance, Department of Education (Proposition 98), for transfer to Section A of the State School Fund, Program 20.40.090—Specialized Secondary Programs, pursuant to Chapter 6 (commencing with Section 58800) of Part 31 of the Education Code	4,506,000
	Provisions:	
	1. Of the funds appropriated in this item, $1,500,000 shall be allocated to Specialized Secondary Programs established pursuant to Chapter 6 (commencing with Section 58800) of Part 31 of the Education Code prior to the 1991–92 fiscal year that operate in conjunction with the California State University.	
	2. Of the funds appropriated in this item, $64,000 is for the purpose of providing an adjustment for increase in average daily attendance at a rate of 1.47 percent and $62,000 is for the purpose of providing a cost-of-living adjustment at a rate of 1.41 percent.	
6110-124-0001	—For local assistance, Department of Education (Proposition 98), for transfer to Section A of the State School Fund, State Program 10.80.010—Gifted and Talented Pupil Program established pursuant to Chapter 8 (commencing with Section 52200) of Part 28 of the Education Code...	49,601,000
	Provisions:	
	1. Of the funds appropriated in this item, $709,000 is for the purpose of providing an adjustment for increases in average daily attendance at a rate of 1.47 percent and $690,000 is for the purpose of providing a cost-of-living adjustment (COLA) of 1.41 percent.	
6110-125-0001	—For local assistance, Department of Education (Proposition 98), for English Language Learners	55,000,000
	Schedule:	
	(a) 20.10.006-Instruction: English Language Learners Student Assistance 50,000,000	
	(b) 20.10.009-English Language Learner Teacher Training 5,000,000	

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Provisions:

1. The funds appropriated in this item are available solely to fund activities for English Language Learners subject to the establishment of that program by legislation enacted during the 1999–00 Regular Session.

6110-126-0001—For local assistance, Department of Education (Proposition 98), for transfer to Section A of the State School Fund, Program 20.10.035—Miller-Unruh Basic Reading Act of 1965 (commencing with Section 54100) of Chapter 2 of Part 29 of the Education Code) 26,328,000

Provisions:

1. The State Department of Education shall establish a procedure to accept an application from any school district for participation in the Miller-Unruh Basic Reading Act of 1965 established pursuant to Chapter 2 (commencing with Section 54100) of Part 29 of the Education Code. This procedure shall provide first priority for any available funding to school districts with low-performing schools and with the lowest district base revenue limits. Whenever the number of reading specialist positions funded by the program is reduced in any school district, funds shall be reallocated to support an equivalent number of positions in another district or other districts.
2. Of the funds appropriated in this item, $376,000 is for the purpose of providing an adjustment for increases in average daily attendance at a rate of 1.47 percent and $366,000 is for the purpose of providing a cost-of-living adjustment (COLA) at a rate of 1.41 percent.

6110-127-0001—For local assistance, Department of Education (Proposition 98), for transfer to Section A of the State School Fund, Program 20.40.070—Opportunity Classes and Programs pursuant to Article 2.3 (commencing with Section 48643) of Chapter 4 of Part 27 of the Education Code..... 2,179,000

Provisions:

1. Notwithstanding Section 48644 of the Education Code, funds allocated to school districts for the expansion of opportunity classes and programs may not exceed $473 per unit of average daily attendance (ADA), based on the additional enrollment in these classes and programs above the 1982–83 enrollment levels, expressed in terms of

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ADA. For purposes of making this allocation to opportunity programs, the Superintendent of Public Instruction shall use the following definition to express enrollment in opportunity programs: using total positive clock hours scheduled and attended during the year, 405 hours of opportunity program assignment equals one opportunity program ADA (405 hours is the product of a second principal apportionment divisor of 135 and three hours of attendance per day).

2. Of the funds appropriated in this item, $31,000 is for the purpose of providing an adjustment for increases in average daily attendance at a rate of 1.47 percent and a cost-of-living adjustment at a rate of 1.41 percent for the purpose of providing an adjustment for growth in enrollment and cost-of-living adjustment (COLA) for the Opportunity Classes and Programs established pursuant to Article 2.3 (commencing with Section 48643) of Chapter 4 of Part 27 of the Education Code.

6110-128-0001—For local assistance, Department of Education (Proposition 98), for transfer to Section A of the State School Fund, Program 10.30.070—Economic Impact Aid 394,105,000

Schedule:

(a) 10.30.070.001-Article 2 (commencing with Section 54020) of Chapter 1 of Part 29 of the Education Code 275,873,500

(b) 10.30.070.020-Sections 54031 and 54033, and Article 4 (commencing with Section 54040) of Chapter 1 of Part 29, of the Education Code.....118,231,500

Provisions:

1. If the funds appropriated in this item are insufficient to fully fund the allocations under Article 4 (commencing with Section 54040) of Chapter 1 of Part 29 of the Education Code, the Superintendent of Public Instruction shall prorate the allocations made pursuant to that article to reflect the amount of funding available.
2. Of the funds appropriated in this item, $5,630,000 is for the purpose of providing an adjustment for increases in average daily attendance at a rate of 1.47 percent and $5,480,000 is for the purpose of providing a cost-of-living adjustment (COLA) at a rate of 1.41 percent.

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6110-128-0890—For local assistance, Department of Education, Program 20.50.030—Eisenhower Professional Development, payable from the Federal Trust Fund	31,873,000
6110-129-0001—For local assistance, Department of Education, Program 41.00-Community Education-Intergenerational Programs	171,000
6110-130-0001—For local assistance, Department of Education, Program 20.60.100-Advancement via Individual Determination	1,000,000
6110-131-0001—For local assistance, Department of Education (Proposition 98), for transfer to Section A of the State School Fund, Program 10.30.051—American Indian Early Childhood Education Program established pursuant to Chapter 6.5 (commencing with Section 52060) of Part 28 of the Education Code	482,000
Provisions: 1. Of the funds appropriated in this item, $7,000 is for the purpose of providing an adjustment for increases in average daily attendance, at a rate of 1.47 percent and $7,000 is for the purpose of providing a cost-of-living adjustment at the rate of 1.41 percent, for the American Early Childhood Education Program pursuant to Chapter 6.5 (commencing with Section 52060) of Part 28 of the Education Code.	
6110-133-0001—For local assistance, Department of Education (Proposition 98), Program 10-Instruction, for allocation to local educational agencies	100,000,000
Provisions: 1. Of the funds appropriated in this item, $50,000,000 is for the purpose of funding beginning teacher salaries pursuant to legislation enacted during the 1999–2000 Regular Session. 2. Of the funds appropriated in this item, $50,000,000 is for the purpose of establishing a site-based teacher performance program for low-performing schools that exceed target performance goals established pursuant to legislation enacted during the 1999–2000 Regular Session.	
6110-136-0890—For local assistance, Department of Education, payable from the Federal Trust Fund	905,561,000
Schedule: (a) 10.30.060-Title I-ESEA ..... 901,936,000 (b) 10.30.065-Stewart B. McKinney Homeless Children Education..... 3,125,000	

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(c) 20.70.000—Instructional Support: Assessments.....	500,000	

Provisions:

1. The State Department of Education, for the purposes of the transitional assessment system required by Title 1 of the federal Improving America's Schools Act of 1994, shall define a "program improvement school," during the 1999–00 fiscal year, as a school that ranks among the lowest in the state on the assessment used in the Standardized Testing and Reporting (STAR) Program (Art. 4 (commencing with Sec. 60640), Ch. 5, Pt. 33, Ed. C.). A school district may also identify a school that does not meet this criterion as a "program improvement school" during that fiscal year if 60 percent or more of the school's pupils are performing, as determined by the district's assessment system, below the standards adopted by the district.
2. It is the intent of the Legislature that, in administering the accountability system required by this item, the State Department of Education align the forms, processes, and procedures required of local educational agencies in a manner that they may be utilized for the purposes of implementing the state accountability system established by the Public School Accountability Act of 1994 (Ch. 6.1 (commencing with Sec. 52050), Pt. 28, Ed. C.) so that duplication of effort is minimized at the local level.
3. Funds appropriated in Schedule (c) are for the purpose of providing grants to local education agencies to pay the fees incurred by low-income students to take advanced placement examinations.

6110-139-0001—For local assistance, Department of Education (Proposition 98), Program 10.10-School Apportionments, Pupil Residency Verification		159,000

Provisions:

1. Funds appropriated in this item are for the purpose of assisting school districts that are adjacent to the international border with their pupil residency verification, consistent with the intent of Chapter 309 of the Statutes of 1995.

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6110-141-0890—For local assistance, Department of Education, Program 10.30.010-Instruction, Title I of the Elementary and Secondary Education Act—Migrant Education, payable from the Federal Trust Fund		108,448,000
Provisions:		
1. Of the funds appropriated in this item, $6,100,000 is for the California Mini-Corps Program. That amount includes $1,000,000 from current year carry-over funds, which are to be allocated on a one-time basis.		
6110-142-0890—For local assistance, Department of Education, Goals 2000, payable from the Federal Trust Fund		47,428,000
Schedule:		
(a) 20.60.180-Mathematics Staff Development	28,500,000	
(b) 20.60.190-Support for Secondary Schools Reading	5,000,000	
(c) 20.60.050-Student Academic Partnerships	5,000,000	
(d) 20.60.100-Advancement via Individual Determination	6,000,000	
(e) 20.60.170-Paraeducator Teacher Preparation	2,928,000	
Provisions:		
1. The funds appropriated in this item shall be available for expenditure not sooner than 30 days after an expenditure plan has been submitted to the Department of Finance for review and comment. The department shall review the proposed expenditures to ensure that they are consistent with federal law.		
2. The funds appropriated in Schedule (a) shall be for competitive grants to school districts and county offices of education for mathematics staff development pursuant to Chapter 3.33 (commencing with Section 44720) of Part 25 and Chapter 3.25 (commencing with Section 44695) of Part 25 of the Education Code.		
4. The funds appropriated in Schedule (b) shall be used for a competitive grant program administered by the State Department of Education that allows local education agencies or consortia of local education agencies to apply for funds to provide professional development that includes coaching and other classroom support to school		

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	districts. Applicants are encouraged to collaborate with institutes of higher education in the development and delivery of professional development programs. The professional development shall address successful strategies, programs, and models for improving reading instruction for pupils enrolled in grades 7 to 12, inclusive, who are reading below grade level. If legislation is enacted during the 1999–2000 Regular Session, becomes operative on or before January 1, 2000, and is consistent with this provision, these funds shall be allocated for the purpose of funding that legislation.	
	5. The funds appropriated in Schedule (c) shall be used for competitive grants to local education agencies for preservice training, with highest priority for funding given to those agencies that propose to train and hire college students as academic tutors for pupils in kindergarten or any of grades 1 to 6, inclusive, in the academic areas of English-language arts and mathematics. For the purposes of these training activities, local education agencies shall be responsible for the day-to-day supervision of tutors, but the agencies may contract with higher education institutions to recruit, train and provide general oversight over placement in schools. Higher education institutions may permit tutors to receive academic credit for their related field work experiences in lieu of pay.	
	6. The funds appropriated in Schedule (d) shall be used for competitive outreach grants to local education agencies for the Advancement Via Individual Determination (AVID) program.	
	7. The funds appropriated in Schedule (e) of this item are exclusively for contract with the Commission on Teacher Credentialing for local assistance grants pursuant to the California School Paraprofessional Teacher Training Program authorized by Article 12 (commencing with Section 44390) of Chapter 2 of Part 25 of the Education Code.	
6110-146-0001—For local assistance, Department of Education (Proposition 98), for transfer to Section A of the State School Fund, Program 10.30.040—Demonstration Programs in Intensive Instruction pursuant to Chapter 4 (commencing with Section 58600) of Part 31 of the Education Code		5,530,000

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Provisions:

1. Notwithstanding any other provision of law, funds appropriated in this item and allocated to support the instructional costs of demonstration programs established after June 30, 1986, may be allocated only to programs that demonstrate a significant departure from or variation of existing instructional practices. The State Department of Education shall establish criteria and guidelines necessary to ensure the implementation of this provision.
2. Funds appropriated in this item may not be allocated to support the instructional costs of a demonstration program that has been in operation for a period of five or more years.
3. In the 1999–00 fiscal year, the Superintendent of Public Instruction shall allocate funds appropriated in this item, based on reductions in existing program budgets in accordance with Provision 2, to new demonstration programs. The superintendent may retain up to 5 percent of funds appropriated in this item for the statewide dissemination of demonstration program materials and for contracts with external agencies to provide technical assistance to demonstration program sites. New programs may be funded for a period of no more than six years.
4. Of the funds appropriated in this item, $79,000 is for the purpose of providing an adjustment for increases in average daily attendance at a rate of 1.47 percent and $77,000 is for the purpose of providing a cost-of-living adjustment at a rate of 1.41 percent.

6110-149-0001—For local assistance, Department of Education (Proposition 98), for school library materials..... 158,500,000

Provisions:

1. The funds appropriated in this item are available to fund the acquisition of school library materials pursuant to Article 7 (commencing with Section 18180) of Chapter 2 of Part 11 of the Education Code.
2. The funds appropriated in this item are for transfer to the Public Library Protection Fund by the Controller pursuant to Section 18182 of the Education Code. These funds shall be transferred to Item 6100-101-0975 to provide funding for the

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acquisition of school library materials pursuant to Article 7 (commencing with Section 18180) of Chapter 2 of Part 11 of the Education Code.	
6110-150-0001—For local assistance, Department of Education (Proposition 98), for transfer to Section A of the State School Fund, K–4 Classroom Libraries. Provisions:	25,000,000
1. The funds appropriated in this item are available to fund classroom libraries in kindergarten and grades 1 to 4, inclusive, pursuant to the program created by legislation enacted during the 1999–2000 Regular Session that becomes operative on or before January 1, 2000.	
6110-151-0001—For local assistance, Department of Education (Proposition 98), for transfer to Section A of the State School Fund, Program 10.30.050—California Indian Education Centers established pursuant to Article 6 (commencing with Section 33380) of Chapter 3 of Part 20 of the Education Code..... Provisions:	3,123,000
1. Of the funds appropriated in this item, $45,000 is for the purpose of providing an adjustment for increases in average daily attendance at a rate of 1.47 percent and $43,000 is for the purpose of providing a cost-of-living adjustment (COLA) at a rate of 1.41 percent.	
6110-152-0001—For local assistance, Department of Education, Program 10.30.050 ..... Provisions:	376,000
1. Funds appropriated in this item for Indian Education Centers are to carry out the provisions of Article 6 (commencing with Section 33380) of Chapter 3 of Part 20 of the Education Code.	
6110-156-0001—For local assistance, Department of Education (Proposition 98), for transfer to Section A of the State School Fund, for allocation by the Superintendent of Public Instruction to school districts, county offices of education, and other agencies for the purposes of Proposition 98 educational programs funded by this item, in lieu of the amount that otherwise would be appropriated pursuant to statute.... Schedule:	542,426,000
(a) 10.50.010.001-Adult Education.....508,687,000	
(b) 10.50.010.008-Remedial education services for participants in the CalWORKs..... 17,478,000	

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(c)	10.50.010.009-Local Education Agencies—Education Services for participants in CalWORKs.....	25,000,000
(d)	Reimbursements-CalWORKs.....	−8,739,000

Provisions:

1. Credit for participating in adult education classes or programs may be generated by a special day class pupil only for days in which the pupil has met the minimum day requirements set forth in Section 46141 of the Education Code.
2. The funds appropriated in Schedule (b) constitute the funding for both remedial education and job training services for participants in the CalWORKs program (Art. 3.2 (commencing with Sec. 11320) Ch. 2, Pt. 3, Div. 9, W.I.C.). Funds shall be apportioned by the Superintendent of Public Instruction for direct instructional costs only to school districts and Regional Occupational Centers and Programs (ROC/Ps) that certify that they are unable to provide educational services to CalWORKs recipients within their adult education block entitlement or ROC/P block entitlement, or both. However, of the funds appropriated by Schedule (b) of this item, an amount not to exceed $10,000,000, as negotiated through an interagency agreement between the State Department of Education and the State Department of Social Services, shall be provided for Adult Education Programs, and ROC/Ps for the purposes of providing instructional and training supportive services for CalWORKs eligible members. These services shall include any of the following: (a) career and educational guidance and counseling; (b) training related assessment; (c) transportation to the classroom or worksite during training; (d) job readiness training and services; (e) job development and placement; (f) post-employment support and followup to ensure job retention; (g) coordination and referrals to other services provided through the State Department of Social Services, the Employment Development Department, the Private Industry Council, community colleges, the Department of Rehabilitation, the Economic Development Agency, and other community resources; (h) curriculum and instruction development to provide short-term in-

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tegrated programs leading to employment; (i) staff development costs resulting from policy development and training occurring between instructional staff and county welfare agencies in the coordination of the program; and (j) one-time excess program start up costs. Allocations shall be distributed by the Superintendent of Public Instruction as equal statewide dollar amounts, with no county receiving less than $25,000, based on the number of CalWORKs eligible family members served in the county, and subject to the instructional and training support services needed annually by each agency as identified in the county CalWORKs Instruction and Job Training Plan required by Section 10200 of the Education Code.

3. Providers receiving funds under this item for adult basic education, English as a Second Language, and English as a Second Language-Citizenship for legal permanent residents, shall, to the extent possible, grant priority for services to immigrants facing the loss of federal benefits under the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996. Citizenship and naturalization preparation services funded by this item shall include, to the extent consistent with applicable federal law, all of the following: (a) outreach services; (b) assessment of skills; (c) instruction and curriculum development; (d) staff development; (e) citizenship testing; (f) naturalization preparation and assistance; and (g) regional and state coordination and program evaluation.
4. Of the federal reimbursements appropriated in Schedule (b), $290,000 shall be available for transfer to Item 6110-001-0001 of Section 2.00 of this act for state operations to continue activities related to the development of a data collection system to obtain information on education and job training services provided to welfare recipient students and those in transition off of welfare through Adult Education and ROC/Ps. The State Department of Education shall work with the State Department of Social Services to ensure the data collection system meets the state's CalWORKs information needs regarding education and job training services provided to welfare re-

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cipient students and those in transition off of welfare. The State Department of Education shall work with the Department of Finance and the Legislative Analyst in determining the specific data elements of the system and shall meet all information technology reporting requirements of the Department of Information Technology and the Department of Finance.

5. The funds appropriated in Schedule (d) of this item shall be subject to the following:
   (a) The funds shall be used only for educational activities for welfare recipient students and those in transition off of welfare. The educational activities shall be limited to those designed to increase self-sufficiency, job training, and work. These activities shall be carried on in accordance with each local education agency's plan approved and developed pursuant to Chapter 2 (commencing with Section 10200) of Part 7 of the Education Code. These funds shall be used to supplement and not supplant existing funds and services provided for welfare recipient students and those in transition off of welfare.
   (b) Notwithstanding any other provision of law, each local education agency's individual cap for adult education and regional occupational center and programs (ROC/P's), average daily attendance shall not be increased as a result of the appropriations made by this section.
   (c) Funds may be claimed by local education agencies for services provided to welfare recipient students and those in transition off of welfare pursuant to this section only if all of the following occur:
      (1) Each local education agency has met the terms of the interagency agreement between the State Department of Education and the Department of Social Services pursuant to Provision 2 of this item.
      (2) Each local education agency has fully claimed its respective adult education or ROC/P average daily attendance cap for the current year.
      (3) Each local education agency has claimed the maximum allowable funds available

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under the interagency agreement pursuant to Provision 2 of this item.

(d) Each local education agency shall be reimbursed at the same rate as it would otherwise receive for services provided pursuant to this item or pursuant to Item 6110-105-0001 of Section 2.00 of this act, and shall comply with the program requirements for adult education pursuant to Chapter 10 (commencing with Section 52500) of Part 28 of the Education Code, and ROC/P requirements pursuant to Article 1 (commencing with Section 52300) of, and Article 1.5 (commencing with Section 52335) of, Chapter 9 of, Part 28 of the Education Code, respectively.

(e) Notwithstanding any other provision of law, funds appropriated in this section for average daily attendance (ADA) generated by participants in the CalWORKs program may be apportioned on an advance basis to local education agencies based on anticipated units of ADA if a prior application for this additional ADA funding has been approved by the Superintendent of Public Instruction.

(f) The Legislature finds the need for good information on the role of local education agencies in providing services to individuals who are eligible for or recipients of CalWORKs assistance. This information includes the extent to which local education programs serve public assistance recipients and the impact these services have on the recipients' ability to find jobs and become self-supporting.

(g) The State Department of Education shall develop a data and accountability system to obtain information on education and job training services provided through state-funded adult education programs and regional occupational centers and programs. The system shall collect information on (1) program funding levels and sources; (2) the types and amounts of services provided to program participants; (3) characteristics of participants; and (4) pupil and program outcomes. The department shall work with the Department of Finance and Legislative Analyst in determining the specific data elements of the system and shall

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	meet all information technology reporting requirements of the Department of Information Technology and the Department of Finance.	
	(h) As a condition of receiving funds provided in Schedule (d) of this item or any other General Fund appropriation made to the State Department of Education specifically for education and training services to welfare recipient students and those in transition off of welfare, local adult education programs and regional occupational centers and programs shall collect program and participant data as described in this section and as required by the State Department of Education. The State Department of Education shall require that local providers submit to the state aggregate data for the period July 1, 1999, through June 30, 2000.	
	(i) Beginning July 1, 1999, local providers shall provide data to the State Department of Education that permits a disaggregation of data to permit the identification for subgroups of participants of (1) types and levels of services, and (2) outcomes. The State Department of Education shall provide to local providers by July 1, 1999, a description of the specific reporting requirements needed to permit the disaggregation of data.	
	(j) Funds appropriated in this item which have been budgeted to meet the state's Temporary Assistance for Needy Families maintenance of effort requirement established pursuant to the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193) may not be expended in any way that would cause their disqualification as a federally allowable maintenance of effort expenditure.	
6110-156-0890—For local assistance, Department of Education, Program 10.50.010.001-Adult Education, payable from the Federal Trust Fund.....		42,284,000
Provisions:		
	1. Of the funds appropriated in this item, $12,570,000 shall be used for adult basic education for citizenship and naturalization services for legal permanent residents who are eligible for naturalization.	

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Citizenship and naturalization services shall include, for this purpose, to the extent consistent with federal law, all of the following: (a) outreach services; (b) assessment of skills; (c) instruction and curriculum development; (d) staff development; (e) citizenship testing; (f) naturalization preparation and assistance; and (g) regional and state coordination and program evaluation. The providers of the citizenship and naturalization services, for the purposes of this provision, shall be those community-based organizations, community colleges, and adult education programs approved for this purpose by the State Department of Education and the federal Immigration and Naturalization Service.

2. Under any grant awarded by the State Department of Education under this item to a qualifying community-based organization to provide adult basic education in English as a Second Language and English as a Second Language-Citizenship classes, the department shall make an initial payment to the organization of 25 percent of the amount of the grant. In order to qualify for an advance payment, a community-based organization shall submit an expenditure plan and shall guarantee that appropriate standards of educational quality and fiscal accountability are maintained. In addition, reimbursement of claims shall be distributed on a quarterly basis. The State Department of Education shall withhold 10 percent of the final payment of a grant as described in this provision until all claims for that community-based organization have been submitted for final payment.

3. (a) Notwithstanding any other provision of law, all nonlocal educational agencies (Non-LEA) receiving greater than $300,000 pursuant to this item shall submit an annual organizational audit, as specified, to the State Department of Education, Office of External Audits.

All audits shall be performed by one of the following: (1) a certified public accountant possessing a valid license to practice within California; (2) a member of the State Department of Education's staff of auditors; or (3) in-house auditors, if the entity receiving funds pursuant to this item is a public agency, and if

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the public agency has internal staff that performs auditing functions and meets the tests of independence found in Standards for Audits of Governmental Organization, Programs, Activities and Functions issued by the Comptroller General of the United States.

The audit shall be in accordance with State Department of Education Audit guidelines and Office of Management and Budget Circular No. A-133, Audits of Institutions of Higher Education and Other Non-Profit Institutions.

Non-LEA entities receiving funds pursuant to this item shall submit the annual audit no later than six months from the end of the agency fiscal year. If, for any reason, the contract is terminated during the contract period, the auditor shall cover the period from the beginning of the contract through the date of termination.

Non-LEA entities receiving funds pursuant to this item shall be held liable for all State Department of Education costs incurred in obtaining an independent audit if the contractor fails to produce or submit an acceptable audit.

(b) Notwithstanding any other provision of law, the State Department of Education shall annually submit to the Governor, Joint Legislative Budget Committee, and Joint Legislative Audit Committee limited scope audit reports of all sub-recipients it is responsible for monitoring that receive between $25,000 and $300,000 of federal awards, and that do not have an organizational wide audit performed. These limited scope audits shall be conducted in accordance with the State Department of Education Audit guidelines and Office of Management and Budget, Circular No. A-133. The State Department of Education may charge audit costs to applicable federal awards, as authorized by OMB, Circular No. A-133 Section 230(b)(2).

The limited scope audits shall include agreed upon procedures engagements conducted in accordance with either AICPA generally accepted auditing standards or attesta-

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tion standards, and address one or more of the following types of compliance requirements: allowed or unallowed activities; allowable costs and cost principles; eligibility; matching; level of effort; earmarking; and reporting. The State Department of Education shall contract for the limited scope audits with a certified public accountant possessing a valid license to practice within the state or with an independent auditor. 4. On or before March 1, 2000, the State Department of Education shall report to the appropriate subcommittees of the Assembly Budget Committee and the Senate Budget and Fiscal Review Committee on the following aspects of the implementation of Title II of the federal Workforce Investment Act: (a) the make-up of those adult education providers that applied for competitive grants under Title II and those that obtained grants, by size, geographic location, and type (school district, community colleges, community-based organizations, other local entities); (b) the results of a mid-year report on the extent to which participating programs were able to meet planned performance targets; and (c) a breakdown of the types of courses (ESL, ESL citizenship, ABE, ASE) included in the performance targets of participating agencies. It is the intent of the Legislature that the Legislature and State Department of Education utilize the information provided pursuant to this provision to (a) evaluate whether any changes need to be made to improve the implementation of the accountability-based funding system under Title II and (b) evaluate the feasibility of any future expansion of the accountability-based funding system using state funds.	
6110-158-0001—For local assistance, Department of Education (Proposition 98), for transfer by the Controller to Section A of the State School Fund in lieu of the amount that otherwise would be appropriated pursuant to Section 41841.5 of the Education Code, Program 10.50.010.002—Adults in Correctional Facilities	16,293,000

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Provisions:

1. Notwithstanding any other provision of law, the amount appropriated in this item and any amount allocated for this program in this act shall not exceed, in the aggregate, the maximum amount allocated for the purposes of Section 41841.5 of the Education Code.
2. Notwithstanding Section 41841.5 of the Education Code or any other provision of law, the amount appropriated in this item shall be allocated based upon prior-year rather than current-year expenditures.
3. Notwithstanding any other provision of law, funding distributed to each local education agency (LEA) for reimbursement of services provided in the 1999–00 fiscal year for the Adults in Correctional Facilities program shall be limited to the amount received by that agency for services provided in the 1998–99 fiscal year, as increased by $406,000 for growth in services and $297,000 for cost-of-living adjustments, not to exceed a total of $16,957,000 for all programs. Funding shall be reduced or eliminated, as appropriate, for any LEA that reduces or eliminates services provided under this program in the 1999–00 fiscal year, as compared to the level of service provided in the 1998–99 fiscal year. Any funds remaining as a result of those decreased levels of service shall be allocated to provide support for new programs in accordance with Section 41841.8 of the Education Code.
4. Notwithstanding any other provision of law, funding distributed to each LEA for reimbursement of services provided in the 1998–99 fiscal year for the Adults in Correctional Facilities program shall be limited to the amount received by that agency for services provided in the 1997–98 fiscal year, as increased by $389,000 for growth in services and $347,000 for cost-of-living adjustments, not to exceed a total of $16,293,000 for all programs. Funding shall be reduced or eliminated, as appropriate, for any LEA that reduces or eliminates services provided under this program in the 1998–99 fiscal year, as compared to the level of service provided in the 1997–98 fiscal year. Any funds remaining as a result of those decreased levels of service shall be allocated to provide support for

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new programs in accordance with Section 41841.8 of the Education Code.

5. Notwithstanding any other provision of law, funds appropriated by this item for growth in average daily attendance first shall be allocated to programs that are funded for 20 units or less of average daily attendance, up to a maximum of 20 additional units of average daily attendance per program.

6110-161-0001—For local assistance, Department of Education (Proposition 98), Program 10.60-Special Education Programs for Exceptional Children..... 2,256,695,000

Schedule:

(a) 10.60.050.003-Special education instruction..... 2,209,074,188

(b) 10.60.050.080-Early Education Program for Individuals with Exceptional Needs 62,015,812

(c) Reimbursements for Early Education Program, Part C .....–14,395,000

Provisions:

1. Funds appropriated by this item are for transfer by the Controller to Section A of the State School Fund, in lieu of the amount that otherwise would be appropriated for transfer from the General Fund in the State Treasury to Section A of the State School Fund for the 1999–00 fiscal year pursuant to Sections 14002 and 41301 of the Education Code, for apportionment pursuant to Part 30 (commencing with Section 56000) of the Education Code, superseding all prior law.
2. Of the amount appropriated in Schedule (a) of this item, $35,109,000, plus the cost-of-living adjustment (COLA), shall be available for program growth pursuant to Section 56836.15 of the Education Code.
3. Of the funds appropriated in Schedule (a) of this item, $9,329,000, plus the COLA, shall be available for the purchase, repair, and inventory maintenance of specialized books, materials, and equipment for pupils with low-incidence disabilities, as defined in Section 56026.5 of the Education Code.
4. Of the funds appropriated in Schedule (a) of this item, $7,181,000, plus the COLA, shall be available for the purposes of vocational training and job placement for special education pupils

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through Project Workability I pursuant to Article 3 (commencing with Section 56470) of Chapter 4.5 of Part 30 of the Education Code. As a condition of receiving these funds, each local educational agency shall certify that the amount of nonfederal resources, exclusive of funds received pursuant to this provision, devoted to the provision of vocational education for special education pupils shall be maintained at or above the level provided in the 1984–85 fiscal year. The Superintendent of Public Instruction may waive this requirement for local educational agencies that demonstrate that the requirement would impose a severe hardship.

5. Of the funds appropriated in Schedule (a) of this item, $3,754,000, plus the COLA, shall be available for regional occupational centers and programs that serve pupils having disabilities, and $67,216,000, plus the COLA, shall be available for regionalized program specialist services, including $2,079,000 for small special education local plan areas (SELPAs) pursuant to Section 56836.24 of the Education Code.
6. Of the funds appropriated in Schedule (a), $23,022,000 is provided for an adjustment for low incidence disabilities, based on the results of the study required by Section 67 of Chapter 854 of the Statutes of 1997.
7. Of the funds appropriated in Schedule (a), $1,000,000 is provided for extraordinary costs associated with single placements in nonpublic, nonsectarian schools, pursuant to Section 56836.21 of the Education Code.
8. Of the funds appropriated in Schedule (a), a total of $34,541,000 is available for equalization funding pursuant to Section 56836.14 of the Education Code.
9. Of the funds appropriated in Schedule (a), a total of $107,976,000, plus the COLA, is available to fully fund the costs of children placed in licensed children's institutions who attend nonpublic schools.
10. Of the amount appropriated in Schedule (b) of this item, $718,000, plus the COLA, shall be available for infant program growth units (ages birth–two years). Funds for infant units shall be allocated pursuant to Provision 11 of this item,

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with the following average number of pupils per unit:
(a) For special classes and centers—16.
(b) For resource specialist programs—24.
(c) For designated instructional services—16.

11. Notwithstanding any other provision of law, early education programs for infants and toddlers shall be offered for 200 days. Notwithstanding Sections 56766 and 56731 and paragraph (2) of subdivision (e) of Section 56737 of the Education Code, the State Department of Education shall allocate funds for the 1999–00 fiscal year to those programs receiving allocations for instructional units pursuant to Section 56432 of the Education Code for the Early Education Program for Individuals with Exceptional Needs operated pursuant to Chapter 4.4 (commencing with Section 56425) of Part 30 of the Education Code, based on computing 200-day entitlements. For educational services for children with exceptional needs, birth through two years of age, no funds shall be allocated pursuant to Section 56726 of the Education Code. The 200-day entitlements shall not exceed 111 percent of the current entitlement for each educational agency.

12. Notwithstanding Chapter 7 (commencing with Section 56700) of Part 30 of the Education Code, state funds appropriated in Schedule (b) of this item in excess of the amount necessary to fund the deficited entitlements pursuant to Section 56432 of the Education Code and Provision 11 of this item shall be available for allocation by the State Department of Education to local educational agencies for the operation of programs serving solely low-incidence infants and toddlers pursuant to Title 14 (commencing with Section 95000) of the Government Code. These funds shall be allocated to each local educational agency at a rate of $6,849 per solely low-incidence child through age two, for each child in excess of the number of solely low-incidence children through age two served by the local educational agency during the 1992–93 fiscal year and reported on the April 1993, pupil count. These funds shall only be allocated if the amount of reimbursement received from the State De-

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	partment of Developmental Services is insufficient to fully fund the costs of operating the Early Intervention Program, as authorized by Title 14 (commencing with Section 95000) of the Government Code.	
	13. The State Department of Education, through coordination with the SELPAs, shall ensure local interagency coordination and collaboration in the provision of early intervention services, including local training activities, child find activities, public awareness, and the family resource center activities.	
	14. The Department of Finance, the State Department of Education, and the Legislative Analyst shall work in collaboration to convene a working group of individuals with knowledge in the area of special education. The purpose of this group shall be to review the issue of education funding for Licensed Children's Institutions (LCI), including nonpublic school/agency (NPS) services for that population. The review shall also include, but not be limited to, funding issues resulting from inter-SELPA transfers, the opening of new LCIs or NPSs during the school year, and LCI placement practices that may be impacting special education funding. Based on this review, the Department of Finance, the State Department of Education, and the Legislative Analyst shall report to the education fiscal and policy committees of the Legislature any recommended change in status or funding, or both, for LCIs or NPSs, or both, on or before November 1, 1999. If the working group determines there is a need for additional funding, it is the intent of the Legislature that the appropriate amount be provided for this purpose in the Budget Act of 2000 for that fiscal year and for prior fiscal years, as applicable.	
	15. Of the amount provided in Schedule (a), $38,389,000 is provided for a COLA.	
	16. Of the amount provided in Schedule (b), $851,000 is provided for a COLA.	
6110-161-0890—For local assistance, Department of Education, payable from the Federal Trust Fund, Program 10.60-Special Education Programs for Exceptional Children		453,198,000

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	Schedule:	
	(a) 10.60.030.910-IDEA, Title VIC, Deaf-Blind Center	878,000
	(b) 10.60.050.012-Local Agency Entitlements, IDEA Special Education	367,112,000
	(c) 10.60.050.013-State Agency Entitlements, IDEA Special Education	1,855,000
	(d) 10.60.050.015-IDEA, Local Entitlements, Preschool Program	24,292,000
	(e) 10.60.050.021-IDEA, Capacity Building, Special Education	20,436,000
	(f) 10.60.050.030-PL 99-457, Preschool Grant Program	36,779,000
	(g) 10.060.050.031-IDEA, State Improvement Grant, Special Education	1,846,000

Provisions:

1. If the funds for Part B of the federal Individuals with Disabilities Education Act that are actually received by the state exceed $427,764,149, at least 95 percent of the funds received in excess of that amount shall be allocated for local entitlements and to state agencies with approved local plans. Five percent of the amount received in excess of $427,764,149 may be used for state administrative expenses. If the funds for Part B of the federal Individuals with Disabilities Education Act that are actually received by the state are less than $427,764,149, the reduction shall be taken in capacity building.
2. The funds appropriated in Schedule (c) shall be distributed to state-operated programs serving disabled children from 3 to 21 years of age, inclusive. In accordance with federal law, the funds appropriated in Schedules (b) and (c) shall be distributed to local and state agencies on the basis of an equal amount per eligible, identified pupil.
3. Of the funds appropriated in Schedule (e) of this item, up to $1,000,000 may be used to fund licensed children's institution growth units pursuant to Section 56776 of the Education Code. These funds are to be used for instructional units only.
4. Pursuant to Section 56427 of the Education Code, of the funds appropriated in Schedule (e) of this

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item, up to $2,324,000 may be used to provide funding for infant programs, and may be used for those programs that do not qualify for funding pursuant to Section 56432 of the Education Code. Of these funds, $100,000 shall be available, subject to approval of a work plan by the Department of Finance, to conduct follow up activities related to the funding studies and funding plan submitted pursuant to Provisions 12 and 13 of Item 6110-161-001 of Section 2.00 of the Budget Act of 1995.

5. Of the funds appropriated in Schedule (e) of this item, $8,475,000 shall be allocated to local education agencies for the purposes of Project Workability I.
6. Of the funds appropriated in Schedule (e) of this item, $1,700,000 shall be used to provide specialized services to pupils with low-incidence disabilities, as defined in Section 56026.5 of the Education Code.
7. Of the funds appropriated in Schedule (e) of this item, up to $3,617,000 shall be used for a personnel development program. This program shall include state-sponsored staff development, local in-service components, bilingual, student study team, and core curriculum components. Of this amount, a minimum of $2,500,000 shall be allocated directly to special education local plan areas. The local in-service programs shall include a parent training component and may include a staff training component. Use of these funds shall be described in the local plans. These funds may be used to provide training in alternative dispute resolution and the local mediation of disputes. All programs are to include evaluation components.
8. Of the funds appropriated in Schedule (e) of this item, up to $200,000 shall be used for research and training in cross-cultural assessments.
9. Of the funds appropriated in Schedule (e) of this item, up to $300,000 shall be used to develop and test procedures, materials, and training for alternative dispute resolution in special education.
10. Of the funds appropriated by Schedule (f) for the Preschool Grant Program, $1,228,000 shall be used for in-service training and shall include a parent training component and may, in addition, include a staff training program. These funds

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	may be used to provide training in alternative dispute resolution and the local mediation of disputes. This program shall include state-sponsored and local components.	
	11. Of the funds appropriated in this item, $2,800,000 is available for local assistance grants in the pilot year of the Quality Assurance and Focused Monitoring Pilot Program developed by the State Department of Education for the purpose of monitoring local education agency compliance with state and federal laws and regulations governing special education. It is the intent of the Legislature that this funding level be used to conduct a minimum of eight "facilitated reviews" during the 1999–00 fiscal year, and that, to the extent consistent with the key performance indicators developed by the State Department of Education, these activities focus on local education agencies identified by the United States Department of Education's Office of Special Education Programs in its 1998 and 1999 reviews. The State Department of Education shall, on or before December 1, 1999, and on or before April 15, 2000, report to the Legislative Analyst, the Department of Finance, and the appropriate fiscal and policy committees of the Legislature on the progress and results of the Quality Assurance Focused Monitoring Program and any statutory authority or fiscal adjustments needed. Of the $2,800,000 available for this purpose, $1,400,000 shall be available on a one-time basis.	
6110-163-0001—For local assistance, Department of Education (Proposition 98), for transfer to Section A of the State School Fund, Program 10.60.060.010—The Early Intervention for School Success Program established pursuant to Article 4.5 (commencing with Section 54685) of Chapter 9 of Part 29 of the Education Code		1,903,000
Provisions:		
	1. Of the funds appropriated in this item, $27,000 is for the purpose of providing an adjustment for increases in average daily attendance at a rate of 1.47 percent and $26,000 is for the purpose of providing a cost-of-living adjustment (COLA) at a rate of 1.41 percent.	

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6110-165-0001—For local assistance, Department of Education ..... Schedule: (a) 10.70-Vocational Education..... 21,897,000 (b) Reimbursements .....–14,875,000 Provisions: 1. $13,846,000 of the funds appropriated in this item are for the purpose of the federal Job Training Partnership Act. 2. Notwithstanding any other provision of law, of the funds appropriated in this item, $7,022,000 are available for the purpose of matching Job Training Partnership Act funds available under Section 1602(b)(1) of Title 29 of the United States Code. The Superintendent of Public Instruction shall allocate these funds for the provision of education in conjunction with occupational skills training pursuant to Section 33117.5 of the Education Code in the following order of priority: (1) to persons participating in welfare-to-work activities under the CalWORKs program as described in Article 3.2 (commencing with Section 11320) of Chapter 2 of Part 3 of Division 9 of the Welfare and Institutions Code; and (2) to persons eligible for Job Training Partnership Act program funds but not receiving assistance under the CalWORKs program.	7,022,000
6110-166-0001—For local assistance, Department of Education (Proposition 98), Program 10.70.070-Vocational Education, for the purpose of Article 5 (commencing with Section 54690) of Chapter 9 of Part 29 of the Education Code, Partnership Academies Program..... Provisions: 1. Of the funds appropriated in this item, $840,000 shall continue to fund 20 partnership academies first funded in Provision 1 of Item 6110-166-0001 of Section 2.00 of the Budget Act of 1998 (Ch. 324, Stats. 1998). The funds shall be for the purpose of funding the first operational year of the 20 partnership academies at the level prescribed in Section 54691 of the Education Code. These first operational year grants shall be targeted to partnership academies in high schools in eligible school districts (as specified in Sections 54692 and 54693 of the Education Code) that serve the	16,276,000

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highest proportions of economically disadvantaged pupils.

2. Of the funds appropriated in this item $1,800,000 shall continue to fund 25 partnership academies first established in Provision 2 of item 6110-166-0001 of Section 2.00 of the Budget Act of 1998 (Ch. 324, Stats. 1998). The funds shall be for the purposes of funding 25 second operational year partnership academies at the level prescribed in Section 54691 of the Education Code. These second operational year grants shall be targeted to partnership academies in high schools in eligible school districts (as specified in Sections 54692 and 54693 of the Education Code) that serve the highest proportions of economically disadvantaged pupils.
3. If there are any funds in this item that are not allocated for planning or operational grants, the State Department of Education may allocate those remaining funds as one-time grants to state-funded partnership academies to be used for one-time purposes.
4. Of the funds appropriated in this item $1,200,000 shall be for the purpose of funding 20 partnership academy planning grants pursuant to Article 5 (commencing with Section 54690) of Chapter 9 of Part 29 of the Education Code and 20 first operational year partnership academies at the level prescribed in Section 54691 of the Education Code.
5. It is the intent of the Legislature that first priority for the new partnership academies be given to partnership academies that promote teaching careers, provided that these academies are consistent with Article 5 (commencing with Section 54690) of Chapter 9 of Part 29 of the Education Code.

6110-166-0890—For local assistance, Department of Education, Program 10.70-Vocational Education, payable from the Federal Trust Fund..... 119,613,000

Provisions:

1. The funds appropriated in this item include Federal Vocational Education Act funds for the 1999–00 fiscal year to be transferred to the community colleges by means of interagency agreements for the purpose of funding vocational education programs in community colleges.

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	2. The State Board of Education and the Board of Governors of the California Community Colleges shall target funds appropriated by this item to provide services to persons participating in welfare-to-work activities under the CalWORKs program.	
	3. The Superintendent of Public Instruction shall report, not later than February 1 of each year, to the Joint Legislative Budget Committee and the Director of Finance, describing the amount of carryover funds from this item, reasons for the carryover, and plans to reduce the amount of carryover.	
6110-167-0001—For local assistance, Department of Education (Proposition 98), for transfer to Section A of the State School Fund, Program 10.70—Agricultural Vocational Education Incentive Program established pursuant to Article 7.5 (commencing with Section 52460) of Chapter 9 of Part 28 of the Education Code		3,798,000
Provisions:		
	1. Of the funds appropriated in this item, $54,000 is for the purpose of providing an adjustment for increases in average daily attendance at a rate of 1.47 and $53,000 is for the purpose of providing a cost-of-living adjustment (COLA) at a rate of 1.41 percent.	
	2. As a condition of receiving funds appropriated in this item, a school district shall certify to the Superintendent of Public Instruction both of the following:	
	(a) Agricultural Vocational Education Incentive Program funds shall be expended for the items identified in its application, except that, in items of expenditure classification 4000, only the total cost of expenses shall be required and itemization shall not be required.	
	(b) The school district shall provide at least 50 percent of the cost of the items and costs from expenditure classification 4000, as identified in its application, from other funding sources. Nothing in this provision shall be construed to limit the authority of the Superintendent of Public Instruction to waive the local matching requirement established by subdivision (b) of Section 52461.5 of the Education Code.	

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6110-176-0890—For local assistance, Department of Education, Program 10.40.030-Emergency Immigrant Education, payable from the Federal Trust Fund	39,174,000
6110-177-0001—For local assistance, Department of Education (Proposition 98), Program 20.10.035-Local Arts Education Partnership Grant Program....	6,000,000
Provisions: 1. The funds appropriated in this item shall be used for arts education programs conducted by local education agencies pursuant to guidelines developed by the State Department of Education and approved by the State Board of Education.	
6110-180-0001—For local assistance, Department of Education (Proposition 98), for transfer to Section A of the State School Fund, Program 20.10.025—Institute for Computer Technology established pursuant to Article 8 (commencing with Section 52480) of Chapter 9 of Part 28 of the Education Code.....	503,000
Provisions: 1. Of the funds appropriated in this item, not more than $100,000 may be used to disseminate curriculum developed by the Institute for Computer Technology (Art. 8 (commencing with Sec. 52480), Ch. 9, Pt. 28, Ed.C.). 2. Of the funds appropriated in this item, $7,000 is for the purpose of providing an adjustment for increases in average daily attendance at a rate of 1.47 percent and $7,000 is for the purpose of providing a cost-of-living adjustment (COLA) at a rate of 1.41 percent for the Institute for Computer Technology programs (Art. 8 (commencing with Sec. 52840), Ch. 9, Pt. 28, Ed. C.).	
6110-180-0890—For local assistance, Department of Education, Program 20.10.025-Educational Technology, payable from the Federal Trust Fund	45,204,000
Provisions: 1. The funds appropriated in this item are for allocation to school districts that are awarded competitive grants pursuant to the federal Technology Literacy Challenge Grant Program. The State Board of Education shall review and approve any changes to the criteria and procedure used in the application and award of grant funds during the 1998–99 fiscal year prior to the release by the Superintendent of Public Instruction of the application form to school districts.	

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2. The State Department of Education shall collaborate with the California Research Bureau regarding recent advances in the understanding of early brain development of children enrolled in kindergarten, and grades 1 to 6, inclusive, and shall incorporate the resulting findings for the use of technology into the guidelines for integration of technology into the curriculum.	
6110-181-0001—For local assistance, Department of Education (Proposition 98), for transfer to Section A of the State School Fund Program 20.10.025—Educational Technology programs funded pursuant to Chapter 5 (commencing with Section 51870) of Part 28 of the Education Code	22,364,000
Provisions:	
1. Of the funds appropriated in this item, $319,000 is for the purpose of providing an adjustment for increases in average daily attendance at a rate of 1.47 percent and $311,000 is for the purpose of providing a cost-of-living adjustment (COLA) at a rate of 1.41 percent.	
6110-181-0140—For local assistance, Department of Education, Program 20.10.055-Environmental Education, payable from the California Environmental License Plate Fund	800,000
6110-183-0890—For local assistance, Department of Education, Program 20.10.045-Health and Physical Education, Instructional Support—Safe and Drug Free Schools and Communities Act of 1994 (Public Law 103-382).....	45,494,000
Provisions:	
1. Local education agencies shall give priority in the expenditure of the funds appropriated by this item to create comprehensive drug and violence prevention programs that promote school safety, reduce the use of drugs, and create learning environments that are free of alcohol and guns and that support academic achievement for all pupils. In addition to preventing drug and alcohol use, prevention programs will respond to the crisis of violence in our schools by addressing the need to prevent serious crime, violence, and discipline problems. The Superintendent of Public Instruction shall (a) notify local education agencies of this policy, and (b) incorporate the policy into the department's compliance review procedures.	

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6110-184-0001—For local assistance, Department of Education (Proposition 98), Program 20.10.025-Educational Technology	106,921,000
Provisions:	
1. The funds appropriated in this item are to fund grants to school districts pursuant to the Digital High School Program, established pursuant to Chapter 326 of the Statutes of 1997.	
2. Of this amount, $30,921,000 shall be available on a one-time basis in the 1999–00 fiscal year.	
6110-185-0001—For local assistance, Department of Education (Proposition 98), for transfer by the Controller to the State Instructional Materials Fund, Program 20.20.020.002-Instructional Materials, Grades 9–12	32,116,000
Provisions:	
2. Of the amount appropriated in this item, $769,000 is for the purpose of providing an adjustment for increase in average daily attendance at a rate of 2.49 percent and $447,000 is for the purpose of providing a cost of living adjustment (COLA) at a rate of 1.41 percent for instructional materials for grades 9 to 12, inclusive.	
6110-186-0001—For local assistance, Department of Education (Proposition 98), for transfer by the Controller to the Instructional Materials Fund, Program 20.20.020.001—Instructional Materials, Kindergarten and Grades 1–8	125,946,000
Provisions:	
2. Of the amount appropriated in this item, $1,799,000 is for the purpose of providing an adjustment for increases in average daily attendance at a rate of 2.49 percent and $1,751,000 is for the purpose of providing a cost-of-living adjustment (COLA) at a rate of 1.41 percent for instructional materials for kindergarten and grades 1 to 8, inclusive.	
6110-187-0001—For local assistance, Department of Education (Proposition 98), for transfer to Section A of the State School Fund, for a cost-of-living increase to be transferred to, in lieu of the amount that otherwise would be provided pursuant to statute, and in augmentation of, the respective appropriation by the Controller upon enactment in accordance with the following	433,000

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Schedule:		
(1) 10.10.011.005-School Apportionments, Continuation Schools (Section 42243.7 of the Education Code)		433,000
Provisions:		
1. (a) Notwithstanding any other provision of law, the funds appropriated in Schedule (1) of this item for school apportionments to continuation schools shall be allocated on a dollar amount basis rather than as a percentage increase, and shall be allocated to any school district that operated a continuation high school in the 1998–99 fiscal year, without regard to whether that district's program commenced on, after, or prior to July 1, 1978. The amount allocated to each school district shall be equal to the total amount appropriated by Schedule (1) of this item, divided by the total number of units of continuation high school average daily attendance (ADA) for the state at the second principal apportionment for the 1998–99 fiscal year, multiplied by the units of that ADA reported by the district for the second principal apportionment for the 1998–99 fiscal year.		
(b) The total amount allocated pursuant to subdivision (a) of this provision shall not exceed the total amount of the funds appropriated in Schedule (1) of this item.		
6110-188-0001—For local assistance, Department of Education (Proposition 98), for transfer to the State School Deferred Maintenance Fund		143,700,000
Provisions:		
1. The funds appropriated in this item shall be transferred to the State School Deferred Maintenance Fund and shall be available for funding applications received by the Office of Public School Construction for the purpose of payments to school districts for deferred maintenance projects funded pursuant to Section 39619 of the Education Code.		
2. The funds appropriated in this item shall be available for remediation of problems related to lead in drinking water at public schools. Expenditures for this purpose shall be considered a priority.		

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6110-190-0001—For local assistance, Department of Education (Proposition 98), Program 10-School Apportionments, Community Day Schools..... 30,423,000
Provisions:
1. The funds appropriated in this item are for transfer to Section A of the State School Fund to reimburse costs incurred pursuant to Chapter 974 of the Statutes of 1995 as amended by Chapter 847 of the Statutes of 1998.
2. Funds appropriated in this item shall not be available for the purposes of Section 41972 of the Education Code.
3. Of the funds appropriated in this item, $423,000 is for the purpose of providing a cost-of-living adjustment (COLA) to community day schools, in lieu of the amount that would otherwise be provided pursuant to statute.

6110-191-0001—For local assistance, Department of Education (Proposition 98), for transfer to Section A of the State School Fund, Program 20.60.050.002-Beginning Teacher Support and Assessment System 51,344,000
Provisions:
1. The funds appropriated in this item are for direct disbursement by the State Department of Education for the Beginning Teacher Support and Assessment System, as set forth in Article 4.5 (commencing with Section 44279.1) of Chapter 2 of Part 25 of the Education Code. These funds, and the funds referred to in Provision 2, shall be expended only after development of a program and expenditure plan by the State Department of Education, and approval of the plan by the Department of Finance.
2. For 1999–00, total funding of $72,052,000 is available for the Beginning Teacher Support and Assessment System. This includes the $51,344,000 in this item, $328,000 in Item 6110-235-0001, and $20,380,000 reappropriated in Item 6110-493.

6110-192-0001—For local assistance, Department of Education (Proposition 98)..... 1,000,000
Schedule:
(a) 20.60.050.007-High School Coach Training..... 1,000,000
Provisions:
1. The funds appropriated in Schedule (a) are for grants for high school coach training as set forth

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in Article 4.5 (commencing with Section 35179) of Chapter 2 of Part 21 of the Education Code.		
6110-193-0001—For local assistance, State Department of Education (Proposition 98), Program 20.60-Staff Development		25,826,000
Schedule:		
(a) 20.60.010.001-Administrator Training and Evaluation Program	4,633,000	
(b) 20.60.050.004-School Development Plans and Resource Consortia	19,615,000	
(c) 20.60.070-Bilingual Teacher Training Program	1,578,000	

Provisions:

1. The funds appropriated in this item are for transfer by the Controller to Section A of the State School Fund, for allocation by the Superintendent of Public Instruction to school districts, county offices of education, and other educational agencies for purposes of the Proposition 98 programs funded in this item, in lieu of the amounts otherwise provided for those programs by statute.
2. Notwithstanding any other provision of law, the amount appropriated in Schedule (a) shall be the maximum amount of Proposition 98 funds allocated for the purposes of the administrator training and evaluation program established pursuant to Article 3 (commencing with Section 44681) of Chapter 3.1 of Part 25 of the Education Code. Funds appropriated in Schedule (a) include $66,000 for the purpose of making adjustments for increases in average daily attendance at a rate of 1.47 percent and $64,000 is for the purpose of providing a cost-of-living adjustment (COLA) at a rate of 1.41 percent.
3. Notwithstanding any other provision of law, the amount appropriated in Schedule (b) shall be the maximum amount allocated for the purposes of the school development plans authorized pursuant to Article 1 (commencing with Section 44670.1) of Chapter 3.1 of Part 25 of the Education Code and the resource agencies or consortiums designated pursuant to Article 2 (commencing with Section 44680) of Chapter 3.1 of Part 25 of the Education Code. Funds appropriated in Schedule (b) include $280,000 for the purposes of making adjustments for increases in average daily atten-

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dance at a rate of 1.47 percent and $273,000 is for the purpose of providing a cost-of-living adjustment (COLA) at a rate of 1.41 percent.

4. Notwithstanding any other provision of law, the amount appropriated in Schedule (c) shall be the maximum amount allocated for the purposes of the Bilingual Teacher Training Assistance Program established by Article 4 (commencing with Section 52180) of Chapter 7 of Part 28 of the Education Code. Funds appropriated in Schedule (c) include $23,000 for the purpose of making adjustments for increases in average daily attendance at a rate of 1.47 percent and $22,000 is for the purpose of providing a cost-of-living adjustment (COLA) at a rate of 1.41 percent.

6110-194-0001—For local assistance, Department of Education—Staff Development 3,201,000

Schedule:

(a) 20.60.010.001-Administrator Training and Evaluation Program 1,593,000
(b) 20.60.080-Exploratorium 1,503,000
(c) 20.60.125-Geography Education Alliances 105,000

Provisions:

1. The funds appropriated in this item are for transfer by the Controller to Section A of the State School Fund, for direct disbursement by the State Department of Education in lieu of the amount that otherwise would be appropriated for staff development pursuant to subdivision (a) of Section 74 of Chapter 894 of the Statutes of 1977.
2. Notwithstanding any other provision of law, the amount appropriated in Schedule (a) of this item shall be the maximum amount allocated from the General Fund for the 1999–00 fiscal year for the purposes of the administrator training and evaluation program set forth in Article 3 (commencing with Section 44681) of Chapter 3.1 of Part 25 of the Education Code.

6110-195-0001—For local assistance, Department of Education, High School Academic Block Grant..... 29,000,000

Provisions:

1. The funds appropriated in this item are for allocation to any school district serving pupils in any of grades 9 to 12, inclusive, to serve pupils only in these grades. Allocations made pursuant to this item shall be made on the basis of an equal

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	amount per pupil enrolled in grades 9 to 12, inclusive, in October of the prior fiscal year.	
	2. It is the intent of the Legislature that funding received pursuant to this item be used to prepare pupils in grades 9 to 12, inclusive, to pass the High School Exit Examination established pursuant to Chapter 8 (commencing with Section 60850) of Part 33 of the Education Code. In addition, school districts may use this funding for other programs to improve academic achievement of these pupils.	
6110-196-0001	—For local assistance, Department of Education (Proposition 98), for transfer by the Controller to Section A of the State School Fund, for allocation by the Superintendent of Public Instruction to school districts, county offices of education, and other agencies for the purposes of Proposition 98 educational programs funded in this item, in lieu of the amount that otherwise would be appropriated pursuant to statute	904,750,000
	Schedule:	
	(a) 30.10.010-Special Program, Child Development Preschool Education.....204,633,000	
	(b) 30.10.020-Child Care Services . 1,281,964,000	
	(1) 30.10.020.001-Special Program, Child Development, General Child Development Programs.. 458,136,000	
	(2) 30.10.020.002-Special Program, Child Development, Community College Match-Required Center..... 2,730,000	
	(3) 30.10.020.003-Special Program, Child Development, High School Parenting and Infant Development.....21,569,000	

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(4)	30.10.020.004-Special Program, Child Development, Migrant Day Care	22,473,000
(5)	30.10.020.007-Special Program, Child Development, Alternative Payment Program	191,062,000
(5.1)	30.10.020.011-Special Program, Child Development, Alternative Payment Program-Stage 2	449,845,000
(5.2)	30.10.020.012-Special Program, Child Development, Alternative Payment Program-Stage 3	51,714,000
(6)	30.10.020.008-Special Program, Child Development, Resource and Referral	14,838,000
(7)	30.10.020.009-Special Program, Child Development, Campus Child Care Tax Bailout	5,218,000
(8)	30.10.020.015-Special Program, Child Development, Extended Day Care	27,549,000
(9)	30.10.020.096-Special Program, Child Development, Allowance for Handicapped	1,342,000

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(10) 30.10.020.106-Special Program, Child Development, California Child Care Initiative	250,000	
(11) 30.10.020.901-Special Program, Child Development, Quality Improvement	35,238,000	
(c) 30.10.070-After School Programs		(35,000,000)
(d) 30.10.020.908-Special Program, Child Development, Cost-of-Living Adjustments		13,562,000
(e) Amount Payable from the Federal Trust Fund (Item 6110-196-0890)		-630,409,000

Provisions:

1. (aa) $23,000,000 of the amount in Schedule (a) of this item is for expansion of the Half-Day Preschool Program beginning January 1, 2000. The State Department of Education shall prioritize funding allocations to underserved areas.

(a) Of the amount appropriated in Schedule (a) of this item, $15,700,000 is for the purpose of providing full-year funding to expand the existing half-day preschool program as initiated with a $15,700,000 augmentation as specified in Provision 1(a) of Item 6110-196-0001 of Section 2.00 of the Budget Act of 1998 (Ch. 324, Stats. 1998).

(b) Of the funds appropriated in Schedule (b)(1) of this item, $10,000,000 is for the purpose of providing full-year funding for the expansion of child care services for infants and toddlers initiated with a $10,000,000 augmentation in the Budget Act of 1998, as specified in Provision 1(b) of Item 6110-196-0001 of Section 2.00 of Chapter 324 of the Statutes of 1998.

(c) Funds allocated for annualized expansion shall not be used for a cost-of-living adjustment for existing contracted services. It is the intent of the Legislature that, notwithstanding Section 8263 of the Education Code, the State Department of Education allocate these funds

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to expand child care and development services to infants and children under three years of age.

2. Notwithstanding Section 8278 of the Education Code, funds available for expenditure pursuant to Section 8278 of the Education Code shall be expended in the 1999–00 fiscal year pursuant to the following schedule:

(a) The amount necessary for accounts payable pursuant to paragraph (1) of subdivision (b) of Section 8278 of the Education Code.

(aa) $1,000,000 shall be used to publish, disseminate, and train both exempt and licensed providers in the use of prekindergarten learning and development guidelines developed pursuant to Section 8203.3 of the Education Code.

(aaa) The following amounts shall be allocated for the following purposes: $1,000,000 for Trustline registration workload (Ch. 3.35 (commencing with Sec. 1596.60), Div. 2, H. & S.C.); $5,300,000 for Local Child Care Planning Councils established pursuant to Article 15.5 (commencing with Section 8350) of Chapter 2 of Part 6 of the Education Code; $500,000 for health and safety training for licensed and exempt child care providers; and $300,000 for the Health Hotline.

(b) Of the funds available pursuant to Section 8278 of the Education Code, as scheduled under this item for quality improvement activities, the State Department of Education shall allocate $425,000 to preschool education projects including, but not limited to, those operated by the public television stations in Redding, San Francisco, San Jose, Los Angeles, Fresno, and San Diego. Of this amount, the department shall allocate up to $320,000 to public television stations in Redding, San Francisco, San Jose, and Los Angeles, based upon the satisfaction by the projects operated by the public television stations in each of those cities of all of the following criteria: (1) the 30-percent minimum match; (2) a plan that identifies the providers to be trained; (3) number of trainers to be trained; (4) the

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quality of the training offered; (5) linkages to the child care community; and (6) cost-effectiveness.

The balance of the $425,000 identified in this subdivision shall be made available to support projects in Fresno and San Diego, based upon the determination by the State Department of Education of the satisfaction by the projects operated by the public television station in each of those cities of the criteria set forth above in (1) to (6), inclusive.

As a condition of receiving funds as described in this subdivision in the 1999–00 fiscal year, each grantee that received funds in the 1998–99 fiscal year shall complete and submit to the State Department of Education, no later than March 1, 2000, an evaluation of the effectiveness of the project operated by the grantee in improving the quality of child care provided in the affected community.

(c) $30,000 shall be made available for a preschool public television project in Eureka.

(d) $3,500,000 shall be available for projects to improve the quality and availability of child care as specified in Provision 7(d) of this item.

(e) Of the remaining funds available after meeting requirements in (a) through (d) of this provision, the first $5 million shall be allocated for facilities renovation and repair contracts necessary to meet health and safety standards and to comply with the federal Americans with Disabilities Act of 1990. $500,000 shall be used for training CalWORKs recipients to become family child care home providers through a Department of Social Services contract, and up to $8,000,000 shall be transferred to the Child Care Facilities Revolving Fund established pursuant to Section 8278.3 of the Education Code. Any remaining amounts up to $3,000,000, but not less than $1,726,000, shall be allocated for instructional materials and equipment for center-based programs and to improve resource lending libraries in resource and referral programs. Should additional amounts be available beyond the limits specified herein, the

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State Department of Education shall allocate up to $4 million in proportion to the priorities specified in this subdivision. Amounts in excess of $4 million shall not be expended prior to approval of a plan by the Department of Finance pursuant to the notification requirements of Section 28 of this act.

(f) The Controller shall establish an account entitled Section 8278 Expenditures in 1997 in 6110-196-0001, Program 30.10.060. Any unexpended balances as of June 30, 1999, or subsequent abatements, from those amounts listed in Schedules (a) and (b) of this item, that are available pursuant to Section 8278 of the Education Code, shall be transferred to the account for the purpose of making expenditures pursuant to that section.

3. The State Department of Education shall report to the Joint Legislative Budget Committee, by March 31, 2000, the amount of child development funds, by program, that have been determined after audit to be unearned. The department shall report, by March 31, 2000, the settlement of claims payable by program from unearned contract funds balances.

4. (a) Notwithstanding any other provision of law, alternative payment child care systems shall be subject to the rates established in the Regional Market Rate Survey of California child care and development providers for provider payments. The State Department of Education shall utilize a federal fund contract with the State Child Care Resource and Referral Network to conduct a market rate survey. Any changes to the market rate limits or adjustment factors are subject to the approval process for child care contract funding terms and conditions as specified in Section 8447 of the Education Code. When approved, those changes shall be utilized by the State Department of Education and the State Department of Social Services in various programs under the jurisdiction of both departments to determine limits of reimbursement to providers.

(b) Notwithstanding any other provision of law, annual revisions to the family copayment schedule for child care and development pro-

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grams are also subject to the approval process pursuant to Section 8447 of the Education Code and, when approved, shall be utilized by both the State Department of Education and Department of Social Services where applicable.

5. The funds appropriated in this item for campus child care tax bailout shall be allocated by the State Department of Education based on a schedule provided by the Chancellor of the California Community Colleges. The chancellor shall schedule the allocation of these funds to community college districts that levied child care permissive override taxes in the 1977–78 fiscal year pursuant to Sections 8329 and 8330 of the Education Code in an amount equal to the property tax revenues, tax relief subventions, and state aid required to be made available by the district to its child care and development program for the 1979–80 fiscal year pursuant to Section 30 of Chapter 1035 of the Statutes of 1979, increased by any cost-of-living increases granted in subsequent fiscal years. These funds shall be used only for the purpose of community college child care and development programs.
6. Notwithstanding any provision of law to the contrary, higher educational institutions may establish and maintain child development programs on or near their respective campuses with priority for services given to children of students of that campus. Those higher educational institutions under contract with the State Department of Education for child care and development services shall be subject to the rules and regulations adopted by the Superintendent of Public Instruction except where those rules and regulations differ with respect to the conditions specified for the Community Colleges in Provision 11 of Item 6870-101-0001.
7. Funds in Schedule (b)(11) shall be reserved for activities to improve the quality and availability of child care, pursuant to the following:

(aa) $16,233,000 is from the new federal quality earmark and shall not be available for expenditure until federal guidance is received and an expenditure plan is approved by the Department of Finance.

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(bb) $2,344,000 is for the school age care and resource and referral earmark. (c) $6,255,000 is for the infant and toddler earmark and shall be used for increasing the supply of quality child care for infants and toddlers. The State Department of Education shall coordinate with the Department of Finance, the Department of Social Services, and the Secretary of Child Development and Education in the development of the plan for expenditure of these funds. Notwithstanding any provision of law, expenditure plans and contract provisions for awarding these funds shall give high, but not exclusive, priority to the development of new family day care home providers, especially those who offer care during nontraditional hours such as weekends, evenings, and nights and who offer care for special needs children. (c.2.) $10,000,000 shall be reserved to fund efforts to increase the retention of child care workers, including direct enhancement of child care worker compensation. Expenditures of these funds is contingent upon passage of authorizing legislation for this purpose in the 1999–2000 Regular Session that becomes operative on or before January 1, 2000. (d) Up to $406,000, along with $3,500,000 of the funds specified in Provision 2(d) of this item, shall be reserved for other activities to improve the quality and availability of child care which qualify to meet the federal requirements for quality services under the federal Child Care and Development Block Grant. Of those amounts, $1,500,000 is for regional resource centers to develop capacity in underserved areas. It is the intent of the Legislature that the department consider the needs of underserved rural areas when establishing criteria for the competitive bidding process that will select the ten regional organizations. In addition, of those amounts specified in Provision 2(d) of this item, $2,700,000 is for the purpose of contracting with the Department of Social Services for increased inspections of child care facilities. As required by federal	

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law, the State Department of Education shall develop an expenditure plan that sets forth the final priorities and the reasons therefore if different from those approved in response to the reporting requirement contained in Provision 7(d) of Item 6110-196-0001 of Section 2 of the Budget Act of 1998 (Ch. 324, Stats. 1998). This plan shall be submitted to the Department of Finance by September 1, 1999, and funds shall not be encumbered prior to approval of the plan by the Department of Finance.

(e) The State Department of Education shall coordinate with the State Department of Social Services to prepare and present a final report by December 31, 1999, to the Joint Legislative Budget Committee and Department of Finance. The report shall define the strategies, results and effectiveness of recent expenditures and allocations for building capacity for the state's child care needs, including, but not limited to, the amounts and kinds of capacity increased by those efforts, barriers found in preventing increased capacity, and recommendations for overcoming those barriers. The report shall include recommended best practices for future capacity building activities specific to the types of care in shortest supply, such as infant and toddler care, schoolage care, care in underserved areas, and nontraditional hours care. This report shall also include the results of current pilot studies involving training CalWORKs recipients as licensed family child care providers or licensed-exempt providers, and recommendations on the magnitude and role of both CalWORKs recipient training and license-exempt care in meeting future needs. If additional studies or research are needed by either agency to adequately respond to this requirement, the State Department of Education may expend whatever sums are necessary for this purpose from any other quality funds that may be available.

8. If the federal funds available pursuant to Provision 10 of Item 6110-196-0001 of Section 2.00 of the Budget Act of 1997 have not been transferred

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to Item 6110-001-0001 of Section 2.00 of this act by June 30, 1999, those funds shall be available in the 1999–00 fiscal year for (a) interim data reporting as approved by the Department of Finance, and, (b) for the same purposes and subject to the same conditions and reporting requirements otherwise applicable to Item 6110-196-0001 of Section 2.00 of the Budget Act of 1997 (Ch. 282, Stats. 1997).

No later than August 1999, the State Department of Education (SDE) shall convene a data collection advisory committee composed of representatives of the SDE, the Legislative Analyst, the chairs and vice chairs of the appropriate fiscal and policy committees of the Legislature, the Department of Social Services, the Senate Office of Research, the Joint Legislative Audit Committee, the Department of Finance, child care providers, and other stakeholders as defined by the committee. The committee shall advise the SDE on the implementation of the interim data collection system and development and implementation of the long-term data collection system. The committee shall provide advice concerning any associated feasibility study reports and requests for proposals, assist the SDE in designing systems that generate policy-relevant information, establish timelines for project completion, and monitor progress toward project completion. Any company or individual who participates in the committee or the advisory group shall not be eligible to bid for the development of the system. In the development of this system, the SDE shall contract for a risk assessment of the project. The SDE shall provide copies of any status reports it is required to send to the United States Department of Health and Human Services, as well as any feasibility study reports and requests for proposals, to each of the members of the advisory committee. If the interim system and long-term system are not fully discussed in those reports, the SDE shall provide supplementary reports to the members of the advisory committee on October 1, 1999, and March 1, 2000, regarding progress toward completion of the projects. For purposes of ensuring adequate data for development of the child care budget for the 2000–01 fiscal year, it is the intent of the Leg-

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islature that the SDE use funds made available by this provision for interim data collection to finance any surveys or sampling activities needed to meet requirements specified by the Department of Finance, the Department of Social Services, and the Legislative Analyst's office by October 31, 1999, or as soon as practical thereafter. It is the intent of the Legislature that the SDE take all necessary steps to comply with federal reporting requirements in a timely fashion.

9. $60,000,000 of the funds in Schedule (b)(5.2) are intended to be for families who have been receiving child care services pursuant to Section 8351 or 8353 of the Education Code and who are currently receiving cash assistance or have been off of cash assistance. Alternative payment providers shall continue to replace families receiving child care services through the alternative payment program as set forth in Section 8220.1 of the Education Code until all the federal funds described in this section have been committed to families who have been receiving child care services pursuant to Section 8351 or 8353 of the Education Code and meeting the conditions specified previously. $67,500,000 of the funds in Schedule (b)(5.2) of this item are reserved exclusively for child care for former CalWORKs recipients who have left cash aid, but still meet eligibility requirements for receipt of child care services.
10. In order to ensure equitable access to high quality child care for CalWORKs families, it is the intent of the Legislature that the State Department of Education develop a pilot program with a goal of establishing new direct contracted centers or expanding the number of spaces for low-income children at existing centers in neighborhoods in which high concentrations of CalWORKs recipients reside, and in rural areas in which CalWORKs recipients represent a high percentage of the population but that are significantly underserved in proportion to other neighborhoods by center based care. Therefore, the superintendent shall consult with Local Child Care Planning Councils to determine the neighborhoods in greatest need, develop options, and present a status report by September 30, 1999,

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and a final implementation plan by March 31, 2000, to allocate up to $100 million on an annualized basis from the funds scheduled in (b)(5.1) or (b)(5.2) of this item, or both for this purpose, to the Department of Finance, the Legislative Analyst, and the chairs and vice chairs of the appropriate fiscal and policy committees of the Legislature for review. Upon approval by the Department of Finance, through the review process specified in Section 28.00, the State Department of Education may advertise for proposals. These centers may utilize a mix of CalWORKs and non-CalWORKs funded slots and shall adhere to the Title 5 standards and reimbursement rates utilized for General Child Care.

11. Nonfederal funds appropriated by this item which have been budgeted to meet the state's Temporary Assistance for Needy Families maintenance of effort requirement established pursuant to the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193) may not be expended in any way that would cause their disqualification as a federally allowable maintenance of effort expenditure.
12. In recognition of the extensive services currently provided to CalWORKs recipients, the increased level of services provided to these populations by resource and referral agencies as provided for in this item, and the economies of scale that occur as contract amounts are substantially increased, it is the intent of the Legislature that administrative and support services allowances for alternative payment contractors serving these populations be limited to no more than 25 percent of the direct cost of care payments to child care providers. Therefore, notwithstanding any other provision of law or regulation, the State Department of Education shall ensure that contract provisions conform to this intent for Stages 2 and 3 child care contracts funded through Schedules (b)(5.1) and (b)(5.2) of this item.
13. Notwithstanding Section 26.00 of this act or any other provision of law, the State Department of Education may transfer amounts between the following schedules in this item: Schedule (b)(1) General Child Care, Schedule (b)(2) Campus

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with Match, Schedule (b)(4) Migrant Day Care, Schedule (b)(8) Extended Day Care, and Schedule (b)(9) Allowance for Handicapped. However, these transfers are authorized only if the need for the transfer results from changes initiated in accordance with the prototype contracting demonstration project approved through the process authorized pursuant to Section 6 of Chapter 204, of the Statutes of 1996. The Controller shall adjust schedules accordingly as detailed on a standard budget revision form when certified to be in accordance with this provision by the Superintendent of Public Instruction or the Deputy Superintendent of Public Instruction responsible for fiscal affairs. Those changes are not to be considered permanent changes to the base authorized levels of the respective programs.

14. The State Department of Education shall determine the amount of Stage 2 funds that will be distributed to each county, based on its best estimate of the needs of each county for Stage 2 child care. In counties where there is more than one Alternative Payment Program participating in Stage 2, the department shall require the county welfare department and all participating Alternative Payment Programs to jointly determine the amount of funds that will be distributed to each Alternative Payment Program.
15. Notwithstanding Section 26.00 of this act, the funds appropriated in Schedule (d) of this item, for child development cost-of-living adjustments, is for transfer to Schedules (a), (b)(1), (b)(2), (b)(3), (b)(4), (b)(5), (b)(6), (b)(7), (b)(8), and (b)(9) within this item.
16. Of the funds in Schedule (b)(4) of this item, up to $5,000,000 may be used to establish or continue a pilot Migrant Alternative Payment Network Program for central valley counties. This program shall comply with the requirements approved pursuant to Provision 18 of Item 6110-196-0001 of Section 2.00 of the Budget Act of 1998 (Ch. 324, Stats. 1998).
17. Due to delayed program startup to the 1999–00 fiscal year necessitated by extensive program development, technical assistance, and competitive grant award activities for new after school

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programs pursuant to subdivision (a) of Section 3 of Chapter 318 of the Statutes of 1998, as reflected in Schedule (c) of this item, it is the intent of the Legislature that the initial year of funding from the Budget Act of 1998 be reappropriated on a one-time basis, as specified in Item 6110-490 of this act, for the purpose of aligning program funding with the period of program operation.

18. Of the funds in Schedule (c) of this item, $35,000,000 is for expansion. $25,000,000 of that amount shall be prioritized for additional junior high and middle schools, with the remainder for elementary schools pursuant to the After School Learning and Safe Neighborhoods Partnerships Program (Art. 22.5 (commencing with Sec. 8482), Ch. 2, Pt. 6, Ed. C.).
19. It is the intent of the Legislature that unearned contract amounts from federal funds appropriated in Schedules (b)(5.1) and (b)(5.2) of this item, in Schedules (b)(5.1) and (b)(5.2) of Item 6110-196-0001 of Section 2.00 of the Budget Act of 1998 (Ch. 324, Stats. 1998), and Schedules (b)(5.1) and (b)(5.2) of Item 6110-196-0001 of Section 2.00 of the Budget Act of 1997 (Ch. 282, Stats. 1997) be used to offset direct services in CalWORKs child care.
20. It is the intent of the Legislature that the State Department of Education begin holding public hearings throughout the state regarding the new family fee schedule, that the department work with the Department of Social Services regarding any changes to the schedule and report recommendations on any changes to the Legislature on or before April 1, 2000. The implementation of any new family fee schedule shall be through legislation.

6110-196-0890—For local assistance, Department of Education, for payment to Item 6110-196-0001, payable from the Federal Trust Fund 630,409,000

Provisions:

1. Notwithstanding any other provision of law, the funds appropriated in this item, to the extent permissible under federal law, are subject to Section 8262 of the Education Code.
2. The funds appropriated in this item constitute the federal Child Care and Development Block Grant

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	and are contingent upon receipt of the federal grant.	
	3. Of the funds appropriated in this item, $2,200,000 in federal Child Care and Development Block Grant funds appropriated by the federal government prior to the 1998 federal fiscal year shall be available to alternative payment programs on a one-time basis.	
	4. Of the funds appropriated in this item, $267,300,000 is from the transfer of funds from the federal Temporary Assistance for Needy Families (TANF) Block Grant administered by the State Department of Social Services to the federal Child Care and Development Block Grants (CCDBG) for Stage 2 child care. This amount may be increased by transfer from the CalWORKs child care reserve pursuant to Items 5180-111-0551 and 5180-112-0551 of this act, except that funds shall not be first transferred to the Child Care Development Block Grant if those transfers result in an increase to the federal quality requirements beyond the level currently budgeted for quality activities.	
6110-197-0001—For local assistance, Department of Education (Proposition 98), Program 20.60.100—Instructional Support-Improving School Effectiveness—Intersegmental Programs.....		1,776,000
	Provisions:	
	1. The funds appropriated by this item are for transfer by the Controller to Section A of the State School Fund, for allocation by the Superintendent of Public Instruction to school districts, county offices of education, and other educational agencies for purposes of the Proposition 98 programs in this item, in lieu of the amounts otherwise provided in for those programs by statute.	
	2. Of the funds appropriated by this item, $25,000 is for the purpose of making adjustments for increases in average daily attendance at a rate of 1.47 percent and $25,000 is for the purpose of providing a cost-of-living adjustment (COLA) at a rate of 1.41 percent.	
6110-200-0001—For local assistance, Department of Education (Proposition 98), Program 20.60.037 Healthy Start Support Services for Children Act.....		39,000,000

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Provisions:	
1. For purposes of allocating up to $10,000,000 for pregnant and parenting teenagers as specified in Chapter 311 of the Statutes of 1995, it is the intent of the Legislature that the fourth year of operational program funding appropriated in the Budget Act of 1998, be reappropriated on a one-time basis, as specified in Item 6110-490 of this act, for the purpose of aligning program funding with the period of program operation.	
6110-201-0001—For local assistance, Department of Education (Proposition 98)	1,000,000
Schedule:	
(a) 30.20-Child Nutrition 1,800,000	
(b) Reimbursements ..... −800,000	
Provisions:	
1. Notwithstanding any other provision of law, the amount appropriated in this item is for the purpose of providing grants to school districts and county superintendents of schools during the 1999–00 school year for school breakfast program startup grants pursuant to Section 49550.3 of the Education Code, and for nonrecurring expenses incurred by a school district or county office of education in initiating or expanding a Summer Food Service Program for children pursuant to Section 49547.5 of the Education Code following criteria developed by the State Department of Education.	
6110-201-0890—For local assistance, Department of Education, Program 30.20-Child Nutrition, payable from the Federal Trust Fund	1,290,106,000
Schedule:	
(a) 30.20.010—Child Nutrition 1,267,331,000	
(b) 30.20.040—Summer Food Service Program 22,775,000	
6110-202-0001—For local assistance, Department of Education	11,360,000
Schedule:	
(a) 30.20.010-Child Nutrition 11,345,000	
(b) 30.20.020-Pregnant/Lactating Minors 15,000	
Provisions:	
1. Funds appropriated in this item are for child nutrition programs pursuant to Section 41311 of the Education Code. Claims for reimbursement of meals pursuant to this appropriation shall be sub-	

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mitted not later than September 30, 2000, to be eligible for reimbursement.

2. Notwithstanding any other provision of law, except as provided in this provision, funds appropriated in this item shall be available for allocation in accordance with Section 49536 of the Education Code, except that the allocation shall not be made based on all meals served, but based on the number of meals that are served and that qualify as free or reduced-price meals in accordance with Sections 49501, 49550, and 49552 of the Education Code.

6110-203-0001—For local assistance, Department of Education (Proposition 98), for transfer to Section A of the State School Fund, Program 30.20.010-Child Nutrition Programs, established pursuant to Sections 41311, 49536, 49501, 49550, 49552, and 49559 of the Education Code 63,011,000

Provisions:

1. Funds appropriated by this item shall be allocated pursuant to Section 41311 of the Education Code. Claims for reimbursement of meals pursuant to this allocation shall be submitted by school districts on or before September 30, 2000, to be eligible for reimbursement.
2. Notwithstanding any other provision of law and except as otherwise provided in these provisions, funds designed for child nutrition programs by this item shall be allocated in accordance with Section 49536 of the Education Code; however, that the allocation shall be based not on all meals served, but on the number of meals that are served and that qualify as free or reduced price meals in accordance with Sections 49501, 49550, and 49552 of the Education Code.
3. Notwithstanding any other provision of law, funds designated for child nutrition programs in this item shall be allocated in accordance with Section 49559 of the Education Code, except that, for each pregnant or lactating pupil, the total reimbursement per day may not exceed one full supplement. These amounts shall be increased as appropriate to reflect any cost-of-living increases that may be provided.
4. Of the funds appropriated by this item, $900,000 is for the purpose of providing adjustments for increases in average daily attendance at a rate of

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	1.47 percent and $876,000 is for the purpose of providing a cost-of-living adjustment at a rate of 1.41 percent.	
6110-209-0001—For local assistance, State Department of Education (Proposition 98), Program 10.10.000.02—Teacher Dismissal Apportionments, for transfer to Section A of the State School Fund and allocation by the Controller for payment of claims received pursuant to Section 44944 of the Education Code		34,000
6110-211-0001—For local assistance, Department of Education (Proposition 98), for Categorical Programs for charter schools		20,000,000
Provisions:		
1. Funds appropriated in this item are for the purpose of funding additional costs of categorical funding for charter schools pursuant to legislation enacted during the 1999–2000 Regular Session that becomes operative on or before January 1, 2000.		
6110-212-0001—For local assistance, Department of Education (Proposition 98), Program 20.60-High-Risk Youth Education and Public Safety Program...		18,000,000
Provisions:		
1. The funds appropriated in this item are for transfer by the Controller to Section A of the State School Fund, for allocation by the State Department of Education to school districts and county offices of education for costs incurred for the High-Risk First-Time Offenders Program and the Transitioning High-Risk Youth Program pursuant to Article 1 (commencing with Section 47760) of Chapter 2 of Part 26.95 of the Education Code.		
6110-224-0001—For local assistance, Department of Education (Proposition 98), Year Round School Grant Program established pursuant to Article 3 (commencing with Section 42260) of Chapter 7 of Part 24 of the Education Code		73,825,000
Schedule:		
(a) 10.10.950.001-Implementation grants pursuant to Section 42262 of the Education Code	1,268,000	
(b) 10.10.950.002-Operations grants ...	72,557,000	

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Provisions:

1. The following provisions govern funds appropriated for the Year Round School Grant Program (Art. 3 (commencing with Sec. 42260), Ch. 7, Pt. 24, Ed. C.):
   (a) Applications for year-round school grants pursuant to Sections 42262 and 42263 of the Education Code shall be received annually by the Superintendent of Public Instruction no later than September 1 of the year for which payment is sought; applications received after that date may not be processed. If the funds available for a fiscal year are insufficient to fully fund all eligible grants pursuant to Sections 42262 and 42263 of the Education Code, the superintendent shall at that time provide all approved claims with a prorated share of the funds made available for those grants pursuant to this item.
   (b) If a school district receives state reimbursement that is specifically attributable to the cost of operating schools on a year-round basis pursuant to a court-ordered or voluntary integration program, the district shall be eligible for any portion of the allowances for year-round school grants pursuant to Sections 42262 and 42263 of the Education Code for the 1997–98 fiscal year, but only to the extent that the district incurs costs in the 1997–98 fiscal year specifically attributed to operating schools on a year-round basis, as audited and approved by the Controller, that exceed claims submitted for state reimbursement and are deemed by the Controller to be allowable costs for that year-round operation pursuant to Sections 42243.6 and 42249 of the Education Code for the 1997–98 fiscal year. Funds may be distributed during the 1997–98 fiscal year pursuant to this provision. However, the Controller shall audit, and may make adjustments to, the funds distributed under this item in future years.
2. Of the funds appropriated in this item, $1,055,000 is for the purpose of providing an adjustment for growth at a rate of 1.47 percent and $1,026,000 is for the purpose of providing a cost-of-living adjustment at a rate of 1.41 percent.

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6110-226-0001—For local assistance, Department of Education (Proposition 98)		11,608,000
Schedule:		
(a) 20.60.020.001-Partnership Minigrants/Safe School Planning	628,000	
(b) 20.60.020.012-Conflict Resolution	280,000	
(c) 20.60.020.013-School Community Violence Prevention	700,000	
(d) 20.60.020.008-School Community Policing	10,000,000	
6110-228-0001—For local assistance, Department of Education, for transfer to Section A of the State School fund for allocation by the Controller (Proposition 98), Program 20.60.020.011-School Safety		71,087,000
Provisions:		
1. The funds appropriated in this item are available to fund block grants for middle and junior high schools and high schools that serve grades 8 to 12, inclusive, pursuant to legislation enacted during the 1999–2000 Regular Session that becomes operative on or before January 1, 2000.		
6110-231-0001—For local assistance, Department of Education (Proposition 98), for transfer by the Controller to Section A of the State School Fund, for allocation by the Superintendent of Public Instruction to school districts and county offices of education for the purpose of the Proposition 98 educational programs specified in subdivision (b) of Section 12.40 of this act		67,831,000
Provisions:		
1. Of the funds appropriated in this item $67,831,000 shall be allocated to all school districts and county offices of education in the state on the basis of an equal amount per unit of average daily attendance for the Proposition 98 educational programs specified in subdivision (b) of Section 12.40 of this act.		
6110-232-0001—For local assistance, Department of Education (Proposition 98) for transfer to Section A of the State School Fund, Program 10.26, Program to Reduce Class Size in Two Courses in Grade 9 pursuant to Chapter 6.8 (commencing with Section 52080) of Part 28 of the Education Code		160,664,000
Provisions:		
1. Of the funds appropriated in this item, $1,832,000 is provided for cost-of-living adjustments (COLAs).		

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6110-234-0001—For local assistance, Department of Education (Proposition 98), Program 10.25, for transfer by the Controller to Section A of the State School Fund, for allocation by the Superintendent of Public Instruction for the Class Size Reduction Program pursuant to Chapter 6.10 (commencing with Section 52120) of Part 28 of the Education Code.....	1,534,254,000
Provisions:	
1. Of the funds appropriated in this item, $21,717,000 is provided for cost-of-living adjustments.	
6110-234-0890—For local assistance, Department of Education, for allocation to local educational agencies for the federal class size reduction program, payable from the Federal Trust Fund.....	129,142,000
Provisions:	
1. The Superintendent of Public Instruction shall allocate funds to local educational agencies in accordance with the federal class size reduction program funding formula (P.L. 105-277, Sec. 307).	
2. Local educational agencies shall expend the funds appropriated in this item consistent with the federal Department of Education Appropriations Act of 1999, as enacted by Public Law 105-277, and as modified by all relevant federal waiver decisions.	
3. To the maximum extent allowable by the federal class size reduction program, local educational agencies are strongly encouraged to reduce class sizes in up to two grade 10 classes, including one English course, to an average size of 20 pupils per certificated teacher.	
6110-235-0001—For local assistance, Department of Education (Proposition 98), Program 20.80 for transfer by the Controller to Section A of the State School Fund, for allocation by the Superintendent of Public Instruction for supplemental grants pursuant to Sections 54761.2 and 54761.3 of the Education Code..	212,152,000
Provisions:	
1. Of the funds appropriated in this item, $3,060,659 is for the purpose of providing an adjustment for increases in average daily attendance at a rate of 1.47 percent and $2,899,628 is for the purpose of providing a cost-of-living adjustment (COLA) at a rate of 1.41 percent.	

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2. The funds appropriated in this item shall be allocated by the Superintendent of Public Instruction to participating school districts in accordance with a schedule maintained by the State Department of Education.		
6110-240-0001—For local assistance, Department of Education (Proposition 98)		12,550,000
Schedule:		
(a) 10.80.030-Instruction: International Baccalaureate Program	1,050,000	
(b) 20.10-Instructional Support: Curriculum Services	10,000,000	
(c) 20.70-Instructional Support: Assessments	1,500,000	
Provisions:		
1. The funds appropriated in Schedule (a) of this item shall be for the International Baccalaureate Diploma Program authorized by Chapter 12.5 (commencing with Section 52920) of Part 28 of the Education Code.		
2. The funds appropriated in Schedule (b) of this item shall be for the College Preparation Partnership Program authorized by Chapter 8 (commencing with Section 60830) of Part 33 of the Education Code.		
3. The funds appropriated in Schedule (c) of this item shall be for grants for advanced placement examination fees as authorized by Section 52244 of the Education Code.		
6110-243-0001—For local assistance, Department of Education (Proposition 98), Program 20.10-Instructional Support—Curriculum Services, for the purposes of the Academic Improvement and Achievement Act as specified in Chapter 12 (commencing with Section 11020) of Part 7 of the Education Code		5,000,000
6110-250-0001—For local assistance, Department of Education, (Proposition 98), for transfer to Section A of the State School Fund, Parent Involvement Grant Program		20,000,000
Provisions:		
1. The funds appropriated in this item are available to fund the Parent Involvement Grant Program, contingent upon the creation of that program pursuant to legislation enacted during the 1999–2000 Regular Session.		

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2. Of the funds appropriated in this item, not more than $13,239,000 may be used for the purpose of providing funds to compensate for the elimination of the remainder of unallocated Education Revenue Augmentation Funds (ERAF) from Marin County for special education.		
6110-280-0001—For local assistance, Department of Education (Proposition 98), Program 20.40.100-High Risk Youth		600,000
Provisions:		
1. The funds appropriated in this item are for allocation by the State Department of Education to the Los Angeles Unified School District for services to at-risk youth that participate in a program that meets the criteria specified in subdivision (a) of Section 41 of Chapter 299 of the Statutes of 1997.		
6110-295-0001—For local assistance, Department of Education (Proposition 98), for reimbursement, in accordance with the provisions of Section 6 of Article XIII B of the California Constitution or of Section 17561 of the Government Code, of the cost of any new program or increased level of service of an existing program mandated by statute or executive order, Controller		98,599,000
Schedule:		
(1) 98.01.003.677-Annual Parent Notification (Ch. 36, Stats. 1977, et al.)	1,901,000	
(2) 98.01.007.778-Absentee Ballots-Schools (Ch. 77, Stats. 1978 and Ch. 920, Stats. 1994)	582,000	
(3) 98.01.008.786-School Discipline Rules (Ch. 87, Stats. 1986)	1,288,000	
(4) 98.01.016.093-School District of Choice Transfer and Appeals (Ch. 160, Stats. 1993)	888,000	
(5) 98.01.016.193-Intradistrict Attendance (Ch. 161, Stats. 1993)	2,276,000	
(6) 98.01.017.201-Interdistrict Attendance (Ch. 172, Stats. 1986)	1,008,000	
(7) 98.01.017.286-Interdistrict Transfer Parent's Employment (Ch. 172, Stats. 1986)	911,000	
(8) 98.01.048.675-Test Claims and Reimbursement Claims (Ch. 486, Stats. 1975)	7,110,000	

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(9) 98.01.049.801-Graduation Requirements (Ch. 498, Stats. 1993)	3,863,000
(10) 98.01.049.802-Notices of Truancy (Ch. 498, Stats. 1983)	5,753,000
(11) 98.01.062.492-Schoolbus Safety (Ch. 624, Stats. 1992)	704,000
(12) 98.01.064.186-Open Meetings Act (Ch. 641, Stats. 1986)	2,013,000
(13) 98.01.078.192-Charter Schools (Ch. 781, Stats. 1992)	701,000
(14) 98.01.079.980-PERS Death Benefits (Ch. 799, Stats. 1980)	728,000
(15) 98.01.081.891-AIDS Prevention Instruction (Ch. 818, Stats. 1991).	4,044,000
(16) 98.01.096.175-Collective Bargaining (Ch. 961, Stats. 1975)	32,741,000
(17) 98.01.096.501-Pupil Classroom Suspension (Ch. 965, Stats. 1977).	4,400,000
(18) 98.01.096.577-Public Health Screenings (Ch. 965, Stats. 1977).	3,291,000
(19) 98.01.101.184-Juvenile Court Records (Ch. 1011, Stats. 1984)	189,000
(20) 98.01.110.784-Removal of Chemicals (Ch. 1107, Stats. 1984)	1,513,000
(21) 98.01.111.789-Law Enforcement Agency Notifications (Ch. 1117, Stats. 1989)	1,275,000
(22) 98.01.117.677-Immunization Records (Ch. 1176, Stats. 1977)	4,411,000
(23) 98.01.125.375-Expulsion Transcripts (Ch. 1253, Stats. 1975)	8,000
(24) 98.01.128.488-Pupil Suspensions: Parents Classroom Visits (Ch. 1284, Stats. 1988)	231,000
(25) 98.01.130.689-Notification to Teachers of Public Expulsion (Ch. 1306, Stats. 1989)	1,902,000
(26) 98.01.134.780-Scoliosis Screening (Ch. 1347, Stats. 1980)	2,205,000
(27) 98.01.139.874-PERS Unused Sick Leave Credit (Ch. 1398, Stats. 1974)	3,011,000
(28) 98.01.160.784-School Crimes Reporting (Ch. 1607, Stats. 1984)	1,798,000
(29) 98.01.165.984-Emergency Procedures (Ch. 1659, Stats. 1984)	7,212,000

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(30) 98.01.167.584-School Testing-Physical Fitness (Ch. 1675, Stats. 1984)	642,000	

Provisions:

1. Except as provided in Provision 3 allocations of funds appropriated by this item shall be made by the Controller in accordance with the provisions of each statute or executive order that mandates the reimbursement of the costs, and shall be audited to verify the actual amount of the mandated costs in accordance with subdivision (d) of Section 17561 of the Government Code. Audit adjustments to prior year claims may be paid from this item. Funds appropriated by this item may be used to provide reimbursement pursuant to Article 5 (commencing with Section 17615) of Chapter 4 of Part 7 of Division 4 of Title 2 of the Government Code.
2. If any of the scheduled amounts are insufficient to provide full reimbursement of costs, the Controller may, upon approval of the Director of Finance, augment those deficient amounts from the unencumbered balance of any other scheduled amounts therein. No order may be issued pursuant to this provision unless written notification of the necessity therefor is provided to the chairperson of the committee in each house of the Legislature that considers appropriations and the Chairperson of the Joint Legislative Budget Committee or his or her designee.
3. Notwithstanding any other provision of law, the funds appropriated in Schedules (14) and (27) are for transfer to the Public Employees' Retirement System for reimbursement of costs incurred pursuant to Chapter 1398 of the Statutes of 1974 or Chapter 799 of the Statutes of 1980.

6110-301-0001—For capital outlay, Department of Education		1,060,000
Schedule:		
California School for the Blind, Fremont:		
(1) 80.60.005-Health Services Facility—Preliminary plans and working drawings	241,000	
California School for the Deaf, Riverside:		
(2) 80.55.091-Minor Projects	218,000	

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(3) 80.80.010-Middle School Facilities—Preliminary plans and working drawings	601,000

6110-401—For maintenance of accounting records by the Controller's office and the Department of Education or any other agency maintaining such records, appropriations made in this act for agency 6110 (Department of Education) are to be recorded under agency 6100 (Department of Education).

6110-402—Notwithstanding any provision of law to the contrary, no funds appropriated in this act, or by any act enacted prior to the enactment of this act, shall be, in the absence of a court order, deemed appropriated or available for expenditure for purposes of claims for vocational education average daily attendance arising from Section 46140 of the Education Code as it read prior to the enactment of Chapter 1230 of the Statutes of 1977.

6110-403—In the event the bonds authorized for the Capital Area Plan project in Chapter 761, Statutes of 1997 are not sold, the Department of Education shall commit a sufficient portion of its support appropriation, as determined by the Department of Finance, which is provided for in this Budget Act to repay any interim financing. It is the intent of the Legislature that this commitment shall be included in future Budget Acts until all interim financing is repaid either through the proceeds from the sale of bonds or from an appropriation.

6110-485—Reappropriation (Proposition 98), Department of Education. The sum of $206,366,000 is reappropriated from the Proposition 98 Reversion Account, for the following purpose:

0001—General Fund

(a) $250,000 to the State Department of Education to implement the model budget and accounting system, referred to as the Standardized Account Code Structure, established pursuant to Chapter 237 of the Statutes of 1993 and Chapter 525 of the Statutes of 1995. The allocation shall be made on a one-time basis, consistent with those provisions of Section 39 of Chapter 299 of the Statutes of 1997 that apply to Phase II participants as defined in subdivision (o) of that section.

(b) $5,000,000 to the County Office Fiscal Crisis and Management Assistance Team for the pur-

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	pose of implementing the California School Information Services program. The data collected through the California Student Information System shall be consistent with the plan previously approved by the State Board of Education, which specified that data elements and codes transferred through any electronic statewide school information system may not contain any questions or items that solicit or invite disclosure of the personal beliefs or practices of a pupil, or of his or her parent or guardian, as to sex, family life, morality, religion, citizenship, nor may it contain any question designed to evaluate personal behavioral characteristics including, but not necessarily limited to, honesty, integrity, sociability, or self-esteem.	
(c)	$4,277,000 to the State Department of Education for allocation to the Oxnard Union High School District for the purpose of extending the school year.	
(d)	$1,500,000 for transfer to Section A of the State School Fund for reimbursement by the Controller of voluntary desegregation claims from Moorpark Unified School District to provide one-time funding for 1998–99 costs received pursuant to Sections 42247 and 42249 of the Education Code.	
(e)	$54,000 for transfer to Section A of the State School Fund for reimbursement by the Controller for one-time funding for reimbursement of court-ordered desegregation claims from Las Lomitas School District incurred from 1989–90 through 1997–98 fiscal years received pursuant to Sections 42243.6 and 42247 of the Education Code.	
(f)	$75,585,000 to the State Department of Education for allocation to SELPAs to fully fund the 1998–99 deficit in the special education program.	
(g)	$44,179,000 to the State Department of Education to fund grants to school districts for the Digital High School Program, established pursuant to Chapter 8.5 (commencing with Section 52250) of Part 28 of the Education Code.	
(h)	$28,913,000 to the State Department of Education to fund one-time school safety block grants pursuant to legislation enacted during the 1999–2000 Regular Session.	

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(i) $40,608,000 for transfer to Section A of the State School Fund for reimbursement by the Controller, in accordance with the provisions of Section 6 of Article XIII B of the California Constitution and Section 17561 of the Government Code, of the cost of any new program or increased level of service of an existing program mandated by statute or executive order, for the 1993–94 fiscal year through the 1998–99 fiscal year.

(j) $5,000,000 to the State Department of Education for allocation for college preparation programs as follows: $3,500,000 for the College Preparation Partnership Program established pursuant to Chapter 8 (commencing with Section 60830) of Part 33 of the Education Code; $1,000,000 for the Advanced Placement test fee waiver program established pursuant to Section 52244 of the Education Code; and $500,000 for the International Baccalaureate Diploma Program set forth in Chapter 12.5 (commencing with Section 52920) of Part 28 of the Education Code.

(k) $1,000,000 to the State Department of Education for allocation to the California Technology Assistance Project (CTAP) to provide assistance to local education agencies implementing the Digital High School program. The CTAP shall provided the necessary assistance to help schools successfully apply and receive funding to implement the Digital High School program.

Provisions:

1. The funds reappropriated in subdivision (c) of this item shall not be disbursed until the Oxnard Union High School District has notified the State Department of Education that it elects to continue its participation in the Extended School Year Program and will comply with all of the following requirements:
   (a) The district shall make the extended school year applicable to all high schools and all pupils in grades 9 to 12, inclusive, in the school district, and be uniform in its application.
   (b) The district shall provide to all pupils in the district at least 195 days of instruction. For pupils attending continuation high schools, alternative schools, opportunity schools, and special daily classes for individuals with exceptional needs, the district shall provide in

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the extended school year at least 195/180ths of the instructional minutes provided by each such program in the 1995–96 school year. For pupils for whom the district needs to maintain instructional time requirements specified in Section 46201 of the Education Code, the district shall provide at least 70,200 instructional minutes in the extended school year program. The district shall waive the right to staff development days in lieu of instructional days and waive any right to receive full average daily attendance for those staff development days, including, but not limited to, the use of staff development days authorized by Sections 44670.6, 52022, 52854, and 56242 of the Education Code and Chapter 313 of the Statutes of 1998.

(c) The district shall contract with an independent evaluator for an evaluation of the Extended Year School Year Program to be conducted at the conclusion of the fiscal year. The evaluation shall include, but not necessarily be limited to, the impact of the longer year on pupil academic achievement, pupil attendance, and dropout rates. A copy of the evaluation shall be provided to the State Department of Education, the Department of Finance, the Legislative Analyst's office, and the Joint Legislative Budget Committee by November 1, 2000.

(d) If the district operates an extended year program pursuant to this provision, the State Department of Education shall apportion twenty-one dollars and fifty cents ($21.50) per unit of average daily attendance for days 181 through 195 of the 1999–00 school year, not to exceed the amount appropriated by this item. This calculation shall be exclusive of adult average daily attendance, the average daily attendance of pupils while participating in regional occupation centers or programs, and average daily attendance for pupils attending summer school.

2. The funds reappropriated in subdivision (h) of this item shall be available for school safety block grants pursuant to legislation enacted during the 1999–2000 Regular Session.

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Item 6110-488—Reappropriation, State Department of Education. Notwithstanding any other provision of law, the following amount is hereby reappropriated, from the Proposition 98 Reversion Account for the purposes specified, and shall be available for encumbrance and expenditure until June 30, 2000.

(1) $12,000,000 shall be available for matrix test development during the 1999–00 fiscal year.

6110-490—Reappropriation, Department of Education. Notwithstanding any other provision of law, the following specified balances are reappropriated from the following citations, for the purpose specified, and shall be available for encumbrance and expenditure until June 30, 2000:

0001—General Fund

(1) The unencumbered balance as of June 30, 1999, from Schedule (c) of Item 6110-107-0001 of Section 2.00 of the Budget Act of 1996 (Ch. 162, Stats. 1996) and the unencumbered balance as of June 30, 1999, from Schedule (c) of Item 6110-107-0001 of Section 2.00 of the Budget Act of 1997 (Ch. 282, Stats. 1997) to augment Schedule (b) of Item 6110-107-0001 of Section 2.00 of this act, for allocation by the Controller directly to the county office of education that is selected pursuant to subdivision (a) of Section 42127.8 of the Education Code to oversee Fiscal Crisis and Management Assistance Team (FCMAT) responsibilities with respect to these funds and to meet the costs of participation under Section 42127.8 of the Education Code. The funds shall be provided to the County Office Fiscal Crisis and Management Assistance Team for the following purposes:

1. $100,610 shall be provided for the purpose of implementing the recovery plans at Compton Unified School District pursuant to Chapter 767 of the Statutes of 1997.
2. $66,000 shall be provided for the purpose of initiating an audit of the Oakland Unified School District.
3. $66,000 shall be provided for the purpose of initiating an audit of the San Francisco Unified School District.

(2) $50 million or any and all unliquidated and unencumbered balances as of June 30, 1999, from the funds appropriated for after school programs

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in Item 6110-106-0001 of Section 2.00 of the Budget Act of 1998 (Ch. 324, Stats. 1998) as transferred to Item 6110-196-0001 of Section 2.00 of the Budget Act of 1998 (Ch. 324, Stats. 1998) pursuant to Section 3(a) of Chapter 318 of the Statutes of 1998. These funds shall be available for payment of grants awarded for the initial year of program operations commencing in the 1999–00 fiscal year.

(3) $10 million or any and all unliquidated and unencumbered balances as of June 30, 1999, from the funds appropriated for pregnancy prevention programs pursuant to Chapter 311 of the Statutes of 1995 in Provision 2 of Item 6110-200-0001 of Section 2.00 of the Budget Act of 1998 (Ch. 324, Stats. 1998). These funds shall be available for payment of grants awarded for the fourth year of program operations commencing in the 1999–00 fiscal year.

(4) The unencumbered balances as of June 30, 1999, from the funds appropriated in Item 6110-196-0001 of Section 2.00 of the Budget Act of 1998 (Ch. 324, Stats. 1998). These balances shall be transferred to the Child Care Facilities Revolving Fund established pursuant to Section 8278.3 of the Education Code.

(5) The unencumbered balance as of June 30, 1998, from the funds appropriated in Section 315 of the Education Code, as approved by the voters in Proposition 227 at the June 2, 1998, statewide direct primary election. These funds shall be available for the 1999–00 fiscal year for the purposes of Proposition 227, as approved by the voters at the June 2, 1998, statewide direct primary election.

6110-491—Reappropriation, Department of Education. Notwithstanding any other provision of law, the following amount is hereby reappropriated, for the purposes specified in this item, and shall be available for encumbrance and expenditure until June 30, 2000:

1. The balance as of June 30, 1999, from the funds appropriated for the rewrite and redesign of the Principal Apportionment System by Item 6110-011-0001 of Section 2.00 of the Budget Act of 1998 (Ch. 324, Stats. 1998). These funds shall be available for the redesign and rewrite of the principal apportionment system during the 1999–00

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fiscal year only upon receipt of a formal exemption from the Y2K Executive Order by the Department of Information Technology (DOIT) and upon approval by the Department of Finance and DOIT of the Special Project report and the Request for Proposal (RFP) prepared by the State Department of Education.

6110-493—Reappropriation, Department of Education. Notwithstanding any other provision of law, the following amount is hereby reappropriated, for the purposes specified, and shall be available for encumbrance and expenditure until June 30, 2000:

(1) $20,380,000 from the funds appropriated for the Beginning Support and Assessment System by Schedule (a) of Item 6110-191-0001 of the Budget Act of 1998 (Ch. 324, Stats. 1998). These funds shall be available for local assistance grants during the 1999–00 fiscal year.

6110-495—Reversion, Department of Education, Proposition 98. The following amounts shall revert to the Proposition 98 Reversion Account:

1. $43,404,000 from Item 6110-295-0001, Schedule 20, of Section 2.00 of the Budget Act of 1998 (Ch. 324, Stats. 1998), Mandates.
2. $50,000,000 from Section 39 of Chapter 204 of the Statutes of 1996.
3. $15,000,000 from Item 6110-212-0001 of Section 2.00 of the Budget Act of 1998 (Ch. 324, Stats. 1998), High-Risk Youth Education and Public Safety Program.
4. $10,000,000 from Item 6110-112-0001 of Section 2.00 of the Budget Act of 1998 (Ch. 324, Stats. 1998).
5. $2,000,000 from the amount appropriated for the Pilot Program Single Gender Academies (Ch. 3.1 (commencing with Sec. 58520), Pt. 31, Ed. C.) pursuant to Section 27 of Chapter 204 of the Statutes of 1996.
6. $5,000,000 from the amount appropriated for the Academic Improvement and Achievement Act (Ch. 12 (commencing with Sec. 11020), Pt. 7, Ed. C.) pursuant to Section 2 of Chapter 803 of the Statutes of 1998.
7. $30,000,000 from Item 6110-232-0001 of Section 2.00 of the Budget Act of 1998 (Ch. 324, Stats. 1998).

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6110-498—Reversion (Proposition 98), Department of Education. The following amounts shall revert to the Proposition 98 Reversion Account:		
(1) $3,999,999 from Section 6 of Chapter 975 of the Statutes of 1995, as reappropriated by Item 6110-490 of Chapter 282 of the Statutes of 1997, and subdivision (a) of Section 57 of Chapter 330 of the Statutes of 1998.		
(2) $6,000,000 from subdivision (b) of Section 41 of Chapter 299 of the Statutes of 1997, as reappropriated by subdivision (b) of Section 57 of Chapter 330 of the Statutes of 1998.		
(3) $1,000,000 from Schedule (b) of Item 6110-113-0001 of Section 2.00 of the Budget Act of 1997 (Ch. 282, Stats. 1997).		
(4) $1,000,000 from Schedule (b) of Item 6110-113-0001 of Section 2.00 of the Budget Act of 1998 (Ch. 324, Stats. 1998).		
6120-011-0001—For support of California State Library, Division of Libraries, and California Library Services Board		15,225,000
Schedule:		
(a) 10-State Library Services	13,734,000	
(b) 20-Library Development Services	3,999,000	
(c) 30-Information Technology Services	961,000	
(d) 40.01 Administration	1,527,000	
(e) 40.02 Distributed Administration	−1,527,000	
(f) Reimbursements	−462,000	
(g) Amount payable from the Federal Trust Fund (Item 6120-011-0890).	−3,007,000	
6120-011-0020—For support of the California State Library, Program 10-State Library Services, for support of the State Law Library		703,000
Provisions:		
1. The Director of Finance may authorize the augmentation of the total amount available for expenditure under this item in the amount of revenue received by the State Law Library Special Account which is in addition to the revenue appropriated by this item or in the amount of funds unexpended from previous fiscal years, not sooner than 30 days after notification in writing to the chairpersons of the fiscal committees of each house and the Chairperson of the Joint Legislative Budget Committee.		

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6120-011-0890—For support of California State Library, for payment to Item 6120-011-0001, payable from the Federal Trust Fund		3,007,000
6120-012-0001—For support of the California State Library, for debt service payments on lease revenue bonds		642,000
Schedule:		
(a) Base Rental and Fees	1,523,000	
(b) Insurance	13,000	
(c) Reimbursements	−894,000	
6120-102-0001—For local assistance, California State Library, Program 20-Library Development Services—Library of California		3,988,000
Provisions:		
1. The funds appropriated in this item shall be allocated consistent with the provisions of Chapter 4.5 (commencing with Section 18800) of Part 11 of the Education Code.		
6120-140-0001—For local assistance, California State Library, Public Library Projects		937,000
Provisions:		
1. Funds appropriated in this item are for the purpose of funding local assistance projects at local public libraries. These funds are to be allocated on a one-time basis only.		
(a) Of the funds appropriated in this item, $150,000 is for the purpose of funding computers and materials at Ventura City Library.		
(b) Of the funds appropriated in this item, $48,000 is for the purpose of funding the Foster Library Homework Center at Ventura City Library.		
(c) Of the funds appropriated in this item, $167,000 is for the purpose of funding a multimedia youth center at Anaheim Public Library.		
(d) Of the funds appropriated in this item, $120,000 is for the purpose of funding homework materials at nine branch libraries of the San Diego County Library.		
(e) Of the funds appropriated in this item, $140,000 is for the purpose of funding a library bookmobile at the Humboldt County Library.		
(f) Of the funds appropriated in this item, $140,000 is for the purpose of funding im-		

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provements and renovation at McFadden Library.		
(g) Of the funds appropriated in this item, $160,000 is for the purpose of funding renovation at Foresthill Library.		
(h) Of the funds appropriated in this item, $12,000 is for the purpose of funding the Palmdale City Library.		
6120-150-0001—For local assistance, California State Library, for the California Civil Liberties Public Education Program		1,000,000
Provisions:		
1. The funds appropriated in this item shall be used to provide competitive grants pursuant to the provisions of Chapter 570 of the Statutes of 1998.		
6120-211-0001—For local assistance, California State Library, Program 20-Library Development Services.		17,518,000
Schedule:		
(a) 20.10-California Literacy Campaign	4,090,000	
(b) 20.20-Families for Literacy Program	876,000	
(c) 20.30-Direct Loan and Interlibrary Loan Programs	9,092,000	
(d) 20.40-Computerized Data Base pursuant to Section 18767 of the Education Code	275,000	
(e) 20.50-California Library Services Act pursuant to Chapter 4 (commencing with Section 18700) of Part 11 of the Education Code	3,185,000	
Provisions:		
1. Should the funds appropriated in Schedule (c) be insufficient to fully cover all transactions under the Direct Loan and Interlibrary Loan programs of the California Library Services Act, funding shall be prorated such that expenditures for the program are within the appropriation made in Schedule (c) of this item.		
6120-211-0890—For local assistance, California State Library, Program 20-Library Development Services, payable from the Federal Trust Fund		11,901,000
6120-221-0001—For local assistance, California State Library Program 20-Library Development Services-Public Library Foundation Program		58,870,000

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Provisions:		
1. Notwithstanding any other provision of law, for the 1999–00 fiscal year, the date on or before which the fiscal officer of each public library shall report to the State Librarian the information specified in Section 18023 of the Education Code shall be December 1, 1999.		
2. Notwithstanding any other provision of law, for the 1999–00 fiscal year, the date on or before which the Controller shall distribute funds to the fiscal officer of each public library as specified in Section 18026 of the Education Code shall be February 15, 2000.		
3. It is the intent of the Legislature that the funds appropriated in this item be allocated consistent with the provisions of Chapter 167 of the Statutes of 1997.		
6255-001-0001—For support of California State Summer School for the Arts, Program 10		723,000
6330-001-0890—For support of the California Occupational Information Coordinating Committee, payable from the Federal Trust Fund		282,000
6360-001-0001—For support of the Commission on Teacher Credentialing		310,000
Schedule:		
(a) 10-Standards for Preparation and Licensing of Teachers	462,000	
(b) Reimbursements	−152,000	
Provisions:		
1. Of the funds appropriated in Schedule (a), $60,000 shall be available for administrative costs related to the California School Paraprofessional Teacher Training Program pursuant to Article 12 (commencing with Section 44390) of Chapter 2 of Part 25 of the Education Code.		
2. Of the funds appropriated in Schedule (a), $152,000 is for state operations in support of career ladder programs. These funds shall be expended only after development of an expenditure plan by the Commission on Teacher Credentialing and approval of the plan by the Department of Finance.		
3. Of the funds appropriated in Schedule (a), $250,000 is for the purpose of contracting for an independent evaluation of the Beginning Teacher Support and Assessment System (Sec. 44972.2, Ed.C.). The Commission on Teacher Credential-		

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	ing and the State Department of Education shall jointly develop the request for proposal and select the contractor. The evaluation shall examine the organizational structure of the program at state and local levels, the impact of the program's statewide expansion on the quality of the program, and the effect of program participation on increasing the knowledge and skills of beginning teachers, as measured by valid and reliable assessment tools. The evaluation shall also examine the effect of this program on employment retention rates for teachers who complete the Beginning Teacher Support and Assessment System. The commission and department shall submit a report to the Legislature and the Governor on or before January 1, 2001.	
6360-001-0407—For support of the Commission on Teacher Credentialing, payable from the Teacher Credentials Fund		15,091,000
Schedule:		
(a) 10-Standards for Preparation and Licensing of Teachers	15,091,000	
(b) 10.40.010-Departmental Administration	(4,766,000)	
(c) 10.40.020-Distributed Departmental Administration	(−4,766,000)	
Provisions:		
1. The amount appropriated in this item may be increased based on increases in credential applications, increases in first-time credential applications requiring fingerprint clearance, unanticipated costs associated with certificate discipline cases, or unanticipated costs of litigation, subject to approval of the Department of Finance, not sooner than 30 days after notification in writing to the chairpersons of the fiscal committees of each house and the Chairperson of the Joint Legislative Budget Committee.		
2. Notwithstanding Section 44234 of the Education Code, funds that are set aside for pending litigation costs shall not be considered part of the reserve of the Teacher Credentials Fund for purposes of subdivision (b) of Section 44234 of the Education Code.		
3. This item of appropriation includes up to $250,000 for transfer to the Legislative Analyst for the purposes of contracting for a comprehen-		

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sive management study, in collaboration with the Department of Finance and Commission on Teacher Credentialing, of the Commission on Teacher Credentialing's organizational structure and credential processing protocols. That collaboration shall, at a minimum, extend to the selection of members of an advisory committee, design of the request for proposal, selection of the contractor, and review of the final report. The study shall include at a minimum, to the extent feasible and appropriate, all of the following information: (1) identification of regulations and statutes related to teacher credentialing that may be modified to improve the efficient processing of credentials; (2) evaluation of the extent to which the Commission on Teacher Credentialing's information technology plans achieve improvements in efficiency and timeliness in credential processing and other service areas and recommendations for further improvement in this area; (3) recommendations regarding the appropriate level of staff to process credentials in an efficient and timely manner; (4) recommendations for any customer service improvements, including, but not limited to, accessibility; (5) recommendations for an appropriate credential fee structure to support the Commission on Teacher Credentialing's average cost to process a credential, including the costs of potential discipline review, professional standards development, institutional accreditation, and agency administration; and (6) recommendations for further topics of study. The Legislative Analyst, the Department of Finance, and the Commission on Teacher Credentialing shall submit a report prepared by the contractor of findings and recommendations to the Governor and the appropriate policy and fiscal committees in each house no later than March 1, 2000.

4. Of the funds appropriated in Schedule (a) of this item, $75,000 is for administration of the California Mathematics Initiative for Teaching program established by Article 13 (commencing with Section 44400) of Chapter 2 of Part 25 of the Education Code. These funds shall be expended in a manner consistent with legislation enacted during the 1999–00 Regular Session. If legislation is not enacted, the commission may expend these funds

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consistent with existing provisions of the program.

5. Of the funds appropriated in Schedule (a) of this item, $348,000 shall be available to fund the data base and application upgrade information technology project and $161,000 shall be available to fund the agenda and web management information technology project. No funds may be expended in support of these projects without approval of the Department of Information Technology and the Department of Finance.
6. Of the funds appropriated in Schedule (a) of this item, $250,000 is for the purpose of contracting for an independent evaluation of the Beginning Teacher Support and Assessment System. The Commission on Teacher Credentialing and the State Department of Education shall jointly develop the request for proposal and select the contractor. The evaluation shall examine the organizational structure of the program at state and local levels, the impact of the program's statewide expansion on the quality of the program, and the effect of program participation on increasing the knowledge and skills of beginning teachers, as measured by valid and reliable assessment tools. The evaluation shall also examine the effect of this program on employment retention rates for teachers who complete the Beginning Teacher Support and Assessment System. The commission and department shall submit a report to the Legislature and the Governor by January 1, 2001.

6360-001-0408—For support of the Commission on Teacher Credentialing, payable from the Test Development and Administration Account, Teacher Credentials Fund 9,244,000

Schedule:

(a) 10-Standards for Preparation and Licensing of Teachers 9,244,000

Provisions:

1. The amount appropriated in this item may be increased for unanticipated costs of litigation, or for costs from increases in the number of examinees, subject to approval of the Department of Finance, not sooner than 30 days after notification in writing to the chairpersons of the fiscal committees of each house and the Chairperson of the Joint Legislative Budget Committee.

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2. Notwithstanding Section 44234 of the Education Code, funds that are set aside for pending litigation costs shall not be considered part of the reserve of the Teacher Credentials Fund for purposes of subdivision (b) of Section 44234 of the Education Code.	
3. Of the funds appropriated in this item, $150,000 shall be available for the design, development, and testing of a performance assessment that will be used statewide for new teachers.	
6360-001-0890—For support of the Commission on Teacher Credentialing, payable from the Federal Trust Fund	2,305,000
Schedule:	
(a) 10-Standards for Preparation and Licensing of Teachers 2,305,000	
Provisions:	
1. Of the funds appropriated in Schedule (a), $2,147,000 is for state operations costs for the federal Teacher Quality Enhancement Grants for States and Partnerships authorized by Section 201 of the federal Higher Education Amendments of 1998 (20 U.S.C. Sec. 1022). These funds shall be expended only after development of an expenditure plan by the Commission on Teacher Credentialing, and approval of the plan by the Department of Finance.	
6360-002-0001—For transfer by the Controller to the Teacher Credentials Fund (0407)	1,500,000
Provisions:	
1. The transfer made in this item is to be expended for a teacher credential fee buyout program pursuant to legislation enacted during the 1999–00 Regular Session.	
6360-101-0001—For local assistance, Commission on Teacher Credentialing (Proposition 98)	33,249,000
Schedule:	
(a) 10-Standards for Preparation and Licensing of Teachers 36,177,000	
(b) Reimbursements ..... −2,928,000	
Provisions:	
1. Of the funds appropriated in this item, $11,000,000 is for incentive grant funding to school districts and county offices of education participating in the alternative certification programs established pursuant to Article 11 (com-	

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	mencing with Section 44380) of Chapter 2 of Part 25 of the Education Code.	
	2. Of the funds appropriated in this item, $11,478,000 shall be available for grants and subventions to school districts and county offices of education participating in the California School Paraprofessional Teacher Training Program established pursuant to Article 12 (commencing with Section 44390) of Chapter 2 of Part 25 of the Education Code.	
	3. Of the funds appropriated in this item, $350,000 shall be used to reimburse county offices of education for costs associated with monitoring public schools and school districts for teacher misassignments. Funds shall be allocated on a basis determined by the commission. Districts and county offices receiving funds for credential monitoring will provide reasonable and necessary information to the commission as a condition of receiving these funds.	
	4. Of the funds appropriated in this item, $11,800,000 is for the California Pre-Internship Teaching Program, as set forth in Article 5.6 (commencing with Section 44305) of Chapter 2 of Part 25 of the Education Code.	
	5. Of the funds appropriated in this item, $1,549,000 is for the California Mathematics Initiative for Teaching program, established pursuant to Article 13 (commencing with Section 44400) of Chapter 2 of Part 25 of the Education Code, including $49,000 provided for adjustments for growth in enrollment and cost-of-living adjustments. These funds shall be allocated consistent with legislation enacted during the 1999–00 Regular Session. If legislation is not enacted, the commission shall administer the program pursuant to current law.	
6360-101-0890—For local assistance, Commission on Teacher Credentialing ..... Schedule:		2,230,000
	(a) 10-Standards for Preparation and Licensing of Teachers 2,230,000	
6360-490—Reappropriation, Commission on Teacher Credentialing. Notwithstanding any other provision of law, the balance of the appropriation referenced below is reappropriated and available for encum-		

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brance and expenditure, as specified, until June 30, 2001:		
(1) The balance, as of June 30, 1999, of the funds appropriated by Schedule (a) of Item 6360-001-0408, and referenced in Provision 3, of the Budget Act of 1998 (Ch. 324, Stats. 1998). These funds shall be available for design, development, and testing of a performance assessment to be used statewide for new teachers.		
6420-001-0001—For support of California Postsecondary Education Commission		3,397,000
Schedule:		
(a) 100000-Personal Services	2,846,000	
(b) 300000-Operating Expenses and Equipment	850,000	
(c) Reimbursements	−10,000	
(d) Amount payable from the Federal Trust Fund (Item 6420-001-0890).	−329,000	
6420-001-0890—For support of California Postsecondary Education Commission, for payment to Item 6420-001-0001, payable from the Federal Trust Fund		329,000
6420-101-0001—For local assistance, California Postsecondary Education Commission, for Pipeline Program grants		119,000
6420-101-0890—For local assistance, California Postsecondary Education Commission, payable from the Federal Trust Fund		6,165,000
6440-001-0001—For support of University of California		2,548,853,000
Schedule:		
(a) Support	2,426,853,000	
(b) Charles R. Drew Medical Program.	8,949,000	
(c) Podiatry Program	857,000	
(d) Mathematics, Engineering and Science Achievement (MESA)	3,553,000	
(e) Acquired Immune Deficiency Syndrome (AIDS) Research	10,975,000	
(f) Institute of Global Conflict and Cooperation	550,000	
(g) Student Financial Aid	69,199,000	
(h) Loan Repayments	5,105,000	
(i) San Diego Supercomputer Center	4,000,000	
(j) Mathematics, Science and Arts Outreach Programs	3,000,000	
(k) Subject Matter Projects	15,812,000	

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Provisions:

1. The appropriations made in this item are exempt from Section 31.00 of this act.
2. None of the funds appropriated in this item may be expended to initiate major capital outlay projects by contract without prior legislative approval, except for cogeneration and energy conservation projects. Exempted projects shall be reported in a manner consistent with the reporting procedures in subdivision (d) of Section 28.00 of this act.
3. The funds appropriated in Schedule (b) are for support of University of California program of clinical health sciences education, research, and public service, conducted in conjunction with the Charles R. Drew University of Medicine and Science, as provided for in Sections 1, 2, and 3 of Chapter 1140 of the Statutes of 1973. Of the amount appropriated, $500,000 is contingent upon the provision by the University of California of an equal amount of matching funds from its own resources. The University of California shall ensure by adequate controls that funds appropriated by Schedule (b) are expended solely for the support of the program identified in that schedule.
4. The funds appropriated in Schedule (c) are for support of a program of basic and clinical health science education and primary health care delivery research in the field of podiatry, University of California, to be conducted in conjunction with the California College of Podiatric Medicine as provided for in Sections 1 to 4, inclusive, of Chapter 1497 of the Statutes of 1974.
5. Of the amount appropriated in Schedule (a), $2,629,957 shall be available for expenditure only for support of the Northern and Southern Occupational Health Centers as established by a contract entered into with the Department of Industrial Relations pursuant to Section 50.8 of the Labor Code.
6. The funds appropriated in Schedule (g) are for support of Program 45, Student Financial Aid, to provide financial aid to needy students attending the University of California, according to the nationally accepted needs analysis methodology.
7. Of the amount appropriated in Schedule (a), $7,462,800 is for payment of energy service con-

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tracts in connection with the issuance of Public Works Board Energy Efficiency Revenue Bonds.

8. Of the amount appropriated in Schedule (h), $2,700,000 is for repayment of $25,000,000 borrowed by the University of California for deferred maintenance in the 1994–95 fiscal year. It is the intent of the Legislature to annually provide funds for that repayment purpose through the 2009–10 fiscal year.
9. Of the amount appropriated in Schedule (h), $2,405,000 is for repayment of $25,000,000 borrowed by the University of California for deferred maintenance in the 1995–96 fiscal year. It is the intent of the Legislature to annually provide funds for that repayment purpose through the 2010–11 fiscal year.
10. Of the amount appropriated in schedule (a), $40,500,000 is provided for outreach to be used to fund new and existing programs that are aimed at improving the chances for pupils from a wide diversity of backgrounds to become eligible for the University of California, as follows:
    (a) The following amounts are for pupil academic development and school partnership programs and shall be matched on a one-to-one basis by the participating schools:
        (1) $15,000,000 is to expand pupil academic development programs, including MESA, Puente, and the Early Academic Outreach Program, so that these programs may increase the number of pupils who participate in the programs and may offer services such as college admissions test preparation programs, fee waivers for Advance Placement tests, and an increased number of field trips for high school and middle school participants to visit college campuses.
        (2) $15,000,000 is provided for the expansion of K–12 school partnership programs to systemically reform partner schools in order to achieve long-term improvements in student success.
        (3) $1,000,000 is provided to expand both pupil academic development programs and K–12 partnership programs in the central valley.

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	(b) $3,500,000 is provided for expansion of services to community college students to promote transfer. (c) $1,000,000 is provided for informational outreach to pupils, families, and K–12 teachers and counselors. (d) $1,000,000 is provided for charter schools. (e) $500,000 is provided for outreach by professional schools to be matched on a one-to-one basis by those professional schools. (f) $2,000,000 is provided for systemwide graduate and professional school outreach, to be matched by $2,000,000 in university funds. Of these funds, $1,500,000 shall be provided for medical school outreach, $1,500,000 for engineering and science doctoral program outreach, and $500,000 for law school outreach. (g) $1,500,000 is provided for long-term evaluation of the effectiveness of outreach programs, including college graduation rates for pupils who participated in the K–12 programs, regardless of the college attended.	
	11. Of the funds appropriated in Schedule (a), $500,000 shall be expended for the Center for Earthquake Engineering Research, contingent upon the center continuing to receive federal matching funds from the National Science Foundation. 12. Of the funds appropriated by Schedule (a), $800,000 shall be expended at the San Diego campus for research into the use of composite materials for transportation structures, contingent upon the campus continuing to receive federal matching funds. It is the intent of the Legislature that funding be provided through the 2002–03 fiscal year for this purpose. 13. Of the funds appropriated in Schedule (a), $500,000 shall be expended for viticulture and enology research contingent upon the receipt of an equal amount of private sector matching funds. 14. Of the amount appropriated in Schedule (j), $1,500,000 is for Arts Bridge programs that give university students scholarships to work as "artists in residence" in public schools. The University of California shall ensure that 75 percent of	

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these efforts are targeted at underperforming schools.	
15. Of the amount appropriated in Schedule (j), $1,500,000 is for Community Teaching Internships for Mathematics and Science programs. These programs shall provide stipends to juniors and seniors majoring in math, science, and engineering, who work in local public schools as teaching interns.	
16. Of the funds appropriated in Schedule (a), $22,310,000 is for substance abuse research at the University of California, San Francisco campus in the Neurology Department.	
17. Of the amount appropriated in Schedule (a), $2,000,000 is for cooperative extension, contingent upon an assessment that land in Santa Clara County currently used for cooperative extension is available to the state for other purposes without restriction.	
18. Of the amount appropriated in Schedule (a), $1,000,000 is for the California State Summer School for Math and Science, subject to transfer of this program to the university by legislation enacted in the 1999–2000 Regular Session.	
19. It is the intent of the Legislature that of the funds the University of California finances for deferred maintenance in the 1999–2000 budget, $2,800,000 be utilized for the Veterinary Medical School facilities on the University of California, Davis campus, as a first step toward bringing the school's facilities to full accreditation status.	
20. Of the amount appropriated in Schedule (e) of this item, $1,000,000 shall be allocated to provide core infrastructure support for interdisciplinary coordination of AIDS research at University of California medical schools. The funds shall be allocated to each medical school in proportion to the percentage of Universitywide AIDS Research Program administered funds awarded to each medical school in the 1998–99 fiscal year.	
6440-001-0007—For support of University of California, payable from the Breast Cancer Research Account	16,706,000

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Provisions:	
1. Notwithstanding subdivision (a) of Section 2.00 of this act, the funds appropriated in this item shall be available for expenditure until June 30, 2002.	
6440-001-0046—For support of University of California, Institute of Transportation Studies, payable from the Public Transportation Account, State Transportation Fund	956,000
6440-001-0234—For support of the University of California, payable from the Research Account, Cigarette and Tobacco Products Surtax Fund	38,726,000
Provisions:	
1. The funds appropriated in this item are to be allocated for research regarding tobacco use, with an emphasis on youth and young adults, including, but not limited to, the effects of active and passive smoking, the primary prevention of tobacco use, nicotine addiction and its treatment, the effects of secondhand smoke, and public health issues surrounding tobacco use.	
2. Notwithstanding subdivision (a) of Section 2.00 of this act, the funds appropriated in this item are available for expenditure until June 30, 2002.	
6440-001-0308—For support of the University of California, payable from the Earthquake Risk Reduction Fund of 1996	1,500,000
Provisions:	
1. The funds appropriated in this item shall be expended for the Center for Earthquake Engineering Research, contingent upon the center continuing to receive federal matching funds from the National Science Foundation.	
6440-001-0321—For support of University of California, payable from the Oil Spill Response Trust Fund	1,300,000
Provisions:	
1. The funds appropriated in this item shall be available to support the Oiled Wildlife Care Network.	
6440-001-0814—For support of University of California, for allocation by the Controller in accordance with the provisions of Section 8880.5 of the Government Code as enacted by the voters in Proposition 37 at the November 1984 general election, payable from the California State Lottery Education Fund	20,854,000
Provisions:	
1. All funds received pursuant to Proposition 37 that are allocable to the University of California pur-	

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suant to Section 8880.5 of the Government Code, and that are in excess of the amount appropriated in this item are hereby appropriated in augmentation of this item.	
6440-001-0890—For support of University of California, payable from the Federal Trust Fund	5,000,000
Provisions:	
1. The funds appropriated in this item are for the federal Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) (20 U.S.C. 1070a-21 et. seq.). These funds are provided to the University of California as the fiscal agent for this intersegmental program.	
6440-001-0945—For support of the University of California, payable from the California Breast Cancer Research Fund	800,000
Provisions:	
1. Notwithstanding subdivision (a) of Section 2.00 of this act, the funds appropriated in this item shall be available for expenditure until June 30, 2002.	
6440-002-0001—For support of University of California	(55,000,000)
Provisions:	
1. Notwithstanding Section 2.00 of this act, the funds appropriated in this item are not available for expenditure or encumbrance prior to July 1, 2000. Claims for these funds shall be submitted by the University of California on or after July 1, 2000, and before October 1, 2000.	
2. No reserve may be established by the Controller for this appropriation before July 1, 2000.	
6440-003-0001—For support of the University of California, for payments on lease-purchase bonds.	90,572,000
Schedule:	
(a) Rental, insurance and administrative payments	97,452,000
(b) Reimbursements	−6,880,000
6440-004-0001—For support of University of California	10,300,000
Provisions:	
1. Funds shall be available for planning and startup costs associated with academic programs to be offered in the San Joaquin Valley and planning, startup costs, and ongoing support for the Merced campus, including the following: (a) site studies, infrastructure planning, community planning and	

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development, long-range development plans, environmental studies, and other physical planning activities; (b) academic planning activities, support of academic program offerings prior to the opening of the new campus, and faculty recruitment; (c) the acquisition of instructional materials and equipment; and (d) ongoing operating support for faculty, staff, and other annual operating expense for the new campus.		
2. Notwithstanding subdivision (a) of Section 2.00 of this act, funds appropriated in this item shall be available for expenditure until June 30, 2002.		
3. The University of California may enter into a lease agreement with an option to purchase a facility in Merced of up to 50,000 rentable square feet. The initial option purchase price shall not exceed $10,000,000. The cost of the lease shall not exceed $900,000 per year based on a 20-year lease term, for a total cumulative cost of $18,000,000. The lease agreement with option to purchase shall be submitted to the Department of Finance for review and concurrence prior to execution of the lease to ensure that the proposed lease is consistent with legislative intent. The submission of the lease shall also include an economic analysis detailing the cost benefit of the project.		
6440-011-0042—For transfer by the Controller from the State Highway Account, State Transportation Fund to the Earthquake Risk Reduction Fund of 1996 (0308)		(1,000,000)
6440-301-0574—For capital outlay, University of California, payable from the Higher Education Capital Outlay Bond Fund of 1998		9,494,000
Schedule:		
San Francisco Campus:		
(2.1) 99.02.012-Parnassus Services Seismic Replacement Building—Preliminary plans	1,414,000	
(2.2) 99.02.120-Misson Bay Research Building—Preliminary plans	3,000,000	
Davis Campus:		
(3) 99.03.180-Chemistry Annex Alterations—Preliminary plans and working drawings	238,000	

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(4) 99.03.185-Life Sciences Alterations, Phase 1—Preliminary plans and working drawings	411,000
(5) 99.03.190-Electrical Improvements, Phase 2B—Preliminary plans and working drawings	486,000
Riverside Campus:	
(6) 99.05.120-Humanities-Olmsted Hall Seismic Upgrade and Renovation—Working drawings	448,000
San Diego Campus:	
(7) 99.06.170-Galbraith Hall Renovations—Equipment	714,000
(8) 99.06.310-Central Plant Equipment Improvements 3—Preliminary plans	198,000
Santa Barbara Campus:	
(9) 99.08.095-Engineering-Science Building—Preliminary plans	1,226,000
(10) 99.08.100-Sewer System Renewal—Preliminary plans and working drawings	585,000
Irvine Campus:	
(11) 99.09.125-Environmental Health and Safety Services Building—Equipment	589,000
(12) 99.09.190-Arts Renovation and Seismic Improvement, Phase 2—Preliminary plans	185,000

Provisions:

1. Identified savings in funds encumbered from this general obligation bond fund for construction contracts for capital outlay projects, remaining after completion of a capital outlay project and upon resolution of all change orders and claims, may be used: (a) to begin working drawings for a project for which preliminary plan funds have been appropriated and the plans have been approved by the State Public Works Board consistent with the scope and cost approved by the Legislature as adjusted for inflation only, (b) to proceed further with the underground tank corrections program, (c) to perform engineering evaluations on buildings that have been identified as potentially in need of seismic retrofitting, or (d) to proceed with design and construction of projects to meet re-

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quirements under the federal Americans with Disabilities Act of 1990.

No later than March 1, 2000, the University of California shall provide the Legislative Analyst with a progress report showing the identified savings by project, and the purpose for which the identified savings were used.

No later than November 1, 2000, the University of California shall prepare a report showing (a) the identified savings by project and (b) the purpose for which the identified savings were used. This report shall be submitted to the Chair of the Joint Legislative Budget Committee and to the chairs of the fiscal committees in each house.

6440-301-0705—For capital outlay, University of California, payable from the Higher Education Capital Outlay Bond Fund of 1992.

Provisions:

1. Identified savings in funds encumbered from this general obligation bond fund for construction contracts for capital outlay projects, remaining after completion of a capital outlay project and upon resolution of all change orders and claims, may be used: (a) to begin working drawings for a project for which preliminary plan funds have been appropriated and the plans have been approved by the State Public Works Board consistent with the scope and cost approved by the Legislature as adjusted for inflation only, (b) to proceed further with the underground tank corrections program, (c) to perform engineering evaluations on buildings that have been identified as potentially in need of seismic retrofitting, or (d) to proceed with design and construction of projects to meet requirements under the federal Americans with Disabilities Act.

   No later than March 1, 2000, the University of California shall provide the Legislative Analyst with a progress report showing the identified savings by project, and the purpose for which the identified savings were used.

   No later than November 1, 2000, the University of California shall prepare a report showing (a) the identified savings by project and (b) the purpose for which the identified savings were used. This report shall be submitted to the Chairperson

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of the Joint Legislative Budget Committee and to the chairs of the fiscal committees in each house.

6440-301-0782—For capital outlay, University of California, payable from the Higher Education Capital Outlay Bond Fund.

Provisions:

1. Identified savings in funds encumbered from this general obligation bond fund for construction contracts for capital outlay projects, remaining after completion of a capital outlay project and upon resolution of all change orders and claims, may be used as follows: (a) to begin working drawings for a project for which preliminary plan funds have been appropriated and the plans have been approved by the State Public Works Board consistent with the scope and cost approved by the Legislature as adjusted for inflation only, (b) to proceed further with the underground tank corrections program, (c) to perform engineering evaluations on buildings that have been identified as potentially in need of seismic retrofitting, or (d) to proceed with design and construction of projects to meet requirements under the federal Americans with Disabilities Act of 1990.

   No later than March 1, 2000, the University of California shall provide the Legislative Analyst with a progress report showing the identified savings by project, and the purpose for which the identified savings were used.

   No later than November 1, 2000, the University of California shall prepare a report showing (a) the identified savings by project and (b) the purpose for which the identified savings were used. This report shall be submitted to the Chair of the Joint Legislative Budget Committee and to the chairs of the fiscal committees in each house.

6440-301-0785—For capital outlay, University of California, payable from the 1988 Higher Education Capital Outlay Bond Fund.

Provisions:

1. Identified savings in funds encumbered from this general obligation bond fund for construction contracts for capital outlay projects, remaining after completion of a capital outlay project and upon resolution of all change orders and claims, may be used: (a) to begin working drawings for a project for which preliminary plan funds have been ap-

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propriated and the plans have been approved by the State Public Works Board consistent with the scope and cost approved by the Legislature as adjusted for inflation only, (b) to proceed further with the underground tank corrections program, (c) to perform engineering evaluations on buildings that have been identified as potentially in need of seismic retrofitting, or (d) to proceed with design and construction of projects to meet requirements under the federal Americans with Disabilities Act of 1990.

No later than March 1, 2000, the University of California shall provide the Legislative Analyst with a progress report showing the identified savings by project, and the purpose for which the identified savings were used.

No later than November 1, 2000, the University of California shall prepare a report showing (a) the identified savings by project and (b) the purpose for which the identified savings were used. This report shall be submitted to the Chair of the Joint Legislative Budget Committee and to the chairs of the fiscal committees in each house.

6440-301-0791—For capital outlay, University of California, payable from the June 1990 Higher Education Capital Outlay Bond Fund.

Provisions:

1. Identified savings in funds encumbered from this general obligation bond fund for construction contracts for capital outlay projects, remaining after completion of a capital outlay project and upon resolution of all change orders and claims, may be used: (a) to begin working drawings for a project for which preliminary plan funds have been appropriated and the plans have been approved by the State Public Works Board consistent with the scope and cost approved by the Legislature as adjusted for inflation only, (b) to proceed further with the underground tank corrections program, (c) to perform engineering evaluations on buildings identified as potentially in need of seismic retrofitting, or (d) to proceed with design and construction of projects to meet requirements under the federal Americans with Disabilities Act of 1990.

   No later than March 1, 2000, the University of California shall provide the Legislative Analyst

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with a progress report showing the identified savings by project, and the purpose for which the identified savings were used.		
No later than November 1, 2000, the University of California shall prepare a report showing (a) the identified savings by project and (b) the purpose for which the identified savings were used. This report shall be submitted to the Chair of the Joint Legislative Budget Committee and to the chairs of the fiscal committees in each house.		
6440-302-0574—For capital outlay, University of California, payable from the Higher Education Capital Outlay Bond Fund of 1998		208,831,000
Schedule:		
Berkeley Campus:		
(1) 99.01.195-Seismic Replacement Building 1—Preliminary plans and working drawings	2,025,000	
(1.1) 99.01.200-Seismic Safety Corrections, FEMA Program, Phase I—Preliminary Plans and Working Drawings	1,900,000	
Davis Campus:		
(2) 99.03.175-Chilled Water System Improvements, Phase IV—Construction	6,788,000	
Los Angeles Campus:		
(3) 99.04.305-Health Sciences Seismic Replacement Building 1—Construction	21,693,000	
(4) 99.04.310-Health Sciences Seismic Replacement Building 2—Preliminary plans and working drawings	2,630,000	
Riverside Campus:		
(5) 99.05.115-Entomology Buildings Seismic Replacement—Construction	22,514,000	
(6) 99.05.125-Pierce Hall Seismic Upgrade—Construction	1,570,000	
San Diego Campus:		
(7) 99.06.305-Natural Sciences Building—Preliminary plans, working drawings, and construction	53,157,000	

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	Santa Barbara Campus:	
	(7.5) 99.08.105-Broida Hall Seismic Corrections—Construction.....	4,135,000
	Santa Cruz Campus:	
	(8) 99.07.085-Physical Sciences Building—Working drawings and construction	45,682,000
	Irvine Campus:	
	(9) 99.09.195-Physical Sciences Research Facility Seismic Improvements—Preliminary plans and working drawings.....	49,000
	(10) 99.09.200-Natural Sciences Unit 1—Preliminary plans, working drawings, and construction	46,688,000

Provisions:

1. Notwithstanding Section 13332.11 of the Government Code or any other provision of law, the University of California may proceed with any phase of any project identified in the above schedule, including preparation of preliminary plans, working drawings, construction, or equipment purchase, without the need for any further approvals. Further, the project identified in Schedule 10 of this item may proceed utilizing design-build construction consistent with established University of California practices, policies and procedures.
2. The University of California shall complete each project identified in the above schedule within the total funding amount specified in the schedule for that project. Notwithstanding Section 13332.11 of the Government Code or any other provision of law, the budget for any project to be funded from this item may be augmented by the University of California within the total appropriation made by this item, in an amount not to exceed 10 percent of the amount appropriated for that project. No funds appropriated by this item for equipment may be used for an augmentation under this provision, or be augmented from any other funds appropriated by this item. This condition does not limit the authority of the University of California to use nonstate funds.
3. The University of California shall complete each project identified in the above schedule without any change to its scope. The scope of a project means, in this respect, the intended purpose of the

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project as determined by reference to the following elements of the budget request for that project submitted by the University of California to the Department of Finance: (a) the program elements related to project type, and (b) the functional description of spaces required to deliver the academic and supporting programs as approved by the Legislature.

4. Notwithstanding Section 2.00 of this act or any other provision of law, the appropriation made by this item is available for encumbrance during the 1999–00 and 2000–01 fiscal years, except that the funds appropriated for construction only must be bid during the 1999–00 fiscal year and will be available for expenditure through 2000–01 and that the funds appropriated for equipment purposes are available for encumbrance until June 30, 2002. For the purposes of encumbrance, funds appropriated for construction management and project contingencies purposes, as well as any bid savings, shall be deemed to be encumbered at the time a contract is awarded; these funds also may be used to initiate consulting contracts necessary for management of the project during the liquidation period. Any savings identified at the completion of the project also may be used during the liquidation period to fund the purposes described in Provision 2 and Provision 5.
5. Identified savings in a budget for a capital outlay project, as appropriated by this item, remaining after completion of a capital outlay project and upon resolution of all change orders and claims, may be used without further approval: (a) to augment projects consistent with Provision 2, (b) to proceed further with the underground tank corrections program, (c) to perform engineering evaluations on buildings that have been identified as potentially in need of seismic retrofitting, (d) to proceed with the design and construction of projects to meet requirements under the federal Americans with Disabilities Act of 1990, or (e) to fund minor capital outlay projects.
6. No later than December 1 of each year, the University of California shall submit a report outlining the expenditure for each project of the funds appropriated by this item to the Chair of the Joint Legislative Budget Committee, the chairs of the

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fiscal committees of each house, the Legislative Analyst, and the Director of Finance. The report also shall include the following elements: (a) a statement of the identified savings by project, and the purpose for which the identified savings were used; (b) a certification that each project as proceeding or as completed, has remained within its scope and the amount funded for that project under this item; and (c) an evaluation of the outcome of the project measured against performance criteria.

6440-401—The following project is authorized pursuant to Section 15820.21 of the Government Code.

Schedule:

(a) 99.02.120 San Francisco Campus—Mission Bay Research Building

Provisions:

1. The University of California is required to provide a project planning guide (PPG) to the Department of Finance consistent with established procedure and shall not commence with construction of the project prior to the provision of a 30-day notice to the Joint Legislative Budget Committee.
2. It is the intent of the Legislature that the PPG submitted by the University of California include, at a minimum: (a) capital improvement budget; (b) description of the project (scope); (c) schedule; and (d) financial analysis showing how debt service and ongoing maintenance costs will be covered. The financial analysis should include the history of the campus over the last 10 years with respect to federal contract and grant receipts and projections on a year-by-year basis until 10 years from the date of occupancy.

6440-490—Reappropriation, University of California. Notwithstanding any other provision of law, the balances as of June 30, 1999, of the appropriations provided in the following citations are reappropriated for the purposes and subject to the limitations, unless otherwise specified, provided for in the appropriations and shall be available for encumbrance and expenditure until June 30, 2000:

0001—General Fund

(1) Item 6440-001-0001 of Section 2.00 of the Budget Act of 1998 (Ch. 324, Stats. 1998).

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Provisions:

1. Excluding funds reappropriated pursuant to Provision 2 of this section, of the funds reappropriated in this item from Item 6440-001-0001 of Section 2.00 of the Budget Act of 1998 (Ch. 324, Stats. 1998), $15,000,000 shall be available for deferred maintenance, special repair projects, and the replacement of instructional equipment. As of June 30, 1999, the balance of the funds from that item in excess of $15,000,000 shall revert to the General Fund.
2. If funds for compensation and benefit increases for represented employees are not encumbered by June 30, 1999, because a collective bargaining agreement for a particular labor bargaining unit has not been reached, an amount equivalent to the amount needed to provide compensation and benefit increases to members within the collective bargaining unit similar to that provided on average to non-represented UC employees are reappropriated for purposes of distribution pursuant to a valid collective bargaining agreement reached prior to June 30, 2000.
3. The University of California shall report to the Department of Finance and the Joint Legislative Budget Committee the amount of the balance, on June 30, 1999, of Item 6440-001-0001 of Section 2.00 of the Budget Act of 1998 (Ch. 324, Stats. 1998), by September 30, 1999, and the expenditures made pursuant to this item by September 30, 2000.

6440-491—Reappropriation, University of California. The balance of the appropriation provided for in the following citation is reappropriated for the purposes and subject to the limitations, unless otherwise specified, provided for in the appropriation.

0570—Higher Education Capital Outlay Bond Fund of 1998

(1) Item 6440-301-0574, Budget Act of 1998 (Ch. 324, Stats. 1998), Agriculture Natural Resources: Schedule (14) 99.10.035-Alternative Pest Control Quarantine and Containment Facilities for California-Construction. Only $6,402,000 of the amount originally appropriated shall be reappropriated.

6600-001-0001—For support of Hastings College of the Law	14,434,000

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Provisions:

1. The appropriation made in this item is exempt from Section 31.00 of this act.
2. Of the funds appropriated in this item, $774,000 is for support of Program 40, Student Services, to provide financial aid to needy students attending the Hastings College of the Law, according to the nationally accepted needs analysis methodology.

6600-001-0814—For support of Hastings College of the Law, for allocation by the Controller in accordance with the provisions of Section 8880.5 of the Government Code as enacted by the voters in Proposition 37 at the November 1984 general election, payable from the California State Lottery Education Fund... 153,000

Provisions:

1. All funds received pursuant to Proposition 37 that are allocable to the Hastings College of the Law pursuant to Section 8880.5 of the Government Code, and that are in excess of the amount appropriated in this item are hereby appropriated in augmentation of this item.

6600-490—Reappropriation, Hastings College of the Law. Notwithstanding any other provision of law, the balance, as of June 30, 1999, of the appropriation provided in the following citation is reappropriated and shall be available for encumbrance and expenditure until June 30, 2000:

0001—General Fund

(1) Item 6600-001-0001, Budget Act of 1998 (Ch. 324, Stats. 1998).

Provisions:

1. The Hastings College of the Law shall report to the Department of Finance and the Joint Legislative Budget Committee the amount of the balance, on June 30, 1999, of Item 6600-001-0001 of the Budget Act of 1998 (Ch. 324, Stats. 1998), by September 30, 1999, and shall also report the expenditures made pursuant to this item by September 30, 2000.

6610-001-0001—For support of the California State University 2,221,286,000

Schedule:

(a) Support..... 2,977,761,000
(b) Reimbursements ..... −128,558,000
(c) Amount payable from the Higher Education Fees and Income, CSU Fund (Item 6610-001-0498).... −628,017,000

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Provisions:

1. The appropriations made in this item are exempt from Section 31.00 of this act, except as otherwise provided by the applicable sections of the Government Code referred to in Section 31.00.
2. Of the amount appropriated in this item, $814,000 is available for transfer to the California State University and Colleges Special Projects Fund pursuant to Section 25008.5 of the Public Resources Code, which allows state agencies to retain 50 percent of the financial benefits realized through energy savings projects.
3. Of the amount appropriated in this item, $7,235,000 is provided for payment of energy service contracts in connection with the issuance of Public Works Board Energy Efficiency Revenue Bonds.
4. Of the amount appropriated in this item, $350,000 is for transfer to the Affordable Student Housing Revolving Fund for the purpose of subsidizing interest costs in connection with bond financing for construction of affordable student housing at the Fullerton and Hayward campuses in accordance with Article 3 (commencing with Section 90085) of Chapter 8 of Part 55 of the Education Code.
5. Of the amount appropriated in this item, $1,878,000 is for repayment of the $17,000,000 financed for the California State University through a third party for deferred maintenance projects in the 1994–95 fiscal year. It is the intent of the Legislature to annually provide funds for that repayment purpose through the 2009–10 fiscal year.
6. Of the amount appropriated in this item, $2,309,000 is for repayment of the $24,000,000 financed for the California State University through a third party for deferred maintenance projects in the 1995–96 fiscal year. It is the intent of the Legislature to annually provide funds for that repayment purpose through the 2010–11 fiscal year.
7. Of the amount appropriated in this item, $1,700,000 is for conversion of the Stockton Developmental Center into the Regional and Continuing Education Center at CSU, Stanislaus. It is the intent of the Legislature to annually provide

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funds for this purpose through the 2001–02 fiscal year.

8. Of the amount appropriated in this item, $2,000,000 is provided to support the Bilingual Teacher Recruitment Program.
9. Of the funds appropriated in this item, $2,000,000 is provided for a teacher recruitment program to be operated by the California Center for Teaching Careers.
10. Of the funds appropriated in Schedule (a), $4,000,000 is provided for outreach to be used to fund new and existing programs that are aimed at improving the chances for K–12 pupils from a wide diversity of backgrounds to become eligible and prepared for the California State University. Of this total, $5,000,000 is provided for faculty-to-faculty alliance with high school teachers of English and mathematics, $4,000,000 is provided for learning assistance programs in high school, and $2,000,000 is provided for the Precollegiate Academic Development Program at the California State University, $2,000,000 is for the California State University Educational Opportunity Program (Art. 6 (commencing with Sec. 89521), Ch. 2, Pt. 55, Ed. C.), and $3,000,000 is for the California Academic Partnership Program (Ch. 11 (commencing with Sec. 11000), Pt. 7, Ed. C.).
11. Of the amount appropriated in this item, $65,647,000 is provided for student financial aid grants, including $48,285,000 for State University grants and $17,362,000 for grants pursuant to the California State University Educational Opportunity Program. These financial aid funds shall be provided to needy students according to the nationally accepted needs analysis methodology.

6610-001-0498—For support of the California State University, for payment to Item 6610-001-0001, payable from the Higher Education Fees and Income, CSU Fund 628,017,000

Provisions:

1. All funds received in the Higher Education Fees and Income, CSU Fund, that are in excess of the amount appropriated in this item are hereby appropriated in augmentation of this item.

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6610-001-0890—For support of the California State University, payable from the Federal Trust Fund			18,250,000
Provisions:			
1. All funds deposited in the Federal Trust Fund for the California State University for the purposes of this item and that are in excess of the amount appropriated in this item are hereby appropriated in augmentation of this item and are exempt from Section 28.00 of this act, pursuant to subdivision (a) of Section 89753 of the Education Code.			
6610-002-0001—For support of the California State University for transfer to and in augmentation of Item 6610-001-0001, for the purpose of providing direct costs and administrative overhead expenses for the Assembly, Senate, Executive and Judicial Fellows programs and the Center for California Studies			2,454,000
Schedule:			
(a) Center for California Studies—Fellows Program		330,000	
(b) Center for California Studies—Other		25,000	
(c) Assembly Fellows		610,000	
(d) Senate Fellows		610,000	
(e) Executive Fellows		538,000	
(f) Judicial Fellows		341,000	
6610-003-0001—For support of the California State University for payments on lease-purchase bonds			59,780,000
Schedule:			
(a) Rental, insurance and administrative payments		62,539,000	
(b) Reimbursements		−2,759,000	
6610-301-0574—For capital outlay, California State University, payable from the Higher Education Capital Outlay Bond Fund of 1998			23,809,000
Schedule:			
(1) 06.48.315-Systemwide: Minor Capital Outlay Program—Preliminary plans, working drawings and construction		12,726,000	
(2) 06.54.074-Dominguez Hills: Telecommunications Infrastructure—Working drawings		256,000	
(3) 06.71.097-Long Beach: Renovate Fine Arts—Equipment		395,000	
(4) 06.71.106-Long Beach: Telecommunications Infrastructure—Working drawings		422,000	

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(5)	06.73.088-Los Angeles: Telecommunications Infrastructure—Working drawings	350,000
(6)	06.73.089-Los Angeles: Renovate Physical Sciences Building—Preliminary plans	655,000
(7)	06.82.075-Northridge: Telecommunications Infrastructure—Working drawings	220,000
(8)	06.98.097-Pomona: Telecommunications Infrastructure—Working drawings	231,000
(9)	06.78.088-San Bernardino: Telecommunications Infrastructure—Working drawings	278,000
(10)	06.80.143-San Diego State University: Science Laboratory Building—Equipment	4,983,000
(11)	06.90.074-Sonoma State University: Library/Information Center—Equipment	3,293,000

Provisions:

1. Identified savings in funds encumbered from this general obligation bond fund for construction contracts for capital outlay projects, remaining after completion of a capital outlay project and upon resolution of all change orders and claims, may be used prior to the appropriation reversion date: (a) to begin working drawings for a project for which preliminary plans funds have been appropriated and the plans have been approved by the State Public Works Board consistent with the scope and cost approved by the Legislature as adjusted for inflation only, (b) to proceed further with the underground tank corrections program, (c) to perform engineering evaluations on buildings identified as potentially in need of seismic retrofitting, or (d) to proceed with design and construction of projects to meet requirements under the federal Americans with Disabilities Act of 1990.

   No later than March 1, 2000, the California State University shall provide the Legislative Analyst with a progress report showing the identified savings, by project, and the purpose for which the identified savings were used.

   No later than November 1, 2000, the California State University shall prepare a report showing

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the identified savings, by project, and the purpose for which the identified savings were used. This report shall be submitted to the Chairperson of the Joint Legislative Budget Committee and to the chairpersons of the fiscal committees in each house.

6610-301-0705—For capital outlay, California State University, payable from the Higher Education Capital Outlay Bond Fund of 1992.

Provisions:

1. Identified savings in funds encumbered from this general obligation bond fund for construction contracts for capital outlay projects, remaining after completion of a capital outlay project and upon resolution of all change orders and claims, may be used prior to the appropriation reversion date: (a) to begin working drawings for a project for which preliminary plans funds have been appropriated and the plans have been approved by the State Public Works Board consistent with the scope and cost approved by the Legislature as adjusted for inflation only, (b) to proceed further with the underground tank corrections program, (c) to perform engineering evaluations on buildings that have been identified as potentially in need of seismic retrofitting, or (d) to proceed with design and construction of projects to meet requirements under the federal Americans with Disabilities Act.

   No later than March 1, 2000, the California State University shall provide the Legislative Analyst with a progress report showing the identified savings, by project, and the purpose for which the identified savings were used.

   No later than November 1, 2000, the California State University shall prepare a report showing the identified savings, by project, and the purpose for which the identified savings were used. This report shall be submitted to the Chairperson of the Joint Legislative Budget Committee and to the chairpersons of the fiscal committees in each house.

6610-301-0782—For capital outlay, California State University, payable from the Higher Education Capital Outlay Bond Fund.

Provisions:

1. Identified savings in funds encumbered from this general obligation bond fund for construction

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contracts for capital outlay projects, remaining after completion of a capital outlay project and upon resolution of all change orders and claims, may be used prior to the appropriation reversion date: (a) to begin working drawings for a project for which preliminary plans funds have been appropriated and the plans have been approved by the State Public Works Board consistent with the scope and cost approved by the Legislature as adjusted for inflation only, (b) to proceed further with the underground tank corrections program, (c) to perform engineering evaluations on buildings that have been identified as potentially in need of seismic retrofitting, or (d) to proceed with design and construction of projects to meet requirements under the federal Americans with Disabilities Act.

No later than March 1, 2000, the California State University shall provide the Legislative Analyst with a progress report showing the identified savings, by project, and the purpose for which the identified savings were used.

No later than November 1, 2000, the California State University shall prepare a report showing the identified savings, by project, and the purpose for which the identified savings were used. This report shall be submitted to the Chairperson of the Joint Legislative Budget Committee and to the chairpersons of the fiscal committees in each house.

6610-301-0785—For capital outlay, California State University, payable from the 1988 Higher Education Capital Outlay Bond Fund.

Provisions:

1. Identified savings in funds encumbered for construction contracts from this general obligation bond fund after completion of a capital outlay project, and upon resolution of all change orders and claims, may be used prior to the appropriation reversion date: (a) to begin working drawings for a capital outlay project for which preliminary plans funds have been appropriated and the plans have been approved by the State Public Works Board consistent with the scope and cost approved by the Legislature as adjusted for inflation only, (b) to proceed further with the underground tank corrections program, (c) to perform engineering evaluations on buildings that have been

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identified as potentially in need of seismic retrofitting, or (d) to proceed with design and construction of projects to meet requirements under the federal Americans with Disabilities Act.

No later than March 1, 2000, the California State University shall provide the Legislative Analyst with a progress report showing the identified savings, by project, and the purpose for which the identified savings were used.

No later than November 1, 2000, the California State University shall prepare a report showing the identified savings, by project, and the purpose for which the identified savings were used. This report shall be submitted to the Chairperson of the Joint Legislative Budget Committee and to the chairpersons of the fiscal committees in each house.

6610-301-0791—For capital outlay, California State University, payable from the June 1990 Higher Education Capital Outlay Bond Fund.

Provisions:

1. Identified savings in funds encumbered from this general obligation bond fund for construction contracts for capital outlay projects, remaining after completion of a capital outlay project and upon resolution of all change orders and claims, may be used prior to the appropriation reversion date: (a) to begin working drawings for a project for which preliminary plans funds have been appropriated and the plans have been approved by the State Public Works Board consistent with the scope and cost approved by the Legislature as adjusted for inflation only, (b) to proceed further with the underground tank corrections program, (c) to perform engineering evaluations on buildings identified as potentially in need of seismic retrofitting, or (d) to proceed with design and construction of projects to meet requirements under the federal Americans with Disabilities Act of 1990.

   No later than March 1, 2000, the California State University shall provide the Legislative Analyst with a progress report showing the identified savings, by project, and the purpose for which the identified savings were used.

   No later than November 1, 2000, the California State University shall prepare a report showing the identified savings, by project, and the purpose

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for which the identified savings were used. This report shall be submitted to the Chairperson of the Joint Legislative Budget Committee and to the chairpersons of the fiscal committees in each house.		
6610-302-0574—For capital outlay, California State University, payable from the Higher Education Capital Outlay Bond Fund of 1998		236,864,000
Schedule:		
(1) 06.50.060-Bakersfield: Classroom/Office Building III—Preliminary plans, working drawings and construction	8,702,000	
(2) 06.52.097-Chico State University—Education Classroom/Faculty Office Addition—Working drawings and construction	12,993,000	
(3) 06.62.070-Fullerton: Physical Education Renovation/Addition—Working drawings and construction	18,681,000	
(4) 06.62.084-Fullerton: Seismic Upgrade, Humanities—Preliminary plans, working drawings and construction	1,353,000	
(4.5) 06.67.087-Humboldt State University: Behavior and Social Sciences Phase I—Preliminary plans, working drawings, and construction	21,187,000	
(5) 06.71.103-Long Beach: Fire/Life Safety Infrastructure—Construction	3,879,000	
(6) 06.82.077-Northridge: Corporation Yard—Construction	6,142,000	
(7) 06.98.101-Pomona: Sewer Infrastructure—Preliminary plans, working drawings and construction	3,113,000	
(7.5) 06.80.149-San Diego State University: Chemistry-Geology/Business Administration/Math Buildings Renovations—Preliminary plans, working drawings, and construction	19,535,000	
(8) 06.84.098-San Francisco State University: Renovate Hensill Hall (Seismic)—Construction	18,555,000	

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(9)	06.84.099-San Francisco State University: Seismic Upgrade, Psychology Building—Preliminary plans, working drawings and construction	5,175,000
(10)	06.86.107-San Jose State University: Joint Library—Working drawings and construction	69,638,000
(10.5)	06.90.079-Sonoma State University, Remodel Salazar Building-Preliminary plans, working drawings, and construction	13,131,000
(11)	06.96.108-San Luis Obispo: Engineering and Architecture Renovation and Replacement Phase I—Preliminary plans, working drawings and construction	10,371,000
(12)	06.92.052-Stanislaus: Educational Services Building—Working drawings and construction	24,409,000

Provisions:

1. Notwithstanding Section 13332.11 of the Government Code or any other provision of law, the California State University may proceed with any phase of any project identified in the above schedule, including preparation of preliminary plans, working drawings, construction, or equipment purchase, without the need for any further approvals.
2. The California State University shall complete each project identified in the above schedule within the total funding amount specified in the schedule for that project. Notwithstanding Section 13332.11 of the Government Code or any other provision of law, the budget for any project to be funded from the Higher Education Capital Outlay Bond Fund of 1988 may be augmented by the California State University within the total appropriation made by this item, in an amount not to exceed 10 percent of the amount appropriated for that project. No funds appropriated in this item for equipment may be used for an augmentation under this provision, or be augmented from any other funds appropriated by this item. This condition does not limit the authority of the California State University to use nonstate funds for these purposes.

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3. The California State University shall complete each project identified in the above schedule without any change to its scope. The scope of a project means, in this respect, the intended purpose of the project as determined by reference to the following elements of the budget request for that project submitted by California State University to the Department of Finance: (a) the program elements related to project type, and (b) the functional description of spaces required to deliver the academic and supporting programs as approved by the Legislature.
4. Notwithstanding Section 2.00 of this act or any other provision of law, the appropriation made in this item is available for encumbrance during the 1999–00 and 2000–01 fiscal years, except that the funds appropriated for construction only must be bid during the 1999–00 fiscal year and will be available for expenditure through 2000–01, and funds appropriated for equipment purposes are available for encumbrance until June 30, 2002. For the purposes of encumbrance, funds appropriated for construction management and project contingencies purposes as well as any bid savings, shall be deemed to be encumbered at the time a contract for that purpose is awarded; these funds also may be used to initiate consulting contracts necessary for management of the project during the liquidation period. Any savings identified at the completion of the projects also may be used during the liquidation period to fund the purposes described in subdivisions (a), (b), (c), and (d) of Provision 5.
5. Identified savings in a budget for a capital outlay project, as appropriated by this item, remaining after completion of a capital outlay project and upon resolution of all change orders and claims, may be used: (a) to proceed further with the underground tank corrections program, (b) to perform engineering evaluations on buildings that have been identified as potentially in need of seismic retrofitting, (c) to proceed with the design and construction of projects to meet requirements under the federal Americans with Disabilities Act of 1990, or (d) to fund minor capital outlay projects.
6. No later than December 1 of each year, the California State University shall submit a report de-

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tailing the expenditure for each project of the funds appropriated by this item to the Chair of the Joint Legislative Budget Committee, the chairs of the fiscal committees of each house, the Legislative Analyst, and the Director of Finance. The report also shall include the following elements: (a) a statement of the identified savings by project, and the purpose for which the identified savings were used; (b) a certification that each project as proceeding or as completed, has remained within its scope and the amount funded for that project under this item; and (c) an evaluation of the outcome of the project measured against performance criteria.

6610-490—Reappropriation, California State University. Notwithstanding any other provision of law, the balances of the appropriations provided in the following citations are reappropriated for the purposes and subject to the limitations, unless otherwise specified, provided for in the appropriations and shall be available for expenditure until June 30, 2001:

0001—General Fund

(1) Item 6610-001-0001, Budget Act of 1998 (Ch. 324, Stats. 1998)

Provisions:

1. Of the funds reappropriated in this item from Item 6610-001-0001, Budget Act of 1998 (Ch. 324, Stats. 1998), up to $15,000,000 shall be available for the general support of the California State University. This $15,000,000 limitation applies only to reappropriations generated from systemwide allocations. As of June 30, 1999, the balance generated from systemwide allocations in excess of $15,000,000 shall revert to the General Fund.
2. The California State University shall, by September 30, 1999, report to the Department of Finance and the Joint Legislative Budget Committee the amount of the balance as of June 30, 1999, of Item 6610-001-0001 of the Budget Act of 1998 (Ch. 324, Stats. 1998), and a proposed expenditure plan for that balance. The California State University shall report by September 30, 2000, and September 30, 2001, on the expenditures made pursuant to this item.

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0498—Higher Education Fees and Income, CSU Fund	
(1) Item 6610-001-0498, Budget Act of 1998 (Ch. 324, Stats. 1998).	
6610-495—Reversion, California State University. The unencumbered balance, as of June 30, 1999, of the appropriation provided in the following citation shall revert to the Special Fund for Economic Uncertainties:	
0375—Disaster Response-Emergency Operations Account	
(1) Chapter 1, First Extraordinary Session, Statutes of 1987, Section 2.	
6870-001-0001—For support of Board of Governors of the California Community Colleges	11,140,000
Schedule:	
(a) 10-Apportionments 1,286,000	
(b) 20-Special Services and Operations 17,332,000	
(c) 30.01-Administration 4,607,000	
(d) 30.02-Administration—Distributed ..... –4,607,000	
(e) Reimbursements ..... –7,478,000	
Provisions:	
1. Funds appropriated in this item may be expended or encumbered to make one or more payments under a personal services contract of a visiting educator pursuant to Section 19050.8 of the Government Code, a long-term special consultant services contract, or an employment contract between an entity that is not a state agency and a person who is under the direct or daily supervision of a state agency, only if all of the following conditions are met:	
(a) The person providing service under the contract provides full financial disclosure to the Fair Political Practices Commission in accordance with the rules and regulations of the commission.	
(b) The service provided under the contract does not result in the displacement of any represented civil service employee.	
(c) The rate of compensation for salary and health benefits for the person providing service under the contract does not exceed by more than 10 percent the current rate of compensation for salary and health benefits deter-	

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	mined by the Department of Personnel Administration for civil service personnel in a comparable position. The payment of any other compensation or any reimbursement for travel or per diem expenses shall be in accordance with the State Administrative Manual and the rules and regulations of the Department of Personnel Administration.	
6870-001-0658—For support of Board of Governors of the California Community Colleges, Program 20.40.010-Facilities Planning, payable from the Higher Education Capital Outlay Bond Fund of 1996		928,000
6870-001-0909—For support for the Board of Governors of the California Community Colleges, payable from the Grant Cash Account of the Fund for Instructional Improvement Program		10,000
6870-001-0925—For support of Board of Governors of the California Community Colleges, payable from the California Business Resources and Assistance Innovation Network Fund		12,000
6870-101-0001—For local assistance, Board of Governors of the California Community Colleges (Proposition 98)		2,259,249,000
Schedule:		
(a) 10.10.010-Apportionments	1,473,848,000	
(b) 10.10.020-Basic Skills, CalWORKs, Apprenticeship	39,883,000	
(c) 10.10.030-Growth for Apportionment	110,162,000	
(d) 10.10.040-Partnership for Excellence	145,000,000	
(dx) 10.10.055-Full-Time Faculty	10,600,000	
(e) 20.10.005-Student Financial Aid Administration	6,518,000	
(f) 20.10.010-Extended Opportunity Programs and Services and Special Services	76,577,000	
(fx) 20.10.013-Teacher and Reading Development Partnership	10,000,000	
(g) 20.10.020-Disabled Students	60,069,000	
(h) 20.10.040-Fund for Student Success	18,578,000	
(i) 20.10.045-Special Services for CalWORKs Recipients	65,000,000	
(j) 20.10.060-Foster Care Education Program	1,892,000	

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(m) 20.10.070-Matriculation	67,105,000
(n) 20.20.020-Academic Senate for the Community Colleges	504,000
(o) 20.20.040-Faculty and Staff Diversity	1,885,000
(p) 20.20.050-Part-Time Faculty Health Insurance	1,000,000
(q) 20.20.055-Part-Time Faculty Office Hours	2,500,000
(r) 20.30.010-Faculty and Staff Development	5,307,000
(s) 20.30.011-Telecommunications and Technology Infrastructure	28,220,000
(t) 20.30.012-California Virtual University	2,900,000
(u) 20.30.020-Instructional Improvement, for transfer to the Community Colleges Fund for Instructional Improvements	1,630,000
(v) 20.30.050-Economic Development.	33,072,000
(w) 20.30.070-Transfer Education and Articulation	3,879,000
(x) 20.40.025-Scheduled Maintenance/ Special Repairs	39,000,000
(y) 20.40.035 Instructional Equipment and Library Materials Replacement	44,620,000
(z) 20.40.040 Hazardous Substances	8,000,000
(zy) 20.40.047.001-Copper Mountain	1,000,000
(zz) 20.40.047.002-College of the Desert	500,000

Provisions:

1. The funds appropriated in Schedules (a), (b), (c), (d), (e), (f), (g), (i), (j), (m), (o), (p), (q), (r), (s), (v), and (y) are for transfer by the Controller during the 1999–00 fiscal year to Section B of the State School Fund.
2. Of the funds appropriated in Schedule (a), up to $100,000 is for a maintenance allowance, pursuant to regulations adopted by the board of governors.
3. Notwithstanding any other provision of law, $23,294,000 of the funds appropriated in Schedule (b) shall be for allocation to community college districts in the 1999–00 fiscal year for the purposes of funding FTES in courses in basic skills, including English-as-a-second-language

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courses and work force preparation courses for newly legalized immigrants, to the extent the total FTES claimed by a district for the 1999–00 fiscal year exceeds the level of total FTES funded for that district in the 1999–00 fiscal year. The Chancellor of the California Community Colleges shall develop criteria for allocating these funds.

4. (a) Of the amount appropriated in Schedule (b), up to $8,589,000 shall be available as necessary upon certification by the Chancellor of the California Community Colleges for the purpose of funding community college-related and supplemental instruction pursuant to Section 3074 of the Labor Code as provided in Section 8152 of the Education Code. No community college district shall use funds available under this provision to offer any new apprenticeship training program or the expansion of any existing program unless the new program or expansion has been approved by the chancellor.

   (b) Notwithstanding Section 8152 of the Education Code, each 60-minute hour of teaching time devoted to each indentured apprentice enrolled in and attending classes of related and supplemental instruction as provided under Section 3074 of the Labor Code shall be reimbursed at the rate of four dollars and eighty-six cents ($4.86) per hour. For purposes of this provision, each hour of teaching time may include up to 10 minutes for passing time and breaks.

5. Notwithstanding any other provision of law, the funds appropriated in Schedule (c) of this item shall only be allocated for growth in FTES, on a district-by-district basis, as determined by the Chancellor of the California Community Colleges.

6. Funds provided in Schedule (d) are for the Partnership for Excellence Program established pursuant to Section 84754 of the Education Code. It is the intent of the Legislature that community college districts increase the level of instruction and student services provided to meet the systemwide goal for student transfer. The goal for increasing systemwide transfer to the University of California and the California State University is at

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least an average of 6 percent annually to the University of California and by at least an average of 5 percent per year to the California State University over the next eight years. The community college districts shall also seek to increase the number of student transfers from low-transfer community colleges by an average of 15 percent annually. Notwithstanding the provisions of this section of law, the chancellor shall provide a report to the Legislative Analyst, California Postsecondary Education Commission and Department of Finance no later than September 1, 1999, covering the following: (a) After taking into consideration the recommendations of the three agencies as required in the enabling legislation related to performance measures and goals for the program, the chancellor shall provide a final list of specific performance measures and the rationale for each plus the systemwide goals for each measure which can be achieved in each year through 2005, given the current budgeted funding level for the partnership; (b) the baseline level of performance for each measure for each of the 1995–96, 1996–97 and 1997–98 fiscal years; and (c) a plan, developed in consultation with the Legislative Analyst, California Postsecondary Education Commission and Department of Finance, for the annual systemwide and district-specific accountability reports to be first published by April 15, 2000, pursuant to the statute, including the data display and content and the recommended distribution of the reports, which will provide the means to analyze and determine progress in successfully meeting the goals of the partnership for all stakeholders.

7. Of the funds appropriated in Schedules (b) and (e), the funds not required for the 1999–00 fiscal year to meet the demand for the programs funded under those schedules shall be made available on a one-time basis for general apportionment under Schedule (a) of this item, provided that no transfer shall occur prior to May 15, 2000.
8. Of the funds appropriated in Schedule (f), $64,720,000 is for Extended Opportunity Programs and Services in accordance with Article 8 (commencing with Section 69640) of Chapter 2 of Part 42 of the Education Code; $11,857,000 is for

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funding, at all colleges, the Cooperative Agencies Resources for Education (CARE) program in accordance with Article 4 (commencing with Section 79150) of Chapter 9 of Part 48 of the Education Code. The board of governors shall allocate funds on a priority basis and to local programs on the basis of need for student services.

9. (a) The funds appropriated in Schedule (g) are for local assistance for funding the excess direct instructional cost of providing special support services or instruction, or both, to disabled students enrolled at community colleges, and for state hospital programs.

(b) Of the amount appropriated in Schedule (g) at least $696,627 shall be used for support of the High Tech Centers for activities including, but not limited to, training of district employees and students in the use of specialized computer equipment for the disabled. All High Tech Centers shall meet standards developed by the chancellor's office. Colleges that receive these augmentations shall not supplant existing resources provided to the centers.

(c) Notwithstanding any other provision of law, of the funds appropriated in Schedule (g) of this item, $1,566,513 shall be for state hospital adult education programs at the hospitals served by the Coast, Kern, and West Valley Community College Districts since the 1986–87 fiscal year. The amount provided includes the level of funding provided for these state hospital programs in the 1986–87 fiscal year, plus subsequent cost-of-living adjustments if provided. If adult education services at any of the three hospitals are not supported by the community colleges in the 1999–00 fiscal year, the associated funds shall, upon order of the Department of Finance, after 30 days' notice to the Chairperson of the Joint Legislative Budget Committee, be transferred to the State Department of Developmental Services (DDS). For any transfer of funds to DDS during the 1999–00 fiscal year, the Proposition 98 base funding levels for community colleges and DDS shall be adjusted accordingly.

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10. The funds in Schedule (h), with the exception of the funds identified in subdivisions (c) and (d) of this provision, shall be used for competitive grants to increase student success based on an analysis of student outcomes. The funds used for these grants shall be available for a limited duration, after which colleges shall institutionalize the programs within their budgets. The chancellor shall develop criteria for allocation of the competitive grants. Of the funds appropriated in Schedule (h):
    (a) $1,000,000 shall be available for small planning grants of up to one year duration.
    (b) $8,985,000 shall be available for the initial year of two or three year projects where the state share shall be no greater than 75% of the costs of the first year and no more than 25% in the last.
    (c) Up to $4,304,000 is for the Puente Project if these funds are matched by $100,000 of private funds and the participating community colleges and University of California campuses maintain their 1995–96 support level for the Puente Project. These funds are not required to be allocated on a temporary basis and may be allocated on a permanent basis to support a Puente Project that meets the conditions of the Puente Project contract agreement.
    (d) Up to $2,489,000 is for the Mathematics, Engineering and Science Achievement/ Minority Engineering (MESA/MEP) Programs. These funds are not required to be allocated on a temporary basis and may be allocated on a permanent basis provided the conditions for receipt of funds continue to be met. For each dollar allocated, the recipient district shall provide one dollar in matching funds.
    (e) No less than $1.8 million is reserved for expansion of middle colleges pursuant to the Governor's initiative. Of the funds provided herein, the chancellor shall have the discretion to extend the grant period beyond the normal pattern for the Fund for Student Success as necessary to meet the goals of the initiative.

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(f) With the exception of special part-time students at the community colleges pursuant to Section 48802 of the Education Code, student workload based on participation in the Middle College High School Program shall not be eligible for community college state apportionment.

As a condition of receipt of funds pursuant to Provision 15 (a) and (b), colleges must submit to the chancellor's office a yearly report including: an expenditure plan, a progress report detailing number of students served, and the ability of the college to increase student success based on an analysis of student outcomes. It is the intent that the chancellor's office submit an annual report to the Legislature and Department of Finance by November 1, of each year. The report shall include an analysis of the programs funded at each campus, including the effects on student outcomes. The chancellor shall also identify any colleges which did not continue operation of the program after state funds have ceased and the reasons therefore.

11. The funds appropriated in Schedule (i) are for the purpose of assisting welfare recipient students and those in transition off of welfare to achieve long-term self-sufficiency through coordinated student services offered at community colleges including: work study; other educational related work experience; job placement services; child care services; and coordination with county welfare offices to determine eligibility and availability of services. All services funded in this schedule shall be for current CalWORKs recipients or prior CalWORKs recipients who are in transition off of cash assistance for no more than two years. Current cash assistance recipients may utilize these services until their initial educational objectives are met. Former recipients in transition off of cash assistance may utilize these services for a period of up to two years after having cash assistance subject to the condition of this provision addressed in (a) to (f), inclusive. These funds shall be used to supplement and not supplant existing funds and services provided for CalWORKs recipients attending community colleges. The chancellor

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shall develop an equitable method for allocating funds to all districts and colleges based on the relative numbers of CalWORKs recipients in attendance and shall allocate funds for the following purposes:

(a) Job placement.
(b) Coordination with county welfare offices and other local agencies, including private industry councils, or local workforce investments boards.
(c) Curriculum development and redesign.
(d) Child care and work study.
(e) Instruction.
(f) Post-employment skills training and related skills.

Of the amount appropriated in Schedule (i) of this item, at least $49,500,000 shall be allocated for the purposes identified in subdivision (a) and (d) of this provision and, of this amount, not less than $15,000,000 shall be for child care. Funds utilized for subsidized child care shall be for children of CalWORKs recipients through campus-based centers or parental choice vouchers at rates and with rules consistent with those applied to related programs operated by the State Department of Education, including parental contribution schedules. Subsidized campus child care for CalWORKs recipients may be provided during the period they are engaged in qualifying state and federal work activities through attainment of their initial education and training plan for up to three months thereafter or until the end of the academic year, whichever period of time is greater.

Funds utilized for work study shall be used solely for payments to employers that currently participate in campus-based work-study programs or are providing work experiences that are directly related to and in furtherance of student educational programs, provided that those payments may not exceed 75 percent of the wage for the work-study positions; the employers shall pay at least 25 percent of the wage for the work-study position. These funds may be expended only if the total hours of education, employment, and work study for the student are sufficient to

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meet both state and federal minimum requirements for qualifying work-related activities.

The balance of funds allocated for (a) and (d) of this provision shall provide either job placement, instructional services, work study or child care for CalWORKs students. Funds can be used to provide credit or noncredit classes for CalWORKs students if a district has committed all of its funded FTES and is unable to offer the additional instructional services to meet the demand for CalWORKs students. This determination shall be based on fall enrollment information. Districts shall make application to the chancellor's office by October 15. If the chancellor approves the use of funds for direct instructional workload, the chancellor's office shall submit a report to the Joint Legislative Budget Committee by November 15, 1999, that (a) identifies the enrollment of new CalWORKs students, (b) states whether and why additional classes were needed to accommodate the needs of CalWORKs students, and (c) sets forth an expenditure plan for the balance of funds.

As a condition of receipt of the funds appropriated in Schedule (i), by the fourth week following the end of the semester or quarter term commencing in January 2000, each participating community college shall submit to the chancellor's office a report, in the format specified by the chancellor, in consultation with the Department of Social Services, that includes but may not be limited to the funded components, the number of hours of child care provided, average monthly enrollment of CalWORKs dependents served in child care, the number of work-study hours provided, the hourly salaries and type of jobs, the number of students being case managed, the short-term programs available, student participation rates, and other outcome data. It is intended that, to the extent practical, reporting from colleges utilize data gathered for federal reporting requirements at the state and local level. Further, it is intended that the chancellor's office compile the information for annual reports to the Legislature, the Governor, the Legislative Analyst, and the Departments of Finance and So-

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	cial Services by October 15 of each year as specified in the annual Budget Act. First priority for expenditures of any funds appropriated in schedule (1) shall be in support of current CalWORKs recipients. However, if caseloads are insufficient to fully utilize all of the funding in this schedule in a cost beneficial way, it is intended that up to $10,000,000 may be allocated for providing post-employment services to former CalWORKs recipients who have been off of cash assistance for no longer than two years to assist them in upgrading skills, job retention, and advancement. Allowable services include direct instruction that cannot be funded under available growth funding, child care to support attendance in these classes consistent with this provision, job development and placement services, and career counseling and assessment activities which cannot be funded through other programs. Child care services may only be provided for periods commensurate with a student's need for post-employment training within the two year transitional period. Prior to allocation of funds for post-employment services, the chancellor shall first secure the approval of the Department of Finance for the allocations; complete a cumulative report on the outcomes, activities, and cost effectiveness of the program no later than October 15, 1999, in compliance with the Budget Act of 1998 (Ch. 324, Stats. 1998) and this act and shall provide the rationale and justification for the proposed allocation of post-employment services to school districts for transitional students. 12. Of the funds appropriated in Schedule (b) $8,000,000 is to fund additional fixed, variable, and one-time costs for providing support services and instruction for CalWORKs students which include but are not limited to: job placement and coordination; curriculum development and redesign; child care and work study; and instruction. As a condition for funding, colleges are required to submit a plan to the chancellor's office on how the funds will be utilized which shall be based on collaboration with county welfare offices about the services and instruction that is needed for CalWORKs recipients. The	

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funds matched by federal TANF block grant funds and scheduled in Item 6870-111-0001(a) are also subject to all these same conditions.

13. Nonfederal funds appropriated in Schedules (b) and (i) of this item have been budgeted to meet the state's Temporary Assistance for Needy Families maintenance of effort requirement pursuant to the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104-193) and may not be expended in any way that would cause their disqualification as a federally allowable maintenance of effort expenditure.
14. The funds in Schedule (j) of this item shall be allocated to provide foster parent training. Funds shall be allocated in such a manner as to ensure priority for training required by Chapter 1016, Statutes of 1996. Districts shall make services available to foster parents to satisfy the requirements of Chapter 1016 of the Statutes of 1996 as a first priority. Remaining funds may be used for services to foster child relative caretakers and for additional parenting skills, thereafter.
15. The funds provided in Schedule (k) of this item are for the purpose of initiating the Governor's Community College Teacher and Reading Development Partnerships grants initiative designed to both encourage promising students to pursue a career in teaching through development of an articulated internship program with school districts and California State University institutions and to assist elementary school pupils develop improved reading skills. Through the consultation process, and in consultation with the Office of the Secretary for Education and the Department of Finance, the chancellor shall develop a program plan that specifies and explains the rationale for competitive participation and allocation criteria to districts, including cross segment coordination requirements, stipend levels for participating students and evaluation provisions, that will ensure achievement of the initiative's goals. Acceptance of grants shall constitute concurrence by the district to collect and provide all information specified by the chancellor. No later than October 1, 1999, the board of governors shall submit the recom-

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	mended plan to the Office of the Secretary of Child Development and Education for approval. Upon the secretary's approval, the chancellor shall implement the program.	
	17. (a) The funds appropriated in Schedule (m) are for the purpose of student matriculation, as specified in Article 1 (commencing with Section 78210) of Chapter 2 of Part 48 of the Education Code.	
	(b) Of the amount appropriated in Schedule (m), an amount equal to 15.64 percent of that amount shall be allocated to community college districts on a one-to-one matching fund basis to provide matriculation services to include, but not be limited to, orientation, assessment, and counseling for students enrolled in designated noncredit classes and programs who may benefit most, as determined by the Chancellor of the California Community Colleges pursuant to Sections 78216 to 78218, inclusive, of the Education Code.	
	18. (a) $15,600,000 of the funds provided in Schedule (s) shall be for the purpose of providing allocations to all districts. It is the intent that colleges receiving these funds shall maintain all of the capabilities specified in the 1996–97, 1997–98 and 1998–99 Budget Acts for the Telecommunications and Technology Infrastructure program. The funds appropriated in this item shall be allocated by the chancellor, shall not supplant existing funds used for technology and networking purposes, and shall be subject to established fiscal controls, annual reporting and accountability requirements specified by the chancellor. It is the intent that this allocation shall enable further development of networks. Therefore, colleges shall match maintenance and ongoing costs with other funds, after installation, for the following required purposes: (1) maintenance of communication lines, software and other costs associated with connecting to the collaborative California State University/California Community College telecommunications wide area network (C Net); (2) video con-	

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	ference connectivity, transport, maintenance, and training; (3) local planning and development for improving library technology including library automation, connections to college local area networks and connections to external data bases; (4) digital satellite systems and the following optional purposes: (A) the development and expansion of local area networks both within and between buildings: (B) development of districtwide wide area networks for interconnecting multiple campuses and off-campus centers within a district; and (C) implementation of local technology applications that are intended to improve student learning and other services. The chancellor shall allocate the $15,820,000 by providing $140,701 for each of the 107 colleges and $45,000 for each of the 17 governing sites that are not colocated with the colleges. All provisions related to technology standards and telecommunication plans as specified in Provision 17(a) of Item 6870-101-0001 of Section 2.00 of the Budget Act of 1996 (Ch. 162, Stats. 1996) and Provision 14(a) of Item 6870-101-0001 of Section 2.00 of the Budget Act of 1997 (Ch. 282, Stats. 1997), shall apply. (b) $6,400,000 of the funds provided in Schedule (s) of this item shall be for the purpose of supporting technical and application innovations and for coordination of activities that serve to maximize the utility of the technology investments of the community college system toward improving learning outcomes. Allocations shall be made by the chancellor, based on criteria and guidelines as developed by the chancellor, on a competitive basis through the RFA/RFP application process as follows: (1) At least $700,000 shall be available for technical and application pilot projects that improve intercollege relationships in the areas of: (a) learning and instructional services; (b) student services; and (c) administrative services, however not	

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more than 25 percent of the amount shall be allocated for this purpose.

(2) All provisions as specified in Provision 17(b)(2) of Item 6870-101-0001 of Section 2.00 of the Budget Act of 1996 (Ch. 162, Stats. 1996) shall apply to Provision (1) above.

(3) Not more than $3,700,000 shall be available for centers to provide regional coordination for technical assistance and planning, cooperative purchase agreements, and faculty and staff development. All other provisions as specified in Provision 17()b)(3) of Item 6870-101-0001 of Section 2.00 of the Budget Act of 1996 (Ch. 162, Stats. 1996) shall apply. The $1.5 million increase from the previous year for this subdivision is intended to fund the segment's share of upgrading the 4C Net backbone from an OC-3 to an OC-12 Network and shall be matched dollar for dollar by the CSU. If this condition is not met, the chancellor shall report the reasons the expenditure should still be made on any other use of the funds using the reporting provisions of the Section 28.00 process.

(4) $2,000,000, or as much as necessary, shall be available for a statewide digital uplink for the purpose of delivering statewide satellite services to system colleges and districts related to instruction, student support, and administration.

(c) $6,000,000 of the funds provided in Schedule (s), shall be for allocations to community college districts to fund faculty and staff training in the use of technology to assist learning (including distance education and online courses), expand access, and contribute to student success. The chancellor shall develop an allocation formula that reflects the number of faculty and provides a minimum grant for small sites. The disbursement of funds shall be contingent upon inclusion of a satisfactory staff development compo-

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nent by each district within its telecommunications and technology use plan, as specified by the chancellor. Districts may not use these funds to supplant existing training and staff development efforts related to technology; the chancellor shall ensure that these funds are used for additional training and development in the use of technology. The use of technology training allocations shall be included in reports required for this program.

(d) The chancellor shall submit an annual report to the Legislative Analyst, the budget and fiscal committees of the Legislature, and the Department of Finance no later than November 1, 1999, identifying any changes to the standards developed pursuant to the control provisions for this program in the Budget Act of 1997 (Ch. 282, Stats. 1997), the status of the implementation of the telecommunication and technology infrastructure program to date and any additional needs, including the reasons therefore.

19. The funds provided in Schedule (t) of this item shall be available for grants to districts to fund California Virtual University distance education centers, for instructing faculty in teaching courses online, and other expenses for conversion of courses for distance education. The funds appropriated in this item shall not supplant existing funds and shall be subject to established fiscal controls, annual reporting and accountability requirements specified by the chancellor. The chancellor shall develop criteria for the allocation of these funds. As a condition of receipt of the funds, colleges are required to submit to the chancellor's office reports in a format specified by the chancellor sufficient to document the value and productivity of this program including but not limited to numbers and nature of courses converted, and the amount of distance education instructional workload services provided as a result of these courses. It is intended that the chancellor's office further develop the reporting criteria for participating colleges and submit that for review along with an annual progress report on program implementation to the Legislative

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Analyst, the Secretary of Child Development and Education, and the Department of Finance no later than November 1, 1999, for review and comment.

20. Of the funds provided in Schedule (v) of this item for the Economic Development Program: (a) no more than $17,536,000 shall be allocated for grants for regional business resources assistance and innovation Network Centers; (b) no less than $6,387,000 shall be allocated for Industry Driven Regional Education and Training Collaboratives. These grants shall be made on a competitive basis and the award amounts shall not be restricted to any predetermined limit, but rather shall be funded on their individual merits; (c) no more than $4,149,000 shall be allocated for statewide network leadership, organizational development, coordination, information and support services, or other program purposes; and (d) $5 million shall be available for Job Development Incentive Training programs focused on job creation for public assistance recipients. Any annual savings from this subdivision shall only be available for expenditure for one-time activities listed under subsection (j) of Section 15379.653 of the Government Code.

    (e) The following provisions apply to the expenditure of these funds within subdivisions (a) and (b) above: Funds allocated for centers and regional collaboratives shall seek to maximize the use of state funds for subdivisions (g) through (j) of Section 15379.653 of the Government Code. Funds allocated to districts for purposes of subdivisions (g) and (i) of Section 15379.653 of the Government Code for performance-based training and student internships shall be matched by a minimum of one dollar of private business and industry funding for each one dollar of state funds. Funds allocated for purposes of subdivision (h) of Section 15379.653 of the Government Code for credit and noncredit instruction may be transferred to Schedules (a) or (c) to facilitate distribution at the chancellor's discretion. Any funds that become available from Network Centers due to savings, discontinuance or reduction of

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amounts shall first be made available for additional allocations in subdivision (b) above to increase the level of subsidized training otherwise available.

(f) Funds allocated by the board of governors under this provision shall not be used by community college districts to supplant existing courses or contract education offerings. The chancellor shall ensure that funds are spent only for expanded services and shall implement accountability reporting for districts receiving these funds to ensure that training, credit, and noncredit programs remain relevant to business needs. Programs that do not demonstrate continued relevance and support by business shall not be eligible for continued funding. The board of governors shall consider the level of involvement and financial commitments of business and industry as primary factors in making awards. The chancellor shall incorporate grant requirements into its guidelines for audits of Economic Development grants.

(g) The chancellor shall propose in a report to the Legislative Analyst, California Postsecondary Education Commission, Department of Finance and appropriate legislative policy and fiscal committees by September 1, 1999, an improved set of activity and outcome measures for review and shall consider the comments of these agencies in determining new reporting requirements which shall be implemented for all Economic Development Program grants beginning with activities conducted in 1999–00. The goal of these accountability measures shall be to provide the Governor, Legislature, and general public with sufficient information to understand the magnitude of expenditures, by type of expenditure—including those specified in Provision 17(c) of Item 6870-101-0001 of Section 2.00 of the Budget Act of 1998 (Ch. 324, Stats. 1998)—disaggregated by industry cluster and region along with the magnitude of businesses, students and employees served (as measured through both headcount and

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FTES) for each. Additionally, the report element that was required relevant to the use of the $15 million augmentation as specified in the last paragraph of Provision 17(c) of Item 6870-101-0001 of Section 2.00 of the Budget Act of 1998 (Ch. 324, Stats. 1998) shall be completed, updated and included in the September 1, 1999, report to the same agencies. If the report specified in this section is not available by this date, the chancellor shall report by September 1, 1999, on the reasons for delay and to specify when it will be completed.

21. Of the funds appropriated in Schedule (w), $589,000 is for Project Assist, $835,000 is for the California Articulation Number (CAN) system, $550,000 is for faculty articulation workshops through fiscal year 2004–05, and $1,905,000 is for clarification of the general education requirements and certification process through fiscal year 2000–01.

22. The funds appropriated in Schedule (x) of this item shall be distributed by the Chancellor of the California Community Colleges to community college districts on a project-by-project basis based on priority of need for the project. As a condition of receiving these funds, a district shall certify that it will increase its operations and maintenance spending from 1995–96 fiscal year actual levels by the amount of the allocation plus an amount to be provided from district discretionary funds equivalent to $1 for each $1 of state funds. The chancellor may waive all or a portion of the matching requirement, case-by-case, based upon a review of a district's financial condition. The question of whether a district has complied with its resolution shall be reviewed under the annual audit of that district.

23. The funds appropriated in Schedule (y) are available for the purpose of providing community college districts with funds to replace high priority instructional equipment, and library materials. The Chancellor of the California Community Colleges shall allocate these funds on the basis that, for every $3 of funds allocated from Schedule (y) of this item, the recipient district shall provide $1 in matching funds. These funds

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	shall not be used for personal services costs or operating expense.	
	24. Of the funds appropriated in Schedules (x), (y) and (z) of this item, the Chancellor of the California Community Colleges shall have the discretion to transfer funds among these schedules to fund the highest infrastructure priorities of the system. Funds from Schedule (x) of this item may be used to fund architectural barrier removal projects that meet the requirements of the federal Americans with Disabilities Act of 1990. Districts that receive funds for architectural barrier removal projects shall provide a one dollar match for every one dollar provided by the state.	
	25. Pursuant to Sections 69648.5, 78216, and 84850 of the Education Code, the Board of Governors of the California Community Colleges may allocate funds appropriated in Schedules (f), (g), and (m) of this item by grant or contract, or through the apportionment process, to one or more districts for the purpose of providing program evaluation, accountability, monitoring, or program development services, as appropriate under the applicable statute.	
6870-101-0814	—For local assistance, Board of Governors of the California Community Colleges, for allocation by the Controller in accordance with the provisions of Section 8880.5 of the Government Code as enacted by the voters in Proposition 37 at the November 1984 general election, payable from the California State Lottery Education Fund	126,269,000
	Provisions:	
	1. All funds received pursuant to Proposition 37 that are allocable to community college districts pursuant to Section 8880.5 of the Government Code, that are in excess of the amount appropriated in this item, are hereby appropriated in augmentation of this item.	
6870-101-0909	—For local assistance, Board of Governors of the California Community Colleges, Program 20.30.020—Instructional Improvement and Innovation, payable from the Community College Fund for Instructional Improvement	1,975,000
	Provisions:	
	1. Of the amount appropriated in this item, not more than $1,630,000 shall be allocated for grants and	

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not more than $345,000 shall be allocated for loans.		
6870-101-0925—For local assistance, Board of Governors of the California Community Colleges, payable from California Business Resources and Assistance Innovation Network Fund		15,000
6870-101-0959—For local assistance, Board of Governors of the California Community Colleges, for Program 20.10.060-Student Services-Foster Parent Training Program, payable from the Foster Children and Parent Training Fund pursuant to Section 903.7 of the Welfare and Institutions Code		467,000
6870-103-0001—For local assistance, Board of Governors of the California Community Colleges (Proposition 98), to allow selected community colleges to make the required lease-purchase payments		66,678,000
Schedule:		
(a) Rental and administration	68,086,000	
(b) Reimbursements	−1,408,000	
6870-111-0001—For local assistance, Board of Governors of the California Community Colleges		0
Schedule:		
(a) 10.20-CalWORKs Services Match	8,000,000	
(b) 20.10.015-AmeriCorps Program	1,770,000	
(c) 20.10.016-America Reads	755,000	
(d) 20.10.060-Foster Parent Training	2,466,000	
(e) 20.30.030-Vocational Education	53,088,000	
(f) 20.30.060-Job Training Partnership Act	2,337,000	
(g) Reimbursements	−68,416,000	
Provisions:		
1. The amount appropriated in Schedule (f) shall be available for expenditure until June 30, 2001.		
2. The amounts appropriated in Schedules (a) and (e) of this item are for transfer by the Controller to Section B of the State School Fund.		
6870-295-0001—For local assistance, Board of Governors of the California Community Colleges, (Proposition 98), for reimbursement, in accordance with provisions of Section 6 of Article XIII B of the California Constitution or of Section 17561 of the Government Code, of the costs of any new program or increased level of service of an existing program mandate by statute or executive order, Controller		1,691,000
Schedule:		
(1) 98.01.000.184—Health Fees (Ch. 1, Stats. 1984, 2nd Ex. Sess.)	1,691,000	

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Provisions:		
1. Allocation of funds appropriated by this item to the appropriate local entities shall be made by the Controller in accordance with the provisions of each statute or executive order that mandates the reimbursement of the costs, and shall be audited to verify the actual amount of the mandated costs in accordance with subdivision (d) of Section 17561 of the Government Code. Audit adjustments to prior year claims may be paid from this item. Funds appropriated by this item may be used to provide reimbursement pursuant to Article 5 (commencing with Section 17615) of Chapter 4 of Part 7 of Division 4 of Title 2 of the Government Code.		
6870-301-0574—For capital outlay, Board of Governors of the California Community Colleges to be allocated by the Board of Governors to community college districts for expenditure as set forth in the schedule below, payable from the Higher Education Capital Outlay Bond Fund of 1998		165,754,000
Schedule:		
Systemwide		
(1) 40.01.002-Planning and Studies	108,000	
Antelope Valley Community College District		
Antelope Valley College		
(2) 40.03.109-Business/Multi-Media Center—Equipment	1,494,000	
(3) 40.03.113-Technology Building—Preliminary plans and working drawings	355,000	
Barstow Community College District		
Barstow College		
(4) 40.04.101-Library/LRC—Preliminary plans and working drawings	511,000	
Butte-Glenn Community College District		
Butte College		
(5) 40.05.105-Allied Health and Public Service—Preliminary plans and working drawings	1,254,000	
Cabrillo Community College District		
Cabrillo College		
(6) 40.06.108-Horticulture Facilities Replacement—Preliminary plans and working drawings	131,000	

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Chaffey Community College District	
Chaffey College	
(7) 40.08.108-Child Development Center—Working drawings and construction	3,731,000
Citrus Community College District	
Citrus College	
(8) 40.09.121-Library Addition reconstruction—Construction	7,069,000
Desert Community College District	
College of the Desert	
(9) 40.10.111-Math/Social Science Building—Equipment	580,000
Coast Community College District	
Orange Coast College	
(10) 40.11.311-Seismic Retrofit Library—Preliminary plans and working drawings	238,000
Compton Community College District	
Compton College	
(11) 40.12.106-Demolition, Phase 2 (H&S)—Preliminary plans, working drawings and construction	1,359,000
(12) 40.12.107-Seismic Replacement/ Expansion LRC—Preliminary plans and working drawings	735,000
Contra Costa Community College District	
Contra Costa College	
(12.1) 40.12.107-Child Development Center Expansion—Preliminary plans	165,000
(13) 40.13.105-Child Development Center—Working drawings and construction	3,028,000
Diablo Valley College	
(14) 40.13.216-Business Language Building—Equipment	1,146,000
(15) 40.13.217-Library Building Addition—Equipment	781,000
(15.1) 40.13.218-Life Sciences Renovation—Preliminary plans	195,000
Los Medanos College	
(16) 40.13.310-Vocational Technology Addition—Equipment	288,000
(17) 40.13.311-Child Development Center—Working drawings and construction	2,601,000

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Foothill-DeAnza Community College District	
DeAnza College	
(18) 40.15.105-Child Development Center—Working drawings and construction	3,560,000
Fremont-Newark Community College District	
Ohlone College	
(19) 40.16.108-Child Development Center—Working drawings and construction	2,754,000
Gavilan Community College District	
Gavilan College	
(21) 40.17.104-Adaptive Physical Education—Preliminary plans and working drawings	214,000
(22) 40.17.105-Child Development Center—Working drawings and construction	3,214,000
(23) 40.17.106-Health Occupations Building—Equipment	127,000
Glendale Community College District	
Glendale College	
(24) 40.18.121-Science Building Renovation (H&S)—Construction	4,142,000
Grossmont-Cuyamaca Community College District	
Cuyamaca College	
(25) 40.19.114-Child Development Center—Working drawings and construction	3,146,000
(26) 40.19.115-Remodel Vocational Technology Building N—Preliminary plans and working drawings.	68,000
Grossmont College	
(27) 40.19.206-LRC Addition—Preliminary plans and working drawings	1,029,000
Kern Community College District	
Bakersfield College	
(28) 40.22.105-Child Development Center—Working drawings and construction	3,675,000
(29) 40.22.109-Seismic Retrofit Student Services/Library—Preliminary plans, working drawings and construction	1,576,000

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(30) 40.22.110-Concrete Damage Restoration Phase I—Preliminary plans, working drawings and construction	685,000
Cerro Coso College	
(31) 40.22.214-Library/Media Center Addition—Preliminary plans and working drawings	643,000
Eastern Sierra Center	
(32) 40.22.500-Site Acquisition—Acquisition	146,000
(33) 40.22.501-Off/On Site Development—Preliminary plans and working drawings	329,000
(34) 40.22.502-Initial Buildings—Preliminary plans and working drawings	926,000
Lake Tahoe Community College District	
Lake Tahoe Community College	
(35) 40.23.110-Phase II Facilities, South—Preliminary plans and working drawings	820,000
Lassen Community College District	
Lassen Community College	
(36) 40.24.103-Child Development Center (H&S)—Working drawings and construction	2,551,000
Long Beach Community College District	
Long Beach City College	
(37) 40.25.116-Child Development Center—Preliminary plans and working drawings	244,000
Los Angeles Community College District	
Los Angeles Harbor College	
(38) 40.26.301-Fire Alarm Correction—Preliminary plans and working drawings	337,000
Los Angeles Pierce College	
(39) 40.26.502-Remodel for Efficiency—Preliminary plans and working drawings	326,000
Los Angeles Southwest College	
(40) 40.26.606-Seismic Replacement-Student Services—Preliminary plans and working drawings	578,000

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Los Angeles Valley College	
(41) 40.26.802-Remodel for Efficiency—Preliminary plans and working drawings	142,000
West Los Angeles College	
(42) 40.26.905-Child Development Center—Working drawings and construction	3,447,000
Los Rios Community College District	
American River College	
(43) 40.27.101-Child Development Center—Working drawings and construction	3,474,000
Cosumnes River College	
(44) 40.27.208-Child Development Center—Working drawings and construction	3,516,000
Folsom Lake Center	
(45) 40.27.501-Instructional Facilities-Phase 1A—Equipment	3,274,000
(45.1) 40.27.502-Instructional Facility, Phase 1B—Preliminary plans	1,537,000
Marin Community College District	
Marin Community College	
(46) 40.28.206-Child Development Center—Working drawings and construction	2,681,000
College of Marin	
(47) 40.28.208-Seismic Retrofit/Fine Arts—Preliminary plans, working drawings and construction	689,000
Mendocino Lake Community College District	
Mendo College	
(47.1) 410.29.117-Science Building—Preliminary plans	243,000
Merced Community College District	
Merced College	
(47.2) 40.30.114-Interdisciplinary Academic Center—Preliminary plans and working drawings	276,000
(48) 40.30.115-Child Development Center—Working drawings and construction	3,601,000

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Mira Costa Community College District	
Mira Costa College	
(49) 40.31.107-Child Development Center—Working drawings and construction	2,681,000
(50) 40.31.108-Learning and Information Hub—Preliminary plans and working drawings	910,000
Monterey Peninsula Community College District	
Monterey Community College	
(51) 40.32.101-Library and Technology Center—Preliminary plans and working drawings	1,363,000
Mt. San Jacinto Community College District	
Mt. San Jacinto Community College	
(52) 40.34.111-Child Development Center—Working drawings and construction	2,532,000
Menifee Valley Center	
(53) 40.34.209-Child Development Center—Working drawings and construction	3,496,000
Palo Verde Community College District	
Palo Verde College	
(54) 40.37.100-Phase I Facilities—Equipment	2,641,000
Palomar Community College District	
Palomar College	
(54.1) 40.38.113-High Tech Lab/Classroom Building—Preliminary plans	942,000
Peralta Community College District	
Laney College	
(55) 40.40.304-Concrete Deck/Protective Membrane Replacement—Preliminary plans and working drawings	418,000
Rancho Santiago Community College District	
Santiago Canyon College	
(55.1) 40.41.118-Learning Resource Center—Preliminary plans	278,000
Redwoods Community College District	
College of the Redwoods	
(56) 40.42.104-Library and Media Services—Equipment	1,066,000

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(57) 40.42.105-Child Development Center—Working drawings and construction	4,359,000
Riverside Community College District	
Riverside College	
(57.1) 40.44.101-Learning Resource Center—Preliminary plans	918,000
San Bernardino Community College District	
San Bernardino College	
(59) 40.46.206-Seismic Replacement Life Science—Working drawings	95,000
(60) 40.46.207-Seismic Replacement Campus Center/Administration—Working drawings	111,000
(61) 40.46.208-Seismic Replacement Learning Resource Center—Working drawings	101,000
San Diego Community College District	
San Diego City College	
(62) 40.47.101-Learning Resource Center—Equipment	2,763,000
(63) 40.47.204-Indoor Gym/Physical Education—Preliminary plans and working drawings	952,000
San Francisco Community College District	
Community College of San Francisco, Mission Center	
(63.1) 40.48.106-Mission Campus Building	1,069,000
San Joaquin Delta Community College District	
San Joaquin Delta College	
(64) 40.49.105-Electron Microscopy Technology Center—Preliminary plans and working drawings	504,000
San Jose City College	
(66) 40.50.201-Library/Learning Resource Center—Preliminary plans and working drawings	902,000
San Luis Obispo County Community College District	
Cuesta College	
(67) 40.51.108-Art/Music Laboratories Addition—Equipment	624,000
(68) 40.51.109-Learning Skills Center/Classroom Building—Equipment	3,513,000

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(69) 40.51.110-Child Development Center—Working drawings and construction	3,333,000
(69.1) 40.51.111-Library Addition/ Reconstruction—Preliminary plans	472,000
San Mateo County Community College District	
College of San Mateo	
(70) 40.52.004-Seismic Upgrade Phase I—Preliminary plans and working drawings	388,000
Canada College	
(71) 40.52.101-Child Development Center—Working drawings	199,000
Skyline College	
(72) 40.52.306-Center for Advanced Learning—Preliminary plans, working drawings and construction	1,595,000
Santa Clarita Community College District	
College of the Canyons	
(73) 40.54.110-Performing Arts Center—Preliminary plans and working drawings	542,000
Santa Monica Community College District	
Santa Monica College	
(74) 40.55.108-Seismic Retrofit/ Library Addition—Construction	14,598,000
Sequoias Community College District	
College of the Sequoias	
(75) 40.56.109-Music Building—Equipment	404,000
(75.1) 40.56.110-Multimedia Learning Resource Center—Preliminary plans and working drawings	333,000
Sierra Joint Community College District	
Western Nevada County Center	
(76) 40.58.205-Child Development Center—Working drawings and construction	2,512,000
Siskiyous Joint Community College District	
College of the Siskiyous	
(77) 40.59.102-Districtwide Distance Learning—Preliminary plans and working drawings	153,000

Item	Amount
Sonoma County Community College District	
Criminal Justice Center—Santa Rosa	
(78) 40.61.400-Training Center Facility Phase I—Construction	11,184,000
Chabot-Las Positas Community College District	
Chabot College	
(79) 40.62.113-Ceramics/Sculpture Building Reconstruction/Addition—Preliminary plans, working drawings, construction, and equipment	848,000
Southwestern Community College District	
Southwestern College	
(80) 40.63.103-Learning Resource Center—Preliminary plans and working drawings	1,743,000
State Center Community College District	
Madera Center	
(81) 40.64.301-Onsite Development, Phase I Facilities—Equipment	881,000
(81.1) 40.64.302-Academic Facilities, Phase 1B—Preliminary plans	541,000
Ventura County Community College District	
Moorpark College	
(82) 40.65.108-Learning Resources and Telecommunications Center—Preliminary plans and working drawings	871,000
Ventura College	
(83) 40.65.304-Learning Resource Center—Preliminary plans and working drawings	1,640,000
Victor Valley Community College District	
Victor Valley College	
(84) 40.66.109-Child Development Center—Working drawings and construction	2,215,000
(84.1) 40.66.115-Advanced Technology Building—Preliminary plans and working drawings	575,000
West Hills Community College District	
Kings County Center	
(85) 40.67.201-Site Acquisition—Acquisition	170,000
(86) 40.67.202-Off/On Site Development—Preliminary plans and working drawings	301,000

Item		Amount
(87) 40.67.203-Initial Buildings—Preliminary plans and working drawings	913,000	
West Valley Mission Community College District		
Mission College		
(88) 40.69.205-Learning Resource Center—Equipment	545,000	
(89) 40.69.206-Child Development Center—Working drawings and construction	2,619,000	
(90) 40.69.207-Science and Technology Complex—Preliminary plans and working drawings	755,000	
Yosemite Community College District		
Columbia College		
(91) 40.70.103-Learning Resources/Media Technology Center—Preliminary plans and working drawings	389,000	
Modesto Junior College		
(92) 40.70.210-Sierra Hall Instructional Facility—Equipment	2,546,000	
Yuba Community College District		
Woodland Center		
(92.1) 40.71.305-Science Building—Preliminary plans	202,000	
Feather River Community College District		
Feather River College		
(93) 40.73.104-Physical Plant Reconstruction—Preliminary plans, working drawings and construction	310,000	
Provisions:		
1. By September 30 of each year, the Chancellor shall report to the Department of Finance identifying the projects, purposes and impact on the projects for which funds in Schedule (1) of this item were used.		
6870-301-0658—For capital outlay, Board of Governors of the California Community Colleges, to be allocated by the board of governors to community college districts for expenditure as set forth in the schedule below, payable from the Higher Education Capital Outlay Bond Fund of 1996		1,947,000

Item	Amount
Rio Hondo Community College District Rio Hondo College (1) 40.43.105-Science Building, Health and Safety-Construction 1,947,000	
6870-301-0705—For capital outlay, Board of Governors of the California Community Colleges, to be allocated by the board of governors to community college districts for expenditure as set forth in the schedule below, payable from the Higher Education Facilities Bond Act of June 1992	4,772,000
Schedule: Los Angeles Community College District Los Angeles Mission College (1) 40.26.407-Collaborative Studies Building—Preliminary plans, working drawings, and construction..... 4,772,000	
6870-490—Reappropriation, California Community Colleges. The balance of the appropriations provided for in the following citations are reappropriated for the purpose and subject to the limitation, unless otherwise specified, provided for in the respective appropriation:	
0574—Higher Education Capital Outlay Bond Fund of 1998	
Item 6870-301-0574, Budget Act of 1998 (Sec. 2, Ch. 324, Stats. 1998)	
San Diego Community College District San Diego City College (2) 40.47.101-Learning Resource Center-Construction	
Coast Community College District Orange Coast College (3) 40.11.301-Art Center-Construction	
Contra Costa Community College District Diablo Valley College (7) 40.13.216-Business Language Building-Construction (8) 40.13.217-Library Building Addition-Construction	
Los Rios Community College District Folsom Lake Center (16) 40.27.500-On-Site Development-Construction (17) 40.27.501-Instructional Facilities Phase 1A-Construction	

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Redwoods Community College District College of the Redwoods (19) 40.42.104-Library and Media Services-Construction	
San Jose-Evergreen Community College District Evergreen Valley College (22) 40.50.105-Biology/Nursing Addition-Construction	
Item 6870-302-0574, Budget Act of 1998 (Sec. 2, Ch. 324, Stats. 1998) Sequoias Community College District College of the Sequoias (26) 40.56.109-Music Building-Construction	
Fremont-Newark Community College District Ohlone College (3) 40.16.110-Instructional Computing-Construction	
Yosemite Community College District Modesto Junior College (13) 40.70.210-Sierra Hall Instructional Facility-Construction	
0658-1996 Higher Education Capital Outlay Bond Fund Item 6870-301-0658 of Section 2.00 of the Budget Act of 1997 (Ch. 282, Stats. 1997) Foothill-DeAnza Community College District Foothill College (25) 40.15.203-Child Care/Development-Construction	
Rio Hondo Community College District Rio Hondo College (64) 40.43.105-Science Building (Health & Safety)-Construction	
Ventura County Community College District Moorpark College (87) 40.65.107-Math/Science Secondary Effects-Construction	
Item 6870-301-0658 of Section 2.00 of the Budget Act of 1996 (Ch. 162, Stats. 1996) Systemwide (1) 40.01.001-Seismic Retrofit Study-Preliminary Plans	
6870-491—Reappropriation, Board of Governors of the California Community Colleges. Notwithstanding any other provision of law, the following appropria-	

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tions are reappropriated to extend the liquidation period until January 1, 2000:

0001—General Fund

(1) The unencumbered balance as of June 30, 1999, from Schedule (n) (20.40.040-Hazardous Substances) and Schedule (s) (20.40.025-Scheduled Maintenance/Special Repair) of Item 6870-101-0001 of Section 2.00 of the Budget Act of 1996 (Ch. 162, Stats. 1996).

(2) The unencumbered balance as of June 30, 1999, of subdivision (a) of Section 19 (Deferred Maintenance) and subdivision (b) of Section 20 (Architectural Barrier Removal) of Chapter 204 of the Statutes of 1996.

6870-495—Reversion, California Community Colleges (Proposition 98). The balance as of June 30, 1999, specified herein, of the appropriations provided for in the following citations shall revert to the Proposition 98 Reversion Account:

(1) $1,233,000 from Item 6870-103-0001, Budget Act of 1998 (Ch. 324, Stats. 1998), based on a reduced estimate of lease-purchase payment needs.

(2) $38,710,000, or whatever lesser or greater amount reflects the surplus in property taxes from the estimate used to calculate apportionments for the Budget Act of 1998, as certified by the Department of Finance, from Schedule (a) 10.10.010-Apportionments of Item 6870-101-0001 of Section 2.00 of the Budget Act of 1998 (Ch. 324, Stats. 1998).

(3) $4,200,000 from Schedule (v) of Item 6870-101-0001 of Section 2.00 of the Budget Act of 1997 (Ch. 282, Stats. 1997), based on implementation delays within the CalWORKs program.

7980-001-0001—For support of Student Aid Commission 9,256,000

Schedule:

(a) 15-Financial Aid Grants Program...	9,302,000
(b) California Loan Program	649,000
(c) 80.01-Administration and Support Services	3,123,000
(d) 80.02-Distributed Administration and Support Services.....	−3,123,000
(e) Reimbursements	−695,000

Provisions:

1. Of the funds appropriated in Schedule (a) of this item, $250,000 is for administrative costs related

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to providing grants to students attending summer sessions pursuant to legislation enacted during the 1999–2000 Regular Session.		
7980-001-0564—For support of Student Aid Commission, payable from the Scholarshare Administration Fund		923,000
Schedule:		
(a) 30-Scholarshare Trust	923,000	
7980-011-0001—For transfer by the Controller on July 1, 1999, from the General Fund to the Scholarshare Administrative Fund as a loan		(829,000)
Provisions:		
1. The transfer made by this item is a loan to the Scholarshare Administrative Fund. The loan shall be repaid over a period of five years with payments beginning no later than the 2002–03 fiscal year and ending no later than June 30, 2005. This loan shall be repaid with interest calculated at the rate earned by the Pooled Money Investment Account.		
7980-101-0001—For local assistance, Student Aid Commission		384,429,000
Schedule:		
(a) 15-Financial Aid Grants Program	393,656,000	
(b) Reimbursements	−5,303,000	
(c) Amount payable from the Federal Trust Fund (Item 7980-101-0890)	−3,924,000	
Provisions:		
1. Funds appropriated in Schedule (a) are for the purposes of all of the following:		
(a) Awards in the Cal Grant Program under Article 3 (commencing with Section 69530) of Chapter 2 of Part 42 of the Education Code.		
(b) Graduate fellowship renewal awards under former Article 9 (commencing with Section 69670) of Chapter 2 of Part 42 of the Education Code.		
(c) Grants under Section 4709 of the Labor Code.		
(d) California Student Opportunity and Access Program contract agreements under Article 4 (commencing with Section 69560) of Chapter 2 of Part 42 of the Education Code.		
(e) The purchase of loan assumptions under Article 6.5 (commencing with Section 69612) of Chapter 2 of Part 42 of the Education Code. Of the 4,000 warrants issued to California students pursuant to the purchase of loan as-		

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sumptions, 35 percent shall be made available to program participants who are not yet enrolled in an accredited credential program.

(f) Grants under the California State Work-Study Program, Article 18 (commencing with Section 69950) of Chapter 2 of Part 42 of the Education Code.

(g) The purchase of loan assumptions under Article 5.5 (commencing with Section 69618) of Chapter 2 of Part 42 of the Education Code.

(h) New and renewal Cal Grant awards in amounts not to exceed award levels comparable to those in effect for the 1998–99 award year except as otherwise provided by law.

2. If federal trust funds for the 1999–00 fiscal year exceed budgeted levels, the funds appropriated shall, to the extent allowable by federal law, be reduced on a dollar-for-dollar basis.
3. Eligibility for money appropriated by this item is limited to students who demonstrate financial need according to the nationally accepted needs analysis methodology, who meet other Student Aid Commission eligibility criteria, and whose income or family's gross income does not exceed $67,000 for the purposes of determining recipients for the 1999–00 award year.
4. Notwithstanding any other provision of law, of the amount appropriated in Schedule (a), $24,075,000 shall be used to increase the number of new Cal Grant awards above the number awarded in 1998–99. These funds shall be used to provide approximately 3852 new Cal Grant A awards and 3852 new Cal Grant B and 1,685 new Cal Grant C awards; or a different number of awards as determined by the Student Aid Commission to be consistent with the funding provided in this item for new Cal Grant A and B awards.
5. Of the amount appropriated in Schedule (a), $2,400,000 shall be available to increase the maximum award for new recipients attending private and independent institutions.
6. Of the amount appropriated in Schedule (a), $5,000,000 shall be used to increase the number of Cal Grant T awards above the number provided for the 1998–99 fiscal year. These funds shall be used to provide approximately 1,129 new Cal

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Grant T awards, or a different number of awards as determined by the Student Aid Commission, to be consistent with the funding provided in this item for new Cal Grant T awards.		
7980-101-0890—For local assistance, Student Aid Commission, for payment to Item 7980-101-0001, payable from the Federal Trust Fund		3,924,000
7980-102-0001—For local assistance, Student Aid Commission (Proposition 98), for the California Student Opportunity and Access Program (Cal-SOAP)		990,000
GENERAL GOVERNMENT		
8100-001-0001—For support of Office of Criminal Justice Planning		3,512,000
Schedule:		
(a) 20.01-Administration	3,111,000	
(b) 20.02-Distributed Administration	−3,111,000	
(c) 50-Criminal Justice Projects	12,710,000	
(d) Reimbursements	−450,000	
(e) Amount payable from the Local Public Prosecutors and Public Defenders Training Fund (Item 8100-001-0241)	−65,000	
(f) Amount payable from the Victim Witness Assistance Fund (Item 8100-001-0425)	−1,428,000	
(g) Amount payable from the High Technology Theft Apprehension and Prosecution Trust Fund (Item 8100-001-0597)	−67,000	
(h) Amount payable from the Federal Trust Fund (Item 8100-001-0890).	−7,188,000	
8100-001-0241—For support of Office of Criminal Justice Planning, for payment to Item 8100-001-0001, payable from the Local Public Prosecutors and Public Defenders Training Fund		65,000
Provisions:		
1. Notwithstanding any other provision of law restricting the costs of administering individual programs, the full amount of this appropriation may be used by the Office of Criminal Justice Planning for administrative costs.		
8100-001-0425—For support of Office of Criminal Justice Planning, for payment to Item 8100-001-0001, payable from the Victim Witness Assistance Fund		1,428,000

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8100-001-0597—For support of Office of Criminal Justice Planning, for payment to Item 8100-001-0001, payable from the High Technology Theft Apprehension and Prosecution Program Trust Fund	67,000
Provisions:	
1. Funds appropriated for the High Technology Theft Apprehension and Prosecution Program, as established by Chapter 5.7 (commencing with Section 13848) of Title 6 of Part 4 of the Penal Code, as amended by Chapter 555, Statutes of 1998, shall be deposited in the High Technology Theft Apprehension and Prosecution Program Trust Fund, established pursuant to Section 13848.4 of the Penal Code.	
8100-001-0890—For support of Office of Criminal Justice Planning, for payment to Item 8100-001-0001, payable from the Federal Trust Fund.....	7,188,000
8100-012-0001—For transfer by the Controller to the High Technology Theft Apprehension and Prosecution Program Trust Fund.....	35,000
Provisions:	
1. Funds appropriated for the High Technology Theft Apprehension and Prosecution Program, as established by Chapter 5.7 (commencing with Section 13848) of Title 6 of Part 4 of the Penal Code, as amended by Chapter 555, Statutes of 1998, shall be deposited in the High Technology Theft Apprehension and Prosecution Program Trust Fund, established pursuant to Section 13848.4 of the Penal Code.	
8100-012-0890—For transfer by the Controller to the High Technology Theft Apprehension and Prosecution Program Trust Fund.....	32,000
Provisions:	
1. Funds appropriated in this item are for the High Technology Theft Apprehension and Prosecution Program established by Chapter 5.7 (commencing with Section 13848) of Title 6 of Part 4 of the Penal Code and shall be deposited in the High Technology Theft Apprehension and Prosecution Program Trust Fund, established pursuant to Section 13848.4 of the Penal Code.	
8100-101-0001—For local assistance, Office of Criminal Justice Planning, Program 50, Criminal Justice Projects	75,661,000

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Schedule:	
(a) 50.20.102-Victims Legal Resources Center	173,000
(b) 50.20.103-Joint Venture	166,000
(c) 50.20.151-Domestic Violence Program	1,460,000
(d) 50.20.152-Family Violence Prevention	194,000
(e) 50.20.301-Rape Crisis Program	101,000
(f) 50.20.351-Homeless Youth Project	883,000
(g) 50.20.352-Youth Emergency Telephone Referral	338,000
(h) 50.20.353-Child Sexual Abuse and Exploitation Program	3,000
(i) 50.20.354-Child Sexual Abuse Prevention and Training	672,000
(ix) 50.20.358-Child Abuse and Abduction Prevention	495,000
(j) 50.30.501-California Community Crime Resistance Program, to be allocated pursuant to Chapter 5 (commencing with Section 13840) of Title 6 of Part 4 of the Penal Code	923,000
(k) 50.30.511-California Career Criminal Apprehension Program	2,308,000
(*l*) 50.30.512-California Career Criminal Prosecution Program, to be allocated pursuant to Chapter 2.2 (commencing with Section 999b) of Title 6 of Part 2 of the Penal Code	3,987,000
(m) 50.30.513-Major Narcotic Vendors Prosecution Program	2,641,000
(n) 50.30.514-Serious Habitual Offender	547,000
(o) 50.30.515-Vertical Prosecution of Statutory Rape	8,361,000
(ox) 50.30.516-Elder Abuse Vertical Prosecution	2,000,000
(p) 50.30.521-Child Sexual Assault Prosecution Program	1,304,000
(q) 50.30.522-Evidentiary Medical Training	1,364,000
(r) 50.30.531-Vertical Defense	692,000
(s) 50.30.541-Public Prosecutors and Public Defenders	29,000

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(t) 50.30.651-Suppression of Drug Abuse in Schools Program	3,263,000
(u) 50.30.661-California Gang Violence Suppression Program	5,615,000
(v) 50.30.672-Multi-Agency Gang Enforcement Consortium	248,000
(vx) 50.30.700-Special Projects-Public Safety	6,218,000
(vy) 50.30.815-Special Projects-Public Safety	3,541,000
(vz) 50.30.820-D.A.R.E.	1,000,000
(v1) 50.30.850-One-Time Local Law Enforcement Grants	30,000,000
(w) Reimbursements	−2,865,000

Provisions:

1. Notwithstanding any other provision of law, the Office of Criminal Justice Planning may provide advance payment of up to 25 percent of grant funds awarded to community-based, nonprofit organizations, cities, school districts, counties, and other units of local government that have demonstrated cash-flow problems according to the criteria set forth by the Office of Criminal Justice Planning.
2. To maximize the use of program funds and demonstrate the commitment of the grantees to program objectives, the Office of Criminal Justice Planning shall require all grantees for funds from the Gang Violence Suppression-Curfew Enforcement Strategy program to provide local matching funds of at least 10 percent for the first and each subsequent year of operation. This match requirement applies to each agency that is to receive grant funds. An agency may meet its match requirements with an in-kind match, if approved by the Office of Criminal Justice Planning.
3. For the purposes of violence prevention programs operated by the Office of Criminal Justice Planning, the following definitions shall apply:
   (a) "Violence prevention" is defined as a comprehensive effort to address the multiple root causes of violent behavior among young people, including, but not limited to, poverty, unemployment, discrimination, substance abuse, educational failure, fragmented families, domestic abuse, internalized shame, and felt powerlessness. Violence prevention is

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distinct from violence containment or suppression, that is a foremost duty of law enforcement. (b) "Violence prevention programs" are defined as programs that contribute to empowerment and improved life management skills for young people, that foster healthy communities in which young people can grow in dignity and safety, and that realign institutions to be more inclusive and receptive in responding to, and enfranchising young people, so that the potential for creative expression that exists in every young person is realized to the fullest. 4. The Office of Criminal Justice Planning shall perform evaluations of its violence prevention programs for the purpose of ensuring that these programs: (1) conform to the definition of violence prevention, (2) maximize efficiency and synergy among programs, and (3) establish meaningful performance goals. It is the intent to provide a common and consistent definition of violence prevention and violence prevention programs, by which all programs can be measured and evaluated.	
8100-101-0241—For local assistance, Office of Criminal Justice Planning, Program 50, Criminal Justice Projects, payable from the Local Public Prosecutors and Public Defenders Training Fund	727,000
Provisions: 1. Notwithstanding any other provision of law, the Office of Criminal Justice Planning may provide advance payment of up to 25 percent of grant funds awarded to community-based, nonprofit organizations, cities, school districts, counties, and other units of local government that have demonstrated cash-flow problems according to the criteria set forth by the Office of Criminal Justice Planning.	
8100-101-0425—For local assistance, Office of Criminal Justice Planning, Program 50, Criminal Justice Projects, payable from the Victim Witness Assistance Fund	15,519,000
Schedule: (a) 50.20.101-Victim-Witness Assistance Program..... 10,871,000 (b) 50.20.301-Rape Crisis Program 3,670,000	

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(c) 50.20.353-Child Sexual Abuse and Exploitation Program	978,000	
Provisions:		
1. Notwithstanding any other provision of law, the Office of Criminal Justice Planning may provide advance payment of up to 25 percent of grant funds awarded to community-based, nonprofit organizations, cities, school districts, counties, and other units of local government that have demonstrated cash-flow problems according to the criteria set forth by the Office of Criminal Justice Planning.		
8100-101-0597—For local assistance, Office of Criminal Justice Planning, Program 50, Criminal Justice Projects, payable from the High Technology Theft Apprehension and Prosecution Program Trust Fund.		3,183,000
Schedule:		
(a) 50.30.562-High Technology Theft Apprehension and Prosecution Program.....	3,183,000	
Provisions:		
1. Funds appropriated for the High Technology Theft Apprehension and Prosecution Program, as established by Chapter 5.7 (commencing with Section 13848) of Title 6 of Part 4 of the Penal Code, as amended by Chapter 555, Statutes of 1998, shall be deposited in the High Technology Theft Apprehension and Prosecution Program Trust Fund, established pursuant to Section 13848.4 of the Penal Code.		
2. All grantees receiving funds appropriated in this item shall be required to provide matching funds equal to 25 percent of the amount of grant funding received by them from the High Technology Theft Apprehension and Prosecution Program Trust Fund.		
3. Of the funds appropriated in this item, $500,000 is provided for support of the high technology crime data base within the Department of Justice.		
4. Of the funds appropriated in this item, $2,683,000 is provided for support of high technology crime regional task forces meeting the criteria established in subdivision (f) of Section 13848.6 of the Penal Code.		
8100-101-0890—For local assistance, Office of Criminal Justice Planning, Program 50, Criminal Justice Projects, payable from the Federal Trust Fund.....		155,372,000

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Schedule:		
(a) 50.20.151-Domestic Violence Program	6,729,000	
(b) 50.20.161-Violence Against Women Act	12,990,000	
(c) 50.20.302-Rape Prevention	5,571,000	
(d) 50.20.451-Victims of Crime Act (VOCA)	33,849,000	
(e) 50.30.525-Child Justice Act	1,045,000	
(f) 50.30.550-Byrne State/Local Law Enforcement Assistance	52,118,000	
(g) 50.30.555-Residential Substance Abuse Treatment	6,545,000	
(h) 50.30.556-Local Law Enforcement Block Grants	732,000	
(i) 50.30.661-Gang Violence Suppression	1,005,000	
(j) 50.30.701-Juvenile Justice and Delinquency Prevention	8,051,000	
(k) 50.30.703-Community Delinquency Prevention Program	2,514,000	
(*l*) 50.30.705-Juvenile Accountability Incentive	21,769,000	
(m) 50.30.706-Juvenile Justice—Project Challenge	2,454,000	
Provisions:		
1. Notwithstanding any other provision of law, the Office of Criminal Justice Planning may provide advance payment of up to 25 percent of grant funds awarded to community-based, nonprofit organizations, cities, school districts, counties, and other units of local government that have demonstrated cash-flow problems according to the criteria set forth by the Office of Criminal Justice Planning.		
8100-112-0001—For transfer by the Controller to the High Technology Theft Apprehension and Prosecution Program Trust Fund		2,965,000
Provisions:		
1. Funds appropriated in this item are for the High Technology Theft Apprehension and Prosecution Program, as established by Chapter 5.7 (commencing with Section 13848) of Title 6 of Part 4 of the Penal Code, as amended by Chapter 555 of the Statutes of 1998, and shall be deposited in the High Technology Theft Apprehension and Pros-		

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ecution Program Trust Fund, established pursuant to Section 13848.4 of the Penal Code.		
8100-112-0890—For transfer by the Controller to the High Technology Theft Apprehension and Prosecution Program Trust Fund		218,000
Provisions:		
1. Funds appropriated in this item are for the High Technology Theft Apprehension and Prosecution Program established by Chapter 5.7 (commencing with Section 13848) of Title 6 of Part 4 of the Penal Code and shall be deposited in the High Technology Theft Apprehension and Prosecution Program Trust Fund, established pursuant to Section 13848.4 of the Penal Code.		
8100-295-0001—For local assistance, Office of Criminal Justice Planning, for reimbursement, in accordance with the provisions of Section 6 of Article XIII B of the California Constitution or Section 17561 of the Government Code, of the costs of any new program or increased level of service of an existing program mandated by statute or executive order, State Controller		790,000
Schedule:		
(1) 98.01.124.992-Threats Against Peace Officers (Ch. 1249, Stats. 1992, and Ch. 666, Stats. 1995) ...	5,000	
(2) 98.01.041.195-Crime Victims' Rights (Ch. 411, Stats. 1995)	785,000	
Provisions:		
1. Except as provided in Provision 2 of this item, allocations of funds provided in this item to the appropriate local entities shall be made by the Controller in accordance with the provisions of each statute or executive order that mandates the reimbursement of the costs, and shall be audited to verify the actual amount of the mandated costs in accordance with subdivision (d) of Section 17561 of the Government Code. Audit adjustments to prior year claims may be paid from this item. Funds appropriated in this item may be used to provide reimbursement pursuant to Article 5 (commencing with Section 17615) of Chapter 4 of Part 7 of Division 4 of Title 2 of the Government Code.		
2. If any of the scheduled amounts are insufficient to provide full reimbursement of costs, the State Controller may, upon notifying the Director of Fi-		

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nance in writing, augment those deficient amounts from the unencumbered balance of any other scheduled amounts therein. No order may be issued pursuant to this provision unless written notification of the necessity therefor is provided to the chairperson of the committee in each house which considers appropriation and the Chairperson of the Joint Legislative Budget Committee or his or her designee.		
8120-001-0268—For support of Commission on Peace Officer Standards and Training, payable from the Peace Officers' Training Fund		10,802,000
Schedule:		
(a) 10-Standards	5,783,000	
(b) 20-Training	16,866,000	
(c) 30-Peace Officer Training	88,000	
(d) 40.01-Administration	4,357,000	
(e) 40.02-Distributed Administration	−4,357,000	
(ex) Reimbursements	−1,259,000	
(f) Amount payable from the Peace Officers' Training Fund (Item 8120-011-0268)	−9,120,000	
(g) Amount payable from the Peace Officers' Training Fund (Item 8120-012-0268)	−1,556,000	
8120-011-0268—For support of Commission on Peace Officer Standards and Training, for payment to Item 8120-001-0268, payable from the Peace Officers' Training Fund		9,120,000
Provisions:		
1. Funds appropriated in this item are to be used for contractual services in support of local training programs, pursuant to Section 13503(c) of the Penal Code.		
2. Funds may be transferred between this item and Item 8120-101-0268 to meet the needs of local training programs.		
8120-012-0268—For support of Commission on Peace Officer Standards and Training, for payment to Item 8120-001-0268, payable from the Peace Officers' Training Fund		1,556,000
Provisions:		
1. The funds appropriated in this item are to be used for the implementation of the "Tools for Tolerance" training program for law enforcement personnel operated by the Simon Wiesenthal Center-Museum of Tolerance. Eligibility to receive funds		

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	appropriated by this item as reimbursements is limited to law enforcement agencies authorized by law to receive training reimbursements from the Peace Officers' Training Fund. Both sworn officers and nonsworn personnel who have contact with the public shall, at the discretion of the head of the law enforcement agency seeking reimbursement under this provision, be eligible for reimbursement, provided that the Museum of Tolerance gives priority to training sworn officers.	
8120-101-0268—For local assistance, Commission on Peace Officer Standards and Training, Program 30, for allocation to cities, counties, and cities and counties pursuant to Section 13523 of the Penal Code, payable from the Peace Officers' Training Fund		26,058,000
	Provisions: 1. Funds may be transferred between this item and Item 8120-011-0268 to meet the needs of local training programs. 2. The Director of Finance may authorize the augmentation of the total amount available for expenditure under this item in the amount of revenue received by the Peace Officers' Training Fund that is in addition to the revenue appropriated by this item, not sooner than 30 days after notification in writing to the chairpersons of the respective fiscal committees and the Chairperson of the Joint Legislative Budget Committee.	
8120-102-0268—For local assistance, Commission on Peace Officer Standards and Training, Program 30, payable from the Peace Officers' Training Fund		444,000
	Provisions: 1. Funds appropriated in this item are to be used for the implementation of the "Tools for Tolerance" training program for law enforcement personnel operated by the Simon Wiesenthal Center-Museum of Tolerance. Eligibility to receive funds appropriated by this item as reimbursements is limited to law enforcement agencies authorized by law to receive training reimbursements from the Peace Officers' Training Fund. Both sworn officers and nonsworn personnel who have contact with the public shall, at the discretion of the head of the law enforcement agency seeking reimbursement under this provision, be eligible for reimbursement, provided that the Museum of Tolerance gives priority to training sworn officers.	

Item		Amount
8140-001-0001—For support of State Public Defender..		11,000,000
Schedule:		
(a) 10-State Public Defender.....	11,000,000	
Provisions:		
1. Any federal funds received by the Office of the State Public Defender as reimbursements for legal services provided for capital cases shall revert to the unappropriated surplus of the General Fund.		
8180-101-0001—For local assistance, Payment to Counties for Costs of Homicide Trials, for payment by the State Controller		7,500,000
Provisions:		
1. This item is for payment to counties for costs of homicide trials pursuant to Sections 15201 to 15203, inclusive, of the Government Code, provided that expenditures made under this item shall be charged to the fiscal year in which the warrant is issued by the Controller.		
2. The Controller shall reimburse counties for reasonable and necessary expenses incurred pursuant to Section 15202 of the Government Code except that reimbursements to a county shall not exceed: (a) for attorney services, an hourly rate equal to that county's average hourly cost for public defenders, the hourly rate paid to appointed counsel, or the hourly rate charged state agencies by the Attorney General for attorney services, whichever rate is less; (b) for investigators, an hourly rate equal to that county's average hourly cost for county-employed investigators or the hourly rate charged state agencies by the Attorney General for investigators, whichever rate is less; and (c) for expert witnesses, the hourly rate that the county generally pays for these services.		
3. Notwithstanding any other provision of law, funds appropriated in this item shall be available for reimbursement for one hundred percent of any extraordinary costs incurred during the 1998–99 and 1999–00 fiscal years in the County of Siskiyou in the homicide trial of People v. Bowcutt.		
8260-001-0001—For support of California Arts Council		2,230,000
Schedule:		
(a) 10-Artists in Residence.....	948,000	
(b) 20-Organizational Support Grants..	1,195,000	
(c) 25-Performing Arts Touring/ Presenting Program	350,000	

Item		Amount
(d) 30-Special Initiatives Program	80,000	
(e) 40-Statewide Projects	550,000	
(f) 45-California Challenge Program	70,000	
(g) 50.01-Administration	1,142,000	
(h) 50.02-Distributed Administration	−1,142,000	
(i) Reimbursements	−70,000	
(j) Amount payable from the Graphic Design License Plate Account (Item 8260-001-0078)	−276,000	
(k) Amount payable from the Federal Trust Fund (Item 8260-001-0890).	−617,000	
8260-001-0078—For support of California Arts Council, for payment to Item 8260-001-0001, payable from the Graphic Design License Plate Account		276,000
8260-001-0890—For support of California Arts Council, for payment to Item 8260-001-0001, payable from the Federal Trust Fund		617,000
8260-101-0001—For local assistance, California Arts Council, for grants and subventions		15,615,000
Schedule:		
(a) 10-Artists in Residence	3,630,000	
(b) 20-Organizational Support Grants	8,473,000	
(c) 25-Performing Arts Touring/ Presenting Program	842,000	
(d) 30-Special Initiatives Program	500,000	
(e) 40-Statewide Projects	2,676,000	
(f) Reimbursements	−31,000	
(g) Amount payable from the Graphic Design License Plate Account (Item 8260-101-0078)	−475,000	
Provisions:		
1. Funds appropriated for the Small- and Mid-size Organizations element and the Large Budget Organizations element of the Organizational Grants program shall not be expended unless the grant recipient provides at least a dollar-for-dollar cash match. No matching funds shall be required for grants to individual artists.		
8260-101-0078—For local assistance, California Arts Council, for payment to Item 8260-101-0001, payable from the Graphic Design License Plate Account		475,000
8260-101-0890—For local assistance, California Arts Council, payable from the Federal Trust Fund		170,000
Schedule:		
(a) 10-Artists in Residence	74,000	
(c) 25-Performing Arts Touring/ Presenting Program	12,000	

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(d) 40-Statewide Projects	84,000	

Provisions:

1. Any organization applying for a grant under the Large Budget Organizations element of the Organizational Grants program may not receive a grant under the Small- and Mid-size Organizations element of the Organizational Grants program.
2. Any organization applying for a grant under the Small- and Mid-size Organizations element of the Organizational Grants program may not receive a grant under the Large Budget Organizations element of the Organizational Grants program.
3. Funds appropriated for the Small- and Mid-size Organizations element and the Large Budget Organizations element of the Organizational Grants program shall not be expended unless the grant recipient provides at least a dollar-for-dollar cash match. No matching funds shall be required for grants to individual artists.

8260-102-0001—For local assistance, California Arts Council 2,000,000

Schedule:

(a) 70-Cultural Institutions Program 2,000,000

Provisions:

1. The funds appropriated in this item are for allocation to the Simon Wiesenthal Center, Museum of Tolerance to provide teacher training on tolerance and diversity to California educators in K–12 public schools. In making this appropriation, it is the intent of the Legislature to establish an ongoing system of local assistance for the Simon Wiesenthal Center, Museum of Tolerance.
2. For purposes of this item, teacher training on tolerance and diversity may include programs designed to: 1) build greater awareness among educators about issues of tolerance and diversity; 2) expose working professionals to the dynamics of prejudice and discrimination that impede effective learning and threaten school safety; 3) provide a broad range of multicultural viewpoints which may influence their relationship with coworkers, parents and students; 4) explore ways of integrating the teaching of tolerance into the curriculum and infusing it into the ethos of the school community; and 5) acquaint educators with the facilities and resources available at the Museum of

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	Tolerance and the Simon Wiesenthal Center which can serve their needs.	
8260-103-0001—For local assistance, California Arts Council		35,347,000

Provisions:

1. Of the funds appropriated in this item, the following allocations shall be made to museums and cultural institutions: $464,000 for the Armenian Film Foundation; $250,000 for Arte Americas; $1,600,000 for the Asian Art Museum; $162,000 for the Bonita Historical Museum; $500,000 for the Brava Theater Youth Outreach; $410,000 for the Children's Museum of La Habra; $1,000,000 for the Chinese-American Museum and Italian Hall; $100,000 for the Edwards Air Force Base Flight Test Museum; $750,000 for the El Pueblo de Los Angeles Historic Monument; $200,000 for the Fender Museum and Education Center; $34,000 for the Harry Sweet Film Archives; $40,000 for the historic transportation system in Old Sacramento; $500,000 for the Historical Air Museum; $1,000,000 for the Hollywood Entertainment Museum; $1,000,000 for the Japanese-American National Museum; $800,000 for the Latino Museum of History, Art and Culture; $2,000,000 for the Los Angeles Children's Museum; $10,000,000 for the Los Angeles Civic Center; $250,000 for the Mexican-American Heritage Museum; $1,250,000 for the Mid-Peninsula Jewish Community Center; $200,000 for the Miner's Foundry Cultural Center; $250,000 for the Model Railroad Museum at Balboa Park; $540,000 for the Museum of Latin American Art; $1,500,000 for the Natural History Museum of Los Angeles County; $200,000 for the Northern Los Angeles County Historic Agricultural Museum; $1,000,000 for the Orange County Marine Institute; $50,000 for the Palmdale Heritage Airpark; $350,000 for the Port San Luis Marine Institute; $145,000 for the Randall Museum; $72,000 for the Redding Old City Hall Arts Center; $200,000 for the San Bernardino County traveling museum exhibit; $500,000 for the San Diego Maritime Museum; $2,000,000 for the San Francisco Jewish Museum; $1,000,000 for the San Francisco Mexican Museum; $45,000 for the San Francisco Philharmonic; $35,000 for the

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Santa Clarita Historical Steam Engine; $200,000 for the Santa Maria Children's Museum; $2,000,000 for the Simon Weisenthal Center Museum of Tolerance; $2,000,000 for the Skirball Museum; and $400,000 for the Zimmer Museum.

2. The funds appropriated by this item are for one-time grants to museums and cultural institutions to provide educational services to public school students and for one-time grants to museums and cultural institutions for capital outlay. In making this appropriation, it is the intent of the Legislature to provide a simple system for allocating funds to museums and cultural institutions that ensures accountability of public funds. It is not the intent of the Legislature to establish an ongoing system of local assistance for museums and cultural institutions.
3. (a) For purposes of this item, educational services may include teacher training, curriculum development, schoolsite presentations or workshops, distance learning, and reduced price or free admissions. No funds appropriated by this item may be expended for hiring of permanent staff, purchase of vehicles, or the general operating expenses of these museums. Funds appropriated by this item shall be used to supplement, and not supplant, current funding for educational services for public school students from other funding sources.

   (b) On or before November 1, 1999, each museum and cultural institution shall submit to the California Arts Council a detailed expenditure plan on the proposed uses of the funds appropriated to it by this item for educational services. Notwithstanding Section 2.00 of this act, funds appropriated in this item for educational services may be expended only for educational services provided from July 1, 1999, to June 30, 2002, inclusive.

   (c) The California Arts Council shall review and approve each expenditure plan to ensure that (1) funds are proposed to be expended for educational purposes consistent with paragraph (a) of this Provision 3 and (2) the expenditure plan proposed a cost-effective use of the funds. The council shall develop a pro-

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	cess for reviewing, approving, and paying grantees in a timely fashion. To ensure financial accountability, the council shall develop a reporting process and specify information to be reported by grantees on a regular basis.	
	(d) The California Arts Council shall report to the Joint Legislative Budget Committee by October 1, 2000, detailing expenditures made and programmatic outcomes achieved by each grant funded pursuant to this item during the 1999–00 fiscal year, and by October 1 for each subsequent fiscal year during which funds are expended, including, but not limited to, the number of students and teachers served, evidence of student achievement, curriculum materials developed, and evidence of professional growth among teachers trained.	
	4. (a) For purposes of this item, capital outlay includes expenditures for planning, working drawings, and repair, renovation, and construction of museum and cultural institution facilities. No funds appropriated by this item for purposes of capital outlay may be used for hiring of permanent staff, operating expenses, or non-capital-outlay-related expenditures.	
	(b) On or before November 1, 1999, each museum and cultural institution shall submit to the California Arts Council a detailed expenditure plan on the proposed uses of the funds appropriated to it by this item for capital outlay. Notwithstanding Section 2.00 of this act, funds appropriated in this item for capital outlay may be expended only for capital outlay purposes from July 1, 1999, to June 30, 2002, inclusive.	
	(c) The California Arts Council shall review and approve each expenditure plan to ensure that (1) funds are expended for the capital outlay purposes consistent with paragraph (a) of this Provision 4 and (2) the expenditure plan proposes a cost-effective use of the funds. The council shall develop a process for reviewing, approving, and paying grantees in a timely fashion. To ensure financial accountability, the council shall develop a reporting process and specify information for grantees to report on a regular basis.	

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(d) The California Arts Council shall report to the Joint Legislative Budget Committee by October 1, 2000, detailing expenditures made and the outcome in terms of facilities repaired, renovated, or constructed for the 1999–00 fiscal year, and by October 1 for each subsequent fiscal year during which funds appropriated by this item are expended.	
5. Of the funds appropriated by this item, $350,000 shall be used by the California Arts Council to defray it for support and related expenses for performing its responsibilities under this item. The council may enter into an interagency agreement to obtain personnel services relating to the review and approval of capital outlay expenditure plans.	
6. The funds appropriated for the Armenian Film Foundation shall be expended for a grant for the production of an educational film on the Armenian genocide.	
8260-111-0001—For local assistance, California Arts Council	759,000
Provisions:	
1. Funds appropriated for the California Challenge Program shall not be expended unless the grant recipient provides matching funds through new and increased private contributions based on criteria established by the California Arts Council specifically for this program.	
8260-490—Reappropriation, California Arts Council. Notwithstanding any other provision of law, the balance of the appropriation in the following citation is hereby reappropriated to the California Arts Council for the purposes and subject to the limitations, unless otherwise specified, provided for in that appropriation, and shall be available for expenditure until June 30, 2000:	
0001—General Fund	
Item 8260-001-0001, Budget Act of 1998 (Ch. 324, Stats. 1998); the balance of the $300,000 in Cultural Institutions Program. This $300,000 was transferred from Item 8260-102-0001 Budget Act of 1998, Provision 6, and is reappropriated for the support and related expenses of administering and reporting on the expenditures made by specified museums.	
8280-001-0001—For support of Native American Heritage Commission, Program 10	304,000

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8300-001-0001—For support of Agricultural Labor Relations Board		4,487,000
Schedule:		
(a) 10-Board Administration	2,109,000	
(b) 20-General Counsel Administration	2,378,000	
(c) 30.01-Administrative Services	231,000	
(d) 30.02-Distributed Administrative Services	−231,000	
8320-001-0001—For support of Public Employment Relations Board		4,411,000
Schedule:		
(a) 11-Public Employment Relations	4,418,000	
(b) Reimbursements	−7,000	
8350-001-0001—For support of Department of Industrial Relations		141,265,000
Schedule:		
(1) 10-Regulation of Workers' Compensation Self-Insurance Plans	2,891,000	
(2) 20-Conciliation of Employer-Employee Disputes	1,873,000	
(3) 30-Workers' Compensation Administration	93,759,000	
(4) 35-Industrial Medical Council	3,731,000	
(5) 36-Commission on Health and Safety and Workers' Compensation.	1,169,000	
(6) 40-Prevention of Industrial Injuries and Deaths of California Workers	65,384,000	
(7) 50-Enforcement and Promulgation of Laws Relating to Wages, Hours, and Conditions of Employment, and Licensing and Adjudication	33,458,000	
(8) 60-Promotion, Development, and Administration of Apprenticeship and other On-the-Job Training	4,983,000	
(9) 70-Labor Force Research and Data Dissemination	3,176,000	
(10) 80-Payment of Claims, Wages, and Contingencies	22,632,000	
(11) 94.01-Administration	17,286,000	
(12) 94.02-Distributed Administration	−17,286,000	
(13) Reimbursements	−3,399,000	
(14) Amount payable from the Farm Labor Contractors Special Account (Item 8350-001-0023)	−27,000	

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(15) Amount payable from the Industrial Medicine Fund (Item 8350-001-0079)	−1,664,000
(16) Amount payable from the Cal-OSHA Targeted Inspection and Consultation Fund (Item 8350-001-0096)	−7,389,000
(17) Amount payable from the Workers' Compensation Managed Care Fund (Item 8350-001-0132)	−220,000
(18) Amount payable from the Industrial Relations Construction Industry Enforcement Fund (Item 8350-001-0216)	−50,000
(19) Amount payable from the Workplace Health and Safety Revolving Fund (Item 8350-001-0222)	−1,169,000
(20) Amount payable from the Workers' Compensation Administration Revolving Fund (Item 8350-001-0223)	−8,600,000
(21) Amount payable from the Loss Control Certification Fund (Item 8350-001-0284)	−773,000
(22) Amount payable from the Asbestos Consultant Certification Account (Item 8350-001-0368)	−318,000
(23) Amount payable from the Asbestos Training Approval Account (Item 8350-001-0369)	−231,000
(24) Amount payable from the Self-Insurance Plans Fund (Item 8350-001-0396)	−2,831,000
(25) Amount payable from the Elevator Safety Inspection Account (Item 8350-001-0452)	−6,888,000
(26) Amount payable from the Pressure Vessel Inspection Account (Item 8350-001-0453)	−3,411,000
(27) Amount payable from the Garment Manufacturers Special Account (Item 8350-001-0481)	−50,000
(28) Amount payable from the Employment Training Fund (Item 8350-001-0514)	−2,854,000

Item		Amount
(29) Amount payable from the Uninsured Employers Account, Uninsured Employers Fund (Item 8350-001-0571)		–24,529,000
(30) Amount payable from the Federal Trust Fund (Item 8350-001-0890).		–25,470,000
(31) Amount payable from the Industrial Relations Unpaid Wage Fund (Item 8350-001-0913)		–934,000
(32) Amount payable from the Workers' Compensation Administration Revolving Fund (Item 8350-015-0223)		–484,000
(33) Amount payable from the Industrial Relations Unpaid Wage Fund (Sec. 96.6, Labor Code)		–500,000
Provisions:		
1. The Department of Industrial Relations shall make every effort to fill existing vacancies in an expeditious manner, as appropriate, within the Division of Labor Standards Enforcement and the Division of Apprenticeship Standards, in order to protect workers from unlawful labor practices and to ensure an equitable and productive business climate.		
8350-001-0023—For support of Department of Industrial Relations, for payment to Item 8350-001-0001, payable from the Farm Labor Contractors Special Account		27,000
8350-001-0079—For support of Department of Industrial Relations, for payment to Item 8350-001-0001, payable from the Industrial Medicine Fund		1,664,000
8350-001-0096—For support of Department of Industrial Relations, for payment to Item 8350-001-0001, payable from the Cal-OSHA Targeted Inspection and Consultation Fund		7,389,000
Provisions:		
1. The amount appropriated in this item includes revenues derived from the assessment of fines and penalties imposed as specified in Section 13332.18 of the Government Code.		
8350-001-0132—For support of Department of Industrial Relations, Program 30, Workers' Compensation Administration, for payment to Item 8350-001-0001, payable from the Workers' Compensation Managed Care Fund		220,000

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8350-001-0216—For support of Department of Industrial Relations, for payment to Item 8350-001-0001, payable from the Industrial Relations Construction Industry Enforcement Fund	50,000
8350-001-0222—For support of Department of Industrial Relations, for payment to Item 8350-001-0001, payable from the Workplace Health and Safety Revolving Fund	1,169,000
Provisions: 1. Funds appropriated in this item are for the purpose of supporting the activities of the Commission on Health and Safety and Workers' Compensation within the Department of Industrial Relations, as established by Chapter 227 of the Statutes of 1993.	
8350-001-0223—For support of Department of Industrial Relations, for Workers' Compensation Administration, for payment to Item 8350-001-0001, payable from the Workers' Compensation Administration Revolving Fund	8,600,000
8350-001-0284—For support of Department of Industrial Relations, for payment to Item 8350-001-0001, payable from the Loss Control Certification Fund	773,000
8350-001-0368—For support of Department of Industrial Relations, for payment to Item 8350-001-0001, payable from the Asbestos Consultant Certification Account	318,000
8350-001-0369—For support of Department of Industrial Relations, for payment to Item 8350-001-0001, payable from the Asbestos Training Approval Account.	231,000
8350-001-0396—For support of Department of Industrial Relations, for payment to Item 8350-001-0001, payable from the Self-Insurance Plans Fund	2,831,000
8350-001-0452—For support of Department of Industrial Relations, for payment to Item 8350-001-0001, payable from the Elevator Safety Account	6,888,000
8350-001-0453—For support of Department of Industrial Relations, for payment to Item 8350-001-0001, payable from the Pressure Vessel Account	3,411,000
Provisions: 1. The amount appropriated in this item includes revenues derived from the assessment of fines and penalties imposed as specified in Government Code Section 13332.18.	

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8350-001-0481—For support of Department of Industrial Relations, for payment to Item 8350-001-0001, payable from the Garment Manufacturers Special Account	50,000
8350-001-0514—For support of Department of Industrial Relations, for payment to Item 8350-001-0001, payable from the Employment Training Fund	2,854,000
Provisions:	
1. Notwithstanding Section 1611 of, and Chapter 3.5 (commencing with Section 10200) of Part 1 of Division 3 of the Unemployment Insurance Code, $2,854,000 from the interest earned from money in the Employment Training Fund shall be transferred by the State Controller to the Department of Industrial Relations for the support of the Division of Apprenticeship Standards.	
8350-001-0571—For support of Department of Industrial Relations, for payment to Item 8350-001-0001, payable from the Uninsured Employers' Account, Uninsured Employers' Fund	24,529,000
8350-001-0890—For support of Department of Industrial Relations, for payment to Item 8350-001-0001, payable from the Federal Trust Fund	25,470,000
8350-001-0913—For support of Department of Industrial Relations, for payment to Item 8350-001-0001, payable from the Industrial Relations Unpaid Wage Fund	934,000
Provisions:	
1. Notwithstanding any other provision of law, funds appropriated by this item shall be expended by the Department of Industrial Relations Division of Labor Standards Enforcement to administer the Targeted Industries Partnership Program to increase enforcement and compliance in the agricultural, garment, and restaurant industries.	
2. It is the intent of the Legislature that the Targeted Industries Partnership Program result in increased enforcement of, and compliance by, the agricultural, garment, and restaurant industries regarding wages, hours, conditions of employment, licensing, registration, child labor laws and regulations.	
8350-011-0001—For transfer by the Controller to the Uninsured Employers' Account, Uninsured Employers' Fund	18,603,000

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8350-015-0223—For support of Department of Industrial Relations, Industrial Medical Council, for payment to Item 8350-001-0001, payable from the Workers' Compensation Administration Revolving Fund		484,000
8350-295-0001—For local assistance, Department of Industrial Relations, for reimbursement, in accordance with the provisions of Section 6 of Article XIII B of the California Constitution or Section 17561 of the Government Code, of the costs of any new program or increased level of service of an existing program mandated by statute or executive order, State Controller		1,428,000
Schedule:		
(1) 98.01.117.189-Peace Officer's Cancer Presumption (Ch. 1171, Stats. 1989).....	728,000	
(2) 98.01.156.882-Firefighter's Cancer Presumption (Ch. 1568, Stats. 1982).....	700,000	
(3) 98.01.999.001-Personal alarm devices (8 Cal. Code Regs. Sec. 3401(c)).....	0	
(4) 98.01.999.002-Structural and wildland firefighter safety clothing and equipment (8 Cal. Code Regs. Secs. 3401 to 3410, incl.)	0	
Provisions:		
1. Except as provided in Provision 2 of this item, allocations of funds appropriated by this item to the appropriate local entities shall be made by the Controller in accordance with the provisions of each statute or executive order that mandates the reimbursement of the costs, and shall be audited to verify the actual amount of the mandated costs in accordance with subdivision (d) of Section 17561 of the Government Code. Audit adjustments to prior year claims may be paid from this item. Funds appropriated by this item may be used to provide reimbursement pursuant to Article 5 (commencing with Section 17615) of Chapter 4 of Part 7 of Division 4 of Title 2 of the Government Code.		
2. If any of the scheduled amounts are insufficient to provide full reimbursement of costs, the State Controller may, upon notification of the Director of Finance in writing, augment those deficient amounts from the unencumbered balance of any		

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other scheduled amounts therein. No order may be issued pursuant to this provision unless written notification of the necessity therefor is provided to the chairperson of the committee in each house that considers appropriations and the Chairperson of the Joint Legislative Budget Committee or his or her designee.		
3. Pursuant to Section 17581 of the Government Code, mandates identified in the appropriation schedule of this item with an appropriation of $0 and included in the language of this provision are specifically identified by the Legislature for suspension during the 1999–00 fiscal year:		
(a) Personal alarm devices (8 Cal. Code Regs. Sec. 3401(c)).		
(b) Structural and wildland firefighter safety clothing and equipment (8 Cal. Code Regs. Secs. 3401 to 3410, incl.).		
8380-001-0001—For support of Department of Personnel Administration		5,817,000
Schedule:		
(a) 20-Labor Relations	1,511,000	
(b) 25-Legal	4,373,000	
(c) 40.01-Administration	4,661,000	
(d) 40.02-Distributed Administration	–3,671,000	
(e) 52-Classification and Compensation	3,244,000	
(f) 54-Benefits Administration	14,470,000	
(g) 56-Training and Development	3,125,000	
(h) 58-Merit Award	338,000	
(i) Reimbursements	–15,230,000	
(j) Amount payable from the Flexelect Benefit Fund (Item 8380-001-0821)	–742,000	
(k) Amount payable from the Deferred Compensation Plan Fund (Item 8380-001-0915)	–6,262,000	
8380-001-0821—For support of Department of Personnel Administration, for payment to Item 8380-001-0001, payable from the Flexelect Benefit Fund		742,000
8380-001-0915—For support of Department of Personnel Administration, for payment to Item 8380-001-0001, payable from the Deferred Compensation Plan Fund		6,262,000
Provisions:		
1. No funds derived from the float earned on investor contributions shall be expended for Savings		

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Plus Program administration or other purposes without complete disclosure to the investors.		
8385-001-0001—For support of California Citizens Compensation Commission, Program 10		25,000
8450-001-0001—For support of Workers' Compensation Benefit Program, for payment of the additional compensation for subsequent injuries provided for by Article 5 (commencing with Section 4750) of Chapter 2 of Part 2 of Division 4 of the Labor Code.....		5,507,000
Schedule:		
(a) Payment of Claims	7,570,000	
(b) Support, State Compensation Insurance Fund.....	379,000	
(c) Prelitigation Expenses	170,000	
(d) Support, Department of Industrial Relations	688,000	
(e) Amount payable from Subsequent Injuries Moneys Account, General Fund (Item 8450-001-0016).....	−3,300,000	
Provisions:		
1. This item shall not be construed as a limitation on funds appropriated by Item 8450-001-0016.		
2. The funds appropriated in this item shall not be available for expenditure at any time that funds appropriated by Item 8450-001-0016 are available for expenditure.		
3. At the end of the 1999–00 fiscal year, any expenditures made from the General Fund against this item shall be reduced by any amounts remaining available from the funds appropriated by Item 8450-001-0016.		
8450-001-0016—For payment of Workers' Compensation Benefits for Subsequent Injuries, for payment to Item 8450-001-0001, payable from the Subsequent Injuries Moneys Account		3,300,000
Provisions:		
1. The Director of Finance may authorize the augmentation of the total amount available for expenditure under this item in the amount of revenue received by the Subsequent Injuries Moneys Account that is in addition to the amount appropriated by this item, not sooner than 30 days after notification in writing to the chairpersons of the respective fiscal committees and the Chairperson of the Joint Legislative Budget Committee. The director may authorize these augmentations only up to the amount required for payment of the ad-		

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ditional compensation for subsequent injuries provided by Article 5 (commencing with Section 4750) of Chapter 2 of Part 2 of Division 4 of the Labor Code.		
8460-101-0001—For local assistance, Workers' Compensation Benefits for Disaster Service Workers.....		663,000
Provisions:		
1. Funds appropriated by this item are for furnishing workers' compensation to disaster service workers and their dependents, in accordance with Division 4 (commencing with Section 3200) of the Labor Code, including the reimbursement of the State Compensation Insurance Fund for the cost of services as adjusting agent, Governor's office, Office of Emergency Services. The State Compensation Insurance Fund may draw from the State Treasury any funds appropriated by this item, without at the time presenting vouchers and itemized statements, to be used as a cash revolving fund. Expenditures made from the revolving fund in payment of claims for workers' compensation and adjusting services are exempted from Section 925.6 of the Government Code. Reimbursement of the revolving fund for those expenditures shall be made upon presentation to the State Controller of an abstract or statement of the expenditures. The abstract or statement shall be in such form as the State Controller requires.		
8500-001-0152—For support of Board of Chiropractic Examiners, payable from the State Board of Chiropractic Examiners Fund		1,759,000
Schedule:		
(a) 10-Board of Chiropractic Examiners	1,789,000	
(b) Reimbursements	−30,000	
Provisions:		
1. The amount appropriated in this item may include revenues derived from the assessment of fines and penalties imposed as specified in Government Code Section 13332.18.		
8510-001-0264—For support of Osteopathic Medical Board of California payable from the Osteopathic Medical Board of California Contingent Fund.....		906,000
Schedule:		
(a) 10-Osteopathic Medical Board of California.....	922,000	
(b) Reimbursements.....	−16,000	

Item		Amount
Provisions:		
1. The amount appropriated in this item may include revenues derived from the assessment of fines and penalties imposed as specified in Government Code Section 13332.18.		
8530-001-0290—For support of Board of Pilot Commissioners for the Bays of San Francisco, San Pablo and Suisun, payable from the Board of Pilot Commissioners' Special Fund		1,199,000
Schedule:		
(a) 10.01 Support	560,000	
(b) 10.02 Training	639,000	
Provisions:		
1. The amount appropriated in this item may include revenues derived from the assessment of fines and penalties imposed as specified in Government Code Section 13332.18.		
8550-001-0191—For support of California Horse Racing Board, payable from the Fair and Exposition Fund		7,532,000
Schedule:		
(a) 10-California Horse Racing Board	7,795,000	
(c) Amount payable from the Racetrack Security Account, Special Deposit Fund (Item 8550-001-0942)	−263,000	
8550-001-0942—For support of California Horse Racing Board, for payment to Item 8550-001-0191, payable from the Racetrack Security Account, Special Deposit Fund		263,000
8550-011-0942—Notwithstanding paragraph (1) of subdivision (b) of Section 19641 of the Business and Professions Code, there is hereby transferred to the General Fund the unencumbered balance of the Racetrack Security Account, Special Deposit Fund, as of June 30, 2000		(2,000,000)
8570-001-0001—For support of Department of Food and Agriculture		60,589,000
Schedule:		
(a) 11-Agricultural Plant and Animal, Pest and Disease Prevention	66,621,000	
(b) 21-Marketing, Commodities, and Agricultural Services	18,292,000	
(c) 31-Assistance to Fairs and County Agricultural Activities	2,008,000	
(d) 41.01-Executive, Management, and Administrative Services	10,424,000	

Item		Amount
(e)	41.02-Distributed Executive, Management, and Administrative Services	−9,318,000
(f)	Reimbursements	−8,197,000
(g)	Amount payable from the Department of Agriculture Account, Department of Agriculture Fund (Item 8570-001-0111)	−10,942,000
(h)	Amount payable from the Fair and Exposition Fund (Item 8570-001-0191)	−1,801,000
(i)	Amount payable from the Harbors and Watercraft Revolving Fund (Item 8570-001-0516)	−930,000
(j)	Amount payable from the Agriculture Building Fund (Item 8570-001-0601)	−1,354,000
(k)	Amount payable from the Federal Trust Fund (Item 8570-001-0890)	−3,892,000
(*l*)	Amount payable from the Agricultural Pest Control Research Account (Item 8570-011-0112)	−5,000
(m)	Amount payable from the Satellite Wagering Account (Item 8570-012-0192)	−317,000

Provisions:

1. Funds appropriated to Schedule (a) from Item 8570-001-0111 are in lieu of the appropriation provided by subdivision (b) of Section 224 of the Food and Agricultural Code for emergency detection, eradication, or research of agricultural plant or animal pests or diseases. Any unencumbered balance of these funds shall be available for transfer to local assistance for payment to counties during the 2000–01 fiscal year, as provided in subdivision (c) of Section 224 of the Food and Agricultural Code. In addition, notwithstanding any other provision of law, up to an additional $800,000 of the funds appropriated pursuant to subdivision (c) of Section 224 of the Food and Agricultural Code shall be available for use by the Department of Food and Agriculture for emergency projects to augment Schedule (a) of this item. The Secretary of Food and Agriculture may expend the funds identified in this provision with the approval of the Director of Finance. The funds

Item	Amount
that are so appropriated are not subject to Section 26.00, 27.00, 28.00, or 28.50 of this act.	
2. Funds appropriated from Item 8570-001-0111 are in lieu of the appropriation provided by subdivision (a) of Section 224 of the Food and Agricultural Code. In addition, notwithstanding any other provision of law, of the funds appropriated pursuant to subdivision (c) of Section 224 of the Food and Agricultural Code, $650,000 shall be available for use by the Department of Food and Agriculture for departmental overhead expenses.	
3. Notwithstanding any other provision of law, of the funds appropriated pursuant to subdivision (c) of Section 224 of the Food and Agricultural Code, $179,000 shall be available for use by the Department of Food and Agriculture for the County/State Liaison Director. The Secretary of Food and Agriculture may augment Schedule (c) of this item with the approval of the Director of Finance. The funds that are so appropriated are not subject to Section 26.00, 27.00, 28.00, or 28.50 of this act.	
8570-001-0111—For support of Department of Food and Agriculture, for payment to Item 8570-001-0001, payable from the Department of Agriculture Account, Department of Agriculture Fund	10,942,000
Provisions:	
1. The amount appropriated in this item includes revenues derived from the assessment of fines and penalties imposed as specified in Government Code Section 13332.18.	
8570-001-0191—For support of Department of Food and Agriculture, for payment to Item 8570-001-0001, payable from the Fair and Exposition Fund.....	1,801,000
8570-001-0516—For support of Department of Food and Agriculture, for payment to Item 8570-001-0001, payable from the Harbors and Watercraft Revolving Fund	930,000
8570-001-0601—For support of Department of Food and Agriculture, for payment to Item 8570-001-0001, payable from the Agriculture Building Fund.....	1,354,000
Provisions:	
1. Funds appropriated in this item are in lieu of the appropriation made by Section 624 of the Food and Agricultural Code.	

Item		Amount
8570-001-0890—For support of Department of Food and Agriculture, for payment to Item 8570-001-0001, payable from the Federal Trust Fund		3,892,000
Provisions:		
1. The Department of Finance may authorize the augmentation of this item in an amount not to exceed a cumulative total of $1,500,000. Any augmentation pursuant to this provision shall be made only if the Department of Food and Agriculture has a valid federal contract or grant. These funds shall not be used for state or federal cooperative fruit fly eradication projects. The augmentations pursuant to this authority are not subject to Section 26.00 or 28.00 of this act.		
8570-002-0001—For support of Department of Food and Agriculture, Program 11, for sterile medfly release program in the Los Angeles Basin		7,536,000
8570-003-0001—For support of Department of Food and Agriculture for rental payments on lease revenue bonds		628,000
Schedule:		
(a) Base Rental and Fees	1,622,000	
(b) Insurance	6,000	
(c) Reimbursements	−1,000,000	
8570-003-0111—For support of Department of Food and Agriculture, for rental payments on lease revenue bonds, payable from the Department of Agriculture Account, Department of Agriculture Fund		40,000
8570-003-0601—For support of Department of Food and Agriculture, for rental payments on lease revenue bonds, payable from the Agriculture Building Fund.		230,000
Schedule:		
(a) Base rental and fees	228,000	
(b) Insurance	2,000	
8570-011-0112—For support of Department of Food and Agriculture, for payment to Item 8570-001-0001, payable from the Agricultural Pest Control Research Account		5,000
Provisions:		
1. The amount appropriated in this item includes revenues derived from the assessment of fines and penalties imposed as specified in Government Code Section 13332.18.		
8570-011-0191—For transfer by the State Controller from the Fair and Exposition Fund to the General Fund, for health benefits for retired employees of district agricultural associations		(246,000)

Item		Amount
8570-012-0192—For support of Department of Food and Agriculture, for payment to Item 8570-001-0001, payable from the Satellite Wagering Account		317,000
8570-101-0001—For local assistance, Department of Food and Agriculture		14,015,000
Schedule:		
(a) 11-Agricultural Plant and Animal, Pest and Disease Prevention	14,015,000	
(b) 31-Assistance to Fairs and County Agricultural Activities	1,333,000	
(c) Amount payable from the Fair and Exposition Fund (Item 8570-101-0191)	−950,000	
(d) Amount payable from the General Fund (Item 8570-111-0001)	−383,000	
8570-101-0191—For local assistance, Department of Food and Agriculture, for payment to Item 8570-101-0001, payable from the Fair and Exposition Fund		950,000
Provisions:		
1. The funds appropriated in this item are for unemployment insurance at local fairs.		
2. The funds appropriated in this item are for the contributions, or the cost of benefits in lieu of contributions, payable from the Fair and Exposition Fund to the Unemployment Fund by all entities conducting fairs, including county, district, combined county and district, and citrus fruit fairs receiving funds pursuant to Chapter 4 (commencing with Section 19400) of Division 8 of the Business and Professions Code, as a result of unemployment insurance coverage pursuant to Section 605 of the Unemployment Insurance Code.		
8570-103-0001—For local assistance, Department of Food and Agriculture		1,000,000
8570-111-0001—For local assistance, Department of Food and Agriculture, for payment to Item 8570-101-0001		383,000
Provisions:		
1. The funds appropriated in this item are also available for compensation for services performed for agricultural departments and are to be expended in accordance with the provisions of Sections 2221 to 2224, inclusive, of the Food and Agricultural Code.		
8570-301-0001—For capital outlay, Department of Food and Agriculture		1,185,000

Item		Amount
	Schedule:	
	(1) 90.18.001-Relocation: Yermo Agriculture Inspection Station— Environmental study and preliminary plans.....	522,000
	(2) 90.80.010-Relocation: Truckee Agriculture Inspection Station— Working drawings.....	347,000
	(3) 90.90.010-Statewide: Minor Projects	316,000

8570-401—For support of Department of Food and Agriculture: Notwithstanding any other provision of law, $2,900,000 of the funds appropriated pursuant to subdivision (c) of Section 224 of the Food and Agricultural Code shall be allocated to counties in a manner prescribed by the secretary for pest detection/trapping programs. These funds are intended to supplement funds available for pest detection/trapping in Item 8570-101-0001. As a condition of receiving these funds, counties shall not reduce their level of support from any other funds for pest detection/trapping programs. If a county declines to participate in a pest detection/ trapping program, or fails to conduct the program to the state's satisfaction, the secretary shall reduce, by the amount that would otherwise be allocated to the county, funds available pursuant to subdivision (c) of Section 224 and other state allocations from Item 8570-101-0001. These funds are hereby appropriated to the Department of Food and Agriculture Item 8570-001-0001 for purposes of operating the pest detection/trapping programs in the counties.

8570-402—For local assistance, Department of Food and Agriculture: The remaining funds available pursuant to subdivision (c) of Section 224 of the Food and Agricultural Code, after allocation in accordance with Item 8570-401 and Provisions 1 and 2 of Item 8570-001-0001, shall be apportioned to the counties as follows: In relation to each county's expenditures to the total amount expended by all counties for the preceding fiscal year for agricultural programs that are supervised by the department and for pesticide use enforcement programs supervised by the Department of Pesticide Regulation. This item shall not be effective if a later enacted statute amends subdivision (c) of Section 224 of the Food and Agricultural Code.

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8570-403—For Department of Food and Agriculture. Notwithstanding any other provision of law, 30 days prior to the Department of Food and Agriculture's entering into interim financing or long-term financing, including bond agreements, pursuant to Article 9 (commencing with Section 19590) of Chapter 4 of Division 8 of the Business and Professions Code, the department shall submit a report to the Chairperson of the Joint Legislative Budget Committee with copies to the Chairpersons of Senate Budget and Fiscal Review Subcommittee Number 2, Assembly Ways and Means Subcommittee Number 3, the Senate Select Committee on Fairs and Rural Issues, and the Subcommittee on Fairs and Expositions of the Assembly Committee on Agriculture. The report shall list: (a) proposed individual satellite wagering expansion projects at fairs, (b) costs for constructing, operating, and maintaining individual satellite wagering projects, (c) net revenue projections for individual satellite wagering projects, and (d) projected effect on net Satellite Wagering Account revenue resulting from individual satellite wagering projects and satellite wagering-related projects. Additional notification is not required for financing proposals unless refinancing will result in the expenditure of additional funds, in which case the report shall include the above-requested information relating only to the new debt. Reporting shall be required only for satellite wagering projects that are funded by interim financing or long-term financing, including bond agreements.

8570-490—Reappropriation, Department of Food and Agriculture. The balance as of June 30, 1999, of the appropriation provided for in the following citation is reappropriated and shall be available for expenditure through June 30, 2000, for the following purpose:

0001—General Fund

(1) Schedule (a) of Item 8570-001-0001, Budget Act of 1998 (Ch. 324, Stats. 1998), the balance of the $250,000 appropriation provided for a scientific peer review of a fertilizer risk assessment is reappropriated for transfer to and in augmentation of Schedule (a) of Item 8570-001-0001 of this act to conduct a comprehensive soil survey to determine background levels of heavy metals of concern and dioxins in California farm soils.

Item			Amount
8570-495—Reversion, Department of Food and Agriculture. The unencumbered balance as of June 30, 1999, of the appropriation provided in the following citation shall revert to the General Fund:			
0001—General Fund			
(1) Schedule (a) of Item 8570-001-0001, Budget Act of 1998 (Ch. 324, Stats. 1998) for the purchase of a mass spectrometer. The maximum amount that may be reverted is $180,000.			
8620-001-0001—For support of Fair Political Practices Commission			1,884,000
Schedule:			
(a) 10.10-Local enforcement		901,000	
(b) 10.20-Legal, technical assistance and state enforcement		983,000	
8640-001-0001—For support of Political Reform Act of 1974, the following sums are appropriated to, and in augmentation of, the following agencies and officers for the administration, investigation and regulation of political campaigns, officials, and lobbyists			2,157,000
Schedule:			
(1) 10-Secretary of State		697,000	
For transfer by the State Controller to Item 0890-001-0001 as follows:			
(a) Personal Services	471,000		
(b) Operating expenses and equipment	226,000		
(2) 20-Franchise Tax Board		1,246,000	
For transfer by the State Controller to Item 1730-001-0001 as follows:			
(c) 30-Political Reform Audit	1,246,000		
(3) 30-Department of Justice		222,000	
For transfer by the State Controller to Item 0820-001-0001 as follows:			
(d) 40-Criminal Law	80,000		
(e) 50-Law Enforcement	142,000		
(4) 40-Fair Political Practices Commission		(3,233,000)	
(5) Reimbursements		−8,000	
For transfer by the State Controller to Item 0890-001-0001(d)			
Provisions:			
1. The Controller shall transfer funds as specified above, including any allocations made by the Department of Finance, on January 1, 2000.			

Item		Amount
8660-001-0042—For support of Public Utilities Commission, for payment to Item 8660-001-0462, payable from the State Highway Account, State Transportation Fund		2,324,000
8660-001-0046—For support of Public Utilities Commission, for payment to Item 8660-001-0462, payable from the Public Transportation Account, State Transportation Fund		2,377,000
8660-001-0412—For support of Public Utilities Commission, for payment to Item 8660-001-0462, payable from the Transportation Rate Fund		1,685,000
8660-001-0461—For support of Public Utilities Commission, for payment to Item 8660-001-0462, payable from the Public Utilities Commission Transportation Reimbursement Account		6,600,000
8660-001-0462—For support of Public Utilities Commission, payable from the Public Utilities Commission Utilities Reimbursement Account		52,836,000
Schedule:		
(a) 10-Regulation of Utilities	67,022,000	
(b) 20-Regulation of Transportation	12,986,000	
(c) 30.01-Administration	14,826,000	
(d) 30.02-Distributed Administration	−14,826,000	
(e) Reimbursements	−13,209,000	
(f) Amount payable from the State Highway Account, State Transportation Fund (Item 8660-001-0042).	−2,324,000	
(g) Amount payable from the Public Transportation Account, State Transportation Fund (Item 8660-001-0046)	−2,377,000	
(h) Amount payable from the Transportation Rate Fund (Item 8660-001-0412)	−1,685,000	
(i) Amount payable from the Public Utilities Commission Transportation Reimbursement Account (Item 8660-001-0461)	−6,600,000	
(j) Amount payable from the Federal Trust Fund (Item 8660-001-0890).	−977,000	
Provisions:		
1. The Public Utilities Commission shall require any public utility requesting a merger to reimburse the commission for those necessary expenses that the commission incurs in its consideration of the proposed merger.		

Item		Amount
8660-001-0890—For support of Public Utilities Commission, for payment to Item 8660-001-0462, payable from the Federal Trust Fund		977,000
8660-003-0412—For support of Public Utilities Commission payable from the Transportation Rate Fund, for rental payments on lease revenue bonds		151,000
Schedule:		
(a) Base Rental and Fees	150,000	
(b) Insurance	1,000	
8660-003-0461—For support of Public Utilities Commission, payable from the Public Utilities Commission Transportation Reimbursement Account for rental payments on lease revenue bonds		555,000
Schedule:		
(a) Base Rental Fees	551,000	
(b) Insurance	4,000	
8660-003-0462—For support of Public Utilities Commission, payable from the Public Utilities Commission Utilities Reimbursement Account for rental payments on lease revenue bonds		4,335,000
Schedule:		
(a) Base Rental and Fees	4,306,000	
(b) Insurance	29,000	
8700-001-0001—For support of Board of Control		902,000
Schedule:		
(a) 11-Citizens Indemnification	54,161,000	
(b) 21-Disaster Relief Claim Program	19,000	
(c) 31-Civil Claims Against the State	902,000	
(d) 41-Citizens Benefiting the Public	20,000	
(e) 51.01-Administration	3,420,000	
(f) 51.03-Executive Office	884,000	
(g) 51.04-Revenue Recovery and Compliance Branch	5,040,000	
(h) 51.02-Distributed Administration Executive Office and Revenue Recovery and Compliance Branch	−9,344,000	
(i) Reimbursements	−19,000	
(j) Amount payable from the Restitution Fund (Item 8700-001-0214)	−32,916,000	
(k) Amount payable from the Federal Trust Fund (Item 8700-001-0890)	−21,245,000	
(*l*) Amount payable from the Restitution Fund (Item 8700-002-0214)	−20,000	

Item	Amount
Provisions:	
1. The Board of Control shall not routinely notify all local agencies and school districts regarding its proceedings. However, for each of its meetings, the board shall notify all parties whose claims or proposals are scheduled for consideration and any party requesting notice of the proceedings.	
8700-001-0214—For support of Board of Control, for support services pursuant to Chapter 5 (commencing with Section 13959) of Part 4 of Division 3 of Title 2 of the Government Code, for payment to Item 8700-001-0001, payable from the Restitution Fund	32,916,000
8700-001-0890—For support of the Board of Control, for payment to Item 8700-001-0001, payable from the Federal Trust Fund	21,245,000
8700-002-0214—For support of Board of Control for support services pursuant to subdivision (e) of Section 13973 of the Government Code for payment to Item 8700-001-0001, payable from the Restitution Fund	20,000
8700-295-0001—For local assistance, Board of Control, for reimbursement, in accordance with the provisions of Section 6 of Article XIII B of the California Constitution or of Section 17561 of the Government Code, of the costs of any new program or increased level of service of an existing program mandated by statute or executive order, State Controller	0
Schedule:	
(1) 98.01.112.377-Adult Felony Restitution (Ch. 1123, Stats. 1977) 0	
Provisions:	
1. Pursuant to Section 17581 of the Government Code, the mandate identified in the appropriation schedule of this item with an appropriation of $0 and included in the language of this provision is specifically identified by the Legislature for suspension during the 1999–00 fiscal year:	
(a) Adult Felony Restitution (Ch. 1123, Stats. 1977).	
8750-001-0001—For support, Commission On Local Governance for the 21st Century, Program 10	452,000
8770-001-0462—For support of Electricity Oversight Board, payable from the Public Utilities Commission Utilities Reimbursement Account	1,704,000
Schedule:	
(a) 30-Administration 2,172,000	

Item		Amount
(b) Amount payable from the Energy Resources Programs Account (Item 8770-001-0465)	−468,000	
Provisions:		
1. Notwithstanding any other provision of law, the Public Utilities Commission shall continue to directly appropriate funds for the support of the Electricity Oversight Board.		
2. Of the amount appropriated in this item, $937,000 is for the support of 10 positions in the Electricity Oversight Board to provide, among other things, state representation before the Federal Energy Regulatory Commission (FERC) pursuant to a memorandum of understanding between the board and the Public Utilities Commission. To accomplish this workload, half of the positions and resources for the board shall come from the Public Utilities Commission (five positions and $469,000 from the Public Utilities Commission Utilities Reimbursement Account), and the remaining half shall come from the California Energy Resources, Conservation and Development Commission (five positions and $468,000 from the Energy Resources Programs Account).		
8770-001-0465—For support of Electricity Oversight Board, for payment to Item 8770-001-0462, payable from the Energy Resources Programs Account		468,000
8780-001-0001—For support of Milton Marks "Little Hoover" Commission on California State Government Organization and Economy		690,000
Schedule:		
(a) 10-Milton Marks Commission on California State Government Organization and Economy	692,000	
(b) Reimbursements	−2,000	
8800-001-0001—For support of Memberships in Interstate Organizations, to be allocated by the State Controller		1,693,000
Schedule:		
(a) 10-Council of State Governments	407,000	
(b) 20-National Conference of State Legislatures	413,000	
(c) 30-Western States Legislative Forestry Task Force	22,000	
(d) 35-Pacific Fisheries Legislative Task Force	22,000	

Item		Amount
(e) 50-State and Local Legal Center...	8,000	
(f) 60-National Governors' Association	145,000	
(g) 70-Council of Governors' Policy Advisors.....	15,000	
(h) 80-Coastal States' Organization.....	13,000	
(i) 90-Western Governors' Association	36,000	
(j) 91-National Center for State Courts	329,000	
(k) 92-Western Interstate Commission for Higher Education	85,000	
(*l*) 93-Interstate Compact for Education	123,000	
(m) 94-For the Sake of the Salmon	75,000	
8820-001-0001—For support of Commission on the Status of Women		418,000
Schedule:		
(a) 10-Administration, Legislation, Research and Information.....	420,000	
(b) Reimbursements.....	−2,000	
8830-001-0001—For support of California Law Revision Commission		598,000
Schedule:		
(a) 10-Law Revision Commission	613,000	
(b) Reimbursements.....	−15,000	
8840-001-0001—For support of California Commission on Uniform State Laws.....		134,000
8855-001-0001—For support of Bureau of State Audits, for transfer to the State Audit Fund.....		10,776,000
Schedule:		
(a) 10-State Auditor.....	10,851,000	
(b) Reimbursements.....	−75,000	
8860-001-0001—For support of Department of Finance		22,946,000
Schedule:		
(a) 10-Annual Financial Plan	14,197,000	
(b) 20-Program and Information System Assessments	6,059,000	
(c) 30-Supportive Data.....	9,130,000	
(d) 40.01-Administration.....	4,819,000	
(e) 40.02-Distributed Administration ...	−4,344,000	
(f) Reimbursements	−6,915,000	
Provisions:		
1. The funds appropriated in this item for CALSTARS shall be transferred by the Controller, upon order of the Department of Finance, or made available by the Department of Finance as a reimbursement, to other items and departments for		

Item	Amount
CALSTARS-related activities by the Department of Finance.	
2. The funds appropriated in this act for purposes of CALSTARS-related data processing costs may be transferred between any items in this act by the Controller upon order of the Director of Finance. Any funds so transferred shall be used only for support of CALSTARS-related data processing costs incurred.	
8860-025-0001—For support of Department of Finance, Program 25—School Attendance Audit Contract.....	3,000,000
Provisions:	
1. The funds appropriated in this item are for a contract with the Controller's Office to perform audits of school attendance records.	
8885-001-0001—For support of Commission on State Mandates, Program 10.....	1,370,000
Provisions:	
1. The Commission on State Mandates shall provide, in applicable parameters and guidelines, as follows:	
(a) If a local agency or school district contracts with an independent contractor for the preparation and submission of reimbursement claims, the costs reimbursable by the state for that purpose shall not exceed the lesser of (1) 10 percent of the amount of the claims prepared and submitted by the independent contractor, or (2) the actual costs that necessarily would have been incurred for that purpose if performed by employees of the local agency or school district.	
(b) The maximum amount of reimbursement authorized by subdivision (a) may be exceeded only if the local agency or school district establishes, by appropriate documentation, that the preparation and submission of these claims could not have been accomplished without the incurring of the additional costs claimed by the local agency or school district.	
2. In the case where the commission receives one or more county applications for a finding of significant financial distress pursuant to Section 17000.6 of the Welfare and Institutions Code, and where the commission files a request under Section 27.00 of the Budget Act in order to carry out its duties with respect to those applications, then,	

Item		Amount
notwithstanding the provisions of Section 17000.6 of the Welfare and Institutions Code, the time limit imposed on the commission to reach its preliminary and final decisions shall be tolled until such time as the commission has received spending authorization.		
8910-001-0001—For support of Office of Administrative Law		2,241,000
Schedule:		
(a) 10-Regulatory Oversight	2,381,000	
(b) Reimbursements	−140,000	
8940-001-0001—For support of Military Department		24,464,000
Schedule:		
(a) 10-Army National Guard	36,796,000	
(b) 20-Air National Guard	12,358,000	
(c) 30.01-Office of the Adjutant General	5,349,000	
(d) 30.02-Distributed Office of the Adjutant General	−5,349,000	
(e) 35-Military Support to Civil Authority	2,865,000	
(f) 40-Military Retirement	2,587,000	
(g) 65-California National Guard youth programs	6,358,000	
(h) Reimbursements	−2,057,000	
(i) Amount payable from the Armory Discretionary Improvement Account (Item 8940-001-0485)	−150,000	
(j) Amount payable from the Federal Trust Fund (Item 8940-001-0890)	−34,293,000	
Provisions:		
1. No expenditures shall be made from the funds appropriated in this item as a substitution for personnel, equipment, facilities, or other assistance, or for any portion thereof, that, in the absence of the expenditure, or of this appropriation, would be available to the Adjutant General of the State Military Forces, the California National Guard, or the California National Guard Reserve from the federal government.		
2. The funds appropriated in Schedule (f) shall be for military retirements, in accordance with Sections 228 and 256 of the Military and Veterans Code.		
3. Of the amount appropriated in this item, $635,000 shall be used to provide temporary emergency		

Item		Amount
shelter during the 1999–00 winter. Notwithstanding Section 15301.3 of the Government Code, the Military Department shall make 1,608 nights of shelter available, at no cost to a county or city, at any armory used during the 1998–99 winter, as well as the Merced armory in Merced County, the Redding armory in Shasta County, and the Oxnard armory in Ventura County. A county or city shall be responsible for the costs associated with the provision of emergency shelter, as provided by Section 15301.3 of the Government Code, for any use of these armories beyond a total of 1,608 nights, or for the use of any other armory authorized by statute.		
4. Of the amount appropriated in this item, $600,000 shall be expended for the purchase of helicopter conversion kits and Firehawk tank kits. This appropriation shall be contingent upon receipt by the California National Guard of at least one Blackhawk helicopter.		
8940-001-0485—For support of Military Department, for payment to Item 8940-001-0001, payable from the Armory Discretionary Improvement Account.....		150,000
Provisions:		
1. No expenditures shall be made from this appropriation until sufficient revenues or income from armories have been deposited into the State Treasury to the credit of the General Fund pursuant to subdivision (c) of Section 431 of the Military and Veterans Code.		
8940-001-0890—For support of Military Department, for payment to Item 8940-001-0001, payable from the Federal Trust Fund		34,293,000
8940-301-0001—For capital outlay, Military Department.....		7,443,000
Schedule:		
(1) 70.10.010-Statewide—Project planning, working drawings, and supervision of construction.....	4,756,000	
(3) 70.80.010-Bakersfield—Union Armory: Acquisition and Environmental Study	2,125,000	
(4) 70.90.030-Statewide: Minor Projects.....	562,000	
8940-301-0890—For capital outlay, Military Department, payable from the Federal Trust Fund		36,000

Item		Amount
Schedule:		
(1) 70.99.020-Advanced Plans and Studies—Construction	36,000	
8940-490—Reappropriation—Military Department. The balance of the appropriations in the following citations are reappropriated for the purposes and subject to the limitations, unless otherwise specified, provided for the appropriations:		
0001—General Fund		
Item 8940-301-0001, Budget Act of 1998 (Ch. 324, Stats. 1998)		
(6) 70.52.010-Los Angeles: Armory-Construction		
(8.3) 70.62.030-Sacramento 58th Street: Security Lighting-Preliminary Plans, working drawings, and construction		
Item 8940-301-0001, Budget Act of 1996 (Ch. 162, Stats. 1996), as reappropriated by Item 8940-490, Budget Act of 1997 (Ch. 282, Stats. 1997) and Budget Act of 1998 (Ch. 324, Stats. 1998)		
(2) 70.52.010-Los Angeles Armory-Working drawings		
0890—Federal Trust Fund		
Item 8940-301-0890—Budget Act of 1998 (Ch. 324, Stats. 1999)		
(1) 70.52.010-Los Angeles Armory-Construction		
Item 8940-301-0890—Budget Act of 1996 (Ch. 162, Stats. 1996), as reappropriated by Item 8940-490, Budget Act of 1997 (Ch. 282, Stats. 1997) and Budget Act of 1998 (Ch. 324, Stats. 1998)		
(2) 70.52.010-Los Angeles Armory-Working Drawings		
8950-490—Reappropriation, for capital outlay, Department of Veterans Affairs. Notwithstanding any other provision of law, the balance of the appropriation in subdivision (d) of Section 2 of Chapter 335 of the Statutes of 1996 is reappropriated, without regard to fiscal year, for the purposes of construction or repayment of any loan related to the third and fourth sites of the Southern California Veterans' Home.		
8955-001-0001—For support of Department of Veterans Affairs		1,921,000
Schedule:		
(a) 10-Farm and Home Loans to Veterans	1,234,000	
(b) 20-Veterans Claims and Rights	1,421,000	
(c) 30-Care of Sick and Disabled Veterans	749,000	

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(e) 50.01-General Administration	2,174,000	
(f) 50.02-Distributed General Administration	−2,084,000	
(g) Reimbursements	−314,000	
(h) Amount payable from the Veterans Service Office Fund (Item 8955-001-0083)	−25,000	
(i) Amount payable from the Veterans' Farm and Home Building Fund of 1943 (Item 8955-001-0592)	−1,234,000	
8955-001-0083—For support of Department of Veterans Affairs, for payment to Item 8955-001-0001, payable from the Veterans Service Office Fund		25,000
8955-001-0592—For support of Department of Veterans Affairs, for payment to Item 8955-001-0001, payable from the Veterans' Farm and Home Building Fund of 1943		1,234,000
8955-101-0001—For local assistance, Department of Veterans Affairs, for contribution to counties toward compensation and expenses of county veteran services offices, to be expended in accordance with Section 972 and following of the Military and Veterans Code		2,350,000
Schedule:		
(a) 20-Veterans Claims and Rights	3,188,000	
(b) Reimbursements	−838,000	
8955-101-0083—For local assistance, Department of Veterans Affairs, county veteran services offices, payable from the Veterans Service Office Fund		196,000
8955-102-0001—For local assistance, Department of Veterans Affairs		295,000
Schedule:		
(a) Corcoran Renovation	50,000	
(b) Fair Oaks Amphitheater	85,000	
(c) Foresthill Veterans Hall	160,000	
8960-011-0001—For support of Veterans' Home of California-Yountville		25,766,000
Schedule:		
(a) 30-Care of Sick and Disabled Veterans	56,141,000	
(b) Reimbursements	−20,038,000	
(c) Amount payable from the Federal Trust Fund (Item 8960-011-0890)	−10,337,000	
Provisions:		
1. A loan from the General Fund, in an amount not to exceed the level of reimbursements appropriated		

Item		Amount
	in Schedule (b) of this item, shall be made available to the Veterans' Home of California by the Controller to meet cash needs resulting from the delay in receipt of federal funds or reimbursements for medical services provided. The loan is short term, and shall be repaid within six months. Interest charges shall be waived pursuant to subdivision (e) of Section 16314 of the Government Code.	
	2. Any loan authorized pursuant to this item shall require approval by the Department of Finance. Provisions 2, 3, and 4 of Item 9840-011-0001 shall also apply to any loan authorized pursuant to this item.	
	3. Notwithstanding Section 1012.3 of the Military and Veterans Code or any other provision of law, the Department of Veterans Affairs may increase the fees and charges to residents of the Veterans' Home of California. The department shall assess the fees on an ability-to-pay basis and under no circumstances shall the fees charged exceed the cost of the level of care provided to the resident. In addition, the department shall determine a reasonable level of monthly income for residents' personal use and shall exempt this income from the monthly fees.	
	4. Of the funds appropriated in Schedule (a), the amount of $500,000 is available for special projects that provide a direct benefit to the members of the Veterans' Home of California at Yountville, including the maintenance of facilities used by members and the public. The Allied Council at the Veterans' Home of California may submit special project requests to the administrator for consideration. After consultation with the Allied Council, a budget for expenditure of these funds shall be approved by the administrator, and the Secretary of Veterans Affairs.	
8960-011-0890—For support of Veterans' Home of California-Yountville, for payment to Item 8960-011-0001, payable from the Federal Trust Fund		10,337,000
8960-301-0001—For capital outlay, Veterans' Home of California-Yountville.....		976,000

Item		Amount
Schedule:		
(1) 80.20.115-Yountville: Correct Code Deficiencies in Section L—Preliminary plans and working drawings	397,000	
(2) 80.20.260-Yountville: Convert and Renovate Laundry Facility—Preliminary plans	87,000	
(3) 80.20.290-Yountville: Renovate Holderman Rehabilitation Activity Area—Preliminary plans and working drawings	252,000	
(4) 80.20.045-Minor projects	240,000	
8960-490—Reappropriation, Department of Veterans Affairs. The balance of the appropriation provided for in the following citation is reappropriated for the purposes, and subject to the limitations, unless otherwise specified, provided for in that appropriation: 0001—General Fund		
Item 8960-301-0001—Budget Act of 1998 (Ch. 324, Stats 1998).		
(1) 80.20.270—Yountville: Lincoln Theater HVAC System—Working drawings and construction.		
(3) 80.20.285—Yountville: Rector Reservoir Water Treatment Plant Renovation and Upgrade-construction.		
8965-001-0001—For support of the Veterans' Home of California-Barstow		8,682,000
Schedule:		
(a) 30-Care of Sick and Disabled Veterans	16,212,000	
(b) Reimbursements	–4,154,000	
(c) Amount payable from the Federal Trust Fund (Item 8965-001-0890)	–3,376,000	
Provisions:		
1. A General Fund loan, in an amount not to exceed the level of reimbursements appropriated in Schedule (b) of this item, shall be made available to the Veterans' Home of California by the Controller to meet cash needs resulting from the delay in receipt of federal funds or reimbursements for medical services provided. The loan is short term, and shall be repaid within six months. Interest charges shall be waived pursuant to subdivision (e) of Section 16314 of the Government Code.		
2. Any loan authorized pursuant to this item shall require approval by the Department of Finance.		

Item		Amount
Provisions 2, 3, and 4 of Item 9840-011-0001 shall also apply to any loan authorized pursuant to this item.		
3. Notwithstanding Section 1012.3 of the Military and Veterans Code or any other provision of law, the Department of Veterans Affairs may increase the fees and charges to residents of the Veterans' Home of California-Barstow. The department shall assess the fees on an ability-to-pay basis, and under no circumstances shall the fees charged exceed the cost of the level of care provided to the resident. In addition, the department shall determine a reasonable level of monthly income for residents' personal use and shall exempt this income from the monthly fees.		
8965-001-0890—For support of the Veterans' Home of California-Barstow, for payment to Item 8965-001-0001, payable from the Federal Trust Fund		3,376,000
8965-003-0001—For support of the Veterans' Home of California-Barstow for rental payments on lease revenue bonds		791,000
Schedule:		
(a) Base rental and fees	912,000	
(b) Insurance	43,000	
(c) Amount payable from Federal Trust Fund (Item 8965-003-0890)	−164,000	
8965-003-0890—For support of the Veterans' Home of California-Barstow for rental payments on lease revenue bonds, for payment to Item 8965-003-0001, payable from the Federal Trust Fund		164,000
8966-001-0001—For support of the Veterans' Home of California-Chula Vista		13,017,000
Schedule:		
(a) 30-Care of Sick and Disabled Veterans	13,845,000	
(b) Reimbursements	−428,000	
(c) Amount payable from the Federal Trust Fund (Item 8966-001-0890).	−400,000	
Provisions:		
1. A General Fund loan, in an amount not to exceed the level of reimbursements appropriated in Schedule (b) of this item, shall be made available to the Veterans' Home of California by the Controller to meet cash needs resulting from the delay in receipt of federal funds or reimbursements for medical services provided. The loan is short term, and shall be repaid within six months. Interest		

Item		Amount
charges shall be waived pursuant to subdivision (e) of Section 16314 of the Government Code.		
2. Any loan authorized pursuant to this item shall require approval by the Department of Finance. Provisions 2, 3, and 4 of Item 9840-011-0001 shall also apply to any loan authorized pursuant to this item.		
3. Notwithstanding Section 1012.3 of the Military and Veterans Code or any other provision of law, the Department of Veterans Affairs may increase the fees and charges to residents of the Veterans' Home of California-Chula Vista. The department shall assess the fees on an ability-to-pay basis, and under no circumstances shall the fees charged exceed the cost of the level of care provided to the resident. In addition, the department shall determine a reasonable level of monthly income for residents' personal use and shall exempt this income from the monthly fees.		
8966-001-0890—For support of the Veterans' Home of California-Chula Vista, for payment to Item 8966-001-0001, payable from the Federal Trust Fund.....		400,000
8966-003-0001—For support of the Veterans' Home of California-Chula Vista for rental payments on lease revenue bonds		519,000
Schedule:		
(a) Base rental and fees	548,000	
(b) Insurance	49,000	
(c) Amount payable from Federal Trust Fund (Item 8966-003-0890).....	−78,000	
8966-003-0890—For support of the Veterans' Home of California-Chula Vista for rental payments on lease revenue bonds, for payment to Item 8966-003-0001, payable from the Federal Trust Fund.....		78,000
8966-301-0001—For capital outlay, Veterans' Home of California, Chula Vista		25,000
Schedule:		
(1) 80.32.200-Chula Vista Veterans' Home-Construction	25,000	
8966-401—In the event bonds authorized for the project as funded through Ch. 335, Statutes of 1996, are not sold, the Department of Veterans Affairs shall commit a sufficient portion of its support appropriation provided for in this Budget Act to repay any loans from the Pooled Money Investment Account. It is the intent of the Legislature that this commitment shall be included in future Budget Acts until outstanding		

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loans are repaid, either through the sale of bonds or from an appropriation.		
9100-101-0001—For local assistance, Tax Relief.....		537,893,000
Schedule:		
(a) 10-Senior Citizens' Property Tax Assistance.....	6,265,000	
(b) 20-Senior Citizens' Property Tax Deferral Program	17,000,000	
(c) 30-Senior Citizen Renters' Tax Assistance.....	77,350,000	
(d) 50-Homeowners' Property Tax Relief.....	400,734,000	
(e) 60-Subventions for Open Space	36,500,000	
(f) 90-Substandard Housing	44,000	

Provisions:

1. Schedule (a) is for property tax assistance to homeowner claimants in accordance with the Senior Citizens Property Tax Assistance and Postponement Law, as set forth in Part 10.5 (commencing with Section 20501) of Division 2 of the Revenue and Taxation Code.

   Any unexpended balance in Schedule (a) may be used to make payments to senior citizen renter claimants under Schedule (c).
2. Schedule (b) is for property tax postponement and assistance to claimants in accordance with the Senior Citizens Property Tax Assistance and Postponement Law, as set forth in Part 10.5 (commencing with Section 20501) of Division 2 of the Revenue and Taxation Code. The appropriation made by this schedule shall be in lieu of the appropriation for the same purpose contained in Section 16100 of the Government Code.
3. Schedule (c) is for property tax assistance to renter claimants in accordance with the Senior Citizens Property Tax Assistance and Postponement Law, as set forth in Part 10.5 (commencing with Section 20501) of Division 2 of the Revenue and Taxation Code.

   Any unexpended balance in Schedule (c) may be used to make payments to senior citizen homeowner claimants under Schedule (a).
4. Schedule (d) is for reimbursement to local taxing authorities for revenue lost by reason of the homeowners' property tax exemption granted pursuant to subdivision (k) of Section 3 of Article XIII of the California Constitution. The appro-

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	priation made by this schedule shall be in lieu of the appropriation required pursuant to Section 25 of Article XIII of the California Constitution and the appropriation for the same purposes contained in Section 16100 or Section 16120 of the Government Code.	
	5. Schedule (e) is for providing reimbursement to local taxing authorities for revenue lost by reason of the assessment of open-space lands under Sections 423, 423.3, and 423.5 of the Revenue and Taxation Code, and in accordance with Chapter 3 (commencing with Section 16140) of Part 1 of Division 4 of Title 2 of the Government Code. The appropriation made by this schedule shall be in lieu of the appropriation for the same purpose contained in Section 16100 or Section 16140 of the Government Code.	
	6. Schedule (f) is for transfer by the Controller to the Local Agency Code Enforcement and Rehabilitation Fund, for the purpose of providing funds to defray costs incurred in the enforcement of local housing code provisions and to fund housing rehabilitation programs for persons and families of low and moderate income, as defined in Section 50093 of the Health and Safety Code, to be allocated to local agencies, prorated on the basis of their share of disallowed deductions that resulted from the agencies' proceedings. Notwithstanding Section 27 of this act, the Director of the Department of Finance, upon notification by the Franchise Tax Board, may revise the estimated appropriation of substandard housing abatement revenues to reflect the actual revenues received in 1998–99 pursuant to Sections 17299 and 24436.5 of the Revenue and Taxation Code.	
	This amount is in lieu of any statutory requirement.	
9100-295-0001—For local assistance, Tax Relief, for reimbursement, in accordance with the provisions of Section 6 of Article XIII B of the California Constitution or of Section 17561 of the Government Code, of the costs of any new program or increased level of service of an existing program mandated by statute or executive order, State Controller		1,001,000

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Schedule:		
(1) 98.01.124.277-Senior Citizens' Property Tax Deferral Program (Ch. 1242, Stats. 1977)		271,000
(2) 98.01.092.187-Countywide Tax Rates (Ch. 921, Stats. 1987)		368,000
(3) 98.01.069.792-Allocation of Property Tax Revenue (Ch. 697, Stats. 1992)		362,000
(4) 98.01.105.183-Senior Citizen's Mobilehome Property Tax Deferral (Ch. 1051, Stats. 1983)		0
(5) 98.01.004.887-Property Tax-Family Transfers (Ch. 48, Stats. 1987)		0

Provisions:

1. Except as provided in Provision 2 below, allocations of funds provided in this item to the appropriate local entities shall be made by the State Controller in accordance with the provisions of each statute or executive order that mandates the reimbursement of the costs, and shall be audited to verify the actual amount of the mandated costs in accordance with subdivision (d) of Section 17561 of the Government Code. Audit adjustments to prior year claims may be paid from this item. Funds appropriated in this item may be used to provide reimbursement pursuant to Article 5 (commencing with Section 17615) of Chapter 4 of Part 7 of Division 4 of Title 2 of the Government Code.
2. Pursuant to Section 17581 of the Government Code, mandates identified in the appropriation schedule of this item with an appropriation of $0 and included in the language of this provision are specifically identified by the Legislature for suspension during the 1999–00 fiscal year:
   (a) Senior Citizen's Mobilehome Property Tax Deferral (Ch. 1051, Stats. 1983)
   (b) Property Tax-Family Transfers (Ch. 48, Stats. 1987)
3. If any of the scheduled amounts are insufficient to provide full reimbursement of costs, the State Controller may, upon notifying the Director of Finance in writing, augment those deficient amounts from the unencumbered balance of any other scheduled amounts therein. No order may be issued pursuant to this provision unless written

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	notification of the necessity therefor is provided to the chairperson of the committee in each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee or his or her designee.	
9210-101-0001—For local assistance, Local Government Financing		100,000,000
Schedule:		
(a) For allocation by the Controller to local jurisdictions for public safety purposes, as determined by the Director of Finance pursuant to Chapter 6.7 (commencing with Section 30061) of Division 3 of Title 3 of the Government Code	100,000,000	
9210-103-0001—For local assistance, Local Government Financing. For assistance to redevelopment agencies, to be allocated by the State Controller		3,500,000
Provisions:		
1. The appropriation made in this item shall be in lieu of any appropriation required pursuant to Chapter 1.5 (commencing with Section 16110) of Part 1 of Division 4 of Title 2 of the Government Code.		
2. The Controller shall allocate funds appropriated in this item to redevelopment agencies that have pledged, pursuant to bond instruments and supporting documents, special supplemental subventions as security for payment of the principal and interest on bonds, and have demonstrated that gross tax increment revenues allocated to them in the 1998–99 fiscal year (as reported for inclusion in the Controller's "Annual Report of Financial Transactions Concerning Community Redevelopment Agencies of California, Fiscal Year 1998–99"), less housing set-aside amounts not available for debt service, and less any reserve requirement deficiency existing as of December 31, 1999, would be insufficient to cover their maximum annual debt service requirements on bonds to which special supplemental subventions have been pledged. The amount allocated to any redevelopment agency shall not exceed the lesser of: (a) the amount that the redevelopment agency would otherwise be entitled to receive pursuant to paragraph (3) of subdivision (c) of Section 16111 of the Government Code, or (b) the amount re-		

Item		Amount
quired by the redevelopment agency to cover its maximum annual debt service requirements on bonds to which special supplemental subventions have been pledged, plus any reserve requirement deficiency existing as of December 31, 1999, less the amount of gross tax increment revenues allocated to it in the 1998–99 fiscal year, less housing set-aside amounts not available for debt service.		
3. If the allocation required pursuant to Provision 2 would exceed the amount of the appropriation in this item, the Controller shall prorate the allocation to those redevelopment agencies that meet the requirements of Provision 2.		
4. Notwithstanding Section 2.00, the Controller shall allocate up to 50 percent of the appropriation in this item on or before December 31, 1999, and up to the remaining amount of the appropriation in this item on or before July 31, 2000. Expenditure of the amount to be allocated on July 31, 2000, shall be accounted by the Controller as an expenditure of the 2000–01 fiscal year.		
9210-110-0001—For local assistance, Local Government Financing		147,000
Provisions:		
1. The funds appropriated in this item are for allocation by the Controller, by October 1, 1999, to counties that do not contain incorporated cities. The allocation to the affected counties shall be made in proportion to the population of those counties as of January 1, 1999.		
9210-115-0001—For local assistance, Local Government Financing, Local Essential Service Buildings		4,266,000
Schedule:		
(1) City of Cerritos: Upgrade Sheriff's Communication Center	200,000	
(2) City of Pacifica: Police Facility	1,000,000	
(3) Orange County: Regional Fire Operations and Training Center	3,000,000	
(4) Civil Air Patrol Squadron 126: Secure building for Civil Air Patrol Squadron, Shasta Composite Squadron	66,000	
9210-116-0001—For local assistance, Local Government Financing, Local Infrastructure		600,000

Item		Amount
Schedule:		
(1) Burbank-Glendale-Pasadena Airport Flight Path: Residential Acoustic Treatment Program	400,000	
(2) Hawaiian Gardens RDA and Chamber of Commerce: Computer Drop-In Center	200,000	
9210-117-0001—For local assistance; Local Government Financing, Local Services		620,000
Schedule:		
(1) Imperial County: Purchase of two ambulances	120,000	
(2) Ventura County: Assist in the funding of the construction of two job training centers at community colleges	500,000	
9210-118-0001—For local assistance, Local Government Financing		150,000,000
For allocation by the Controller to local jurisdictions pursuant to a statute enacted during the 1999–2000 Regular Session. Fifty percent of this appropriation shall be allocated to cities, counties, and city and counties on a per capita basis, and fifty percent of this appropriation shall be allocated to cities, counties, city and counties, and special districts pursuant to a statute which provides one-time Educational Revenue Augmentation Fund relief.		
9210-119-0001—For local assistance, Local Government Financing, LAFCO Study		1,800,000
Provisions:		
1. The funds appropriated in this item are for allocation by the Controller to the County of Los Angeles Local Agency Formation Commission for the purposes of conducting a succession study for the San Fernando Valley.		
9210-295-0001—For local assistance, Local Government Financing, for reimbursement, in accordance with the provisions of Section 6 of Article XIII B of the California Constitution or of Section 17561 of the Government Code, of the costs of any new program or increased level of service of an existing program mandated by statute or executive order, State Controller		6,001,000
Schedule:		
(1) 98.01.048.675-Test Claims and Reimbursement Claims (Ch. 486, Stats. 1975)	2,955,000	

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(2)	98.01.064.186-Open Meetings Act Notices (Ch. 641, Stats. 1986)	2,896,000
(3)	98.01.084.578-Filipino Employee Surveys (Ch. 845, Stats. 1978)	0
(4)	98.01.088.981-Lis Pendens (Ch. 889, Stats. 1981)	0
(5)	98.01.098.084-Proration of Fines and Court Audits (Ch. 980, Stats. 1984)	0
(6)	98.01.099.991-Rape Victim Counseling Ctr. Notices (Ch. 999, Stats. 1991)	150,000
(7)	98.01.128.180-Involuntary Lien Notices (Ch. 1281, Stats. 1980)	0
(8)	98.01.160.984-Domestic Violence Information (Ch. 1609, Stats. 1984)	0
(9)	98.01.133.487-CPR Pocket Masks (Ch. 1334, Stats. 1987)	0

Provisions:

1. Except as provided in Provision 2 below, allocations of funds provided in this item to the appropriate local entities shall be made by the State Controller in accordance with the provisions of each statute or executive order that mandates the reimbursement of the costs, and shall be audited to verify the actual amount of the mandated costs in accordance with subdivision (d) of Section 17561 of the Government Code. Audit adjustments to prior year claims may be paid from this item. Funds appropriated in this item may be used to provide reimbursement pursuant to Article 5 (commencing with Section 17615) of Chapter 4 of Part 7 of Division 4 of Title 2 of the Government Code.
2. Pursuant to Section 17581 of the Government Code, mandates identified in the appropriation schedule of this item with an appropriation of $0 and included in the language of this provision are specifically identified by the Legislature for suspension during the 1999–00 fiscal year:
   (a) Filipino Employee Surveys (Ch. 845, Stats. 1978)
   (b) Lis Pendens (Ch. 889, Stats. 1981)
   (c) Proration of Fines and Court Audits (Ch. 980, Stats. 1984)

Item		Amount
	(d) Involuntary Lien Notices (Ch. 1281, Stats. 1980) (e) Domestic Violence Information (Ch. 1609, Stats. 1984) (f) CPR Pocket Masks (Chapter 1334, Stats. 1987) 3. If any of the scheduled amounts are insufficient to provide full reimbursement of costs, the State Controller may, upon notifying the Director of Finance in writing, augment those deficient amounts from the unencumbered balance of any other scheduled amounts therein. No order may be issued pursuant to this provision unless written notification of the necessity therefor is provided to the chairperson of the committee in each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee or his or her designee.	
9620-001-0001—For Payment of Interest on General Fund loans, upon order of the Director of Finance, for any General Fund loan		34,100,000
	Provisions: 1. The Director of Finance, the Controller, and the State Treasurer shall satisfy any need of the General Fund for borrowed funds in a manner consistent with the Legislature's objective of conducting General Fund borrowing in a manner that best meets the state's interest. The state fiscal officers may, among other factors, take into consideration the costs of external versus internal borrowings and potential impact on other borrowings of the state. 2. In the event that interest expenses related to internal borrowing exceed the amount appropriated by this item, there is hereby appropriated any amounts necessary to pay the interest. Funds appropriated by this item shall not be expended prior to 30 days after the Department of Finance notifies the Joint Legislative Budget Committee of the amount(s) necessary or not sooner than such lesser time as the Chairperson of the Joint Legislative Budget Committee may determine.	
9625-001-0001—For Interest Payments to the Federal Government arising from the federal Cash Management Improvement Act of 1990		15,200,000

Item	Amount
Provisions: 1. Expenditures from the funds appropriated by this item shall be made by the Controller, subject to the approval of the Department of Finance, and shall be charged to the fiscal year in which the disbursement is issued. 2. In the event that expenditures for interest payments to the federal government arising from the federal Cash Management Improvement Act of 1990 exceed the amount appropriated by this item, the Director of Finance may allocate an additional amount not to exceed $10,000,000 over the amount appropriated by this item. This allocation shall be made no sooner than 30 days after notification to the Chairperson of the Joint Legislative Budget Committee and the chairperson of the fiscal committees in each house.	
9625-001-0042—For Interest Payment to the Federal Government arising from the Cash Management Improvement Act of 1990, payable from the State Highway Account, State Transportation Fund.....	500,000
Provisions: 1. Provision 1 of Item 9625-001-0001 also applies to this item. 2. In the event that expenditures for interest payments to the federal government arising from the Cash Management Improvement Act of 1990 exceed the amount appropriated by this item, the Director of Finance may allocate an additional amount not to exceed $1,000,000 over the amount appropriated by this item. This allocation shall be made no sooner than 30 days after notification to the Chairperson of the Joint Legislative Budget Committee and the chairperson of the fiscal committees in each house.	
9625-001-0494—For Interest Payments to the Federal Government arising from the Cash Management Improvement Act of 1990, payable from the appropriate special fund.....	1,000
Provisions: 1. Provision 1 of Item 9625-001-0001 and Provision 2 of Item 9625-001-0042 also apply to this item.	
9625-001-0988—For interest payments to the Federal Government arising from the Cash Management Improvement Act of 1990, payable from the appropriate nongovernmental cost fund	1,000

Item	Amount
Provisions:	
1. Provision 1 of Item 9625-001-0001 and Provision 2 of Item 9625-001-0042 also apply to this item.	
9650-001-0001—For support of Health and Dental Benefits for Annuitants. For the state's contribution for the cost of a health benefits plan and dental care premiums, for annuitants and other employees, in accordance with Sections 22825.7, 22828, 22829, and 22952 of the Government Code, which cost is not chargeable to any other appropriation	347,322,000
Schedule:	
(a) Health benefit premiums.....312,738,000	
(b) Dental care premiums 34,584,000	
Provisions:	
1. The maximum transfer amounts specified in subdivision (b) of Section 26.00 of this act do not apply to this item.	
2. Notwithstanding Section 22819 of the Government Code or any other provision of law, annuitants and their family members who were employed by the California State University, and who become eligible for Part A and Part B of Medicare during the 1999–00 fiscal year, shall not be enrolled in a basic health benefits plan during the 1999–00 fiscal year. If the annuitant or family member is enrolled in Part A and Part B of Medicare, he or she may enroll in a supplement to the Medicare plan. This provision does not apply to employees and family members who are specifically excluded from enrollment in a supplement to the Medicare plan by federal law or regulation.	
3. The maximum monthly contribution for an annuitant's health benefits plan shall be $180 for a single enrollee, $333 for an enrollee and one dependent, and $411 for an enrollee and two or more dependents.	
9670-001-0001—For equity claims before the State Board of Control and for settlements and judgments in cases in which the state is represented by the Department of Justice for the administration and payment of tort liability claims, settlements, compromises and judgments against the state, its officers, servants and employees of state agencies, departments, boards, bureaus or commissions supported from the General Fund, for expenditure by the Department of Justice, subject to approval of the Department of Finance in its discretion	1,000

Item Amount

Provisions:

1. In the event that expenditures for purposes of Item 9670-001-0001 exceed the amount appropriated in this item, the Director of Finance may allocate sufficient amounts, not to exceed $1,200,000, from the Special Fund for Economic Uncertainties to this item.
2. There is hereby appropriated from each fund, other than the General Fund, an amount sufficient for payment of tort liability claims, settlements, compromises, and judgments against the state, its officers, servants and employees of state agencies, departments, boards, bureaus, or commissions arising from activities supported from that fund. No expenditure from any appropriation from a fund other than the General Fund for payment of tort liability claims, settlements, compromises, and judgments shall be made unless approved by the Department of Finance in its discretion.
3. Expenditures made under this item shall be charged to the fiscal year in which the warrant is issued by the State Controller.
4. Payment under this item is limited in amount to claims, settlements, compromises, and judgments which do not exceed $70,000, exclusive of interest, and no payment from this item exceeding that amount shall be approved by the Department of Finance or made by the Department of Justice.
5. No payment shall be approved by the Department of Finance or made by the Department of Justice from this item except in full and final satisfaction of the claim, settlement, compromise, or judgment upon which the payment is based.
6. Funding for the payment of tort liability claims, settlements, compromises, and judgments which require the approval of the Director of Finance shall first be considered from within the affected agency, department, board, bureau, or commission's existing budgeted resources. Payment pursuant to this item (from the General Fund or funds other than the General Fund) shall be made only after the affected agency, department, board, bureau, or commission has demonstrated to the Department of Finance that insufficient funds are available for payment of all or a portion of the claim.

Item	Amount
9670-401—For maintenance of accounting records by the State Controller's office or any other agency maintaining these records, appropriations made in this act for Organization Code 9670 (Equity Claims of Board of Control and Settlements and Judgments by Department of Justice) are to be recorded under Organization Code 9671 (Equity Claims of Board of Control) and Organization Code 9672 (Settlements and Judgments by Department of Justice).	
9800-001-0001—For Augmentation for Employee Compensation	113,500,000
Provisions:	
1. The amount appropriated in this item shall not be construed to control or influence collective bargaining between the state employer and employee representatives.	
2. The funds appropriated in this item are for employee compensation increases and increases in benefits related thereto, whose compensation or portion thereof, is chargeable to the General Fund, to be allocated by executive order by the Department of Finance to the several state offices, departments, boards, bureaus, commissions, and other state agencies, in augmentation of their respective appropriations or allocations for support, in accordance with approved memoranda of understanding or, for employees excluded from collective bargaining in accordance with salary and benefit schedules established by the Department of Personnel Administration.	
9800-001-0494—For Augmentation for Employee Compensation, payable from other unallocated special funds	97,100,000
Provisions:	
1. The amount appropriated in this item shall not be construed to control or influence collective bargaining between the state employer and employee representatives.	
2. The funds appropriated in this item are for employee compensation increases and increases in benefits related thereto, whose compensation or portion thereof, is chargeable to special funds, to be allocated by executive order by the Department of Finance to the several state offices, departments, boards, bureaus, commissions, and other state agencies, in augmentation of their respective appropriations or allocations for support, in accor-	

Item		Amount
	dance with approved memoranda of understanding or, for employees excluded from collective bargaining in accordance with salary and benefit schedules established by the Department of Personnel Administration.	
9800-001-0988—For Augmentation for Employee Compensation, payable from other unallocated nongovernmental cost funds.....		97,100,000
	Provisions: 1. The amount appropriated in this item shall not be construed to control or influence collective bargaining between the state employer and employee representatives. 2. The funds appropriated in this item are for employee compensation increases and increases in benefits related thereto, whose compensation or portion thereof, is chargeable to nongovernmental cost funds, to be allocated by executive order by the Department of Finance to the several state offices, departments, boards, bureaus, commissions, and other state agencies, in augmentation of their respective appropriations or allocations for support, in accordance with approved memoranda of understanding or, for employees excluded from collective bargaining in accordance with salary and benefit schedules established by the Department of Personnel Administration.	
9800-011-0001—For Augmentation for Employee Compensation (Proposition 98)		1,900,000
	Provisions: 1. The amount appropriated in this item shall not be construed to control or influence collective bargaining between the state employer and employee representatives. 2. The funds appropriated in this item are for employee compensation increases and increases in benefits related thereto, whose compensation or portion thereof, is chargeable to the General Fund, to be allocated by executive order by the Department of Finance to the several state offices, departments, boards, bureaus, commissions, and other state agencies, in augmentation of their respective appropriations or allocations for support, in accordance with approved memoranda of understanding or, for employees excluded from collective bargaining in accordance with salary and	

Item	Amount
benefit schedules established by the Department of Personnel Administration.	
9840-001-0001—For Augmentation for Contingencies or Emergencies	2,000,000

Provisions:

1. The funds appropriated for the augmentation for contingencies or emergencies are to be expended only on written authorization of the Department of Finance for contingencies or emergencies.
2. Contingencies, within the meaning of these funds, are defined as proposed expenditures arising from unexpected conditions or losses for which no appropriation, or insufficient appropriation, has been made by law and which, in the judgment of the Director of Finance, constitute cases of actual necessity. Emergencies, within the meaning of this item, are defined as expenditures incurred in response to conditions of disaster or extreme peril which threaten the health or safety of persons or property within the state.
3. Emergency and contingency expenditure authorizations and deficiency expenditure authorizations shall be limited to purposes which have been specifically approved by the Legislature in Budget Acts or other legislation, except that not more than $500,000 of each fund may be expended for purposes for which no such specific prior authorizations exist.
4. Authorizations for expenditures or deficiency expenditures arising from a contingency shall become effective no sooner than 30 days after notification in writing to the Joint Legislative Budget Committee, or no sooner than such lesser time as the committee, or its designee, may in each instance determine.
5. For expenditure authorizations or deficiency expenditure authorizations arising from an emergency, the Director of Finance shall file with the Joint Legislative Budget Committee, within 10 days after approval, copies of all executive orders for emergency-related encumbrance or expenditure authorizations, stating the reasons for, and the amount of, all such authorizations, except that any emergency augmentation from this item to any program in excess of 10 percent of the amount authorized for expenditure in the 1999–00 fiscal year for such program shall become effective no

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sooner than 30 days after notification in writing to the Joint Legislative Budget Committee or no sooner than such lesser time as the committee, or its designee, may in each instance determine, except that no such limit shall apply if the Director of Finance states in writing to the Chairperson of the Joint Legislative Budget Committee the necessity and urgency for the allocation which, in the judgment of the director, makes prior approval impractical.

6. For purposes for which the Governor previously vetoed funding, allocation of funds or authorization for deficiency expenditures shall not be made under the emergency provisions.

9840-001-0494—For Augmentation for Contingencies or Emergencies, payable from unallocated special funds 1,500,000

Provisions:

1. Provisions 1, 2, 3, 4, 5, and 6 of Item 9840-001-0001 also apply to this item.
2. For the Augmentation for Contingencies or Emergencies, payable from special funds, there are appropriated from each special fund sums necessary to meet contingencies or emergencies, to be expended only on written authorization of the Director of Finance. No deficiencies shall be authorized by the Director of Finance in any appropriation of money from special funds made by this act for the 1999–00 fiscal year under the provisions of Section 11006 of the Government Code. Accounts, special accounts, and funds in the General Fund, that are treated as other governmental cost funds for accounting and budgeting purposes in accordance with Section 13303 of the Government Code, shall be considered to be special funds within the meaning of this item.

9840-001-0988—For Augmentation for Contingencies or Emergencies, payable from unallocated nongovernmental cost funds 1,500,000

Provisions:

1. Provisions 1, 2, 3, 4, 5, and 6 of Item 9840-001-0001 also apply to this item.
2. For Reserve for Contingencies or Emergencies, payable from nongovernmental cost funds, there is appropriated from each nongovernmental cost fund that is subject to control or limited by this act, sums necessary to meet contingencies or

Item	Amount

emergencies, to be expended only on written authorization of the Director of Finance. No deficiencies shall be authorized by the Director of Finance in any appropriation of money from nongovernmental cost funds made by this act for the 1999–00 fiscal year under the provisions of Section 11006 of the Government Code.

9840-011-0001—For Augmentation for Contingencies or Emergencies (Loans) ..... (2,500,000)

Provisions:

1. This appropriation is for loans that may be made to state agencies which derive their support from the General Fund or from sources other than the General Fund, upon terms and conditions for repayment as may be prescribed by the Department of Finance. Any sum so loaned shall, if ordered by the Department of Finance, be transferred by the State Controller to the fund from which the support of the agency is derived.
2. No loan shall be made which requires repayment from a future legislative appropriation.
3. Authorizations for loans shall become effective no sooner than 30 days after notification in writing to the Joint Legislative Budget Committee, or no sooner than a lesser time which the committee, or its designee, may in each instance determine, except that this limit shall not apply if the Director of Finance states in writing to the Chairperson of the Joint Legislative Budget Committee the necessity and urgency for the loan which, in the judgment of the director, makes prior approval impractical.
4. Within 10 days after approval, the Director of Finance shall file with the Joint Legislative Budget Committee copies of all executive orders for loans stating the reasons for, and the amount of, all of these authorizations.

9840-490—Reappropriation, Augmentation for Contingencies or Emergencies. As of June 30, 1999, the balances of the appropriations made by Items 9840-001-0001, 9840-001-0494 and 9840-001-0988, Budget Act of 1998, shall revert to the unappropriated surplus of the General Fund, special funds, and nongovernmental cost funds, respectively.

As of July 1, 1999, the amounts reverted as of June 30, 1999, for Items 9840-001-0001, 9840-001-0494 and 9840-001-0988, Budget Act of 1998, are

Item	Amount
reappropriated and shall be available until June 30, 2000, and may be expended on written authorization of the Department of Finance issued on or before said date, for contingencies and emergencies, within the meaning of those items, occurring during the 1998–99 fiscal year.	
9860-301-0001—For Unallocated Capital Outlay (10.10.010)	1,000,000
Provisions:	
1. The funds appropriated in this item are to be allocated by the Department of Finance to state agencies to develop design and cost information for new projects for which funds have not been appropriated previously, but which are anticipated to be included in the 2000–01 or 2001–02 Governor's Budget. The amount appropriated in this item shall not be construed as a commitment by the Legislature as to the amount of capital outlay funds it will appropriate in any future fiscal year.	
9903-001-0494—For allocation by Department of Finance in support of alternative procurement projects for applicant state agencies, departments, boards, commissions, or other entities of state government, payable from unallocated special funds	5,000,000
Provisions:	
1. The Department of Finance may make allocations from the funds appropriated by this item to authorize an applicant state agency to purchase electronic data processing software, hardware, and related equipment and services for an information technology project under the alternative procurement method specified in this provision in compliance with all of the following conditions:	
(a) The project is authorized under an item of appropriation contained in this act.	
(b) The project will result in monetary savings, an increase in revenues, the enhancement of services, or improved efficiency and effectiveness.	
(c) The state agency provides, for each project, a concise statement of objectives, documentation of benefits specified in subdivision (b) of this provision, the required timeframes, performance standards, implementation schedule, and independent verification.	

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	(d) The proposal and procurement documents do not identify the technology and process required to achieve the desired outcome.	
	(e) The technical aspects of the project shall be reviewed by the Department of Information Technology.	
	(f) The financial aspects of the project shall be reviewed by the Department of Finance.	
	(g) The procurement is made pursuant to the policies and procedures specified in Section 5215 of the State Administrative Manual.	
	(h) The allocation of funding for the project is made not sooner than 30 days after written notification thereof is provided to the Chairperson of the Senate Committee on Budget and Fiscal Review, the Chairperson of the Assembly Committee on Budget, and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the Chairperson of the Joint Legislative Budget Committee may determine.	
9904-001-0001—For allocation by Department of Finance, in support of century change information technology activities		13,500,000
Schedule:		
(a) Department of Information Technology for Independent Verification and Validation and Office of Project Management	13,500,000	
Provisions:		
1. The Department of Finance shall make allocations from the funds appropriated in this item for the 1999–00 fiscal year for century change information technology activities of applicant state agencies, departments, boards, commissions, or other entities of state government that comply with the Department of Information Technology's California 2000 Program Guide. The requests must be reviewed and approved by the Department of Information Technology before the Department of Finance allocates the funds.		
2. No authorization for expenditure may be granted under this item to the Legislature, the University of California, the California State University, the State Compensation Insurance Fund, or any agency provided for under Article VI of the California Constitution.		

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3. An allocation approved by the Department of Finance under this item shall be made not sooner than 30 days after written notification thereof is provided to the Chairperson of the Senate Committee on Budget and Fiscal Review, the Chairperson of the Assembly Budget Committee, and the Chairperson of the Joint Legislative Budget Committee or not sooner than whatever lesser time the Chairperson of the Joint Legislative Budget Committee may determine. The Department of Finance shall provide quarterly reports to the Chairperson of the Senate Committee on Budget and Fiscal Review, the Chairperson of the Assembly Budget Committee, and the Chairperson of the Joint Legislative Budget Committee, listing the allocations made pursuant to this item and identifying the department, the project, and the amount for each allocation.	
4. Special consideration shall be made for allocation from this item for remediation of embedded chip and Year 2000 projects within state buildings, provided that the requesting department has made efforts to redirect funds within its existing budget wherever possible.	
5. Notwithstanding any other provision of law, the Director of Finance may augment this item for the purposes of this item in excess of the amount appropriated in this item.	
9904-001-0494—For allocation by Department of Finance in support of century change information technology activities for applicant state agencies, departments, boards, commissions, or other entities of state government	10,000,000
Provisions:	
1. Provisions 1, 2, 3, and 4 of Item 9904-001-0001 of this act also apply to allocations authorized by this item.	
2. Notwithstanding any other provision of law, the Director of Finance may authorize expenditures for purposes of this item in excess of the amount appropriated in this item.	
9904-001-0988—For allocation by Department of Finance, in support of century change information technology activities for applicant state agencies, departments, boards, commissions, or other entities of state government	10,000,000

Item Amount

Provisions:

1. Provisions 1, 2, 3, and 4 of Item 9904-001-0001 of this act shall also apply to allocations authorized by this item.
2. Notwithstanding any other provision of law, the Director of Finance may authorize expenditures for purposes of this item in excess of the amount appropriated in this item.

GENERAL SECTIONS
STATEWIDE

SEC. 3.00. Whenever herein an appropriation is made for support, it shall include salaries and all other proper expenses, including repairs and equipment, incurred in connection with the institution, department, board, bureau, commission, officer, employee, or other agency for which the appropriation is made.

Each item appropriating funds for salaries and wages includes the additional funds necessary to continue the payment of the amount of salaries in effect on June 30, 1999, for the state officers whose salaries are specified by statute.

Whenever herein an appropriation is made for capital outlay, it shall include acquisition of land or other real property, major construction, improvements, equipment, designs, working plans, specifications, repairs, and equipment necessary in connection with a construction or improvement project.

Whenever herein any item of appropriation contains provisions for acquisition of land or other real property, it shall include all necessary expenses in connection with the acquisition of the property.

Whenever herein an appropriation is made in accordance with a schedule set forth after the appropriation, the expenditures from that item for each category, program, or project included in the schedule shall be limited to the amount specified for that category, program, or project, except as otherwise provided in this act. Each schedule is a restriction or limitation upon the expenditure of the respective appropriation made by this act, does not itself appropriate any money, and is not itself an item of appropriation.

As used in this act in reference to the schedules "category", "program", or "project" means a class of expenditure such as, but not limited to:

(a) "Personal services," which shall include all expenditures for payment of officers and employees of the state, including: salaries and wages, workers' compensation, compensation paid to employees on approved leave of absence on account of sickness, unemployment compensation benefits, insurance premiums for workers' compensation coverage, industrial disability leave and payments, nonindustrial disability benefits and payments, the state's contributions to the Public

Employees' Retirement Fund, the Teachers' Retirement Fund, the University of California Retirement Fund to provide for that portion of retirement costs to be provided for Hastings College of the Law in Item 6600-001-0001 of this Budget Act, the Old Age and Survivors' Insurance Revolving Fund, the Public Employees' Contingency Reserve Fund, and the state's cost of health benefits plans; but do not include compensation of independent contractors rendering personal services to the state under contract.

(b) "Operating expenses and equipment," which shall include all expenditures for purchase of materials, supplies, equipment, services (other than services of state officers and employees), departmental services (services provided by other organizational units within a department, including indirect distributed costs), and all other proper expenses.

(c) "Preliminary plans" are defined as a site plan, architectural floor plans, elevations, outline specifications, and a cost estimate. For each utility, site development, conversion and remodeling project, the drawings shall be sufficiently descriptive to accurately convey the location, scope, cost, and the nature of the improvement being proposed.

(d) "Working drawings" are defined as a complete set of plans and specifications showing and describing all phases of a project, architectural, structural, mechanical, electrical, civil engineering, and landscaping systems to the degree necessary for the purposes of accurate bidding by contractors and for the use of artisans in constructing the project. All necessary professional fees and administrative service costs are included in the preparation of these drawings.

(e) "Construction," when used in connection with a capital outlay project, shall include all such related things as fixtures, installed equipment, auxiliary facilities, contingencies, project construction, management, administration and associated costs.

(f) "Minor projects" include planning, working drawings, construction, improvements, and equipment projects not specifically set forth in the schedule.

(g) "Programs" include all expenditures, regardless of category, required to carry out the objectives of the named activity.

For the purpose of further interpreting the meaning of the words, terms and phrases, and uniform codes used in the schedules, reference is hereby made to those documents entitled, "State of California Governor's Budget for 1999–00," submitted by the Governor to the Legislature at the 1999 portion of the 1999–00 Regular Session, the uniform accounting system prescribed by the Department of Finance under the provisions of Section 13300 and following of the Government Code, the Uniform Codes Manual, and the appropriate portions thereof. The Department of Finance shall establish interpretations necessary to carry out the provisions of this section and shall furnish the same to the State Controller and to every state agency to which appropriations are made under this act.

SEC. 3.50. Whenever herein an appropriation is made for support or other expenses for an institution, department, board, bureau, commission, officer, employee, or other agency, there shall be charged to the appropriation from which salaries and wages are paid: workers' compensation, compensation paid to employees on approved leave of absence on account of sickness, unemployment compensation benefits, industrial disability leave and payments, nonindustrial disability benefits and payments, the administrative costs of the Merit Award Program provided by Section 19823 of the Government Code, the state's contribution to the Public Employees' Retirement Fund as provided by Sections 20822 and 20824 of the Government Code, the state's contribution to the Teachers' Retirement Fund as provided by Sections 22950, 22951, and 23000 of the Education Code, the state's contribution to the Old Age and Survivors Insurance Revolving Fund as provided by Sections 20862 and 20863 of the Government Code, the state's contribution to the Old Age and Survivors Insurance Revolving Fund for payment of hospital insurance taxes imposed by the Internal Revenue Code, the state's contribution to the Public Employees' Contingency Reserve Fund, the state's contribution for the cost of health benefits plans as provided by Sections 22825.1, 22828 and 22829 of the Government Code, and the state's contribution for costs of other employee benefits and the administrative costs associated with the provision of benefits established by any state agency legally authorized to negotiate and set salary and benefit levels.

As of the effective date of this act, the state's contributions as provided by Sections 22825.1, 22828 and 22829 of the Government Code and for costs of any other employee benefits and the administrative costs associated with the provisions of these benefits established by any state agency legally authorized to negotiate and set salary and benefit levels for any month shall be charged to the same appropriations used for payment of salaries and wages from which the employee premium contributions for such month are deducted.

The appropriations made by Sections 20822, 20824, 20862, 20863, 22825.1, 22828, and 22829 of the Government Code and by Sections 22950, 22951, and 23000 of the Education Code, shall continue to be available for expenditure, and shall be charged for any expenditure that is not chargeable to an appropriation for support or other expenses as provided in this section. This transfer may be chargeable to such appropriation for a previous fiscal year if there are no funds available from that fiscal year.

The Controller may transfer to the State Payroll Revolving Fund the contributions required by Sections 20822, 20824, 20862, 20863, 22825.1, 22828, and 22829 of the Government Code, contributions required for payment of the hospital insurance tax, and upon certification by the Board of Administration of the Public Employees' Retirement System as required by Section 20826 of the Government Code, may transfer from the State Payroll Revolving Fund to the Public Employ-

ees' Retirement Fund and the Old Age and Survivors Insurance Revolving Fund the amounts of contributions.

SEC. 3.60. (a) Notwithstanding any other provision of law, the employers' retirement contributions for the 1999–00 fiscal year that are chargeable to an appropriation made in this act, with respect to each state officer and employee who is a member of the Public Employees' Retirement System and who is in that employment or office, including university members as provided by Section 20751 of the Government Code, shall be the percentage of salaries and wages by state member category as follows:

Miscellaneous, First Tier	5.026%
Miscellaneous, Second Tier	2.976%
State Industrial	0.026%
State Safety	9.513%
Highway Patrol	13.345%
Peace Officer/Firefighter	4.575%

The Department of Finance may adjust amounts in any appropriation item, or in any category thereof, in this act as a result of changes from amounts budgeted for employer contribution for 1999–00 fiscal year retirement benefits.

(b) Notwithstanding any other provisions of law, the Department of Finance shall require retirement contributions computed pursuant to subdivision (a) to be offset by the Controller with surplus funds in the Public Employees' Retirement Fund, employer surplus asset accounts.

(c) Notwithstanding any other provision of law, for purposes of calculating the "appropriations subject to limitation" as defined in Section 8 of Article XIII B of the California Constitution, the appropriations in this act shall be deemed to be the amounts remaining after the reductions required by subdivisions (a) and (b) are made.

SEC. 4.20. Notwithstanding any other provision of law, the employer's contributions to the Public Employees' Contingency Reserve Fund, as required by Section 22826 of the Government Code, shall be 0.5 percent of the gross health insurance premiums paid by the employer and employee for administrative expenses.

SEC. 4.40. A state or local agency may not use funds appropriated by this act to implement the prohibition contained in Section 411 of the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193) regarding the eligibility of aliens for state and local public benefits until the state enacts legislation authorizing the implementation of that prohibition.

SEC. 4.50. Notwithstanding any other provision of law, the Department of Finance shall adjust amounts budgeted in appropriation items for rental payments on lease-purchase and lease revenue bonds, including reimbursements in departments as indicated below:

Agency	General Fund	Other Funds	Reimbursements	Total
0890	$ 3,859,000	$1,217,000	-$ 5,108,000	-$ 32,000
1100	$ 309,000	-	-	$ 309,000
1730	$ 1,487,000	-	$ 152,000	$ 1,639,000
2660	-	-$ 2,000	-	-$ 2,000
5460	-$ 400,000	-	-	-$ 400,000
6120	$ 1,262,000	-	-$ 315,000	$ 947,000
6440	$10,077,000	-	-$ 5,316,000	$ 4,761,000
6610	$13,930,000	-	-$ 1,711,000	$12,219,000
8570	$ 537,000	$ 189,000	-$ 722,000	$ 4,000
Totals	$31,061,000	$1,404,000	-$13,020,000	$19,445,000

SEC. 5.00. Each state agency shall prepare an itemized schedule listing, by category and funding source, all claims, judgments, compromises, and settlement payments paid in the 1998–99 fiscal year. This itemized schedule of payments shall include a summary description of payments by category and funding source. The Department of Finance shall transmit a copy of the schedule along with the other supplemental budget documents that are annually transmitted to the Legislature and the Office of the Legislative Analyst.

SEC. 5.25. (a) Payment of specified attorney's fee claims, settlements, compromises, and judgments arising from actions in state courts against the state, its officers, and officers and employees of state agencies, departments, boards, bureaus, or commissions, shall be paid from items of appropriation in this act that support the state operations of the affected agency, department, board, bureau, or commission.

(b) Expenditures authorized by subdivision (a) shall be made by the State Controller, subject to the approval of the Department of Finance, and shall be charged to the fiscal year in which the disbursement is issued.

(c) Payments authorized by this section shall be made only for (1) state court actions filed pursuant to Section 1021.5 of the Code of Civil Procedure, the "private attorney general" doctrine, or the "substantial benefit" doctrine, or for (2) writ of mandate actions filed pursuant to Section 10962 of the Welfare and Institutions Code.

(d) No payment shall be made by the State Controller for expenditures pursuant to subdivision (a) except in full and final satisfaction of the claim, settlement, compromise, or judgment for attorney's fees incurred in connection with a single action.

(e) The Director of Finance shall notify the Chairperson of the Joint Legislative Budget Committee, the Chairperson of the Senate Committee on Budget and Fiscal Review, and the Chairperson of the Assembly Budget Committee pursuant to Section 27.00 of this act when there are insufficient funds appropriated in this act in support of the state operations of the affected agency, department, board, bureau, or commission to satisfy the claim completely.

SEC. 6.00. No more than $100,000 of the funds appropriated for support purposes under Section 2.00 or any other sections of this act may be encumbered for preliminary plans, working drawings, or construction of any project for the alteration of a state facility unless the Director of Finance determines that the proposed alteration is critical and that it is necessary to proceed using funds appropriated for support purposes. The maximum cost of any such project shall not exceed $250,000, and any approved critical project costing more than $100,000, but not greater than $250,000, shall be reported to the Chairperson of the Joint Legislative Budget Committee or his or her designee, not less than 30 days prior to requesting bids for the project. The report shall detail those factors that make the project so critical that it must proceed using support funds.

SEC. 8.50. (a) In making appropriations to state agencies that are eligible for federal programs, it is the intent and understanding of the Legislature that applications made by the agencies for federal funds under federal programs shall be for the maximum amount allowable under federal law. Therefore, any amounts received from the federal government are hereby appropriated from federal funds for expenditure or for transfer to, and disbursement from, the State Treasury fund established for the purpose of receiving the federal assistance subject to any provisions of this act that apply to the expenditure of these funds, including Section 28.00 of this act.

(b) However, if federal funds for block grant programs assumed by the state or for any item receiving federal funds are reduced by more than 5 percent of the amount appropriated in this act, the Director of Finance shall notify the chairperson of the committee in each house which considers appropriations, and the Chairperson of the Joint Legislative Budget Committee, in writing within 30 days after notification by the federal government that federal funds have been reduced, and shall include an estimate of the amount of the available or anticipated federal funds, the 1999–00 fiscal year expenditures of each program affected by the reduction, the effect of reduced funding on service levels authorized by this act, and a plan of reduced expenditures for each program affected by the reduction. The plan shall be operational on an interim basis for up to 45 days pending legislative review, after which time the plan shall become permanent.

SEC. 8.51. Each state agency shall, by certification to the State Controller, identify the account within the Federal Trust Fund when charges are made against any appropriation made herein from the Federal Trust Fund.

SEC. 9.20. Notwithstanding Section 15860 of the Government Code, the amount of funds expended for administrative costs associated with any appropriation contained in this act for acquisition of property pursuant to the Property Acquisition Law shall be limited to the amount specified for those costs in the Supplemental Report of the Budget Act of 1999. Amounts for administrative costs may be augmented by no more than 5 percent by the State Public Works Board.

Notwithstanding the foregoing, any amounts needed for administrative costs associated with acquisition through the condemnation authority of the State Public Works Board shall be provided through augmentation of the affected appropriations as authorized by existing law.

SEC. 9.30. In the event that federal courts issue writs of execution for the levy of state funds and such writs are executed, the State Controller shall so notify the Department of Finance. The Department of Finance shall then notify the State Controller of the specific appropriation or fund to be charged. Federal writs of execution for the levy of state funds may only be charged against appropriations or funds having a direct programmatic link to the circumstances under which the federal writ was issued. If the appropriate department or agency no longer exists, or no linkage can be identified, the federal writ shall be charged to the unappropriated surplus of the General Fund. In the event that an appropriation in the act is made deficient by such a charge, funding augmentations must follow the regular budget processes including Section 27.00 of the Budget Act. However, the 30-day notification requirement is waived for payments mandated by federal courts.

SEC. 9.50. For minor capital outlay projects for which, pursuant to Sections 10108 and 10108.5 of the Public Contract Code, the services of the Department of General Services are not required and a state agency or department is authorized to carry out its own project, the amount of the unencumbered balance of the project shall be determined in accordance with Section 14959 of the Government Code. Upon receipt of bids for the project, an estimate of any amount necessary for the completion of the project, including supervision, engineering, and other items, if any, shall be deemed a valid encumbrance and shall be included with any other valid encumbrance in determining the amount of an unencumbered balance.

SEC. 11.00. (a) A state agency to which state funds are appropriated by one or more statutes, including this act, for an information technology project may not enter into one or more contracts, or agree to one or more contract amendments, in the 1999–00 fiscal year that result, in the aggregate, in an increase in the budgeted cost of the project exceeding five hundred thousand dollars ($500,000), or 10 percent of the budgeted cost of the project, whichever is less, unless the approval of the Department of Finance is first obtained and written notification of that approval is provided by the department to the Chairperson of the Joint Legislative Budget Committee, and the chairperson of the budget committee of each house of the Legislature, not less than 30 days prior to the effective date of the approval, or not sooner than whatever lesser time the chairperson of the joint committee, or his or her designee, may in each instance determine. Each notification required by this section shall (1) explain the necessity and rationale for the proposed contract or amendment, (2) identify the cost savings, revenue increase, or other fiscal benefit of the proposed contract or amendment, and (3) identify the funding source for the proposed contract or amendment.

(b) Subdivision (a) does not apply to a resulting increase in the budgeted cost of a project that is less than one hundred thousand dollars ($100,000), or that is funded by an augmentation authorized pursuant to Section 26.00 of this act.

(c) The following definitions apply for the purposes of this section:

(1) "Budgeted cost of a project" means the total cost of the project as identified in the most recent feasibility study report, special project report, or equivalent document submitted to the Legislature in connection with its consideration of a bill that appropriated any state funding for that project.

(2) "State agency" means each agency of the state that is subject to both Chapter 7 (commencing with Section 11700) of Part 1 of, and Article 2 (commencing with Section 13320) of Chapter 3 of Part 3 of, Division 3 of Title 2 of the Government Code.

SEC. 11.10. The funds appropriated in this act for the specified information technology projects in the departments listed below shall not be expended sooner than 30 days, or a lesser time as determined by the chairperson of the Joint Legislative Budget Committee, after the Department of Information Technology informs the committee that (1) the department has successfully completed the Corrective Action Plan which responds to findings in the Y2K Detailed Department Assessment and the Independent Verification and Validation, and (2) all of the department's mission critical systems are Y2K compliant.

—Franchise Tax Board-Limited Liability Companies Project

—Department of Motor Vehicles-Customer Queuing Project

—Department of Motor Vehicles-Telephone Service Center Upgrade

—Department of Corrections-Computerized Literacy Laboratories Project

—Department of Forestry-Computer Aided Dispatch

—Department of Consumer Affairs-Board of Accountancy Web Look-up

—Department of Health Services-Computer Utilization for Radiation Information Enforcement

—Department of Motor Vehicles-Vehicle Registration System Reengineering

—Department of Motor Vehicles-Financial System Redesign

—Controller's Office and the Department of Personnel Administration-Human Resources Management System

—Controller's Office-Travel Expense Claim System

—Department of Social Services-Community Care Licensing Division Expansion-expansion of the division's main database (Licensing Information System) to provide needed information on facility site visits, complaints, administrator certifications, and continuing care facilities to all Community Care Licensing Division staff

—Health and Welfare Data Center/Department of Social Services-In-Home Supportive Services-Case Management, Information and Payrolling System (IHSS-CMIPS)

—Public Utilities Commission-Public Information Project (Ch. 886, Stats. 1998)

SEC. 11.11. In order to protect the privacy of state employees and ensure the security of the payment of public funds, all departments, boards, offices, and other agencies and entities of the state shall distribute pay warrants and direct deposit advice to employees in a manner that ensures that personal and confidential information contained on the warrants and direct deposit advice is protected from unauthorized access. The Department of Personnel Administration shall advise all departments, boards, offices, and other agencies and entities of state government of the requirements contained in this section.

SEC. 11.50. Notwithstanding any other provision of law, no allocation shall be made pursuant to subdivision (b) of Section 6217 of the Public Resources Code for the 1999–00 fiscal year.

SEC. 11.52. Notwithstanding any other provision of law, the State Controller shall transfer to the General Fund the unencumbered balance, as of June 30, 1999, from the following funds: (a) State Construction Program Fund; (b) Special Account for Capital Outlay; (c) Energy and Resources Fund; and (d) Capital Outlay Fund for Public Higher Education.

SEC. 11.60. Notwithstanding Article 12 (commencing with Section 16429.30) of Chapter 2 of Part 2 of Division 4 of Title 2 of the Government Code, or any other provision of law, all moneys deposited in the California Unitary Fund during the 1999–00 fiscal year and all expenditures, disbursements, and transfers from the California Unitary Fund shall be budgeted and accounted for at the fund level. No expenditure, disbursement, or transfer shall be made from the California Unitary Fund except in accordance with this act.

SEC. 11.61. Notwithstanding Article 12 (commencing with Section 16429.30) of Chapter 2 of Part 2 of Division 4 of Title 2 of the Government Code, or any other provision of law, all moneys deposited in the California Unitary Fund during the 1999–00 fiscal year shall be transferred to the General Fund on a quarterly basis.

SEC. 12.00. For the purposes of Article XIII B of the California Constitution, there is hereby established a state "appropriations limit" of fifty billion six hundred seventy-three million dollars ($50,673,000,000) for the 1999–00 fiscal year.

Any judicial action or proceeding to attack, review, set aside, void, or annul the "appropriations limit" for the 1999–00 fiscal year shall be commenced within 45 days of the effective date of this act.

SEC. 12.30. There is hereby appropriated from the General Fund for transfer to the Special Fund for Economic Uncertainties by the Controller, upon order of the Director of Finance, an amount necessary to bring the balance of this special fund up to the amount stated in the Final Change Book for the 1999–00 fiscal year ending balance in the Special Fund for Economic Uncertainties, as of July 1, 1999. The amount so transferred shall be reduced by the amount of excess rev-

enues subject to Section 2 of Article XIII B of the California Constitution, as determined by the Director of Finance.

SEC. 12.32. (a) It is the intent of the Legislature that appropriations that are subject to Section 8 of Article XVI of the California Constitution be designated with the wording "Proposition 98." In the event these appropriations are not so designated, they may be designated as such by the Department of Finance, where that designation is consistent with legislative intent, within 30 days after notification in writing of the proposed designation to the chairperson of the committee in each house of the Legislature that considers appropriations and the Chairperson of the Joint Legislative Budget Committee, or within a lesser time that the chairperson of the joint committee, or his or her designee, determines.

(b) Pursuant to the Proposition 98 funding requirements established in Chapter 2 (commencing with Section 41200) of Part 24 of the Education Code, the total appropriations for Proposition 98 for the 1999–00 fiscal year are twenty-six billion five hundred twenty-two million eight hundred nineteen thousand dollars ($26,522,819,000), or 42.9 percent of total General Fund revenues and transfers subject to the state appropriations limit. General Fund revenues appropriated for school districts are twenty-three billion eight hundred one million four hundred twenty-two thousand dollars ($23,801,422,000), or 38.5 percent of total General Fund revenues and transfers subject to the state appropriations limit. General fund revenues appropriated for community college districts are two billion three hundred twenty-six million one hundred eighteen thousand dollars ($2,326,118,000), or 3.8 percent of total General Fund revenues and transfers subject to the state appropriations limit. General Fund revenues appropriated for other state agencies that provide direct elementary and secondary level education, as defined in Section 41302.5 of the Education Code, are eighty-five million two hundred seventy-nine thousand dollars ($85,279,000), or 0.1 percent of total General Fund revenues and transfers subject to the state appropriations limit. General Fund revenues appropriated for partial repayment of emergency loans are three hundred ten million dollars ($310,000,000), or 0.5 percent of total General Fund revenues and transfers subject to the state appropriations limit.

SEC. 12.40. (a) Notwithstanding any other provision of law, not more than 20 percent of the amount apportioned to any school district, county office of education, or other educational agency under the programs funded in this act that were funded in Item 6110-230-0001 of Section 2.00 of SB 160 of the 1999–00 Regular Session, as introduced on January 8, 1999, may be expended by that recipient for the purposes of any other program for which the recipient is eligible for funding under those items, except that the total amount of funding allocated to the recipient under this item that is expended by the recipient for the purposes of any of those programs shall not exceed 125 percent of the amount of state funding allocated pursuant to the appropriations to that recipient for those programs in this act for the 1999–00 fiscal year. Not-

withstanding any other provision of law, for the 1999–00 fiscal year, local education agencies may also use this authority to provide the funds necessary to initiate a conflict resolution program pursuant to Chapter 2.5 (commencing with Section 32260) of Part 19 of the Education Code, and to continue to support following the three-to-five year state grant period, or to expand, a Healthy Start Program pursuant to Chapter 5 (commencing with Section 8800) of Part 6 of the Education Code and to increase funding for the block grant program for grades 8–12 funded by Item 6110-228-0001 of this act. It is the intent of the Legislature to approve legislation that would consolidate and streamline similar categorical programs effective in the 2000–01 fiscal year.

(b) The education programs that are eligible for the flexibility provided in subdivision (a) include the following items: Items 6110-108-0001, 6110-110-0001, 6110-111-0001, 6110-114-0001, 6110-115-0001, 6110-116-0001, 6110-118-0001, 6110-119-0001, 6110-120-0001, 6110-122-0001, 6110-124-0001, 6110-126-0001, 6110-127-0001, 6110-128-0001, 6110-131-0001, 6110-146-0001, 6110-151-0001, 6110-163-0001, 6110-167-0001, 6110-180-0001, 6110-181-0001, 6110-193-0001, 6110-197-0001, 6110-203-0001, 6110-204-0001, and 6110-209-0001 of this act.

(c) As a condition of receiving the funds provided for the programs identified in subdivision (b), local education agencies shall report to the State Department of Education by October 15, 2000, on any amounts shifted between these programs pursuant to the flexibility provided in subdivision (a). The Department of Education shall collect and provide this information to the Joint Legislative Budget Committee, Chairs and Vice-chairs of the fiscal committees for education of the Legislature and the Department of Finance, by February 1, 2001.

SEC. 12.50. Notwithstanding any other provision of law, the Controller, upon order of the Director of Finance, shall transfer funds to Item 6110-211-0001 of this act from any of the budget act items for categorical programs identified in the Charter School Funding Model established pursuant to legislation enacted during the 1999–2000 Regular Session that becomes operative on or before January 1, 2000. The transfers shall be based on the average daily attendance (ADA) calculations made by the Superintendent of Public Instruction, as specified in the Charter School Funding Model, and reported to the Director of Finance by October 1, 2000.

SEC. 13.00. (a) Notwithstanding any other provision of law, expenditures under Item 0160-001-0001 of Section 2.00 of this act or any appropriation in augmentation of that item shall be exempt from Chapter 7 (commencing with Section 11700) of Part 1 of, and Article 2 (commencing with Section 13320) of Chapter 3 of Part 3 of, Division 3 of Title 2 of the Government Code, Division 2 (commencing with Section 1100) of the Public Contract Code, and subdivision (a) of Section 713 of Title 2 of the California Code of Regulations, and may be expended as set forth in the Governor's Budget, or for other purposes,

including expenditures for the number of positions in various classifications authorized by the Joint Rules Committee.

(b) Notwithstanding any other provision of law, the unencumbered balances as of June 30, 1999, of the appropriations made by Items 0160-001-0001 and 8840-001-0001 of the Budget Act of 1998 are reappropriated and shall be available for encumbrance until June 30, 2000, for the same programs and purposes for which appropriations for these items have been made by this act.

(c) Notwithstanding any other provision of law, all money that is received as payment for the sale of services or personal property by the agency that has not been taken into consideration in the schedule of Item 0160-001-0001 or is in excess of the amount so taken into consideration is to be credited to that item and is hereby appropriated in augmentation of that item for the same programs and purposes for which appropriations for that item have been made by this act.

(d) Notwithstanding any other provision of law, the Legislative Counsel Bureau may convert or reclassify positions in the bureau, as deemed appropriate by the Legislative Counsel, for inclusion, or redesignation, in the career executive assignment band, to the extent that the total number of positions in the career executive band in the bureau does not exceed 3 percent of the positions in the bureau. Any position that is converted or reclassified shall not be subject to review or approval by the Department of Personnel Administration or State Personnel Board.

SEC. 14.00. (a) Notwithstanding any other provision of law, if the Director of the Department of Consumer Affairs determines in writing that there is insufficient cash in a special fund under the authority of a board, commission, or bureau of the department to make one or more payments currently due and payable, the director may order the transfer of moneys to that special fund, in the amount necessary to make the payment or payments, as a loan from a special fund under the authority of another board, commission, or bureau of the department. That loan shall be subject to all of the following conditions:

(1) No loan from a special fund shall be made that would interfere with the carrying out of the object for which the special fund was created.

(2) The loan shall be repaid as soon as there is sufficient money in the recipient fund to repay the amount loaned, but no later than a date 18 months after the date of the loan. Interest on the loan shall be paid from the recipient fund at the rate accruing during the loan period to moneys in the Pooled Money Investment Account.

(3) The amount loaned shall not exceed the amount that the appropriate board, commission, or bureau is statutorily authorized at the time of the loan to expend during the 1999–00 fiscal year from the recipient fund.

(4) The terms and conditions of the loan are approved, prior to the transfer of funds, by the Department of Finance pursuant to appropriate fiscal standards.

(b) (1) Notwithstanding any other provision of law, the Department of Consumer Affairs, during the 1999–00 fiscal year, may order the release of moneys from the clearing account in the Consumer Affairs Fund in an amount exceeding the amount advanced to the clearing account from a special fund within the department, as a loan to make one or more payments on behalf of that special fund that are currently due and payable. To the extent that the amount of moneys currently in the clearing account is insufficient to make the payment or payments on behalf of that special fund, the department may transfer additional moneys to the clearing account from any other special fund under the authority of a board, commission, or bureau of the department to include in the loan. A loan made to a special fund under this subdivision shall be subject to all of the following conditions:

(A) The loan shall not be made if it would reduce the amount advanced to the clearing account from another special fund, or the amount contained in that special fund, as applicable, to an extent that would interfere with the carrying out of the object for which that special fund was created.

(B) The loan shall be repaid as soon as there is sufficient money in the recipient fund to repay the amount loaned, but no later than a date 60 days after the date of the loan.

(C) The amount loaned shall not exceed the amount that the appropriate board, commission, or bureau is statutorily authorized at the time of the loan to expend during the 1999–00 fiscal year from the recipient fund.

(2) For purposes of this subdivision, the "clearing account" in the Consumer Affairs Fund is the account established in that fund, consisting of moneys advanced from the various special funds within the department, from which the Department of Consumer Affairs pays operating and other expenses of each special fund in an amount ordinarily not exceeding the amount advanced from that special fund.

(c) The Director of the Department of Consumer Affairs shall provide a report by March 1, 2000, on all loans initiated or repayments made pursuant to subdivision (a) or (b) within the preceding 12-month period to the chairperson of the budget committee, and the chairperson of the appropriate legislative oversight committee, of each house of the Legislature.

(d) At least 10 days prior to initiating a loan to be made pursuant to subdivision (a) or (b), the Director of the Department of Consumer Affairs shall provide written notification to the Joint Legislative Budget Committee if either (1) any loan from any one fund exceeds $200,000 or (2) the aggregate amount of loans from any one fund exceeds $200,000.

SEC. 15.00. The Controller, upon order of the Director of Finance, shall transfer, from the Stephen P. Teale Data Center Revolving Fund to the General Fund and all other appropriate funds, amounts which are determined by the Department of Finance to be in excess of a two-month operating balance in order to return moneys collected

from clients that exceeded the data center's costs. The Controller shall transfer, from those moneys in the Stephen P. Teale Data Center Revolving Fund to each identified fund, an amount equal to the prorated repayment obligation for that fund from the accumulated fund balance, pursuant to this section.

SEC. 16.00. The sum of four million thirty-six thousand dollars ($4,036,000) is hereby appropriated for allocation by upon order of the Director of Finance to departments for cost increases associated with the Protective Services program of the Department of the California Highway Patrol according to the following schedule:

Schedule:

(a) General Fund	2,000,000
(b) Special funds	1,636,000
(c) Nongovernmental cost funds	400,000

The Director of Finance may transfer funds between the schedules of this section to the extent necessary to appropriately allocate the costs between funding sources. Authorizations for allocation or transfer between schedules made pursuant to this section shall become effective no sooner than 30 days after notification in writing to the Joint Legislative Budget Committee, or no sooner than a lesser time as the committee, or its designee, may in each instance determine.

Of the amount appropriated, $36,000 shall be used by the Senate Sergeant at Arms to provide identification badges for certain employees in the Capitol.

SEC. 24.00. For the 1999–00 fiscal year, the donations and oil and mineral revenues from federal lands that are deposited in the State School Fund shall be divided between Section A and Section B of the State School Fund, with 85 percent of these revenues to be credited to Section A of the fund exclusively for regular apportionments for school districts serving pupils in kindergarten or any of grades 1 to 12, inclusive, and 15 percent to Section B of the fund exclusively for community college district regular apportionments. The amounts accruing to the State School Fund under this section shall be disbursed fully before any General Fund transfers to Section A or Section B of the State School Fund are disbursed for regular apportionments.

SEC. 24.03. Notwithstanding any other provision of law, funds appropriated by Section 2.00, Section 8.50, Section 28.00, Section 28.50, or any other provision of this act may not be expended for the support of any program, network, or material, with the exception of instruction to pupils who are identified as deaf or hearing impaired pursuant to 34 C.F.R. 300.7(b) paragraphs (3) and (4), that promotes or uses reading instruction methodologies that emphasize contextual clues in lieu of fluent decoding.

SEC. 24.10. (a) Notwithstanding Section 1464 of the Penal Code or Section 41304 of the Education Code, the first nine hundred and ninety-three thousand dollars ($993,000) received by the Driver Training Penalty Assessment Fund for the 1999–00 fiscal year shall be available for the purposes of Item 6110-001-0178 of Section 2.00 of this act.

The amount retained by the Driver Training Penalty Assessment Fund for the purposes of Item 6110-001-0178 may be adjusted by the Department of Finance for actions pursuant to any control section of this act.

(b) After moneys are retained by the Driver Training Penalty Assessment Fund pursuant to subdivision (a), the Controller shall transfer any remaining balances as follows: 11.054 percent to the Victim Witness Assistance Fund, up to an annual total of $4,121,000; 37.555 percent to the Peace Officers' Training Fund, up to an annual total of $14,000,000; and 17.436 percent to the Corrections Training Fund, up to an annual total of $6,500,000. Any remaining unallocated moneys in the Driver Training Penalty Assessment Fund shall be transferred to the General Fund.

SEC. 24.35. Revenues derived from the lease of portable classrooms and deposited in the State School Building Aid Fund shall be expended only for the purposes of deferred maintenance on existing school facilities, purchase of emergency portable facilities for lease by local education agencies, and deferred maintenance on existing emergency portable facilities, consistent with processes and policies used by the State Allocation Board.

SEC. 24.60. (a) From the funds appropriated in Items 4300-003-0814, 4440-011-0814, 5460-001-0831, 6110-006-0814, 6110-101-0814, 6440-001-0814, 6600-001-0814, and 6870-101-0814 of this act, the State Department of Developmental Services, the State Department of Mental Health, the Department of the Youth Authority, the State Special Schools, the Regents of the University of California, the Board of Directors of Hastings College of the Law, the Board of Trustees of the California State University, and community college districts through the Chancellor of the California Community Colleges shall report to the Governor and the Legislature no later than January 15, 2001, the amount of lottery funds that each entity received and the purposes for which those funds were expended in the 1999–00 fiscal year, including administrative costs, and proposed expenditures and purposes for expenditure for the 2000–01 fiscal year. If applicable, the amount of lottery funds received on the basis of adult education average daily attendance (ADA) and the amount of lottery funds expended for adult education also shall be reported.

(b) The State Department of Education shall conduct a survey of a representative sample of 100 local education agencies to determine the patterns of use of lottery funds in those agencies. The sample shall be drawn to include all local education agencies having more than 200,000 ADA and representative local education agencies randomly selected by size, range, type, and geographical dispersion. On or before May 15, 2000, the State Department of Education shall report to the Legislature and the Governor the results of the survey for the 1998–99 fiscal year.

SEC. 24.70. From the funds appropriated to the State Department of Education for local assistance, the department shall ensure that the expenditure of funds allocated to a local education agency (LEA),

through a contract between the department and the LEA or through a grant from the department to the LEA, shall be subject to the LEA's fiscal accountability policies and procedures. If it is necessary for the LEA to establish a separate entity to complete the work scope of the contract or grant, the fiscal accountability policies and procedures for that entity shall be the same as those of the LEA, or amended only with the approval of both the superintendent of schools of the LEA and a fiscal representative of the department designated by the Superintendent of Public Instruction. Further, the department shall have the authority to provide for an audit of the expenditures under the contract or grant between the department and the LEA to verify conformance with appropriate fiscal accountability policies and procedures. The cost of the audit, if required, shall be charged to the audited contract or grant.

SEC. 26.00. (a) It is the intent of the Legislature, in enacting this section, to provide flexibility for the administrative approval of intraschedule transfers within individual items of appropriation in those instances where the transfers are necessary for the efficient and cost-effective implementation of the programs, projects, and functions funded by this act. No transfer shall be authorized under this section to either eliminate any program, project, or function, except when implementation is found to be no longer feasible in light of changing circumstances or new information, or establish any new program, project, or function.

(b) The Director of Finance may, pursuant to a request by the officer, department, division, bureau, board, commission, or other agency to which an appropriation is made by this act, authorize the augmentation of the amount available for expenditure in any schedule set forth for that appropriation, by making a transfer from any of the other designated programs, projects, or functions within the same schedule. No intraschedule transfer may be made under this section to fund any capital outlay purpose, regardless of whether budgeted in a capital outlay or a local assistance appropriation. Upon the conclusion of the 1999–00 fiscal year, the Director of Finance shall furnish the chairpersons of the committees in each house of the Legislature that consider appropriations and the budget, and the Chairperson of the Joint Legislative Budget Committee, with a report on all authorizations given pursuant to this section during that fiscal year.

(c) Intraschedule transfers of the amounts available for expenditure for a program, project, or function designated in any line of any schedule set forth for that appropriation by transfer from any of the other designated programs, projects, or functions within the same schedule shall not exceed, during any fiscal year:

(1) 20 percent of the amount so scheduled on that line for those appropriations made by this act that are $2,000,000 or less.

(2) $400,000 of the amount so scheduled on that line for those appropriations made by this act that are more than $2,000,000 but equal to or less than $4,000,000.

(3) 10 percent of the amount so scheduled on that line for those appropriations made by this act that are more than $4,000,000.

(4) The Department of Transportation Highway Program shall be limited to a schedule change of 10 percent.

(d) Any transfer in excess of $200,000 may be authorized pursuant to this section not sooner than 30 days after notification in writing of the necessity therefor is provided to the chairperson of the committee in each house of the Legislature that considers appropriations and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the Chairperson of the Joint Legislative Budget Committee, or his or her designee, may in each instance determine.

(e) Any transfer in excess of the limitations provided in subdivision (c) may be authorized not sooner than 30 days after notification in writing of the necessity to exceed the limitations is provided to the chairperson of the committee in each house that considers appropriations and the Chairperson of the Joint Legislative Committee or his or her designee, may in each instance determine.

SEC. 27.00. (a) Approval by the Department of Finance of the creation of deficiencies pursuant to Section 11006 of the Government Code or approval to expend at rates that, in the opinion of the Director of Finance, will require a deficiency appropriation may be granted only in cases of actual necessity. It is the intent of the Legislature that authorization for deficiency spending under this section should be limited to cases of unanticipated expenses incurred in the operation of existing programs, where it is necessary to incur those expenses during the 1999–00 fiscal year. No deficiency authorization may be made under this section for any expenditure for capital outlay.

(b) The Director of Finance may not approve any deficiency authorization unless the approval is made in writing and filed with the Chairperson of the Joint Legislative Budget Committee and the chairperson of the committee in each house that considers appropriations not later than 30 days prior to the effective date of the approval, or not sooner than whatever lesser time the chairperson of the joint committee, or his or her designee, may in each instance determine, except for an approval for an emergency expenditure. "Emergency expenditure," for this purpose, means an expenditure incurred in response to conditions of disaster or extreme peril that threaten the health or safety of persons or property within the state. This notification requirement is not applicable to caseload increases in Medi-Cal, California Work Opportunity and Responsibility to Kids (CalWORKs), and Supplemental Security Income/State Supplementary Program (SSI/SSP). All notifications shall include: (1) the date a deficiency request was received by the Department of Finance, (2) the reason for the proposed deficiency, (3) the approved amount, and (4) the basis of the department's determination that the expenditure for which the deficiency authorization is approved is required by a case of actual necessity.

(c) Approval for any emergency expenditure shall be made in writing and filed with the Chairperson of the Joint Legislative Budget Com-

mittee and the chairperson of the committee in each house that considers appropriations not later than 10 days after the effective date of the approval. All notices shall state the reason for and the amount of the deficiency, together with the director's determination that the expenditure for which the deficiency authorization is approved satisfies the criteria for emergency expenditures set forth in this section, and the basis for that determination.

(cx) Each notification of deficiency or emergency expenditure shall include a determination by the Director of Finance as to whether the expenditure was considered in a legislative budget committee and formal action was taken to not approve the expenditure within the previous fiscal year.

(d) The Department of Finance shall provide copies of all requests from agencies to spend at rates that will result in a deficiency appropriation, in an aggregate amount for the 1999–00 fiscal year that exceeds five hundred thousand dollars ($500,000), to the Chairperson of the Joint Legislative Budget Committee and the chairperson of the committee in each house that considers appropriations. The department shall submit these copies within 15 working days of receipt. The transmittal of this information to the Legislature shall not be construed by the requesting agency as approval of the deficiency request.

(e) The Department of Finance shall provide deficiency bill updates to the Chairperson of the Joint Legislative Budget Committee and the chairperson of the committee in each house that considers appropriations if requested by the Legislature or as deemed necessary by the Department of Finance.

SEC. 28.00. (a) It is the intent of the Legislature in enacting this section to provide flexibility for administrative approval of augmentations for the expenditure of unanticipated federal funds or other nonstate funds in cases that meet the criteria set forth in this section. However, this section is not intended to provide an alternative budget process, and proposals for additional spending ordinarily should be considered in the annual State Budget or other state legislation.

(b) The Director of Finance may authorize the augmentation of the amount available for expenditure for any program, project, or function in the schedule set forth for any appropriation in this act or any additional program, project, or function in the amount of any additional, unanticipated funds that he or she estimates will be received by the state during the 1999–00 fiscal year from any agency of local government or the federal government, or from any other nonstate source, provided that the additional funding meets all of the following requirements:

(1) The funds will be expended for a purpose that is consistent with state law.

(2) The funds are made available to the state under conditions permitting their use only for a specified purpose, and the additional expenditure proposed under this section would apply to that specified funding purpose.

(3) Acceptance of the additional funding does not impose on the state any requirement to commit or expend new state funds for any program or purpose.

(4) The need exists to expend the additional funding during the 1999–00 fiscal year.

(c) The Director of Finance also may reduce any program, project, or function whenever he or she determines that funds to be received will be less than the amount taken into consideration in the schedule.

(d) Any augmentation or reduction that exceeds either (1) two hundred thousand dollars ($200,000) or (2) 10 percent of the amount available for expenditure in the affected program, project, or function may be authorized not sooner than 30 days after notification in writing of the necessity therefor to the chairperson of the committee in each house of the Legislature that considers appropriations, the chairpersons of the committees, and the appropriate subcommittees, in each house that consider the State Budget, and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the Chairperson of the Joint Legislative Budget Committee, or his or her designee, may in each instance determine. With regard to any proposed augmentation, the notification shall state the basis for the determination by the Director of Finance that the augmentation meets each of the requirements set forth in subdivision (b). This notification requirement does not apply to federal funds related to caseload increases in Medi-Cal, California Work Opportunity and Responsibility to Kids (CalWORKs), and Supplemental Security Income/State Supplementary Program (SSI/SSP).

(e) Any personnel action that is dependent on funds subject to this section shall not be effective until after the provisions of this section have been complied with. Any authorization made pursuant to this section shall remain in effect for the period the director may determine in each instance, but in no event after June 30, 2000.

SEC. 28.50. (a) Except as otherwise provided by law, an officer, department, division, bureau, or other agency of the state may expend for the 1999–00 fiscal year all money received as reimbursement from another officer, department, division, bureau, or other agency of the state that has not been taken into consideration by this act or any other statute, upon the prior written approval of the Director of Finance. The Department of Finance may also reduce any reimbursement amount and related program, project, or function amount if funds received from another officer, department, division, bureau, or other agency of the state will be less than the amount taken into consideration in the schedule.

(b) For any expenditure of reimbursements or any transfer for the 1999–00 fiscal year that exceeds two hundred thousand dollars ($200,000), the Director of Finance shall provide notification in writing of any approval granted under this section, not less than 30 days prior to the effective date of that approval, to the chairperson of the committee in each house of the Legislature that considers appropriations, the

chairpersons of the committees and the appropriate subcommittees in each house of the Legislature that consider the State Budget, and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the Chairperson of the Joint Legislative Budget Committee, or his or her designee, may in each instance determine. Increases to reimbursements are not reportable under this section if the funding for the other officer, department, division, bureau, or other agency of the state providing the reimbursement has already been approved by the Legislature. These adjustments are considered technical in nature and are authorized in Section 1.50 of this act.

SEC. 29.00. The Department of Finance shall calculate and publish a listing of total personnel-years and estimated salary savings for each department and agency. These listings shall be published by the Department of Finance at the same time as the publication of (a) the Governor's Budget, (b) the May Revision and (c) the Final Change Book.

(a) The listing provided at the time of the publication of the Governor's Budget shall contain estimates of personnel-years for the prior year, current year, and budget year.

(b) The listing provided at the time of publication of the May Revision shall contain estimates of personnel-years proposed for the budget year.

(c) The listing provided at the time of the publication of the Final Change Book shall contain estimates of personnel-years for the budget year just enacted.

SEC. 30.00. Section 13340 of the Government Code is amended to read:

13340. (a) Except as provided in subdivision (b), on and after July 1, 2000, no moneys in that fund that, by any statute other than a Budget Act, is continuously appropriated without regard to fiscal years, may be encumbered unless the Legislature, by statute, specifies that the moneys in the fund are appropriated for encumbrance.

(b) Subdivision (a) does not apply to any of the following:

(1) The scheduled disbursement of any local sales and use tax proceeds to an entity of local government pursuant to Part 1.5 (commencing with Section 7200) of Division 2 of the Revenue and Taxation Code.

(2) The scheduled disbursement of any transactions and use tax proceeds to an entity of local government pursuant to Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code.

(3) The scheduled disbursement of any funds by a state or local agency or department that issues bonds and administers related programs for which funds are continuously appropriated as of June 30, 2000.

(4) Moneys that are deposited in proprietary or fiduciary funds of the California State University and that are continuously appropriated without regard to fiscal years.

SEC. 31.00. (a) The appropriations made by this act shall be subject, unless otherwise provided by law, to Section 13320 of, and Article 2.5 (commencing with Section 13332) of Chapter 3 of Part 3 of Division 3 of Title 2 of, the Government Code, requiring expenditures to be made in accordance with the allotments and other provisions of fiscal year budgets approved by the Department of Finance.

(b) The fiscal year budget shall authorize, in the manner that the Department of Finance shall prescribe, all established positions whose continuance for the year is approved and all new positions. No new position shall be established unless authorized by the Department of Finance on the basis of work program and organization.

(c) The Director of Finance, or his or her authorized designee, shall notify the Chairperson of the Joint Legislative Budget Committee within 30 days of authorizing any position not authorized for that fiscal year by the Legislature or any reclassification to a position with a minimum step per month of five thousand six hundred and three dollars ($5,603) as of July 1, 1999. He or she also shall report all transfers to blanket authorizations and the establishment of any permanent positions out of a blanket authorization.

(d) All positions administratively established pursuant to this section during the 1999–00 fiscal year shall terminate on June 30, 2000, except for those positions that have been (a) included in the Governor's Budget for the 2000–01 fiscal year as proposed new positions, or (b) approved by the Department of Finance and reported to the Legislature after the 2000–01 Governor's Budget submission to the Legislature. The positions identified in (a) and (b) above may be reestablished by the Department of Finance during the 2000–01 fiscal year, provided these positions are shown in the Governor's Budget for the 2001–02 fiscal year as submitted to the Legislature, or in subsequent Department of Finance letters to the Legislature, and provided that these positions do not result in the establishment of positions deleted by the Legislature through the budget process for the 2000–01 fiscal year.

(e) No money in any 1999–00 fiscal year appropriation not appropriated for that purpose may be expended for increases in salary ranges or any other employee compensation action unless the Department of Finance certifies to the salary and other compensation-setting authority, prior to the adoption of the action, that funds are available to pay the increased salary or employee compensation resulting from the action. Prior to certification, the Department of Finance shall determine whether the increase in salary range or employee compensation action will require supplemental funding in the 2000–01 fiscal year. If the Department of Finance determines that supplemental funding will be required, no certification shall be issued unless notification in writing is given by the Department of Finance, at least 30 days before certification is made, to the chairperson of the committee in each house that considers appropriations and the Chairperson of the Joint Legislative Budget Committee, or a lesser time which the chairperson of the joint committee, or his or her designee, determines.

(f) A certification on a payroll claim that expenditures therein are in accordance with current budgetary provisions as approved by the Department of Finance shall be sufficient evidence to the Controller that these expenditures comply with the provisions of this section.

SEC. 32.00. The officers of the various departments, boards, commissions, and institutions, for whose benefit and support appropriations are made in this act, are expressly forbidden to make any expenditures in excess of these appropriations unless the consent of the Department of Finance is first obtained, and a certificate in writing is duly signed by the director of the department seeking authority for the expenditure, certifying the unavoidable necessity of the expenditure. Any indebtedness attempted to be created against the state in violation of this section shall be null and void, and shall not be allowed by the Controller nor paid out of any state appropriation. Any member of a department, board, commission, or institution who shall vote for any expenditure, or create any indebtedness against the state in excess of the respective appropriations made by this act, unless the consent of the Department of Finance and the director's signature on the certificate, as required by this section, are first obtained, shall be liable both personally and on his or her official bond for the amount of the indebtedness, to be recovered in any court of competent jurisdiction by the person or persons, firm, or corporation to which the indebtedness is owing.

SEC. 33.00. If any item of appropriation in this act is vetoed, eliminated, or reduced by the Governor under Section 10 of Article IV of the California Constitution, while approving portions of this act, such veto, elimination, or reduction shall not affect the other portions of this act, and these other portions of this act, so approved, shall have the same effect in law as if any vetoed or eliminated items of appropriation had not been present in this act, and as if any reduced item of appropriation had not been reduced.

SEC. 34.00. If any portion of this act is held unconstitutional, that decision shall not affect the validity of any other portion of this act. The Legislature hereby declares that it would have passed this act, and each portion thereof, irrespective of the fact that any other portion be declared unconstitutional.

SEC. 36.00. This act, inasmuch as it provides for appropriations for the usual and current expenses of the state, shall, under the provisions of Section 8 of Article IV of the California Constitution, take effect immediately.

SEC. 37.00. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the California Constitution and shall go into immediate effect. The facts constituting the necessity are:

This act makes appropriations and contains related provisions for support of state and local government for the 1999–00 fiscal year and provides for capital outlay appropriations in continuation of existing

programs and to promote and sustain the economy of the state. It is imperative that these appropriations be available for expenditure commencing not later than July 1, 1999. It is therefore necessary that this act go into immediate effect.

INDEX BY BUDGET TITLE

SEC. 99.00. The following provides an index to the appropriations and related provisions of this act, by organization in alphabetical order, with the code number of the affected organization. The organization code is the first four numbers of any item number in this act. For ease of reference, the appropriation items in this act are organized in numerical order, and all of the appropriation items for any one organization are adjacent to one another.

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Air Resources Board, State	3900
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Architectural Examiners, California Board of	1130
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"C"	
California Tahoe Conservancy	3125
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Chiropractic Examiners, Board of	8500
Citizens Compensation Commission, California	8385
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Coastal Commission, California	3720
Coastal Conservancy, State	3760
Colorado River Board of California	3460
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Community Colleges, Board of Governors of the California	6870
Community Services and Development, Department of	4700
Conservation, Department of	3480
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Consumer Affairs-Regulatory Boards, Department of.	1120–1600
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Fair Political Practices Commission	8620
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Financial Institutions, Department of	2150
Fish and Game, Department of	3600
Food and Agriculture, Department of	8570
Forestry and Fire Protection, Department of	3540
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INDEX FOR CONTROL SECTIONS

SEC. 99.50. The following is an index to the general sections of this act. These sections serve to define terms and identify restrictions concerning the appropriations contained in this act.

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1.50 Intent and Format
2.00 Availability of Appropriations
3.00 Defines purposes of Appropriations
3.50 Benefit Charges against Salaries and Wages
3.60 Contribution to Public Employees' Retirement Benefits
4.20 Contribution to Public Employees' Contingency Reserve Fund
4.40 Federal Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA)
4.50 Rental Payments on Lease Revenue Bonds
5.00 Reporting of Claims, Judgments, and Settlements
5.25 Attorneys' Fees
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9.50 Minor Capital Outlay Projects
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11.50 Transfers pursuant to Section 6217 of the Public Resources Code
11.52 Transfer of Unencumbered Balance of Various Funds to the General Fund
11.60 Accounting of, and Allocations from, California Unitary Fund
11.61 Unitary Fund Transfer
12.00 State Appropriations Limit (SAL)
12.30 Special Fund for Economic Uncertainties
12.32 Proposition 98 Funding Guarantee
12.40 Mega-Item Flexibility
12.50 Charter Schools Categorical Funding
13.00 Legislative Counsel Bureau
14.00 Special Fund Loans Between Boards of the Department of Consumer Affairs
15.00 Transfer Teale Data Center Excess Reserves to General Fund and Special Fund
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CHAPTER 51

An act to add Article 3.6 (commencing with Section 32228) and Article 3.8 (commencing with Section 32239.5) to Chapter 2 of Part 19 of the Education Code, relating to school safety, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 30, 1999. Filed with Secretary of State July 1, 1999.]

The people of the State of California do enact as follows:

SECTION 1. Article 3.6 (commencing with Section 32228) is added to Chapter 2 of Part 19 of the Education Code, to read:

Article 3.6. School Safety and Violence Prevention Act

32228. (a) It is the intent of the Legislature that public schools serving pupils in grades 8 to 12, inclusive, have access to supplemental resources to establish programs and strategies that promote school safety and emphasize violence prevention among children and youth in the public schools.

(b) It is further the intent of the Legislature that schoolsites receiving funds pursuant to this article accomplish all of the following goals:

(1) Teach pupils techniques for resolving conflicts without violence.

(2) Train school staff and administrators to support and promote conflict resolution and mediation techniques for resolving conflicts between and among pupils.

(3) Reduce incidents of violence at the schoolsite.

32228.1. (a) The School Safety and Violence Prevention Act is hereby established. This statewide program shall be administered by the Superintendent of Public Instruction, who shall provide funds to school districts serving pupils in any of grades 8 to 12, inclusive, for the purpose of promoting school safety and reducing schoolsite violence. As a condition of receiving funds pursuant to this article, an eligible school district shall certify, on forms and in a manner required by the Superintendent of Public Instruction, that the funds will be used as described in this section.

(b) From funds appropriated in the annual Budget Act or any other measure, funds shall be allocated to school districts on the basis of enrollment of pupils in grades 8 to 12, inclusive, for any one or more of the following purposes:

(1) Providing schools with personnel, including, but not limited to, licensed or certificated school counselors, school social workers, school nurses, and school psychologists, who are trained in conflict

resolution. Any law enforcement personnel hired pursuant to this article shall be trained and sworn peace officers.

(2) Providing effective and accessible on-campus communication devices and other school safety infrastructure needs.

(3) Establishing an in-service training program for school staff to learn to identify at-risk pupils, to communicate effectively with those pupils, and to refer those pupils to appropriate counseling.

(4) Establishing cooperative arrangements with local law enforcement agencies for appropriate school-community relationships.

(5) For any other purpose that the school or school district determines that would materially contribute to meeting the goals and objectives of current law in providing for safe schools and preventing violence among pupils.

32228.2. Funds allocated pursuant to subdivision (b) of Section 32228.1 shall be allocated to school districts with jurisdiction over eligible schoolsites, based on enrollment, with a minimum allocation of five thousand dollars ($5,000) for each schoolsite, or a minimum allocation of ten thousand dollars ($10,000) for each school district, whichever is greater.

SEC. 2. Article 3.8 (commencing with Section 32239.5) is added to Chapter 2 of Part 19 of the Education Code, to read:

Article 3.8. School Violence Prevention and Response Task Force

32239.5. (a) This article shall be known, and may be cited, as the School Violence Prevention and Response Act of 1999.

(b) A School Violence Prevention and Response Task Force is hereby established, which shall consist of the following members:

(1) The Superintendent of Public Instruction, the Attorney General, the Director of the Office of Criminal Justice Planning, and the Secretary for Education shall be ex officio voting members of the School Violence Prevention and Response Task Force, and shall serve as cochairs of the task force.

(2) Twelve members representing educators, health care practitioners, and members of the law enforcement community, each with expertise in school-based crisis prevention and response appointed as follows:

(A) The Director of the Office of Criminal Justice Planning and the Attorney General shall each appoint three members to the task force. These appointments shall include representatives of the law enforcement and victims' services community. These appointments may include persons with expertise in juvenile justice, gang violence prevention, juvenile probation, victim assistance programs, crisis management, or academic experts in criminology or juvenile delinquency.

(B) The Superintendent of Public Instruction and the Secretary for Education shall each appoint three members to the task force.

These appointments shall include representative of the education and health care practitioner communities. These appointments may include classroom educators, school administrators, school counselors, school psychologists, parents, pupils, mental health providers, or academic experts in child development or violence prevention.

(c) The members of the task force may not receive a salary for their services but shall be reimbursed for their actual and necessary travel and other expenses incurred in the performance of their duties.

(d) The task force shall do all of the following:

(1) Analyze and evaluate current statutes and programs in the area of school-based crisis prevention and response.

(2) Make appropriate policy recommendations on how to enhance state and local programs and training to adequately prepare school districts and county offices of education to meet the challenges stemming from disruptive and violent acts, or both, on or near school campuses. These recommendations shall include a discussion regarding the manner in which the recommendations may be implemented within existing resources.

(3) Suggest methods for training school personnel on how to recognize risk indicators for pupils that could eventually lead to violence. These suggested methods shall include how to refer pupils to trained personnel, such as school psychologists, counselors, mental health providers, or other designated appropriate staff.

(4) Hold at least two public meetings.

(5) Report its findings and policy recommendations to the Legislature and the Governor on or before April 10, 2000.

(e) Each of the cochairs shall have the authority to convene subcommittee meetings. However, any findings or recommendations made by a subcommittee, or by any of the other members of the task force, shall be approved by at least three of the four voting members of the task force in order to be incorporated in the report described in paragraph (5) of subdivision (c).

(f) The Office of Criminal Justice Planning shall make staff resources available to the task force.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to facilitate the promotion of school safety and violence prevention at the earliest possible time, it is necessary that this act take effect immediately.

CHAPTER 52

An act to add Article 10.6 (commencing with Section 44650) of Chapter 3 of Part 25 of the Education Code, relating to certificated school employees, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 30, 1999. Filed with Secretary of State July 1, 1999.]

The people of the State of California do enact as follows:

SECTION 1. Article 10.6 (commencing with Section 44650) is added to Chapter 3 of Part 25 of the Education Code, to read:

Article 10.6. Certificated Staff Performance Awards for Improved Student Achievement In Underachieving Schools

44650. (a) The Certificated Staff Performance Incentive Act is hereby established for the purpose of awarding one-time performance awards to teachers and other certificated staff in underachieving schools, where the academic performance of pupils significantly improves beyond the minimum percentage growth target established pursuant to Section 52052.

(b) The State Board of Education shall establish criteria for determining the eligibility of schools to receive the awards and shall determine the amount to be allocated to a school, based on the number of teachers and other certificated staff eligible to receive an award. The maximum award allocated to a school per full-time equivalent certificated staff shall not exceed twenty-five thousand dollars ($25,000). The total amount of the awards allocated under this article shall not exceed the total amount appropriated for the purposes of this article.

(c) This article shall be implemented subject to the appropriation of funds for the purpose of this article in the annual Budget Act.

44651. (a) Any school district or charter school that maintains classes in kindergarten or any of grades 1 to 12, inclusive, may apply for funding under this article if it meets the conditions of subdivision (b). County boards of education, county superintendents of schools, and state agencies shall not be eligible to participate.

(b) To be eligible for funding under this article, a school shall meet all of the following conditions:

(1) The school's aggregate score for student performance on the state Academic Performance Index established pursuant to Section 52052 was below the 50th percentile relative to other public schools in the state in the prior year.

(2) The school has met the criteria established by the board pursuant to subdivision (b) of Section 44650.

44652. The Superintendent of Public Instruction shall allocate funds to school districts and charter schools that have certified to the superintendent that they satisfy the conditions of subdivision (b) of Section 44651, based on the amount determined pursuant to subdivision (b) of Section 44650. At the time of the allocation the Superintendent of Public Instruction shall notify the exclusive representatives of the teachers and other certificated staff in each district of the availability of these funds.

44653. Upon receiving an allocation from the Superintendent of Public Instruction for the purpose of awarding awards, the governing board of the school district shall negotiate individual teacher and other certificated staff salary award amounts with the exclusive representative of the bargaining unit of the teachers and other certificated staff. In the event that the governing board and the exclusive representative of teachers and other certificated staff do not reach an agreement regarding the amount of the award or if the teachers and other certificated staff are not represented by an exclusive bargaining representative, all teachers and other certificated staff at the school shall receive a salary award amount that is equal to a percentage of their base salary that is determined by dividing the total amount awarded to a school by the sum of the annual base salaries for teachers and other certificated staff of the school.

44654. (a) Funds awarded pursuant to this article shall not become part of a district's revenue limit, and shall be identified as a separate item of expenditure on any financial reports filed by school districts with the state pursuant to any state law or regulation.

(b) Salary award amounts received by teachers and other certificated staff pursuant to this article shall not be considered compensation for the purposes of calculating retirement benefits or contributions, or for any other benefit that an employee is eligible to receive where the benefit or contribution amount is calculated based on compensation.

(c) It is the intent of the Legislature that funds appropriated for the purposes of this article shall be fully expended based on the criteria established in subdivision (b) of Section 44650. However, if unexpended funds are available, they shall continue to be available for allocation for the intended purpose of the appropriation in subsequent years.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to make the statutory changes to implement the Budget Act of 1999 as soon as possible, it is necessary that the act take effect immediately.

CHAPTER 53

An act to add Section 45023.4 to the Education Code, relating to certificated employees, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 30, 1999. Filed with Secretary of State July 1, 1999.]

The people of the State of California do enact as follows:

SECTION 1. Section 45023.4 is added to the Education Code, to read:

45023.4. (a) This section shall be known, and may be cited, as the Jack O'Connell Beginning-Teacher Salary Incentive Program. Commencing in the 1999–2000 fiscal year the governing board of a school district, the county superintendent of schools, or the county board of education may increase, for teachers who meet the requirements of this subdivision, the salary on its adopted certificated employee salary schedule as provided in subdivision (b). Any school district that elects to meet the requirements of this section shall be eligible to receive the incentive amount provided by subdivision (c). For purposes of this section, any teacher for whom the governing board, county superintendent of schools, or county board of education may increase salaries shall meet all of the following criteria:

(1) Hold a valid California teaching credential, not including an emergency permit, intern permit, or waiver.

(2) Possess a baccalaureate or higher degree.

(3) Receive a salary paid from the general fund of the district or county office.

(b) The governing board, county superintendent of schools, or county board of education that elects to increase teachers' salaries as authorized pursuant to subdivision (a) shall perform the following computations:

(1) The governing board, county superintendent of schools, or county board of education shall designate as the lowest salary on the salary schedule for a certificated employee meeting or exceeding the criteria in subdivision (a) an amount equal to a minimum annual salary of thirty-two thousand dollars ($32,000). If such a salary change has costs to the school district or county office of education that are equal to or greater than the incentive received pursuant to subdivision (c), school districts and county offices of education whose costs are less than the incentive received shall use the remainder to increase the beginning salary by an amount above thirty-two thousand dollars ($32,000) which fully applies the incentive received.

(2) The governing board, county superintendent of schools, or county board of education shall increase to the annual salary amount

in paragraph (1) the salary of any certificated employee meeting the criteria in subdivision (a) whose salary on the salary schedule is less than the amount computed in paragraph (1) and, notwithstanding Section 45028, shall incorporate that increase into the salary schedule.

(3) The newly adopted salary schedule shall contain only one cell that meets the amount set forth in paragraph (1), which most often is the first-year step of a salary schedule column for certificated personnel who meet the criteria set forth in subdivision (a). All other salary schedule cells shall exceed the level set forth in paragraph (1) for personnel that meet the criteria in subdivision (a).

(c) In the 1999–2000 fiscal year, the Superintendent of Public Instruction shall divide the amount appropriated for the purposes of this section by the 1999–2000 second principal apportionment average daily attendance for school districts and county offices of education, increased by an amount necessary to compensate for the deficit factor calculated pursuant to Sections 2558.45 and 42238.145. The result of this calculation shall be made available in the 1999–2000 second principal apportionment to each school district and county office of education that certifies to the Superintendent of Public Instruction that it is in full compliance with this section.

(d) Each school district or county office of education that meets the requirements of subdivision (b) may adjust its revenue limit computed pursuant to Section 2550 or 42238 to reflect the amount received for purposes of calculating revenue limits for the 2000–01 fiscal year and each fiscal year thereafter.

(e) The adjustment to the district's revenue limit prescribed in subdivision (d) shall continue so long as the increase in the salary schedule made pursuant to paragraph (2) of subdivision (b) is maintained.

(f) The adjustment made to school district or county office of education revenue limits pursuant to subdivision (d) shall not be considered part of the base revenue limit for the purpose of computing equalization adjustments or determining other wealth-related differences in school funding.

(g) This section does not prohibit a school district and its employees from negotiating salary schedules.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to make the statutory changes necessary to authorize school districts to increase teaches' salaries, and to implement the Budget Act of 1999, it is necessary for this act to take effect immediately as an urgency measure.

CHAPTER 54

An act to add Section 15819.295 to the Government Code, relating to prison construction, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 4, 1999. Filed with Secretary of State July 6, 1999.]

The people of the State of California do enact as follows:

SECTION 1. The Department of Corrections is authorized to construct and establish a 2,248 cell maximum security prison, together with a 408 bed Level I support services facility in the vicinity of Delano in Kern County to be known as the California State Prison-Kern County at Delano II.

SEC. 2. Section 15819.295 is added to the Government Code, to read:

15819.295. (a) Notwithstanding Section 15819.29, the necessary funding for the construction of the California State Prison-Kern County at Delano II authorized by Section 1 of the act enacting this section may be obtained through lease-purchase financing arrangements. Sections 15819.1 to 15819.13, inclusive, and Section 15819.15 shall apply for this purpose provided that the following applies:

(1) "Prison facility" as used in Section 15819.1 includes the California State Prison-Kern County at Delano II.

(2) Notwithstanding the limitation imposed by Section 15819.3 regarding the amount of bonds to be issued for construction, acquisition, and financing of prison facilities, the State Public Works Board may issue additional bonds in order to pay the costs of acquiring and constructing or refinancing the California State Prison-Kern County at Delano II.

(b) Notwithstanding Section 13340, funds derived from the lease-purchase financing methods for the California State Prison-Kern County at Delano II deposited in the State Treasury, are hereby continuously appropriated to the State Public Works Board on behalf of the Department of Corrections for the purpose of acquiring and constructing or refinancing the prison facility so financed.

The sum of three hundred eleven million five hundred thousand dollars ($311,500,000) shall be available for capital outlay for the California State Prison-Kern County at Delano II from funds derived from lease-purchase financing methods.

A maximum of four million dollars ($4,000,000) of the funds may be available for mitigation costs of local government and school districts.

(c) California State Prison-Kern County at Delano II shall not be occupied until the Director of the Department of Finance finds and reports to the Legislature that the following has occurred:

The department has activated or made available a total of 9,000 in-prison therapeutic drug treatment slots or similar modalities.

(d) The State Public Works Board may authorize the augmentation of the cost of construction of the project set forth in this section pursuant to the board's authority under Section 13332.11. In addition, the State Public Works Board may authorize any additional amounts necessary to establish a reasonable construction reserve and to pay the costs of financing, including the payment of interest during acquisition or construction of the project, the cost of financing a debt service reserve fund, and the cost of issuance of permanent financing for the project. This additional amount may include interest payable on any interim loan for the facility from the General Fund, the Pooled Money Investment Account pursuant to Section 16312, or other interim financing programs.

SEC. 3. The sum of twenty-four million dollars ($24,000,000) is appropriated from the General Fund to the Department of Corrections for the purposes of site acquisition, site studies and suitability reports, environmental studies, master planning, architectural programming, schematics, preliminary plans, and working drawings for the California State Prison-Kern County, at Delano II.

SEC. 4. The sum of fifteen million five hundred thousand dollars ($15,500,000) is appropriated from the General Fund to the Department of Corrections to hire additional parole officers to reduce crime and recidivism and protect the public safety. Any funds not spent for this purpose in the 1999–2000 fiscal year shall revert to the General Fund.

SEC. 5. Upon a request by the Director of Corrections, the Director of Finance, upon legislative notification, may redirect from provisions 15, 17, 19, and 20 of Item 5240-001-0001 of the 1999 Budget Act to provisions 13 to 20, inclusive, of Item 5240-001-0001 of the 1999 Budget Act.

SEC. 6. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to provide for the necessary construction of prison facilities, it is necessary for this act to take effect immediately.

CHAPTER 55

An act to amend Section 12751 of, and to add and repeal Section 12751.5 of, the Public Utilities Code, relating to public utilities.

[Approved by Governor July 6, 1999. Filed with
Secretary of State July 6, 1999.]

The people of the State of California do enact as follows:

SECTION 1. Section 12751 of the Public Utilities Code is amended to read:

12751. (a) Except as specified in Section 12751.5, the purchase of all supplies and materials, when the expenditure required exceeds twenty-five thousand dollars ($25,000), or in a district that has a population of 250,000 or more, when the expenditure required exceeds fifty thousand dollars ($50,000), shall be by contract let to the lowest responsible bidder. Notice requesting bids shall be published pursuant to Section 6061 of the Government Code at least 10 days before bids are received. The district may reject any and all bids and readvertise in its discretion. The board may authorize the general manager to determine, in the discretion of the general manager, whether to reject all bids and whether, after the bids have been rejected, to readvertise.

(b) The dollar limit identified in subdivision (a) shall annually be adjusted upward or downward to reflect the percentage change in the Implicit Price Deflator for State and Local Government Purchases of Goods and Services for the United States, as published by the U.S. Department of Commerce. The annual adjustments shall be rounded to the nearest one thousand dollars ($1,000).

SEC. 2. Section 12751.5 is added to the Public Utilities Code, to read:

12751.5. (a) Notwithstanding Section 12751, the purchase of a vehicle shall be by contract let to the lowest responsible bidder if the expenditure required exceeds fifty thousand dollars ($50,000).

(b) This section shall remain in effect only until January 1, 2003, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2003, deletes or extends that date.

CHAPTER 56

An act to amend Section 55707 of, and to add Section 55704.5 to, the Government Code, relating to local government finance.

[Approved by Governor July 6, 1999. Filed with
Secretary of State July 6, 1999.]

The people of the State of California do enact as follows:

SECTION 1. Section 55704.5 is added to the Government Code, to read:

55704.5. Pursuant to subdivision (b) of Section 29 of Article XIII of the California Constitution, on or after November 4, 1998, counties, cities and counties, and cities may enter into contracts to apportion revenue between them, provided that both of the following conditions are met:

(a) Each contract is proposed in an ordinance or resolution of the governing body of each jurisdiction that is a party to that contract.

(b) Each proposing ordinance or resolution described in subdivision (a) is approved by a two-thirds vote of the governing body to which it is submitted.

SEC. 2. Section 55707 of the Government Code is amended to read:

55707. Except as otherwise provided in Section 55704.5, no contract entered into pursuant to this article shall be operative until it has been submitted at a general election or at a direct primary election to the qualified electors of each local agency that is a party thereto and receives a majority of all votes cast for and against it at that election in each local agency.

CHAPTER 57

An act to amend Section 3371 of the Financial Code, relating to banks.

[Approved by Governor July 6, 1999. Filed with Secretary of State July 6, 1999.]

The people of the State of California do enact as follows:

SECTION 1. Section 3371 of the Financial Code is amended to read:

3371. As used in this article:

(a) "Bank" means:

(1) Any commercial bank or trust company incorporated under the laws of this state.

(2) Any foreign (other nation) bank that is licensed by the commissioner under Article 3 (commencing with Section 1750) of Chapter 13.5 of this division to maintain a depositary agency or branch office (as defined in Section 1700) in this state, with respect to any office of that type.

(3) Any corporation incorporated under the laws of this state that is incorporated for the purpose of engaging in, or that is authorized by the commissioner to engage in, business under Article 1 (commencing with Section 3500) of Chapter 19.

(4) Any foreign corporation that is licensed by the commissioner under Article 1 (commencing with Section 3500) of Chapter 19 of this

division to maintain an office in this state and to transact at the office business under that article, with respect to any office of that type.

(5) When used to designate a person that extends credit, any subsidiary of a bank, as defined in paragraph (1), (2), (3), or (4).

(b) "Company" has the meaning set forth in subdivision (b) of Section 215.2 of Regulation O.

(c) "Executive officer" has the meaning set forth in paragraph (1) of subdivision (e) of Section 215.2 of Regulation O. Also, "executive officer," when used with respect to any bank of the type described in paragraph (2) or (4) of subdivision (a), includes the manager of each office of the type referred to in paragraph (2) or (4) of subdivision (a) that the bank maintains in this state.

(d) "Extension of credit" has the meaning set forth in Section 215.3 of Regulation O. However, for purposes of this subdivision, the term "member bank," as used in Section 215.3, means a bank.

(e) "Regulation O" means Regulation O (Part 215 (commencing with Section 215.1) of Title 12 of the Code of Federal Regulations) of the Board of Governors of the Federal Reserve System, as amended from time to time.

(f) "Subsidiary" has the meaning set forth in Section 1841(d) of Title 12 of the United States Code. However, for purposes of this subdivision, the term "bank holding company," as used in Section 1841(d) of Title 12 of the United States Code, means a bank holding company, as defined in Section 1841(a) of Title 12 of the United States Code, or a bank, and the term "board," as used in Section 1841(d) of Title 12 of the United States Code, means the commissioner.

CHAPTER 58

An act to amend Sections 17053.47 and 23622.8 of the Revenue and Taxation Code, relating to taxation.

[Approved by Governor July 6, 1999. Filed with Secretary of State July 6, 1999.]

The people of the State of California do enact as follows:

SECTION 1. Section 17053.47 of the Revenue and Taxation Code is amended to read:

17053.47. (a) For each taxable year beginning on or after January 1, 1998, there shall be allowed a credit against the "net tax" (as defined in Section 17039) to a qualified taxpayer for hiring a qualified disadvantaged individual during the taxable year for employment in the Manufacturing Enhancement Area. The credit shall be equal to the sum of each of the following:

(1) Fifty percent of the qualified wages in the first year of employment.

(2) Forty percent of the qualified wages in the second year of employment.

(3) Thirty percent of the qualified wages in the third year of employment.

(4) Twenty percent of the qualified wages in the fourth year of employment.

(5) Ten percent of the qualified wages in the fifth year of employment.

(b) For purposes of this section:

(1) "Qualified wages" means:

(A) That portion of wages paid or incurred by the qualified taxpayer during the taxable year to qualified disadvantaged individuals that does not exceed 150 percent of the minimum wage.

(B) The total amount of qualified wages which may be taken into account for purposes of claiming the credit allowed under this section shall not exceed two million dollars ($2,000,000) per taxable year.

(C) Wages received during the 60-month period beginning with the first day the qualified disadvantaged individual commences employment with the qualified taxpayer. Reemployment in connection with any increase, including a regularly occurring seasonal increase, in the trade or business operations of the taxpayer does not constitute commencement of employment for purposes of this section.

(D) Qualified wages do not include any wages paid or incurred by the qualified taxpayer on or after the Manufacturing Enhancement Area expiration date. However, wages paid or incurred with respect to qualified employees who are employed by the qualified taxpayer within the Manufacturing Enhancement Area within the 60-month period prior to the Manufacturing Enhancement Area expiration date shall continue to qualify for the credit under this section after the Manufacturing Enhancement Area expiration date, in accordance with all provisions of this section applied as if the Manufacturing Enhancement Area designation were still in existence and binding.

(2) "Minimum wage" means the wage established by the Industrial Welfare Commission as provided for in Chapter 1 (commencing with Section 1171) of Part 4 of Division 2 of the Labor Code.

(3) "Manufacturing Enhancement Area" means an area designated pursuant to Section 7073.8 of the Government Code according to the procedures of Chapter 12.8 (commencing with Section 7070) of Division 7 of Title 1 of the Government Code.

(4) "Manufacturing Enhancement Area expiration date" means the date the Manufacturing Enhancement Area designation expires, is no longer binding, or becomes inoperative.

(5) "Qualified disadvantaged individual" means an individual who satisfies all of the following requirements:

(A) (i) At least 90 percent of whose services for the qualified taxpayer during the taxable year are directly related to the conduct of the qualified taxpayer's trade or business located in a Manufacturing Enhancement Area.

(ii) Who performs at least 50 percent of his or her services for the qualified taxpayer during the taxable year in the Manufacturing Enhancement Area.

(B) Who is hired by the qualified taxpayer after the designation of the area as a Manufacturing Enhancement Area in which the individual's services were primarily performed.

(C) Who is any of the following immediately preceding the individual's commencement of employment with the qualified taxpayer:

(i) An individual who has been determined eligible for services under the federal Job Training Partnership Act (29 U.S.C. Sec. 1501 et seq.), or its successor.

(ii) Any voluntary or mandatory registrant under the Greater Avenues for Independence Act of 1985, or its successor, as provided pursuant to Article 3.2 (commencing with Section 11320) of Chapter 2 of Part 3 of Division 9 of the Welfare and Institutions Code.

(iii) Any individual who has been certified eligible by the Employment Development Department under the federal Targeted Jobs Tax Credit Program, or its successor, whether or not this program is in effect.

(6) "Qualified taxpayer" means any taxpayer engaged in a trade or business within a Manufacturing Enhancement Area designated pursuant to Section 7073.8 of the Government Code and who meets both of the following requirements:

(A) Is engaged in those lines of business described in Codes 2011 to 3999, inclusive, of the Standard Industrial Classification (SIC) Manual published by the United States Office of Management and Budget, 1987 edition.

(B) At least 50 percent of the qualified taxpayer's work force hired after the designation of the Manufacturing Enhancement Area is composed of individuals who, at the time of hire, are residents of the county in which the Manufacturing Enhancement Area is located.

(C) Of this percentage of local hires, at least 30 percent shall be qualified disadvantaged individuals.

(7) "Seasonal employment" means employment by a qualified taxpayer that has regular and predictable substantial reductions in trade or business operations.

(c) (1) For purposes of this section, all of the following apply:

(A) All employees of trades or businesses that are under common control shall be treated as employed by a single qualified taxpayer.

(B) The credit (if any) allowable by this section with respect to each trade or business shall be determined by reference to its proportionate share of the expense of the qualified wages giving rise to the credit and shall be allocated in that manner.

(C) Principles that apply in the case of controlled groups of corporations, as specified in subdivision (d) of Section 23622.7, shall apply with respect to determining employment.

(2) If a qualified taxpayer acquires the major portion of a trade or business of another employer (hereinafter in this paragraph referred to as the "predecessor") or the major portion of a separate unit of a trade or business of a predecessor, then, for purposes of applying this section (other than subdivision (d)) for any calendar year ending after that acquisition, the employment relationship between a qualified disadvantaged individual and a qualified taxpayer shall not be treated as terminated if the qualified disadvantaged individual continues to be employed in that trade or business.

(d) (1) (A) If the employment, other than seasonal employment, of any qualified disadvantaged individual, with respect to whom qualified wages are taken into account under subdivision (b) is terminated by the qualified taxpayer at any time during the first 270 days of that employment (whether or not consecutive) or before the close of the 270th calendar day after the day in which that qualified disadvantaged individual completes 90 days of employment with the qualified taxpayer, the tax imposed by this part for the taxable year in which that employment is terminated shall be increased by an amount equal to the credit allowed under subdivision (a) for that taxable year and all prior taxable years attributable to qualified wages paid or incurred with respect to that qualified disadvantaged individual.

(B) If the seasonal employment of any qualified disadvantaged individual, with respect to whom qualified wages are taken into account under subdivision (a) is not continued by the qualified taxpayer for a period of 270 days of employment during the 60-month period beginning with the day the qualified disadvantaged individual commences seasonal employment with the qualified taxpayer, the tax imposed by this part, for the taxable year that includes the 60th month following the month in which the qualified disadvantaged individual commences seasonal employment with the qualified taxpayer, shall be increased by an amount equal to the credit allowed under subdivision (a) for that taxable year and all prior taxable years attributable to qualified wages paid or incurred with respect to that qualified disadvantaged individual.

(2) (A) Subparagraph (A) of paragraph (1) does not apply to any of the following:

(i) A termination of employment of a qualified disadvantaged individual who voluntarily leaves the employment of the qualified taxpayer.

(ii) A termination of employment of a qualified disadvantaged individual who, before the close of the period referred to in subparagraph (A) of paragraph (1), becomes disabled to perform the services of that employment, unless that disability is removed before

the close of that period and the taxpayer fails to offer reemployment to that individual.

(iii) A termination of employment of a qualified disadvantaged individual, if it is determined that the termination was due to the misconduct (as defined in Sections 1256-30 to 1256-43, inclusive, of Title 22 of the California Code of Regulations) of that individual.

(iv) A termination of employment of a qualified disadvantaged individual due to a substantial reduction in the trade or business operations of the qualified taxpayer.

(v) A termination of employment of a qualified disadvantaged individual, if that individual is replaced by other qualified disadvantaged individuals so as to create a net increase in both the number of employees and the hours of employment.

(B) Subparagraph (B) of paragraph (1) shall not apply to any of the following:

(i) A failure to continue the seasonal employment of a qualified disadvantaged individual who voluntarily fails to return to the seasonal employment of the qualified taxpayer.

(ii) A failure to continue the seasonal employment of a qualified disadvantaged individual who, before the close of the period referred to in subparagraph (B) of paragraph (1), becomes disabled and unable to perform the services of that seasonal employment, unless that disability is removed before the close of that period and the qualified taxpayer fails to offer seasonal employment to that qualified disadvantaged individual.

(iii) A failure to continue the seasonal employment of a qualified disadvantaged individual, if it is determined that the failure to continue the seasonal employment was due to the misconduct (as defined in Sections 1256-30 to 1256-43, inclusive, of Title 22 of the California Code of Regulations) of that qualified disadvantaged individual.

(iv) A failure to continue seasonal employment of a qualified disadvantaged individual due to a substantial reduction in the regular seasonal trade or business operations of the qualified taxpayer.

(v) A failure to continue the seasonal employment of a qualified disadvantaged individual, if that qualified disadvantaged individual is replaced by other qualified disadvantaged individuals so as to create a net increase in both the number of seasonal employees and the hours of seasonal employment.

(C) For purposes of paragraph (1), the employment relationship between the qualified taxpayer and a qualified disadvantaged individual shall not be treated as terminated by reason of a mere change in the form of conducting the trade or business of the qualified taxpayer, if the qualified disadvantaged individual continues to be employed in that trade or business and the qualified taxpayer retains a substantial interest in that trade or business.

(3) Any increase in tax under paragraph (1) shall not be treated as tax imposed by this part for purposes of determining the amount of any credit allowable under this part.

(e) In the case of an estate or trust, both of the following apply:

(1) The qualified wages for any taxable year shall be apportioned between the estate or trust and the beneficiaries on the basis of the income of the estate or trust allocable to each.

(2) Any beneficiary to whom any qualified wages have been apportioned under paragraph (1) shall be treated (for purposes of this part) as the employer with respect to those wages.

(f) The credit shall be reduced by the credit allowed under Section 17053.7. The credit shall also be reduced by the federal credit allowed under Section 51 of the Internal Revenue Code.

In addition, any deduction otherwise allowed under this part for the wages or salaries paid or incurred by the qualified taxpayer upon which the credit is based shall be reduced by the amount of the credit, prior to any reduction required by subdivision (g) or (h).

(g) In the case where the credit otherwise allowed under this section exceeds the "net tax" for the taxable year, that portion of the credit that exceeds the "net tax" may be carried over and added to the credit, if any, in succeeding years, until the credit is exhausted. The credit shall be applied first to the earliest taxable years possible.

(h) (1) The amount of credit otherwise allowed under this section, including prior year credit carryovers, that may reduce the "net tax" for the taxable year shall not exceed the amount of tax that would be imposed on the qualified taxpayer's business income attributed to a Manufacturing Enhancement Area determined as if that attributed income represented all of the net income of the qualified taxpayer subject to tax under this part.

(2) Attributable income shall be that portion of the taxpayer's California source business income that is apportioned to the Manufacturing Enhancement Area. For that purpose, the taxpayer's business income that is attributable to sources in this state first shall be determined in accordance with Chapter 17 (commencing with Section 25101) of Part 11. That business income shall be further apportioned to the Manufacturing Enhancement Area in accordance with Article 2 (commencing with Section 25120) of Chapter 17 of Part 11, modified for purposes of this section in accordance with paragraph (3).

(3) Income shall be apportioned to a Manufacturing Enhancement Area by multiplying the total California business income of the taxpayer by a fraction, the numerator of which is the property factor plus the payroll factor, and the denominator of which is two. For purposes of this paragraph:

(A) The property factor is a fraction, the numerator of which is the average value of the taxpayer's real and tangible personal property owned or rented and used in the Manufacturing Enhancement Area during the taxable year, and the denominator of which is the average

value of all the taxpayer's real and tangible personal property owned or rented and used in this state during the taxable year.

(B) The payroll factor is a fraction, the numerator of which is the total amount paid by the taxpayer in the Manufacturing Enhancement Area during the taxable year for compensation, and the denominator of which is the total compensation paid by the taxpayer in this state during the taxable year.

(4) The portion of any credit remaining, if any, after application of this subdivision, shall be carried over to succeeding taxable years, as if it were an amount exceeding the "net tax" for the taxable year, as provided in subdivision (g).

(i) If the taxpayer is allowed a credit pursuant to this section for qualified wages paid or incurred, only one credit shall be allowed to the taxpayer under this part with respect to any wage consisting in whole or in part of those qualified wages.

SEC. 2. Section 23622.8 of the Revenue and Taxation Code is amended to read:

23622.8. (a) For each income year beginning on or after January 1, 1998, there shall be allowed a credit against the "tax" (as defined in Section 23036) to a qualified taxpayer for hiring a qualified disadvantaged individual during the income year for employment in the Manufacturing Enhancement Area. The credit shall be equal to the sum of each of the following:

(1) Fifty percent of the qualified wages in the first year of employment.

(2) Forty percent of the qualified wages in the second year of employment.

(3) Thirty percent of the qualified wages in the third year of employment.

(4) Twenty percent of the qualified wages in the fourth year of employment.

(5) Ten percent of the qualified wages in the fifth year of employment.

(b) For purposes of this section:

(1) "Qualified wages" means:

(A) That portion of wages paid or incurred by the qualified taxpayer during the income year to qualified disadvantaged individuals that does not exceed 150 percent of the minimum wage.

(B) The total amount of qualified wages which may be taken into account for purposes of claiming the credit allowed under this section shall not exceed two million dollars ($2,000,000) per income year.

(C) Wages received during the 60-month period beginning with the first day the qualified disadvantaged individual commences employment with the qualified taxpayer. Reemployment in connection with any increase, including a regularly occurring seasonal increase, in the trade or business operations of the qualified taxpayer does not constitute commencement of employment for purposes of this section.

(D) Qualified wages do not include any wages paid or incurred by the qualified taxpayer on or after the Manufacturing Enhancement Area expiration date. However, wages paid or incurred with respect to qualified employees who are employed by the qualified taxpayer within the Manufacturing Enhancement Area within the 60-month period prior to the Manufacturing Enhancement Area expiration date shall continue to qualify for the credit under this section after the Manufacturing Enhancement Area expiration date, in accordance with all provisions of this section applied as if the Manufacturing Enhancement Area designation were still in existence and binding.

(2) "Minimum wage" means the wage established by the Industrial Welfare Commission as provided for in Chapter 1 (commencing with Section 1171) of Part 4 of Division 2 of the Labor Code.

(3) "Manufacturing Enhancement Area" means an area designated pursuant to Section 7073.8 of the Government Code according to the procedures of Chapter 12.8 (commencing with Section 7070) of Division 7 of Title 1 of the Government Code.

(4) "Manufacturing Enhancement Area expiration date" means the date the Manufacturing Enhancement Area designation expires, is no longer binding, or becomes inoperative.

(5) "Qualified disadvantaged individual" means an individual who satisfies all of the following requirements:

(A) (i) At least 90 percent of whose services for the qualified taxpayer during the income year are directly related to the conduct of the qualified taxpayer's trade or business located in a Manufacturing Enhancement Area.

(ii) Who performs at least 50 percent of his or her services for the qualified taxpayer during the income year in the Manufacturing Enhancement Area.

(B) Who is hired by the qualified taxpayer after the designation of the area as a Manufacturing Enhancement Area in which the individual's services were primarily performed.

(C) Who is any of the following immediately preceding the individual's commencement of employment with the qualified taxpayer:

(i) An individual who has been determined eligible for services under the federal Job Training Partnership Act (29 U.S.C. Sec. 1501 et seq.), or its successor.

(ii) Any voluntary or mandatory registrant under the Greater Avenues for Independence Act of 1985, or its successor, as provided pursuant to Article 3.2 (commencing with Section 11320) of Chapter 2 of Part 3 of Division 9 of the Welfare and Institutions Code.

(iii) Any individual who has been certified eligible by the Employment Development Department under the federal Targeted Jobs Tax Credit Program, or its successor, whether or not this program is in effect.

(6) "Qualified taxpayer" means any corporation engaged in a trade or business within a Manufacturing Enhancement Area designated pursuant to Section 7073.8 of the Government Code and that meets all of the following requirements:

(A) Is engaged in those lines of business described in Codes 2011 to 3999, inclusive, of the Standard Industrial Classification (SIC) Manual published by the United States Office of Management and Budget, 1987 edition.

(B) At least 50 percent of the qualified taxpayer's work force hired after the designation of the Manufacturing Enhancement Area is composed of individuals who, at the time of hire, are residents of the county in which the Manufacturing Enhancement Area is located.

(C) Of this percentage of local hires, at least 30 percent shall be qualified disadvantaged individuals.

(7) "Seasonal employment" means employment by a qualified taxpayer that has regular and predictable substantial reductions in trade or business operations.

(c) (1) For purposes of this section, all of the following apply:

(A) All employees of all corporations that are members of the same controlled group of corporations shall be treated as employed by a single qualified taxpayer.

(B) The credit (if any) allowable by this section with respect to each member shall be determined by reference to its proportionate share of the expenses of the qualified wages giving rise to the credit and shall be allocated in that manner.

(C) Principles that apply in the case of controlled groups of corporations, as specified in subdivision (d) of Section 23622.7, shall apply with respect to determining employment.

(2) If a qualified taxpayer acquires the major portion of a trade or business of another employer (hereinafter in this paragraph referred to as the "predecessor") or the major portion of a separate unit of a trade or business of a predecessor, then, for purposes of applying this section (other than subdivision (d)) for any calendar year ending after that acquisition, the employment relationship between a qualified disadvantaged individual and a qualified taxpayer shall not be treated as terminated if the qualified disadvantaged individual continues to be employed in that trade or business.

(d) (1) (A) If the employment, other than seasonal employment, of any qualified disadvantaged individual, with respect to whom qualified wages are taken into account under subdivision (b) is terminated by the qualified taxpayer at any time during the first 270 days of that employment (whether or not consecutive) or before the close of the 270th calendar day after the day in which that qualified disadvantaged individual completes 90 days of employment with the qualified taxpayer, the tax imposed by this part for the income year in which that employment is terminated shall be increased by an amount equal to the credit allowed under subdivision (a) for that income year and all prior income years attributable to

qualified wages paid or incurred with respect to that qualified disadvantaged individual.

(B) If the seasonal employment of any qualified disadvantaged individual, with respect to whom qualified wages are taken into account under subdivision (a) is not continued by the qualified taxpayer for a period of 270 days of employment during the 60-month period beginning with the day the qualified disadvantaged individual commences seasonal employment with the qualified taxpayer, the tax imposed by this part, for the income year that includes the 60th month following the month in which the qualified disadvantaged individual commences seasonal employment with the qualified taxpayer, shall be increased by an amount equal to the credit allowed under subdivision (a) for that income year and all prior income years attributable to qualified wages paid or incurred with respect to that qualified disadvantaged individual.

(2) (A) Subparagraph (A) of paragraph (1) does not apply to any of the following:

(i) A termination of employment of a qualified disadvantaged individual who voluntarily leaves the employment of the qualified taxpayer.

(ii) A termination of employment of a qualified disadvantaged individual who, before the close of the period referred to in subparagraph (A) of paragraph (1), becomes disabled to perform the services of that employment, unless that disability is removed before the close of that period and the qualified taxpayer fails to offer reemployment to that individual.

(iii) A termination of employment of a qualified disadvantaged individual, if it is determined that the termination was due to the misconduct (as defined in Sections 1256-30 to 1256-43, inclusive, of Title 22 of the California Code of Regulations) of that individual.

(iv) A termination of employment of a qualified disadvantaged individual due to a substantial reduction in the trade or business operations of the qualified taxpayer.

(v) A termination of employment of a qualified disadvantaged individual, if that individual is replaced by other qualified disadvantaged individuals so as to create a net increase in both the number of employees and the hours of employment.

(B) Subparagraph (B) of paragraph (1) shall not apply to any of the following:

(i) A failure to continue the seasonal employment of a qualified disadvantaged individual who voluntarily fails to return to the seasonal employment of the qualified taxpayer.

(ii) A failure to continue the seasonal employment of a qualified disadvantaged individual who, before the close of the period referred to in subparagraph (B) of paragraph (1), becomes disabled and unable to perform the services of that seasonal employment, unless that disability is removed before the close of that period and the

qualified taxpayer fails to offer seasonal employment to that qualified disadvantaged individual.

(iii) A failure to continue the seasonal employment of a qualified disadvantaged individual, if it is determined that the failure to continue the seasonal employment was due to the misconduct (as defined in Sections 1256-30 to 1256-43, inclusive, of Title 22 of the California Code of Regulations) of that qualified disadvantaged individual.

(iv) A failure to continue seasonal employment of a qualified disadvantaged individual due to a substantial reduction in the regular seasonal trade or business operations of the qualified taxpayer.

(v) A failure to continue the seasonal employment of a qualified disadvantaged individual, if that qualified disadvantaged individual is replaced by other qualified disadvantaged individuals so as to create a net increase in both the number of seasonal employees and the hours of seasonal employment.

(C) For purposes of paragraph (1), the employment relationship between the qualified taxpayer and a qualified disadvantaged individual shall not be treated as terminated by either of the following:

(i) By a transaction to which Section 381(a) of the Internal Revenue Code applies, if the qualified disadvantaged individual continues to be employed by the acquiring corporation.

(ii) By reason of a mere change in the form of conducting the trade or business of the qualified taxpayer, if the qualified disadvantaged individual continues to be employed in that trade or business and the qualified taxpayer retains a substantial interest in that trade or business.

(3) Any increase in tax under paragraph (1) shall not be treated as tax imposed by this part for purposes of determining the amount of any credit allowable under this part.

(e) The credit shall be reduced by the credit allowed under Section 23621. The credit shall also be reduced by the federal credit allowed under Section 51 of the Internal Revenue Code.

In addition, any deduction otherwise allowed under this part for the wages or salaries paid or incurred by the qualified taxpayer upon which the credit is based shall be reduced by the amount of the credit, prior to any reduction required by subdivision (f) or (g).

(f) In the case where the credit otherwise allowed under this section exceeds the "tax" for the income year, that portion of the credit that exceeds the "tax" may be carried over and added to the credit, if any, in succeeding years, until the credit is exhausted. The credit shall be applied first to the earliest income years possible.

(g) (1) The amount of credit otherwise allowed under this section, including prior year credit carryovers, that may reduce the "tax" for the income year shall not exceed the amount of tax that would be imposed on the qualified taxpayer's business income attributed to a Manufacturing Enhancement Area determined as if

that attributed income represented all of the net income of the qualified taxpayer subject to tax under this part.

(2) Attributable income is that portion of the taxpayer's California source business income that is apportioned to the Manufacturing Enhancement Area. For that purpose, the taxpayer's business income attributable to sources in this state first shall be determined in accordance with Chapter 17 (commencing with Section 25101). That business income shall be further apportioned to the Manufacturing Enhancement Area in accordance with Article 2 (commencing with Section 25120) of Chapter 17, modified for purposes of this section in accordance with paragraph (3).

(3) Income shall be apportioned to a Manufacturing Enhancement Area by multiplying the total California business income of the taxpayer by a fraction, the numerator of which is the property factor plus the payroll factor, and the denominator of which is two. For the purposes of this paragraph:

(A) The property factor is a fraction, the numerator of which is the average value of the taxpayer's real and tangible personal property owned or rented and used in the Manufacturing Enhancement Area during the taxable year, and the denominator of which is the average value of all the taxpayer's real and tangible personal property owned or rented and used in this state during the taxable year.

(B) The payroll factor is a fraction, the numerator of which is the total amount paid by the taxpayer in the Manufacturing Enhancement Area during the taxable year for compensation, and the denominator of which is the total compensation paid by the taxpayer in this state during the taxable year.

(4) The portion of any credit remaining, if any, after application of this subdivision, shall be carried over to succeeding income years, as if it were an amount exceeding the "tax" for the income year, as provided in subdivision (g).

(h) If the taxpayer is allowed a credit pursuant to this section for qualified wages paid or incurred, only one credit shall be allowed to the taxpayer under this part with respect to any wage consisting in whole or in part of those qualified wages.

CHAPTER 59

An act to add Section 53395.9 to the Government Code, relating to infrastructure financing.

[Approved by Governor July 6, 1999. Filed with Secretary of State July 6, 1999.]

The people of the State of California do enact as follows:

SECTION 1. (a) The Salton Sea is California's largest body of water and a critical link in the Pacific Fly-Way, providing at least an interim habitat for more than half of the bird species found in the United States.

(b) The Salton Sea helps support the agricultural and tourism economies of the Imperial and Coachella Valleys, with the Salton Sea State Park being a destination of more than 200,000 visitors per year; in past years the park ranked second statewide in the number of visitors per annum.

(c) The Salton Sea's economic and environmental assets are at extreme peril as evidenced by the efforts of federal, state, local, and tribal governments to restore the sea to a sound and viable ecosystem.

(d) Section 53395 of the Government Code authorizes local governments to establish infrastructure finance districts to fund major capital improvements.

(e) Granting the Salton Sea Authority permission to form an infrastructure finance district will facilitate the authority's ability to engage in the restoration of the Salton Sea without creating a new municipality surrounding the sea.

(f) No new taxes, fees, or assessments are attendant to the creation of an infrastructure finance district, although the creation of that district requires a vote by the citizens or property owners affected, or both.

(g) Taxing entities within the geographical boundaries of the infrastructure finance district are neither obligated nor mandated to participate, but they may do so on a voluntary basis. However, there is a clear need to proceed as rapidly as possible toward the goal of restoring the Salton Sea to a state of ecological well-being. Accordingly, this measure is a logical and necessary step to achieve the result.

SEC. 2. Section 53395.9 is added to the Government Code, to read:

53395.9. (a) The Salton Sea Authority, a joint powers authority formed by the County of Imperial, the County of Riverside, the Coachella Valley Water District, and the Imperial Irrigation District, may use the provisions of this chapter to form an infrastructure financing district for the purpose of funding the construction of, and purchasing electrical power for, projects for the reclamation and environmental restoration of the Salton Sea. To the extent of any conflict, the provisions of this section shall prevail over any other provision of law. Any district formed pursuant to this section shall be known as "The Salton Sea Infrastructure Financing District."

(b) For purposes of this chapter, the Salton Sea Authority is a "city."

(c) The Salton Sea Infrastructure Financing District may exist for up to 40 years from the date of its formation.

(d) No public funds accruing to the Salton Sea Authority pursuant to this section shall be utilized for purposes of treating or making potable, agricultural tailwaters flowing into the Salton Sea.

CHAPTER 60

An act to amend Sections 726.5 and 736 of the Code of Civil Procedure, relating to real property.

[Approved by Governor July 6, 1999. Filed with Secretary of State July 6, 1999.]

The people of the State of California do enact as follows:

SECTION 1. Section 726.5 of the Code of Civil Procedure is amended to read:

726.5. (a) Notwithstanding subdivision (a) of Section 726 or any other provision of law except subdivision (d) of this section, a secured lender may elect between the following where the real property security is environmentally impaired and the borrower's obligations to the secured lender are in default:

(1) (A) Waiver of its lien against (i) any parcel of real property security that is environmentally impaired or is an affected parcel, and (ii) all or any portion of the fixtures and personal property attached to the parcels; and

(B) Exercise of (i) the rights and remedies of an unsecured creditor, including reduction of its claim against the borrower to judgment, and (ii) any other rights and remedies permitted by law.

(2) Exercise of (i) the rights and remedies of a creditor secured by a deed of trust or mortgage and, if applicable, a lien against fixtures or personal property attached to the real property security, and (ii) any other rights and remedies permitted by law.

(b) Before the secured lender may waive its lien against any parcel of real property security pursuant to paragraph (1) of subdivision (a) on the basis of the environmental impairment contemplated by paragraph (3) of subdivision (e), (i) the secured lender shall provide written notice of the default to the borrower, and (ii) the value of the subject real property security shall be established and its environmentally impaired status shall be confirmed by an order of a court of competent jurisdiction in an action brought by the secured lender against the borrower. The complaint for a valuation and confirmation action may include causes of action for a money judgment for all or part of the secured obligation in which case the waiver of the secured lender's liens under paragraph (1) of subdivision (a) shall result only if and when a final money judgment is obtained against the borrower.

(c) If a secured lender elects the rights and remedies permitted by paragraph (1) of subdivision (a) and the borrower's obligations are also secured by other real property security, fixtures, or personal property, the secured lender shall first foreclose against the additional collateral to the extent required by applicable law in which case the amount of the judgment of the secured lender pursuant to paragraph (1) of subdivision (a) shall be limited to the extent Section 580a or 580d, or subdivision (b) of Section 726 apply to the foreclosures of additional real property security. The borrower may waive or modify the foreclosure requirements of this subdivision provided that the waiver or modification is in writing and signed by the borrower after default.

(d) Subdivision (a) shall be inapplicable if all of the following are true:

(1) The release or threatened release was not knowingly or negligently caused or contributed to, or knowingly or willfully permitted or acquiesced to, by any of the following:

(A) The borrower or any related party.

(B) Any affiliate or agent of the borrower or any related party.

(2) In conjunction with the making, renewal, or modification of the loan, extension of credit, guaranty, or other obligation secured by the real property security, neither the borrower, any related party, nor any affiliate or agent of either the borrower or any related party had actual knowledge or notice of the release or threatened release, or if such a person had knowledge or notice of the release or threatened release, the borrower made written disclosure thereof to the secured lender after the secured lender's written request for information concerning the environmental condition of the real property security, or the secured lender otherwise obtained actual knowledge thereof, prior to the making, renewal, or modification of the obligation.

(e) For purposes of this section:

(1) "Affected parcel" means any portion of a parcel of real property security that is (A) contiguous to the environmentally impaired parcel, even if separated by roads, streets, utility easements, or railroad rights-of-way, (B) part of an approved or proposed subdivision within the meaning of Section 66424 of the Government Code, of which the environmentally impaired parcel is also a part, or (C) within 2,000 feet of the environmentally impaired parcel.

(2) "Borrower" means the trustor under a deed of trust, or a mortgagor under a mortgage, where the deed of trust or mortgage encumbers real property security and secures the performance of the trustor or mortgagor under a loan, extension of credit, guaranty, or other obligation. The term includes any successor-in-interest of the trustor or mortgagor to the real property security before the deed of trust or mortgage has been discharged, reconveyed, or foreclosed upon.

(3) "Environmentally impaired" means that the estimated costs to clean up and remediate a past or present release or threatened release of any hazardous substance into, onto, beneath, or from the real property security, not disclosed in writing to, or otherwise actually known by, the secured lender prior to the making of the loan or extension of credit secured by the real property security, exceeds 25 percent of the higher of the aggregate fair market value of all security for the loan or extension of credit (A) at the time of the making of the loan or extension of credit, or (B) at the time of the discovery of the release or threatened release by the secured lender. For the purposes of this definition, the estimated cost to clean up and remediate the contamination caused by the release or threatened release shall include only those costs that would be incurred reasonably and in good faith, and fair market value shall be determined without giving consideration to the release or threatened release, and shall be exclusive of the amount of all liens and encumbrances against the security that are senior in priority to the lien of the secured lender. Notwithstanding the foregoing, the real property security for any loan or extension of credit secured by a single parcel of real property which is included in the National Priorities List pursuant to Section 9605 of Title 42 of the United States Code, or in any list published by the State Department of Health Services pursuant to subdivision (b) of Section 25356 of the Health and Safety Code, shall be deemed to be environmentally impaired.

(4) "Hazardous substance" means (A) any "hazardous substance" as defined in subdivision (f) of Section 25281 of the Health and Safety Code as effective on January 1, 1991, or as subsequently amended, (B) any "waste" as defined in subdivision (d) of Section 13050 of the Water Code as effective on January 1, 1991, or as subsequently amended, or (C) petroleum, including crude oil or any fraction thereof, natural gas, natural gas liquids, liquefied natural gas, or synthetic gas usable for fuel, or any mixture thereof.

(5) "Real property security" means any real property and improvements, other than a separate interest and any related interest in the common area of a residential common interest development, as the terms "separate interest," "common area," and "common interest development" are defined in Section 1351 of the Civil Code, or real property which contains only 1 to 15 dwelling units, which in either case (A) is solely used (i) for residential purposes, or (ii) if reasonably contemplated by the parties to the deed of trust or mortgage, for residential purposes as well as limited agricultural or commercial purposes incidental thereto, and (B) is the subject of an issued certificate of occupancy unless the dwelling is to be owned and occupied by the borrower.

(6) "Related party" means any person who shares an ownership interest with the borrower in the real property security, or is a partner or joint venturer with the borrower in a partnership or joint

venture, the business of which includes the acquisition, development, use, lease, or sale of the real property security.

(7) "Release" means any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing into the environment, including continuing migration, of hazardous substances into, onto, or through soil, surface water, or groundwater. The term does not include actions directly relating to the incorporation in a lawful manner of building materials into a permanent improvement to the real property security.

(8) "Secured lender" means the beneficiary under a deed of trust against the real property security, or the mortgagee under a mortgage against the real property security, and any successor-in-interest of the beneficiary or mortgagee to the deed of trust or mortgage.

(f) This section shall not be construed to invalidate or otherwise affect in any manner any rights or obligations arising under contract in connection with a loan or extension of credit, including, without limitation, provisions limiting recourse.

(g) This section shall only apply to loans, extensions of credit, guaranties, or other obligations secured by real property security made, renewed, or modified on or after January 1, 1992.

SEC. 2. Section 736 of the Code of Civil Procedure is amended to read:

736. (a) Notwithstanding any other provision of law, a secured lender may bring an action for breach of contract against a borrower for breach of any environmental provision made by the borrower relating to the real property security, for the recovery of damages, and for the enforcement of the environmental provision, and that action or failure to foreclose first against collateral shall not constitute an action within the meaning of subdivision (a) of Section 726, or constitute a money judgment for a deficiency or a deficiency judgment within the meaning of Section 580a, 580b, or 580d, or subdivision (b) of Section 726. No injunction for the enforcement of an environmental provision may be issued after (1) the obligation secured by the real property security has been fully satisfied, or (2) all of the borrower's rights, title, and interest in and to the real property security has been transferred in a bona fide transaction to an unaffiliated third party for fair value.

(b) The damages a secured lender may recover pursuant to subdivision (a) shall be limited to reimbursement or indemnification of the following:

(1) If not pursuant to an order of any federal, state, or local governmental agency relating to the cleanup, remediation, or other response action required by applicable law, those costs relating to a reasonable and good faith cleanup, remediation, or other response action concerning a release or threatened release of hazardous substances which is anticipated by the environmental provision.

(2) If pursuant to an order of any federal, state, or local governmental agency relating to the cleanup, remediation, or other response action required by applicable law which is anticipated by the environmental provision, all amounts reasonably advanced in good faith by the secured lender in connection therewith, provided that the secured lender negotiated, or attempted to negotiate, in good faith to minimize the amounts it was required to advance under the order.

(3) Indemnification against all liabilities of the secured lender to any third party relating to the breach and not arising from acts, omissions, or other conduct which occur after the borrower is no longer an owner or operator of the real property security, and provided the secured lender is not responsible for the environmentally impaired condition of the real property security in accordance with the standards set forth in subdivision (d) of Section 726.5. For purposes of this paragraph, the term "owner or operator" means those persons described in Section 101(20)(A) of the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. Sec. 9601, et seq.).

(4) Attorneys' fees and costs incurred by the secured lender relating to the breach.

The damages a secured lender may recover pursuant to subdivision (a) shall not include (i) any part of the principal amount or accrued interest of the secured obligation, except for any amounts advanced by the secured lender to cure or mitigate the breach of the environmental provision that are added to the principal amount, and contractual interest thereon, or (ii) amounts which relate to a release which was knowingly permitted, caused, or contributed to by the secured lender or any affiliate or agent of the secured lender.

(c) A secured lender may not recover damages against a borrower pursuant to subdivision (a) for amounts advanced or obligations incurred for the cleanup or other remediation of real property security, and related attorneys' fees and costs, if all of the following are true:

(1) The original principal amount of, or commitment for, the loan or other obligation secured by the real property security did not exceed two hundred thousand dollars ($200,000).

(2) In conjunction with the secured lender's acceptance of the environmental provision, the secured lender agreed in writing to accept the real property security on the basis of a completed environmental site assessment and other relevant information from the borrower.

(3) The borrower did not permit, cause, or contribute to the release or threatened release.

(4) The deed of trust or mortgage covering the real property security has not been discharged, reconveyed, or foreclosed upon.

(d) This section is not intended to establish, abrogate, modify, limit, or otherwise affect any cause of action other than that provided

by subdivision (a) that a secured lender may have against a borrower under an environmental provision.

(e) This section shall apply only to environmental provisions contracted in conjunction with loans, extensions of credit, guaranties, or other obligations made, renewed, or modified on or after January 1, 1992. Notwithstanding the foregoing, this section shall not be construed to validate, invalidate, or otherwise affect in any manner the rights and obligations of the parties to, or the enforcement of, environmental provisions contracted before January 1, 1992.

(f) For purposes of this section:

(1) "Borrower" means the trustor under a deed of trust, or a mortgagor under a mortgage, where the deed of trust or mortgage encumbers real property security and secures the performance of the trustor or mortgagor under a loan, extension of credit, guaranty, or other obligation. The term includes any successor-in-interest of the trustor or mortgagor to the real property security before the deed of trust or mortgage has been discharged, reconveyed, or foreclosed upon.

(2) "Environmental provision" means any written representation, warranty, indemnity, promise, or covenant relating to the existence, location, nature, use, generation, manufacture, storage, disposal, handling, or past, present, or future release or threatened release, of any hazardous substance into, onto, beneath, or from the real property security, or to past, present, or future compliance with any law relating thereto, made by a borrower in conjunction with the making, renewal, or modification of a loan, extension of credit, guaranty, or other obligation involving the borrower, whether or not the representation, warranty, indemnity, promise, or covenant is or was contained in or secured by the deed of trust or mortgage, and whether or not the deed of trust or mortgage has been discharged, reconveyed, or foreclosed upon.

(3) "Hazardous substance" means (A) any "hazardous substance" as defined in subdivision (f) of Section 25281 of the Health and Safety Code as effective on January 1, 1991, or as subsequently amended, (B) any "waste" as defined in subdivision (d) of Section 13050 of the Water Code as effective on January 1, 1991, or as subsequently amended, or (C) petroleum, including crude oil or any fraction thereof, natural gas, natural gas liquids, liquefied natural gas, or synthetic gas usable for fuel, or any mixture thereof.

(4) "Real property security" means any real property and improvements, other than a separate interest and any related interest in the common area of a residential common interest development, as the terms "separate interest," "common area," and "common interest development" are defined in Section 1351 of the Civil Code, or real property which contains only 1 to 15 dwelling units, which in either case (A) is solely used (i) for residential purposes, or (ii) if reasonably contemplated by the parties to the deed of trust or mortgage, for residential purposes as well as limited

agricultural or commercial purposes incidental thereto, and (B) is the subject of an issued certificate of occupancy unless the dwelling is to be owned and occupied by the borrower.

(5) "Release" means any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing into the environment, including continuing migration, of hazardous substances into, onto, or through soil, surface water, or groundwater. The term does not include actions directly relating to the incorporation in a lawful manner of building materials into a permanent improvement to the real property security.

(6) "Secured lender" means the beneficiary under a deed of trust against the real property security, or the mortgagee under a mortgage against the real property security, and any successor-in-interest of the beneficiary or mortgagee to the deed of trust or mortgage.

CHAPTER 61

An act to amend Sections 7078, 91503, 91520, 91533, and 91560 of the Government Code, relating to the California Industrial Development Financing Act.

[Approved by Governor July 6, 1999. Filed with Secretary of State July 6, 1999.]

The people of the State of California do enact as follows:

SECTION 1. Section 7078 of the Government Code, as added by Chapter 955 of the Statutes of 1996, is amended to read:

7078. The limitations in Section 91503 on the allowable uses of proceeds of bonds issued pursuant to Title 10 (commencing with Section 91500) shall not apply to bonds issued on behalf of any enterprise zone or any portion of that zone.

SEC. 2. Section 91503 of the Government Code is amended to read:

91503. The property acquired pursuant to this article shall be suitable for, or shall evidence an obligation respecting, certain activities or uses. The activities or uses shall include one or more of the activities or uses described in subdivision (a) and, unless incidental to those activities or uses, shall not include any of the activities described in, and not excepted from, subdivision (b).

(a) (1) Industrial uses including, without limitation, assembling, fabricating, manufacturing, processing, or warehousing activities with respect to any products of agriculture, forestry, mining, or manufacture, if these activities have demonstrated job creation or retention potential.

(2) Energy development, production, collection, or conversion from one form of energy to another.

(3) Research and development activities relating to commerce or industry, including, without limitation, professional, administrative, and scientific office and laboratory activities or uses.

(4) Commercial uses located within an enterprise zone designated pursuant to Chapter 12.8 (commencing with Section 7070) of Division 7 of Title 1 or commercial activities within an empowerment zone and enterprise community designated pursuant to Section 1391 of the Internal Revenue Code of 1986, in effect on January 1, 1998.

(5) Processing or manufacturing recycled or reused products and materials by manufacturing facilities.

(b) (1) Residential real property for family unit or other housing activities.

(2) Airport, dock, wharf, or mass commuting activities, or storage or training activities related to any thereof.

(3) Sewage or solid waste disposal activities or electric energy or gas furnishing activities, unless the property acquired is suitable for one or more of the activities described in paragraph (2) of subdivision (a) and is not described in Section 142(f) of the Internal Revenue Code of 1986, as amended.

(4) Water furnishing activities.

(5) Any activities of persons qualifying as exempt persons under Section 501 of the Internal Revenue Code of 1986, as amended, undertaken by those persons, other than activities constituting an unrelated trade or business as described in Section 513 of that code.

SEC. 3. Section 91520 of the Government Code is amended to read:

91520. (a) There is in each public agency a public, corporate instrumentality of the State of California, known as the industrial development authority of the public agency. Each public agency is authorized to utilize that authority in the issuance of revenue bonds in the accomplishment of the public purposes as provided in Section 91502. The purposes provided in Section 91502 shall be deemed to constitute public purposes of the public agency, and the exercise by each authority of the powers conferred by this title, including the power to issue revenue bonds, shall be deemed to be the performance of an essential governmental function of the public agency; provided, however, that exercise of the powers conferred by this title in the achievement of the purposes provided in Section 91502 shall be subject to the provisions of, and exclusively as provided in, this article.

(b) An authority shall not transact any business or exercise any powers under this article unless, by ordinance, or, in the case of a redevelopment agency, by resolution, the governing body declares that there is a need for the authority and that the authority shall function. The ordinance shall be subject to referendum in the

manner prescribed by law for ordinances of the public agency. With respect to a redevelopment agency, the resolution provided for herein shall be subject to referendum in the manner prescribed by law for ordinances of the community in which the agency is located.

(c) An authority shall conclusively be deemed to have been established and authorized to transact business and exercise its powers upon proof of the adoption of such an ordinance or resolution.

(d) Notwithstanding any other provision contained in this article, a public agency shall have the power to transact any business or exercise any powers of an authority conferred by this title without having to establish an authority. However, a public agency may, at its option, establish an authority pursuant to the provisions of this article to exercise any powers conferred by this article. In the event that a public agency acts as an industrial development authority, any reference to authority and board contained in this title shall mean public agency and governing body, respectively.

SEC. 4. Section 91533 of the Government Code is amended to read:

91533. Authorities shall undertake projects by entry into project agreements in substance not inconsistent with the following:

(a) The company shall comply with (or cause to be complied with) all legal requirements relating to the project and the operation, repair, and maintenance of the facilities, including (1) obtaining any rezonings or variances, building, development, and other permits and approvals, and licenses and other entitlements for use, without regard to any exemption for public projects; and (2) securing the issuance of any certificates of need, convenience, and necessity or other certificates or franchises; and shall provide satisfactory evidence of compliance.

(b) The company shall comply with all conditions imposed by the public agency in its approval of the project pursuant to subdivision (f) of Section 91530.

(c) The company shall provide, or cause to be provided by others, all amounts required for the project and all property relating to the project that are not to be provided as or by expenditure of bond proceeds, and in the case of any amounts and property that the company proposes to cause to be provided by others, as by contract, grant, subsidy, loan, or other form of assistance, shall provide satisfactory evidence that those amounts and property will be provided when required.

(d) Expenditure of bond proceeds shall be supervised to assure proper application to the project.

(e) The company shall at its own expense insure, repair, and maintain the facilities, pay taxes with respect to its interests in the property relating to the project as Division 1 (commencing with Section 101) of the Revenue and Taxation Code requires, and pay assessments and other public charges secured by liens, upon those interests as constitute the tax base for property taxation on the same

basis as other property, or shall cause the same to be provided by others to the satisfaction of the authority.

(f) The amounts payable under the project agreements to or for the benefit of an authority shall in the aggregate not be less than amounts sufficient (1) to pay any bonds that shall be issued by the authority to pay the cost of the project, (2) to maintain any required reserves, (3) to make payments as may be required into any sinking fund or other similar fund, and (4) to pay those administration expenses that relate to the administration of the project agreements, the indenture, and the bonds.

(g) The term shall extend at least until the date on which all those bonds and all other obligations incurred by an authority in connection with a project shall have been paid in full or adequate funds for that payment shall have been otherwise provided.

(h) Such additional provisions as in the determination of the board are necessary or appropriate to effectuate the purposes of this article, including provisions for the following:

(1) For payments under the project agreements that include amounts for administration expenses in addition to the amounts that the agreement is required to obligate the company or others to pay.

(2) For payment before a facility exists or becomes functional, or after a facility has ceased to exist or be functional to any extent and from any cause.

(3) For payment whether or not the company is in possession or is entitled to be in possession of the facilities or for payment in the event of sale or other transfer of ownership of or the encumbering of the facilities.

(4) Relating to the carrying out and completion of the project, including the allocation of responsibility between the authority and the company regarding the acquisition of property, the making of other purchases, the contracting for construction of the facilities, with or without competitive bidding, and the payment therefor and the designation of particular deposits or investments otherwise authorized for the deposit, investment, and reinvestment of revenues.

(5) That some or all of the obligations of a company shall be unconditional and shall be binding and enforceable in all circumstances whatsoever notwithstanding any other provision of law.

(6) Relating to the use, maintenance, repair, insurance, and replacement of property relating to the project, such as the authority and the company deem necessary for the protection of themselves or others, including, but not limited to, liability insurance, and indemnification in the event of default.

(7) Defining events of default and providing remedies therefor, which may include an acceleration of future payments thereunder.

(i) The company shall provide for the payment of relocation assistance as provided by Chapter 16 (commencing with Section

7260) of Division 7 of Title 1, and shall reimburse the authority or the public agency, as the case may be, for relocation assistance services, and notwithstanding any other provision of this title, the authority shall determine that those services are provided and that relocation assistance payments are made.

(j) Notwithstanding any other provision of this title, projects undertaken and carried out pursuant to this title shall be consistent with the requirements of the general plan as contained in Article 5 (commencing with Section 65300) of Chapter 3 of Title 7 at the time of entry into the project agreement, or in the event inconsistent at that time, then at the time of delivery of any bonds.

(k) The company may, pursuant to project agreements, provide or cause to be provided other security, such as, but not limited to, an agreement of guaranty, either of itself or another person, or other consideration directly to the bondholders, their agent or the trustee under an indenture, and neither the company nor any such other person, shall be precluded by the project agreements from having other contractual relationships with those bondholders, agent or trustee.

(*l*) Authorities shall require, whether or not authorities, companies, or others are the contract awarding bodies, that on any construction, improvement, reconstruction, or rehabilitation financed in whole or in part by means of bonds issued pursuant to this title, the resolution of intention for which is adopted on or after January 1, 1983, all workers employed in that work, exclusive of maintenance work, shall be paid not less than the general prevailing rate of per diem wages for work of a similar character in the locality in which the work is performed, and not less than the general prevailing rate of per diem wages for holiday and overtime work. Those rates shall be determined by the Director of the Department of Industrial Relations in accordance with the standards set forth in Section 1773 of the Labor Code. The director's determination shall be final, and Sections 1773.1, 1773.5, 1774 and 1776 (excepting subdivision (f)) of the Labor Code shall apply.

SEC. 5. Section 91560 of the Government Code is amended to read:

91560. (a) The Legislature finds and declares that small businesses may have difficulty establishing adequate security for bonds issued by an authority in their behalf; that establishing common reserve funds will help to provide reasonable security for these bonds and will help to make the authority's services available to various small businesses that may be otherwise unable to use them.

(b) For the purpose of establishing and maintaining the common reserve funds it deems necessary or desirable to secure its bonds or any issuance thereof, the commission pursuant to this section or an authority, pursuant to its project agreements with companies, may levy fees or other charges on, or require deposits from, companies receiving financing for projects under this title. Prior to levying any

of these fees or charges or requiring deposits, the commission or an authority shall adopt regulations for the operation of the common reserve funds and governing the amounts and any payment schedule for the fees, charges, or deposits.

(c) Subject to any prior contractual obligations to any of its bondholders, the commission or an authority may establish one or more common reserve funds for any or all of its bonds. The commission shall establish its own liability limits of the common reserve fund with respect to any single issue of bonds issued by the commission, and each authority shall establish its liability limits of the common reserve fund with respect to any single issue of bonds issued by the authority subject to the approval of the commission.

(d) Each common reserve fund established pursuant to this section shall be deposited in a special account that shall be established by the Controller. Notwithstanding any other provision of law, all interest or other increment earned by investment or deposit of moneys in such an account pursuant to any provision of Part 2 (commencing with Section 16300) of Division 4 of Title 2 or pursuant to any other provision of law shall be credited to, and deposited in, the account.

CHAPTER 62

An act to amend Section 13 of the County Water Authority Act (Chapter 545 of the Statutes of 1943), relating to county water authorities.

[Approved by Governor July 6, 1999. Filed with Secretary of State July 6, 1999.]

The people of the State of California do enact as follows:

SECTION 1. Section 13 of the County Water Authority Act (Chapter 545 of the Statutes of 1943) is amended to read:

Sec. 13. (a) All matters and things necessary for the proper administration of the affairs of the authority that are not provided for in this act shall be provided for by the board of directors of the authority by ordinance or resolution. Any action required by this act to be done by resolution may be done, with equal validity, by ordinance.

(b) (1) The board of directors of the authority may adopt regulations regarding its facilities, property, and rights-of-way. The board of directors, by ordinance, may make a violation of any regulation adopted pursuant to this subdivision subject to an administrative fine.

(2) The board of directors shall set forth, by ordinance or resolution, the administrative procedures that govern the imposition,

enforcement, collection, and administrative review by the authority of those administrative fines.

(3) The amount of the administrative fine shall not exceed the maximum fine for infractions set forth in subdivision (b) of Section 25132 and subdivision (b) of Section 36900 of the Government Code. For the purpose of carrying out this subdivision, Section 53069.4 of the Government Code shall apply, except that any action required by that section to be taken by ordinance may be taken by resolution of the board of directors.

CHAPTER 63

An act to amend Section 31 of Chapter 953 of the Statutes of 1996, relating to local agencies.

[Approved by Governor July 6, 1999. Filed with Secretary of State July 6, 1999.]

The people of the State of California do enact as follows:

SECTION 1. Section 31 of Chapter 953 of the Statutes of 1996 is amended to read:

Sec. 31. (a) The Legislature finds and declares the following:

(1) The National Aeronautics and Space Administration (NASA) has contracted for the construction of a Reusable Launch Vehicle (RLV), also known as the "X-33."

(2) NASA plans for the RLV's first launch to occur in April 2000, at Edwards Air Force Base, located in the northern portion of the Antelope Valley.

(3) The RLV site will stimulate economic development of the area surrounding the base but may also encourage incompatible development within the RLV's flight path.

(4) Though the base is located in an unincorporated area of Los Angeles County that is not within the sphere of influence of the City of Lancaster, it is the Legislature's intent that the city and the county encourage compatible development within the RLV's flight path.

(5) It is the Legislature's intent to temporarily expand the City of Lancaster's sphere of influence to include the base and adjacent territory so that the city and the county may cooperate to discourage incompatible development in the areas that will be affected by the RLV's flight path.

(6) It is also the Legislature's intent to allow the City of Lancaster to expend specified funds outside its city limits but within its temporary sphere of influence to promote commercial space efforts, to retain and create commercial space jobs, and to develop commercial space infrastructure on and around the Edwards Air Force Base.

(b) Notwithstanding Chapter 4 (commencing with Section 56425) of Part 2 of Division 3 of Title 5 of the Government Code, the Legislature deems the City of Lancaster's sphere of influence to include the area described in subdivision (d).

(c) Notwithstanding Section 56133 of the Government Code, the Los Angeles County Local Agency Formation Commission shall not disapprove the City of Lancaster's expenditures for the following improvements and services pursuant to an interagency agreement entered into to expend moneys and technical assistance, to promote commercial space efforts, to retain and create commercial space jobs, and to develop commercial space infrastructure at the Edwards Air Force Base:

(1) The acquisition, construction, improvement, and maintenance of transportation facilities and improvements.

(2) The acquisition, construction, improvement, and maintenance of fuel facilities and improvements.

(3) The acquisition, construction, improvement and maintenance of drainage facilities and improvements.

(4) The acquisition of rights-of-way.

(5) The relocation of utility transmission facilities.

(6) The acquisition, construction, improvement, and maintenance of testing facilities and improvements.

(d) Pursuant to subdivision (b), the City of Lancaster's sphere of influence shall be deemed to include the territory that is bounded by the Los Angeles County line on the north and east, by Avenue J on the south, and by 120th Street East on the west.

(e) This section shall remain in effect only until January 1, 2002, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2002, deletes or extends that date.

CHAPTER 64

An act to amend Section 23153 of, and to amend, repeal, and add Section 23221 of, the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

[Approved by Governor July 6, 1999. Filed with Secretary of State July 6, 1999.]

The people of the State of California do enact as follows:

SECTION 1. Section 23153 of the Revenue and Taxation Code is amended to read:

23153. (a) Every corporation described in subdivision (b) shall be subject to the minimum franchise tax specified in subdivision (d) from the earlier of the date of incorporation, qualification, or

commencing to do business within this state, until the effective date of dissolution or withdrawal as provided in Section 23331 or, if later, the date the corporation ceases to do business within the limits of this state.

(b) Unless expressly exempted by this part or the California Constitution, subdivision (a) shall apply to each of the following:

(1) Every corporation that is incorporated under the laws of this state.

(2) Every corporation that is qualified to transact intrastate business in this state pursuant to Chapter 21 (commencing with Section 2100) of Division 1 of Title 1 of the Corporations Code.

(3) Every corporation that is doing business in this state.

(c) The following entities are not subject to the minimum franchise tax specified in this section:

(1) Credit unions.

(2) Nonprofit cooperative associations organized pursuant to Chapter 1 (commencing with Section 54001) of Division 20 of the Food and Agricultural Code that have been issued the certificate of the board of supervisors prepared pursuant to Section 54042 of the Food and Agricultural Code. The association shall be exempt from the minimum franchise tax for five consecutive income years, commencing with the first income year for which the certificate is issued pursuant to subdivision (b) of Section 54042 of the Food and Agricultural Code. This paragraph only applies to nonprofit cooperative associations organized on or after January 1, 1994.

(d) (1) Except as provided in paragraph (2), corporations subject to the minimum franchise tax shall pay annually to the state a minimum franchise tax of eight hundred dollars ($800).

(2) The minimum franchise tax shall be twenty-five dollars ($25) for each of the following:

(A) A corporation formed under the laws of this state whose principal business when formed was gold mining, which is inactive and has not done business within the limits of the state since 1950.

(B) A corporation formed under the laws of this state whose principal business when formed was quicksilver mining, which is inactive and has not done business within the limits of the state since 1971, or has been inactive for a period of 24 consecutive months or more.

(3) For purposes of paragraph (2), a corporation shall not be considered to have done business if it engages in other than mining.

(e) Notwithstanding subdivision (a), for income years beginning on or after January 1, 1999, and before January 1, 2000, every "qualified new corporation" shall pay annually to the state a minimum franchise tax of five hundred dollars ($500) for the second taxable year. This subdivision shall apply to any corporation that is a qualified new corporation and is incorporated on or after January 1, 1999, and before January 1, 2000.

(1) The determination of the gross receipts of a corporation, for purposes of this subdivision, shall be made by including the gross receipts of each member of the commonly controlled group, as defined in Section 25105, of which the corporation is a member.

(2) "Gross receipts, less returns and allowances reportable to this state," means the sum of the gross receipts from the production of business income, as defined in subdivision (a) of Section 25120, and the gross receipts from the production of nonbusiness income, as defined in subdivision (d) of Section 25120.

(3) "Qualified new corporation" means a corporation that begins business operations at or after the time of its incorporation and that reasonably estimates that it will have gross receipts, less returns and allowances, reportable to this state for the income year of less than one million dollars ($1,000,000). "Qualified new corporation" does not include any corporation that began business operations as a single proprietorship, a partnership, or any other form of business entity prior to its incorporation. This subdivision shall not apply to any corporation that reorganizes solely for the purpose of reducing its minimum franchise tax.

(4) This subdivision shall not apply to limited partnerships, as defined in Section 17935, limited liability companies, as defined in Section 17941, limited liability partnerships, as defined in Section 17948, charitable organizations, as described in Section 23703, regulated investment companies, as defined in Section 851 of the Internal Revenue Code, real estate investment trusts, as defined in Section 856 of the Internal Revenue Code, real estate mortgage investment conduits, as defined in Section 860D of the Internal Revenue Code, financial asset securitization investment trusts, as defined in Section 860L of the Internal Revenue Code, qualified Subchapter S subsidiaries, as defined in Section 1361(b)(3) of the Internal Revenue Code, or to the formation of any subsidiary corporation, to the extent applicable.

(5) For any income year beginning on or after January 1, 1999, and before January 1, 2000, if a corporation has paid five hundred dollars ($500) for the second taxable year under this subdivision, but in its second taxable year, the corporation's gross receipts, as determined under paragraphs (1) and (2), exceed one million dollars ($1,000,000), an additional tax in the amount equal to three hundred dollars ($300) for the second taxable year shall be due and payable by the corporation on the due date of its return, without regard to extension, for that year.

(f) (1) Notwithstanding subdivision (a), every corporation that incorporates or qualifies to do business in this state on or after January 1, 2000, shall not be subject to the minimum franchise tax for its first and second taxable years.

(2) This subdivision shall not apply to limited partnerships, as defined in Section 17935, limited liability companies, as defined in Section 17941, limited liability partnerships, as defined in Section

17948, charitable organizations, as described in Section 23703, regulated investment companies, as defined in Section 851 of the Internal Revenue Code, real estate investment trusts, as defined in Section 856 of the Internal Revenue Code, real estate mortgage investment conduits, as defined in Section 860D of the Internal Revenue Code, financial asset securitization investment trusts, as defined in Section 860L of the Internal Revenue Code, and qualified Subchapter S subsidiaries, as defined in Section 1361(b)(3) of the Internal Revenue Code, to the extent applicable.

(3) This subdivision shall not apply to any corporation that reorganizes solely for the purpose of avoiding payment of its minimum franchise tax.

(g) Notwithstanding subdivision (a), a domestic corporation, as defined in Section 167 of the Corporations Code, that files a certificate of dissolution in the office of the Secretary of State pursuant to subdivision (c) of Section 1905 of the Corporations Code and that does not thereafter do business shall not be subject to the minimum franchise tax for income years beginning on or after the date of that filing.

(h) The minimum franchise tax imposed by paragraph (1) of subdivision (d) shall not be increased by the Legislature by more than 10 percent during any calendar year.

SEC. 2. Section 23221 of the Revenue and Taxation Code is amended to read:

23221. (a) Except as provided under subdivisions (b) and (f), a corporation which incorporates under the laws of this state or qualifies to transact intrastate business in this state shall thereupon prepay the minimum tax provided in Section 23153, except that any credit union shall thereupon prepay a tax of twenty-five dollars ($25). The prepayment shall be made to the Secretary of State with the filing of the articles of incorporation or the statement and designation by a foreign corporation. The Secretary of State shall transmit the amount of the prepayment to the Franchise Tax Board. The Franchise Tax Board shall certify to the Secretary of State on an individual or class basis those domestic or foreign corporations which are exempt from prepayment or for which prepayment to the Secretary of State is waived.

(b) (1) For income years commencing on or after January 1, 1997, and before January 1, 1999, the amount payable by a qualified new corporation under subdivision (a) shall be six hundred dollars ($600).

(2) For income years commencing on or after January 1, 1999, and before January 1, 2000, the amount payable by a qualified new corporation under subdivision (a) shall be three hundred dollars ($300).

(c) For purposes of this section, "qualified new corporation" means a corporation that begins operation at or after the time of its incorporation and that reasonably estimates that, for the income year, it will have both gross receipts, less returns and allowances

reportable to this state, of one million dollars ($1,000,000) or less and a tax liability under Section 23151 that does not exceed eight hundred dollars ($800). "Qualified new corporation" does not include any corporation that began business operations as a single proprietorship, a partnership, or any other form of business entity prior to its incorporation.

(1) The determination of gross receipts of a corporation, for purposes of this section, shall be made by including the gross receipts of each member of the commonly controlled group, as defined in Section 25105, of which the bank or corporation is a member.

(2) "Gross receipts, less returns and allowances reportable to this state," means the sum of the gross receipts from the production of business income, as defined in subdivision (a) of Section 25120, and the gross receipts from the production of nonbusiness income, as defined in subdivision (d) of Section 25120.

(d) Subdivision (b) shall not apply to any corporation if 50 percent or more of its stock is, or will be upon the initial issuance of stock, owned by another corporation.

(e) (1) For income years commencing on or after January 1, 1997 and before January 1, 1999, if a corporation paid six hundred dollars ($600) under paragraph (1) of subdivision (b), but for its first income year the corporation's tax liability under Section 23151 exceeds eight hundred dollars ($800), or the corporation's gross receipts, as determined under paragraph (2) of subdivision (c), exceed one million dollars ($1,000,000), an additional tax in an amount equal to two hundred dollars ($200) shall be due and payable by the corporation on the due date of its return, without regard to extension, for its first income year.

(2) For income years commencing on or after January 1, 1999, and before January 1, 2000, if a corporation paid three hundred dollars ($300) under paragraph (2) of subdivision (b), but for its first income year the corporation's tax liability under Section 23151 exceeds eight hundred dollars ($800), or the corporation's gross receipts, as determined under paragraphs (1) and (2) of subdivision (c), exceed one million dollars ($1,000,000), an additional tax in an amount equal to five hundred dollars ($500) shall be due and payable by the corporation on the due date of its return, without regard to extension, for its first income year.

(f) Every corporation that incorporates under the laws of this state or qualifies to transact intrastate business in this state on or after January 1, 2000, and before January 1, 2001, shall not be subject to the amount payable under subdivision (a), except that any credit union shall thereupon prepay a tax of twenty-five dollars ($25).

(g) This section shall remain in effect only until January 1, 2001, and as of that date is repealed.

SEC. 3. Section 23221 of the Revenue and Taxation Code is added to read:

23221. (a) Any credit union that incorporates under the laws of this state or qualifies to transact intrastate business in this state shall thereupon prepay a tax of twenty-five dollars ($25) as provided in Section 23153. The prepayment shall be made to the Secretary of State with the filing of the articles of incorporation or the statement and designation by a foreign corporation. The Secretary of State shall transmit the amount of the prepayment to the Franchise Tax Board. The Franchise Tax Board shall certify to the Secretary of State on an individual or class basis those domestic or foreign corporations that are exempt from prepayment or for which prepayment to the Secretary of State is waived.

(b) This section shall become operative and apply beginning on or after January 1, 2001.

SEC. 4. This act provides for a tax levy within the meaning of Article IV of the Constitution and shall go into immediate effect.

CHAPTER 65

An act to add Sections 12812.2 and 12812.3 to the Government Code, to add Part 1.5 (commencing with Section 71040) to Division 34 of, and to add and repeal Part 1.6 (commencing with Section 71045) of Division 34 of, the Public Resources Code, relating to environmental protection.

[Approved by Governor July 6, 1999. Filed with Secretary of State July 6, 1999.]

The people of the State of California do enact as follows:

SECTION 1. Section 12812.2 is added to the Government Code, to read:

12812.2. (a) One of the deputies to the Secretary for Environmental Protection authorized pursuant to Section 12812.1 shall be a deputy secretary for law enforcement and counsel, who, subject to the direction and supervision of the secretary, shall have the responsibility and authority to do all of the following:

(1) Develop a program to ensure that the boards, departments, offices, and other agencies that implement laws or regulations within the jurisdiction of the California Environmental Protection Agency take consistent, effective, and coordinated compliance and enforcement actions to protect public health and the environment. The program shall include training and cross-training of inspection and enforcement personnel of those boards, departments, offices, or other agencies to ensure consistent, effective, and coordinated enforcement.

(2) In consultation with the Attorney General, establish a cross-media enforcement unit to assist a board, department, office, or other agency that implements a law or regulation within the jurisdiction of the California Environmental Protection Agency, to investigate and prepare matters for enforcement action in order to protect public health and the environment. The unit may inspect and investigate a violation of a law or regulation within the jurisdiction of such board, department, office, or other agency, including a violation involving more than one environmental medium and a violation involving the jurisdiction of more than one such board, department, office, or agency. The unit shall exercise its authority consistent with the authority granted to the head of a department pursuant to Article 2 (commencing with Section 11180) of Chapter 2 of Part 1.

(3) Refer a violation of a law or regulation within the jurisdiction of a board, department, office, or other agency that implements a law or regulation within the jurisdiction of the California Environmental Protection Agency to the Attorney General, a district attorney, or city attorney for the filing of a civil or criminal action.

(4) Exercise the authority granted pursuant to paragraph (3) only after providing notice to the board, department, office, or other agency unless the secretary determines that notice would compromise an investigation or enforcement action.

(b) Nothing in this section shall authorize the deputy secretary for law enforcement and counsel to duplicate, overlap, compromise, or otherwise interfere with an investigation or enforcement action undertaken by a board, department, office, or other agency that implements a law or regulation subject to the jurisdiction of the California Environmental Protection Agency.

(c) Notwithstanding Section 7550.5 of the Government Code, the Secretary for Environmental Protection shall report annually to the Governor and the Legislature on the implementation of this section.

SEC. 2. Section 12812.3 is added to the Government Code, to read:

12812.3. One of the deputies to the Secretary for Environmental Protection authorized pursuant to Section 12812.1 shall be a deputy secretary for external affairs who shall provide public outreach, communication to individuals and communities impacted by permitted activities, and technical support to businesses subject to regulation by one or more boards, departments, or offices within the California Environmental Protection Agency.

SEC. 3. Part 1.5 (commencing with Section 71040) is added to Division 34 of the Public Resources Code, to read:

PART 1.5. PERMIT ASSISTANCE CENTERS

71040. (a) The Secretary for Environmental Protection shall establish permit assistance centers throughout the state to provide

businesses and other entities with assistance in complying with laws and regulations implemented by every board, department, and office within the California Environmental Protection Agency. Each permit assistance center shall, to the extent feasible, incorporate permit assistance activities of local and federal entities and of other entities of the state into its operations.

(b) In addition to the centers authorized pursuant to subdivision (a), the secretary shall establish an electronic on-line permit assistance center through the Internet. The electronic on-line permit assistance center shall be available for use by any business or other entity subject to a law or regulation implemented by a board, department, or office within the California Environmental Protection Agency, and shall provide a business or other entity with assistance in complying with those laws and regulations. The center, which shall be called the "California Government-On Line to Desktops" or "CALGOLD" program, shall provide special software, "hotlinks" and other on-line resources and tools that may be used by a business or other entity to streamline and expedite compliance with laws and regulations implemented by a board, department, or office within the California Environmental Protection Agency. The CALGOLD program shall, to the extent feasible, incorporate permit assistance activities of local and federal entities and of other entities of the state into its operations.

(c) Notwithstanding Section 7550.5 of the Government Code, the Secretary for Environmental Protection shall report annually to the Governor and the Legislature on the number of permits issued, expedited, or otherwise streamlined by each center; the number and types of businesses assisted by each center; and how the assistance provided to businesses has improved environmental protection. The secretary, in consultation with the Secretary of the Trade and Commerce Agency, shall report on the permit assistance activities of both agencies and shall make recommendations to ensure that these activities are coordinated and nonduplicative.

SEC. 4. Part 1.6 (commencing with Section 71045) is added to Division 34 of the Public Resources Code, to read:

PART 1.6. ENVIRONMENTAL MANAGEMENT SYSTEMS

71045. For the purposes of this chapter, the following definitions shall apply:

(a) "Environmental management system" means a system of standards or guidelines for the management of the activities or processes of a regulated entity that meets all of the following criteria:

(1) The system is voluntary on the part of the regulated entity.

(2) The system is in addition to, and not in lieu of, any permit requirement, authorization, standard, certification, or other approval issued by a federal, state, regional, or local agency.

(3) The system results in public health or environmental benefits that exceed any benefits that may be otherwise obtained through compliance with any permit, requirement, authorization, standard, certification, or other approval issued by a federal, state, regional, or local agency for the protection of public health or the environment, including, but not limited to, pollution prevention, reduction in energy consumption, reduction in water consumption, reduced risk to workers, and reduction in solid or hazardous waste, generated or disposed.

(4) The system results in increased quantity and quality of information available to the public on the environmental effects of the activities or processes of a regulated entity when compared to that information available to the public through compliance with any permit, requirement, authorization, standard, certification, or other approval issued by a federal, state, regional, or local agency for the protection of public health or the environment, or any other law or regulation governing public disclosure of information.

(b) "Regulated entity" means a business, public agency, or other entity subject to regulation by one or more boards, departments, or offices within the California Environmental Protection Agency.

(c) "Secretary" means the Secretary for Environmental Protection.

71046. (a) The secretary, in consultation with the boards, offices, and departments within the California Environmental Protection Agency, other interested state, regional, and local agencies, and any other interested party, and after holding at least one public hearing for the purposes of obtaining public comment on the pilot projects proposed to be selected, shall establish no more than eight pilot projects for the purpose of evaluating both of the following:

(1) Whether and how the use of an environmental management system by a regulated entity that participates in a pilot project increases public health and environmental protection over those protections provided through the issuance, enforcement, and monitoring of any permit, requirement, authorization, standard, certification, or other approval issued by a federal, state, regional, or local agency to the regulated entity for the protection of public health or the environment.

(2) Whether and how the use of an environmental management system by a regulated entity that participates in a pilot project provides the public with greater information on the nature and extent of the public health or environmental effects of activities or processes engaged in by the regulated entity than that information provided through the issuance, enforcement, and monitoring of any permit, requirement, authorization, standard, certification, or other approval issued to the regulated entity by a federal, state, regional, or local agency for the protection of public health or the environment, or any other law or regulation governing the disclosure of public information.

(b) The secretary may develop evaluation and monitoring parameters for the purpose of making the evaluation required under subdivision (a) and may develop a model memorandum of understanding to be entered into by the secretary and any regulated entity that agrees to participate in a pilot project authorized pursuant to this section. The notice of the parameters and model memorandum of understanding shall be given to the public in draft form at least 30 days prior to adoption, and shall be subject to at least one public hearing, prior to adoption, for the purpose of obtaining public comment.

(c) The secretary may enter into a memorandum of understanding with a regulated entity that voluntarily chooses to participate in a pilot project if both of the following conditions are met:

(1) The environmental management system used by the regulated entity can reasonably be expected to produce greater public health and environmental protection than would otherwise be achieved through the permits, requirements, authorizations, standards, approvals, or certifications issued by a federal, state, regional, or local agency.

(2) The environmental management system used by the regulated entity can be monitored to allow the secretary to perform the evaluation required under subdivision (a).

(d) Notwithstanding Section 7550.5 of the Government Code, beginning January 1, 2000, the secretary shall submit quarterly reports to the Governor and the Legislature on the status of the implementation of this section.

(e) Nothing in this section shall be construed as limiting, abridging, or otherwise waiving any permit, requirement, authorization, standard, certification, or other approval issued by a federal, state, regional, or local agency pursuant to law or regulation for the protection of public health or the environment.

71047. This part shall remain in effect only until January 1, 2002, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 2002, deletes or extends that date.

SEC. 5. The Legislature finds and declares that Sections 1 and 2 of this act are intended to establish in statute the authority and duties of the positions of deputy secretary for law enforcement and counsel and deputy secretary for external affairs, as created under the Governor's Reorganization Plan No. 1 of 1991, which established the California Environmental Protection Agency. It is the intent of the Legislature that any funding provided in the annual Budget Act for those positions shall be used to implement Sections 12812.2 and 12812.3 of the Government Code.

SEC. 6. The Legislature finds and declares that Section 3 of this act is intended to establish in statute the duties and responsibilities of the Secretary for Environmental Protection with regard to establishing the permit assistance centers funded by the Budget Act

of 1999. It is the intent of the Legislature to ensure future stable and predictable funding for the centers.

SEC. 7. It is the intent of the Legislature in enacting Section 4 of this act to establish the criteria under which funds appropriated in the Budget Act of 1999 to the Secretary of Environmental Protection may be expended for environmental management system pilot projects.

CHAPTER 66

An act to amend Section 1586 of the Fish and Game Code, to amend Sections 71.4, 76.8, and 85.2 of the Harbors and Navigation Code, to amend Section 39612 of, and to add Section 25330.6 to, the Health and Safety Code, and to amend Section 5080.23 of, and to add Sections 5006.49 and 5080.28 to, the Public Resources Code, relating to government, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 6, 1999. Filed with Secretary of State July 6, 1999.]

The people of the State of California do enact as follows:

SECTION 1. Section 1586 of the Fish and Game Code is amended to read:

1586. The Upper Newport Bay Ecological Reserve Maintenance and Preservation Fund is hereby created in the State Treasury. Notwithstanding Section 13340 of the Government Code, the money in the fund is continuously appropriated, without regard to fiscal years, to the department for purposes related to the maintenance and preservation of the Upper Newport Bay Ecological Reserve.

SEC. 2. Section 71.4 of the Harbors and Navigation Code is amended to read:

71.4. (a) The department, subject to the approval of the Legislature in accordance with Section 85.2, may make loans to cities, counties, or districts having power to acquire, construct, and operate small craft harbors, for the planning, acquisition, construction, improvement, maintenance, or operation of small craft harbors and facilities in connection therewith, and connecting waterways, if the department finds that the project is feasible.

(b) The department shall establish, by rules and regulations, policies and standards to be followed in making loans pursuant to this section so as to further the proper development and maintenance of a statewide system of small craft harbors and connecting waterways. To the greatest extent possible, the department shall adhere to customary commercial practices to ensure that loans made pursuant to this section are adequately secured and that the loans are repaid

consistent with the terms of the loan agreement. Any rules and regulations may include policies and standards for restrooms, vessel pumpout facilities, oil recycling facilities, and receptacles for the purpose of separating, reusing, or recycling all solid waste materials.

(c) The department shall develop weighing and ranking criteria to qualify and prioritize the public loans.

(d) Any such loan shall be repaid as provided in Section 70.

(e) Rates to be charged for the use of the boating facilities shall be established by the city, county, or district, subject to the approval of the department, in every loan contract. The department shall concern itself with the rates charged only as prescribed in Section 71.8. The rates set shall be based on a monthly berthing charge.

The department shall monitor these rates to ensure that the berthing charges are reasonable and not exorbitant.

(f) The department shall submit any project for which it recommends any loan be made to the Governor for inclusion in the Budget Bill.

(g) No loans shall be made to cities, counties, or districts pursuant to this article from funds appropriated in the Budget Act of 1999 for the purposes of this section until the practices and criteria described in subdivisions (b) and (c) have been reviewed and approved by the Department of Finance. Any subsequent changes to those practices and criteria shall also be approved by the Department of Finance.

SEC. 3. Section 76.8 of the Harbors and Navigation Code is amended to read:

76.8. The department shall adopt regulations to implement or make this article more specific, including standards for the approval of loans, which shall include, but not be limited to, definitions of collateral, standards for the payment of loans, weighing and ranking criteria to qualify and prioritize the loans, and the form of documents to be used to evidence loans. The purpose of the regulations shall be to ensure that loans made under this article conform with customary commercial practices. No loans shall be made pursuant to this article from funds appropriated in the Budget Act of 1999 until the loan approval standards have been approved by the Department of Finance. Any subsequent changes to the loan approval standards shall also be approved by the Department of Finance.

SEC. 4. Section 85.2 of the Harbors and Navigation Code is amended to read:

85.2. (a) All money in the Harbors and Watercraft Revolving Fund shall be available, upon appropriation by the Legislature, for expenditure by the department for boating facilities development, boating safety, and boating regulation programs, and for the purposes of Section 656.4, including refunds, and for expenditure for construction of small craft harbor and boating facilities planned, designed, and constructed by the department, as specified in subdivision (c) of Section 50, at sites owned or under the control of the state.

(b) (1) The money in the fund shall also be available, upon appropriation by the Legislature, to the Department of Parks and Recreation for the operation and maintenance of units of the state park system that have boating-related activities. Funds appropriated to the Department of Parks and Recreation may also be used for boating safety and enforcement programs for waters under its jurisdiction.

(2) Notwithstanding Section 7550.5 of the Government Code, the Department of Parks and Recreation shall submit to the Legislature, on or before January 1 of each year, a report describing the allocation and expenditure of funds made available to the Department of Parks and Recreation from the Harbors and Watercraft Revolving Fund and from the Motor Vehicle Fuel Account in the Transportation Tax Fund attributable to taxes imposed on the distribution of motor vehicle fuel used or usable in propelling vessels during the previous fiscal year. The report shall list the special project or use, project location, amount of money allocated or expended, the source of funds allocated or expended, and the relation of the project or use to boating activities.

(c) The money in the fund shall also be available, upon appropriation by the Legislature, to the State Water Resources Control Board for boating-related water quality regulatory activities.

SEC. 5. Section 25330.6 is added to the Health and Safety Code, to read:

25330.6. (a) The Stringfellow Insurance Proceeds Account is hereby created in the State Treasury and shall be administered by the director. Notwithstanding Sections 25330.4 and 25330.5, all of the following funds shall be deposited in the account:

(1) Any funds recovered in connection with the Stringfellow Superfund Site in Riverside County from insurers who issued liability policies to the state.

(2) Notwithstanding Section 16305.7 of the Government Code, any interest earned upon the money deposited in the account.

(b) The funds deposited in the account are available for expenditure, upon appropriation by the Legislature, for activities related to the Stringfellow Superfund Site to fulfill the terms and conditions set forth in the December 1998 Stringfellow Site Agreement entered into by the state and the participating defendants, as defined in the agreement, to the extent any portion of the agreement remains in force and effect.

(c) If the Stringfellow Site Agreement is terminated, any funds recovered from insurers received after the termination of the agreement shall be available for expenditure, upon appropriation by the Legislature, for activities related to the Stringfellow Superfund Site to fulfill any court order, settlement, or other legal obligation and to pay the cost of all actions taken by the state in response to the release of hazardous substances at the Stringfellow Superfund Site.

(d) Funds in the account appropriated by the Legislature for contract costs for investigation, removal, remedial, or operation and maintenance activities at the Stringfellow Superfund Site are available for encumbrance for three fiscal years, including the fiscal year in which the funds are appropriated, and are available for disbursement in liquidation of encumbrances pursuant to Section 16304.1 of the Government Code.

SEC. 6. Section 39612 of the Health and Safety Code is amended to read:

39612. (a) In addition to funds that may be appropriated by the Legislature to the state board to carry out the additional responsibilities and to undertake necessary technical studies required by this chapter, the state board may require districts to impose additional permit fees on nonvehicular sources within their jurisdiction.

(b) The permit fees imposed pursuant to this section shall be expended only for the purposes of recovering costs of additional state programs related to nonvehicular sources. Priority for expenditure of permit fees collected pursuant to this section shall be given to all of the following activities:

(1) Identifying air quality-related indicators that may be used to measure or estimate progress in the attainment of state ambient air standards pursuant to subdivision (f) of Section 39607.

(2) Establishing a uniform methodology for assessing population exposure to air pollutants pursuant to subdivision (g) of Section 39607.

(3) Updating the emission inventory pursuant to Section 39607.3, including emissions that cause or contribute to the nonattainment of federal ambient air standards.

(4) Identifying, assessing, and establishing the mitigation requirements for the effects of interbasin transport of air pollutants pursuant to Section 39610.

(5) Updating the state board's guidance to districts on ranking control measures for stationary sources based upon the cost effectiveness of those measures in reducing air pollution.

(c) The permit fees imposed pursuant to this section shall be collected from nonvehicular sources that are authorized by district permits to emit 500 tons or more per year of any nonattainment pollutant or its precursors.

(d) The permit fees collected by a district pursuant to this section, after deducting the administrative costs to the district of collecting the fees, shall be transmitted to the Controller for deposit in the Air Pollution Control Fund.

(e) The total amount of funds collected by fees imposed pursuant to this section, exclusive of district administrative costs, shall not exceed three million dollars ($3,000,000) in any fiscal year.

(f) On or before January 1 of each year, the state board shall report to the Governor and the Legislature on the expenditure of permit

fees collected pursuant to this section. The report shall include a report on the status of implementation of the programs prioritized for funding pursuant to subdivision (b).

SEC. 7. Section 5006.49 is added to the Public Resources Code, to read:

5006.49. Notwithstanding any other provision of law, the California State Mining and Mineral Museum located in the City of Mariposa, including all assets, exhibits, and materials, shall be transferred from the Department of Conservation to the Department of Parks and Recreation for ownership and operation in accordance with the Department of Parks and Recreation's rules, regulations, and guidelines regarding ownership of state parks. All proceeds from the operation of the museum shall accrue to the Department of Parks and Recreation.

SEC. 8. Section 5080.23 of the Public Resources Code is amended to read:

5080.23. (a) Notwithstanding any other provision of this article, with respect to concession contracts entered into on and after October 1, 1994, if the director determines that it is in the best interests of the state, the director may, upon giving notice to the State Parks and Recreation Commission, in lieu of the process for awarding contracts otherwise prescribed in this article, award contracts authorizing occupancy of any portion of the state park system for a period of more than two years to the best responsible person or entity submitting a proposal for a concession contract.

(b) For any concession contract authorizing occupancy by the concessionaire for a period of more than two years of any portion of the state park system that is entered into pursuant to this section, the department shall prepare a request for proposal, which shall include the terms and conditions of the concession sufficient to enable a person or entity to submit a proposal for the operation of the concession on the basis of the best benefit to the state. Proposals shall be completed only on the basis of the request for proposal.

(c) Any concession contract entered into pursuant to this section that is expected to involve a total investment or gross sales in excess of five hundred thousand dollars ($500,000) shall comply with the requirements for entry into contract that are set forth in Section 5080.20.

(d) For purposes of this section, "best responsible person or entity submitting a proposal" means the person or entity submitting a proposal, as determined by specific standards established by the department, that will operate the concession in the best interests of the state and the public. The department's standards for "best responsible person or entity submitting a proposal" shall require the person or entity submitting a proposal to demonstrate a history of compliance with applicable federal or state labor laws, including, but not limited to, laws relating to wages, hours, and working conditions,

and the right of employees to organize and participate in collective bargaining.

SEC. 9. Section 5080.28 is added to the Public Resources Code, to read:

5080.28. Notwithstanding any other provision of law, the department may negotiate an agreement of up to two years duration to extend the hotel concession contract in existence on January 1, 1999, for the Columbia State Park. Upon termination of the extension agreement, the concession shall be put out to bid in accordance with the bidding requirements of this article.

SEC. 10. (a) Notwithstanding any other provision of law, the Department of Parks and Recreation may do either of the following:

(1) Exercise the same authority granted to the Division of the State Architect and the Real Estate Services Division in the Department of General Services to acquire, plan, design, construct, and administer contracts and professional services.

(2) Permit the Prison Industry Authority (PIA) to participate as a competitive bidder rather than as the sole source with regard to contracts and services.

(b) Notwithstanding any other provision of law, the Director of Parks and Recreation, or the director's designee, in lieu of the Director of Finance, may carry out subdivisions (b), (c), and (d) of Section 31.00 of the Budget Act of 1999.

(c) Notwithstanding subdivision (a) of Section 948 and Section 965 of the Government Code, the Director of Parks and Recreation, or the director's designee, in lieu of the Director of Finance, may certify funds for payment of all legal settlements, Board of Control claims, judgments, and tort claims for which the Department of Parks and Recreation already has sufficient expenditure authority and funds without the need for an augmentation.

(d) Notwithstanding Section 11032 of the Government Code, the Director of Parks and Recreation, or the director's designee, may authorize its officers and employees to travel outside the state or county without approval by any other agency, and the funds appropriated to the Department of Parks and Recreation by the Budget Act of 1999 may be used for this purpose.

(e) (1) Notwithstanding Sections 8647, 11005, and 11005.1 of the Government Code and Section 5079.12 of the Public Resources Code, the Department of Parks and Recreation may accept gifts and donations of personal and real property without approval by the Director of Finance. The Department of Parks and Recreation shall bear any costs associated with the acceptance of those gifts and donations, and the funds appropriated to the department by the Budget Act of 1999 may be used for this purpose. The Department of Parks and Recreation may not certify the value of any gift or donation of real property without its own appraisal. Upon receipt of any gift or donation of real property, the Department of Parks and

Recreation shall certify to the Department of Finance, in writing, all of the following:

(A) The gift or donated property will have minimal impact on the department's operation and maintenance costs and the department will absorb the costs within its existing budget.

(B) The gift or donated property is adjacent to an existing park.

(C) The gift or donated property promotes park purposes.

(D) The gift or donated property has no indications or history of environmental hazards or contamination.

(E) There are no lawsuits pending concerning the property and clear title is a condition of the gift or donation acceptance.

(F) The gift or donated property has an estimated value of less than five hundred thousand dollars ($500,000).

(G) There are no provisions that will restrict the department from divesting title to the gift or donated property.

(H) There are no structures on the gift or donated property or that any structures on the property will be razed.

(2) If any of the real property gift or donation criteria specified in paragraph (1) are not met, the Department of Parks and Recreation shall submit the real property gift or donation to the Department of Finance for approval. Any gifts and donations that will require future budget change proposals shall be submitted to the Department of Finance for approval.

(3) The Department of Finance shall continue to approve projects pursuant to Section 5079.12 of the Public Resources Code.

(f) Notwithstanding Section 12439 of the Government Code, the Department of Parks and Recreation is exempt from the provisions that abolish, effective July 1, any positions that are vacant continuously during the period between October 1 and June 30 of the preceding fiscal year.

(g) Notwithstanding any other provision of law, the Director of Parks and Recreation, or the director's designee, in lieu of the Director of Finance, may approve Budget Revision, Standard Form 26.

(h) The Director of Parks and Recreation, or the director's designee, in lieu of the Director of Finance, may carry out Section 16304.1 of the Government Code as it relates to the reversion of undisbursed balances and payment of unpaid encumbrances of the Department of Parks and Recreation.

(i) Notwithstanding any other provision of law, the Director of Parks and Recreation, or the director's designee, in lieu of the Director of Finance, may approve Department of General Services' Form 22's, Form 220's and the Return of Funds Documents, provided that the Department of Parks and Recreation has the following approved forms for the related phase or activity—DF14D or DPR18 (Capital Outlay) or DPR11 (Support)—or the support project has been included in the annual deferred maintenance plan.

(j) Notwithstanding any other provision of law, the Director of Parks and Recreation may prepay vendors for noncapital outlay expenditures if it is cost beneficial to the Department of Parks and Recreation. In the event the Department of Parks and Recreation incurs any losses due to the prepayment of vendors, the department shall report losses to the Joint Legislative Budget Committee, to the appropriate fiscal committees of the Legislature, and to the Department of Finance.

SEC. 11. (a) Notwithstanding Section 11032 of the Government Code, the California Conservation Corps may authorize its officers and employees to travel outside the state without approval by any other agency, and the funds appropriated to the corps by the Budget Act of 1999 may be used for this purpose.

(b) Notwithstanding any other provision of law, the Director of the California Conservation Corps, or the director's designee, in lieu of the Director of Finance, may carry out subdivisions (b), (c), and (d) of Section 31.00 of the Budget Act of 1999. The California Conservation Corps shall report to the Department of Finance and the Legislature on a quarterly basis regarding actions taken pursuant to this authority.

(c) Notwithstanding Sections 8647, 11005, and 11005.1 of the Government Code, the California Conservation Corps may accept gifts and donations of personal property without approval by the Director of Finance. The California Conservation Corps shall bear any costs associated with the acceptance of those gifts and donations, and the funds appropriated to the corps by the Budget Act of 1999 may be used for this purpose.

(d) Notwithstanding Section 19080.3 of the Government Code, the California Conservation Corps may make limited-term appointments, not exceeding a period of four years for any appointment, without the review or approval of the State Personnel Board, and the funds appropriated to the corps by the Budget Act of 1999 may be used for this purpose.

(e) Notwithstanding Section 2807 of the Penal Code, the California Conservation Corps may procure corpsmember-related goods and services from the private sector, and the funds appropriated to the corps by the Budget Act of 1999 may be used for this purpose. Notwithstanding this grant of authority, the California Conservation Corps shall contract with the Prison Industry Authority for this purpose if the latter is able to meet the cost, quality, and time requirements established by the California Conservation Corps for the goods or services.

(f) Notwithstanding Sections 13332.06 and 14669 of the Government Code, and Chapter 6 (commencing with Section 14825) and Chapter 6.5 (commencing with Section 14835) of Part 5.5 of Division 3 of Title 2 of the Government Code, and Chapter 1 (commencing with Section 10100), Chapter 2 (commencing with Section 10290), and Chapter 3 (commencing with Section 12100) of

Part 2 of Division 2 of the Public Contract Code, the California Conservation Corps may execute contracts, procure all goods and services, including any fleet needs within 60 days or less, and negotiate all lease agreements for office, warehouse, and other appropriate facilities without review or approval by the Department of General Services and pursuant to methods and procedures other than those set forth in the State Administrative Manual, and funds appropriated to the corps by the Budget Act of 1999 may be used for this purpose. The authority with regard to lease agreements set forth in this provision does not alter the authority or responsibilities of the Department of General Services concerning the consolidation of offices in the Sacramento Metropolitan Area or the consolidation plans for other metropolitan areas.

(g) Notwithstanding Sections 14931 and 14931.1 of the Government Code, and Part 6.5 (commencing with Section 15250) of Division 3 of Title 2 of the Government Code, the California Conservation Corps may purchase electronic data processing and telecommunications goods and services, not exceeding one million dollars ($1,000,000) for any one procurement, without the requirement of review or approval by the Department of General Services and pursuant to methods and procedures other than those set forth in the State Administrative Manual, and the funds appropriated to the corps by the Budget Act of 1999 may be used for this purpose. The California Conservation Corps shall continue to use the Department of General Services CALNET, except that if the department is unable to provide the information and maintenance required for the California Conservation Corps' statewide data base network on a cost-competitive and timely basis, the California Conservation Corps shall be exempt from any restrictions relating to CALNET that are imposed by the Office of Telecommunications of the Department of General Services.

(h) Notwithstanding any other provision of law, the Director of the California Conservation Corps may prepay vendors for noncapital outlay expenditures if it is cost beneficial to the corps. In the event that the California Conservation Corps incurs any losses due to the prepayment of vendors, the corps shall report those losses to the Joint Legislative Budget Committee, to the appropriate fiscal committees of the Legislature, and to the Department of Finance.

(i) Notwithstanding subdivision (a) of Section 948 and Section 965 of the Government Code, the Director of the California Conservation Corps, or the director's designee, in lieu of the Director of Finance, may certify funds for payment of all legal settlements, State Board of Control claims, judgments, and tort claims for which the California Conservation Corps already has sufficient expenditure authority and funds without the need for an augmentation.

(j) Notwithstanding any other provision of law, the Director of the California Conservation Corps, or the director's designee, in lieu of

the Director of Finance, is authorized to approve Budget Revision, Standard Form 26.

(k) Notwithstanding Section 12439 of the Government Code, the California Conservation Corps is exempt from the provisions that abolish, effective July 1, any positions that were vacant continuously during the period between October 1 and June 30 of the preceding year.

SEC. 12. Section 10 of this act shall become inoperative on June 30, 2000, and as of January 1, 2001, is repealed, unless a later enacted statute, that becomes operative on or before January 1, 2001, deletes or extends the dates on which that section becomes inoperative and is repealed.

SEC. 13. Section 11 of this act shall become inoperative on June 30, 2000, and as of January 1, 2001, is repealed, unless a later enacted statute, that becomes operative on or before January 1, 2001, deletes or extends the dates on which that section becomes inoperative and is repealed.

SEC. 14. Notwithstanding Section 17610 of the Government Code, if the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code. If the statewide cost of the claim for reimbursement does not exceed one million dollars ($1,000,000), reimbursement shall be made from the State Mandates Claims Fund.

SEC. 15. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to make statutory changes necessary to implement the Budget Act of 1999 as soon as possible, it is necessary that this act take effect immediately.

CHAPTER 67

An act to amend Sections 138 and 4938 of, and to add Section 139 to, the Business and Professions Code, to add and repeal Title 11.5 (commencing with Section 1730) of Part 3 of the Code of Civil Procedure, to add Section 4101.2 to the Food and Agricultural Code, to amend Sections 8690.6 and 15301 of, to amend, repeal, and add Section 68616 of, and to add Sections 11754.1 and 68617 to, the Government Code, to amend Sections 44011, 44017.1, 44060, 44062.1, 44094, 50880, 50881, 50881.5, 50882, 50887, 50888.3, 50888.5, 50888.7, 50889.5, 50890, 50893.5, 50893.7, 50893.9, 51451, 51452, and 51455 of, to add Sections 44000.1 and 44091.2 to, to repeal Sections 50884 and 51453 of, and to repeal and add Section 50895 of, the Health and Safety

Code, to add Section 311.1 to the Public Utilities Code, to repeal Section 19556 of the Revenue and Taxation Code, and to amend Section 3 of Chapter 328 of the Statutes of 1998, relating to state government, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 6, 1999. Filed with Secretary of State July 6, 1999.]

The people of the State of California do enact as follows:

SECTION 1. Section 138 of the Business and Professions Code is amended to read:

138. Every board in the department, as defined in Section 22, shall initiate the process of adopting regulations on or before June 30, 1999, to require its licentiates, as defined in Section 23.8, to provide notice to their clients or customers that the practitioner is licensed by this state. A board shall be exempt from the requirement to adopt regulations pursuant to this section if the board has in place, in statute or regulation, a requirement that provides for consumer notice of a practitioner's status as a licensee of this state.

SEC. 2. Section 139 is added to the Business and Professions Code, to read:

139. (a) The Legislature finds and declares that occupational analyses and examination validation studies are fundamental components of licensure programs. It is the intent of the Legislature that the policy developed by the department pursuant to subdivision (b) be used by the fiscal, policy, and sunset review committees of the Legislature in their annual reviews of these boards, programs, and bureaus.

(b) Notwithstanding any other provision of law, the department shall develop, in consultation with the boards, programs, bureaus, and divisions under its jurisdiction, and the Osteopathic Medical Board of California and the State Board of Chiropractic Examiners, a policy regarding examination development and validation, and occupational analysis. The department shall finalize and distribute this policy by September 30, 1999, to each of the boards, programs, bureaus, and divisions under its jurisdiction and to the Osteopathic Medical Board of California and the State Board of Chiropractic Examiners. This policy shall be submitted in draft form at least 30 days prior to that date to the appropriate fiscal, policy, and sunset review committees of the Legislature for review. This policy shall address, but shall not be limited to, the following issues:

(1) An appropriate schedule for examination validation and occupational analyses, and circumstances under which more frequent reviews are appropriate.

(2) Minimum requirements for psychometrically sound examination validation, examination development, and occupational analyses, including standards for sufficient number of test items.

(3) Standards for review of state and national examinations.

(4) Setting of passing standards.

(5) Appropriate funding sources for examination validations and occupational analyses.

(6) Conditions under which boards, programs, and bureaus should use internal and external entities to conduct these reviews.

(7) Standards for determining appropriate costs of reviews of different types of examinations, measured in terms of hours required.

(8) Conditions under which it is appropriate to fund permanent and limited term positions within a board, program, or bureau to manage these reviews.

(c) Every regulatory board and bureau, as defined in Section 22, and every program and bureau administered by the department, the Osteopathic Medical Board of California, and the State Board of Chiropractic Examiners, shall submit to the director on or before December 1, 1999, and on or before December 1 of each subsequent year, its method for ensuring that every licensing examination administered by or pursuant to contract with the board is subject to periodic evaluation. The evaluation shall include (1) a description of the occupational analysis serving as the basis for the examination; (2) sufficient item analysis data to permit a psychometric evaluation of the items; (3) an assessment of the appropriateness of prerequisites for admittance to the examination; and (4) an estimate of the costs and personnel required to perform these functions. The evaluation shall be revised and a new evaluation submitted to the director whenever, in the judgment of the board, program, or bureau, there is a substantial change in the examination or the prerequisites for admittance to the examination.

(d) The evaluation may be conducted by the board, program, or bureau, the Office of Examination Resources of the department, the Osteopathic Medical Board of California, or the State Board of Chiropractic Examiners or pursuant to a contract with a qualified private testing firm. A board, program, or bureau that provides for development or administration of a licensing examination pursuant to contract with a public or private entity may rely on an occupational analysis or item analysis conducted by that entity. The department shall compile this information, along with a schedule specifying when examination validations and occupational analyses shall be performed, and submit it to the appropriate fiscal, policy, and sunset review committees of the Legislature by September 30 of each year. It is the intent of the Legislature that the method specified in this report be consistent with the policy developed by the department pursuant to subdivision (b).

SEC. 3. Section 4938 of the Business and Professions Code is amended to read:

4938. The committee shall issue a license to practice acupuncture to any person who makes an application and meets the following requirements:

(a) Is at least 18 years of age.

(b) Furnishes satisfactory evidence of completion of one of the following:

(1) An educational and training program approved by the committee pursuant to Section 4939.

(2) Satisfactory completion of a tutorial program in the practice of an acupuncturist which is approved by the committee.

(3) In the case of an applicant who has completed education and training outside the United States and Canada, documented educational training and clinical experience which meets the standards established pursuant to Sections 4939 and 4941.

(c) Passes a written examination administered by the committee which tests the applicant's ability, competency, and knowledge in the practice of an acupuncturist. The written examination shall be developed by the Office of Examination Resources of the Department of Consumer Affairs.

(d) Is not subject to denial pursuant to Division 1.5 (commencing with Section 475).

(e) Completes a clinical internship training program approved by the committee. The clinical internship training program shall not exceed nine months in duration and shall be located in a clinic in this state, which is approved by the committee pursuant to Section 4939. The length of the clinical internship shall depend upon the grades received in the examination and the clinical training already satisfactorily completed by the individual prior to taking the examination. On and after January 1, 1987, individuals with 800 or more hours of documented clinical training shall be deemed to have met this requirement. The purpose of the clinical internship training program shall be to assure a minimum level of clinical competence.

Each applicant who qualifies for a license shall pay, as a condition precedent to its issuance and in addition to other fees required, the initial licensure fee.

SEC. 4. Title 11.5 (commencing with Section 1730) is added to Part 3 of the Code of Civil Procedure, to read:

TITLE 11.5. COURT-RELATED ALTERNATIVE DISPUTE RESOLUTION PROCESSES

1730. (a) The Judicial Council shall establish pilot programs in four superior courts to assess the benefits of early mediation of civil cases. In two of these pilot program courts, the court shall have the authority to make mandatory referrals to mediation, pursuant to this title.

(b) The Judicial Council shall select the courts to participate in the pilot program.

1731. As used in this title:

(a) "Alternative dispute resolution process" or "ADR process" means a process in which parties meet with a third party neutral to assist them in resolving their dispute outside of formal litigation.

(b) "General civil case" means all civil cases except probate, guardianship, conservatorship, family law (including proceedings under the Family Law Act, Uniform Parentage Act, and Uniform Child Custody Jurisdiction Act; freedom from parental custody and control proceedings; and adoption proceedings), juvenile court proceedings, small claims appeals, and other civil petitions, as defined in the Regulations on Superior Court Reports to the Judicial Council on the effective date of this section, including petitions for a writ of mandate or prohibition, temporary restraining orders, harassment restraining orders, domestic violence restraining orders, writs of possession, appointment of a receiver, release of property from lien, and change of name.

(c) "Mediation" means a process in which a neutral person or persons facilitate communication between disputants to assist them in reaching a mutually acceptable agreement.

1732. (a) Except as otherwise provided by rule pursuant to subdivision (b), this title shall apply to all general civil cases filed in the pilot courts after January 1, 2000.

(b) The Judicial Council may, by rule, exempt specified categories of general civil cases from the provisions of this title.

1733. Any party who has been ordered to mediation pursuant to this title, or who has participated in a voluntary mediation with all of the other parties, is exempt from being compelled to participate in any other judicially ordered arbitration or mediation.

1734. (a) Notwithstanding Section 68616 of the Government Code or any other provision of law, in cases subject to this title, the court may hold a status conference not earlier than 90 days and not later than 150 days after the filing of the complaint. However, at or before the conference, any party may request that the status conference be continued on the grounds that the party has been unable to serve an essential party to the proceeding.

(b) At this status conference, the court shall confer with the parties about alternative dispute resolution processes and, in the two pilot program courts authorized to make mandatory referrals to mediation, the court may refer the parties to mediation in accordance with this title, if the court, in its discretion, determines there is good cause for ordering mediation. Before making a referral, the court shall consider the willingness of the parties to mediate.

1735. (a) Each pilot program court authorized to make mandatory referrals to mediation pursuant to this title shall establish a panel of mediators.

(b) In cases referred to mediation pursuant to this title, the parties shall select the mediator. The mediator selected by the parties need not be from the court's panel of mediators. However, if the mediator

is not from the court's panel, the court may approve compensation for the fees for that mediator's services from court funds pursuant to subdivision (c). Otherwise, the parties shall be responsible for paying any fees for the mediator's services, and each party to the proceeding shall share equally in the fee of the mediator, except where the parties agree otherwise. If the mediator is from the court's panel of mediators then the parties shall not be required to pay a fee for the mediator's services. If the parties do not select a mediator within the time period specified in the rules adopted by the Judicial Council, a mediator shall be selected by the court from the court's panel of mediators. If a mediator from the court's panel is not available to mediate a case referred pursuant to this subdivision in a timely manner, this title shall not apply.

(c) The Judicial Council shall adopt rules to implement this section, including rules establishing requirements for the panels of mediators, the procedures to be followed in selecting a mediator, and the compensation of mediators who conduct mediations pursuant to this title.

1736. The mediator shall schedule the early mediation within 60 days following the early status conference, unless any party requests a later date that is within 150 days following the early status conference or the court finds, for good cause, that a later date is necessary, or where counsel, a party, or the mediator is unavailable during that time period, or the court finds that discovery reasonably necessary for a meaningful mediation cannot be conducted prior to the end of that period.

1737. Trial counsel, parties, and persons with full authority to settle the case, shall personally attend the mediation, unless excused by the court for good cause. If any consent to settle is required for any reason, the party with the consent authority shall be personally present to the mediation. If no trial counsel, party, or person with full authority to settle a case is personally present at the mediation, unless excused for good cause, the party who is in compliance with this section may immediately terminate the mediation.

1738. (a) All statements made by the parties during a mediation under this title shall be subject to Sections 703.5 and 1152, and Chapter 2 (commencing with Section 1115) of Division 9 of, the Evidence Code.

(b) Any reference to a mediation during any subsequent trial shall constitute an irregularity in the proceedings of the trial for the purposes of Section 657.

1739. (a) In the event that the parties to mediation are unable to reach a mutually acceptable agreement and any party to the mediation wishes to terminate the mediation at any time, then the mediator shall file a statement of nonagreement. This statement shall be in a form to be developed by the Judicial Council.

(b) Upon the filing of a statement of nonagreement, the matter shall be calendared for trial, by court or jury, both as to law and fact,

insofar as possible, so that the trial shall be given the same place on the active list as it had prior to mediation, or shall receive civil priority on the next setting calendar.

1740. (a) Submission of an action to mediation pursuant to this title shall not suspend the running of the time periods specified in Chapter 1.5 (commencing with Section 583.110) of Title 8 of Part 2, except as provided in this section.

(b) If an action is or remains submitted to mediation pursuant to this title more than four years and six months after the plaintiff has filed the action, then the time beginning on the date four years and six months after the plaintiff has filed the action and ending on the date on which a statement of nonagreement is filed pursuant to this section shall not be included in computing the five-year period specified in Section 583.310.

1741. Any party who participates in mediation pursuant to this title shall retain the right to obtain discovery to the extent available under the Civil Discovery Act of 1986 (Article 3 (commencing with Section 2016) of Chapter 3 of Title 3 of Part 4).

1742. On or before January 1, 2003, the Judicial Council shall submit a report to the Legislature and to the Governor concerning the pilot programs conducted pursuant to this title. The report shall examine, among other things, the settlement rate, the timing of settlement, the litigants' satisfaction with the dispute resolution process and the costs to the litigants and the courts. The Judicial Council shall, by rule, require that each pilot program court provide the Judicial Council with the data that will enable the Judicial Council to submit the report required by this section.

1743. This title shall remain in effect only until January 1, 2004, an as of that date is repealed, unless a later enacted statute deletes or extends that date.

SEC. 5. Section 4101.2 is added to the Food and Agricultural Code, to read:

4101.2. (a) Notwithstanding any other provision of law, the California Science Center, with the approval of the Director of General Services, may enter into a long-term lease agreement, not to exceed 40 years, with terms and conditions determined by the director to be in the best interest of the state, with the Los Angeles Unified School District to convert the Armory and surrounding land in or near Exposition Park to a demonstration mathematics and science-based school.

(b) For the purposes of carrying out subdivision (a), all of the following requirements apply:

(1) Plans shall be developed by the Los Angeles Unified School District for the conversion described in subdivision (a).

(2) The Los Angeles Unified School District shall demonstrate to the Director of General Services that it has sufficient funds, from sources other than the California Science Center, to complete the conversion.

(3) The Los Angeles Unified School District shall give attention to the historical preservation of the Armory in developing plans and completing the conversion.

(4) All lease documents necessary to complete the conversion shall be approved by the Director of General Services prior to their execution.

SEC. 6. Section 8690.6 of the Government Code is amended to read:

8690.6. (a) There is hereby established in the Special Fund for Economic Uncertainties a Disaster Response-Emergency Operations Account. Notwithstanding Section 13340, moneys in the account are continuously appropriated, subject to the limitations specified in subdivisions (c) and (d), without regard to fiscal years, for allocation by the Director of Finance to state agencies for disaster response operation costs incurred by state agencies as a result of a state of emergency proclamation by the Governor. These allocations may be for activities that occur within 365 days after a declaration of emergency by the Governor, as authorized pursuant to subdivision (c), or for activities that occur after the 365th day after a declaration of emergency by the Governor, as authorized pursuant to subdivision (d).

(b) It is the intent of the Legislature that the Disaster Response-Emergency Operations Account have an unencumbered balance of one million dollars ($1,000,000) at the beginning of each fiscal year. In the event that this account requires additional moneys to meet claims against the account, the Director of Finance may transfer moneys from the Special Fund for Economic Uncertainties to the account in that amount sufficient to pay the amount of the claims that exceed the unencumbered balance in the account.

(c) For activities that occur within 365 days after a declaration of emergency by the Governor, the funds shall be allocated subject to the conditions of this section and in accordance with Section 27.00 of the annual Budget Act, except that the allocations may be made 30 days or less after notification of the Legislature pursuant to subdivision (b) of that section.

(d) For activities that occur after the 365th day after a declaration of emergency by the Governor, the funds shall be allocated subject to the conditions of this section and in accordance with Section 27.00 of the annual Budget Act.

(e) Notwithstanding subdivision (a) of Section 27.00 of the annual Budget Act, authorizations for acquisitions, relocations, and environmental mitigations related to activities, as described in subdivision (c) or (d), shall be authorized pursuant to this section. However, these funds may only be authorized for needs that are a direct consequence of the declared emergency where failure to undertake the project may interrupt essential state services or jeopardize public health or safety. In addition, any acquisition accomplished under this subdivision shall comply with any otherwise

applicable law, except as provided in the first sentence of this subdivision.

(f) No funds allocated under this section shall be used to supplant federal funds otherwise available in the absence of state financial relief.

(g) The amount of financial assistance provided to an individual, business, or governmental entity under this section, or pursuant to any other program of state-funded disaster assistance, shall be deducted from sums received in payment of damage claims asserted against the state, its agents, or employees, for causing or contributing to the effects of the proclaimed disaster.

(h) No public entity administering disaster assistance to individuals shall receive funds under this section unless it administers that assistance pursuant to the following criteria:

(1) All applications, forms, and other written materials presented to persons seeking assistance shall be available in English and in the same language as that used by the major non-English-speaking group within the disaster area.

(2) Bilingual staff who reflect the demographics of the disaster area shall be available to applicants.

(i) This section shall become inoperative on July 1, 2002, and, as of January 1, 2003, is repealed, unless a later enacted statute, which becomes effective on or before January 1, 2003, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 7. Section 15301 of the Government Code is amended to read:

15301. (a) The El Centro armory in Imperial County; the Culver City, Glendale, Inglewood, Long Beach on 7th Street, Pomona, and Sylmar armories, and the West Los Angeles armory on Federal Avenue, in Los Angeles County; the Merced armory in Merced County; the Fullerton and Santa Ana armories in Orange County; the Indio and Riverside armories in Riverside County; the Escondido and Vista armories in San Diego County; the San Mateo armory in San Mateo County; the Santa Barbara and Santa Maria armories in Santa Barbara County; the Gilroy and Sunnyvale armories, and the San Jose armory on Hedding Street, in Santa Clara County; the Santa Cruz and Watsonville armories in Santa Cruz County; the Redding armory in Shasta County; the Petaluma and Santa Rosa armories in Sonoma County; and the Oxnard armory in Ventura County, shall be made available to these counties or any city in these counties for the purpose of providing temporary shelter for homeless persons during the period from December 1 through March 15 each year, as a temporary measure to allow adequate time for government entities in these counties to develop other suitable homeless shelter arrangements. If severe weather conditions exist between November 1 through March 31, the Military Department may extend the use of the armories to include November 1 to December 1 and March 15 to March 31.

(b) If the communities in Calexico, Chico, Corona, El Cajon, Roseville, or San Rafael require the use of the armories in those communities as emergency shelters, the county or city may request use of the armories through the Office of Emergency Services, if the county or city has exhausted all other available resources for housing homeless persons.

SEC. 8. Section 11754.1 is added to the Government Code, to read:

11754.1. (a) The Stephen P. Teale Data Center may establish rates and collect payments from state agencies for providing services to those agencies. The methodology for computing costs and billing rates shall be subject to the approval of the Director of Finance.

(b) All money received by the Stephen P. Teale Data Center pursuant to this section shall be deposited in the Stephen P. Teale Data Center Revolving Fund. In order to assure that there is adequate cash in the fund, the Stephen P. Teale Data Center may require monthly payments in advance by client agencies, based on estimated billings. By mutual agreement between the Stephen P. Teale Data Center and the applicable state agency, a state agency may make monthly, quarterly, or annual payments in advance or arrears.

(c) Consistent with subdivision (b), and pursuant to Section 11255, the Controller shall transfer any amounts so authorized by the Stephen P. Teale Data Center. The Stephen P. Teale Data Center shall notify each affected state agency upon requesting the Controller to make the transfer.

SEC. 9. Section 68616 of the Government Code is amended to read:

68616. Delay reduction rules shall not require shorter time periods than as follows:

(a) Service of the complaint within 60 days after filing. Exceptions, for longer periods of time, (1) may be granted as authorized by local rule and (2) shall be granted on a showing that service could not reasonably be achieved within the time required with the exercise of due diligence consistent with the amount in controversy.

(b) Service of responsive pleadings within 30 days after service of the complaint. The parties may stipulate to an additional 15 days. Exceptions, for longer periods of time, may be granted as authorized by local rule.

(c) Time for service of notice or other paper under Sections 1005 and 1013 of the Code of Civil Procedure and time to plead after service of summons under Section 412.20 of the Code of Civil Procedure shall not be shortened except as provided in those sections.

(d) Within 30 days of service of the responsive pleadings, the parties may, by stipulation filed with the court, agree to a single continuance not to exceed 30 days.

It is the intent of the Legislature that these stipulations not detract from the efforts of the courts to comply with standards of timely disposition. To this extent, the Judicial Council shall develop statistics that distinguish between cases involving, and not involving, these stipulations.

(e) Except in complex cases, no status conference, or similar event, other than a challenge to the jurisdiction of the court, may be required to be conducted sooner than 30 days after service of the first responsive pleadings, or no sooner than 30 days after expiration of a stipulated continuance, if any, pursuant to subdivision (d). For purposes of this subdivision, a "complex case" shall be as defined in the California Rules of Court.

(f) Article 3 (commencing with Section 2016) of Chapter 3 of Title 3 of Part 4 of the Code of Civil Procedure shall govern discovery, except in arbitration proceedings.

(g) No case may be referred to arbitration prior to 210 days after the filing of the complaint, exclusive of the stipulated period provided for in subdivision (d). No rule adopted pursuant to this article may contravene Sections 638 and 639 of the Code of Civil Procedure.

(h) Unnamed (DOE) defendants shall not be dismissed prior to the conclusion of the introduction of evidence at trial, except upon stipulation or motion of the parties.

(i) Notwithstanding Section 170.6 of the Code of Civil Procedure, in direct calendar courts, challenges pursuant to that section shall be exercised within 15 days of the party's first appearance. Master calendar courts shall be governed solely by Section 170.6 of the Code of Civil Procedure.

(j) This section applies to all cases subject to this article which are filed on or after January 1, 1991.

(k) This section shall remain in effect only until January 1, 2004, and as of that date is repealed, unless a later enacted statute deletes or extends that date.

SEC. 10. Section 68616 is added to the Government Code, to read:

68616. Delay reduction rules shall not require shorter time periods than as follows:

(a) Service of the complaint within 60 days after filing. Exceptions, for longer periods of time, (1) may be granted as authorized by local rule and (2) shall be granted on a showing that service could not reasonably be achieved within the time required with the exercise of due diligence consistent with the amount in controversy.

(b) Service of responsive pleadings within 30 days after service of the complaint. The parties may stipulate to an additional 15 days. Exceptions, for longer periods of time, may be granted as authorized by local rule.

(c) Time for service of notice or other paper under Sections 1005 and 1013 of the Code of Civil Procedure and time to plead after service of summons under Section 412.20 of the Code of Civil

Procedure shall not be shortened except as provided in those sections.

(d) Within 30 days of service of the responsive pleadings, the parties may, by stipulation filed with the court, agree to a single continuance not to exceed 30 days.

It is the intent of the Legislature that these stipulations not detract from the efforts of the courts to comply with standards of timely disposition. To this extent, the Judicial Council shall develop statistics that distinguish between cases involving, and not involving, these stipulations.

(e) No status conference, or similar event, other than a challenge to the jurisdiction of the court, may be required to be conducted sooner than 30 days after service of the first responsive pleadings, or no sooner than 30 days after expiration of a stipulated continuance, if any, pursuant to subdivision (d).

(f) Article 3 (commencing with Section 2016) of Chapter 3 of Title 3 of Part 4 of the Code of Civil Procedure shall govern discovery, except in arbitration proceedings.

(g) No case may be referred to arbitration prior to 210 days after the filing of the complaint, exclusive of the stipulated period provided for in subdivision (d). No rule adopted pursuant to this article may contravene Sections 638 and 639 of the Code of Civil Procedure.

(h) Unnamed (DOE) defendants shall not be dismissed prior to the conclusion of the introduction of evidence at trial, except upon stipulation or motion of the parties.

(i) Notwithstanding Section 170.6 of the Code of Civil Procedure, in direct calendar courts, challenges pursuant to that section shall be exercised within 15 days of the party's first appearance. Master calendar courts shall be governed solely by Section 170.6 of the Code of Civil Procedure.

(j) This section applies to all cases subject to this article which are filed on or after January 1, 1991.

(k) This section shall become operative on January 1, 2004.

SEC. 11. Section 68617 is added to the Government Code, to read:

68617. On or before October 30, 2002, the Judicial Council shall submit a report to the Legislature and the Governor regarding the effectiveness of the Centers for Complex Litigation established pursuant to the Budget Act of 1999. The report shall examine, among other things, the number of complex cases filed, the impact of the centers on case and calendar management, and the impact on the trial courts, the attorneys, and the parties, and shall make recommendations to the Legislature and the Governor.

SEC. 12. Section 44000.1 is added to the Health and Safety Code, to read:

44000.1. It is the intent of the Legislature that the amendments made to this part by the act that added this section during the

1999–2000 Regular Session not negatively affect the ability of the state to achieve its emission reduction goals.

SEC. 13. Section 44011 of the Health and Safety Code is amended to read:

44011. (a) All motor vehicles powered by internal combustion engines that are registered within an area designated for program coverage shall be required biennially to obtain a certificate of compliance or noncompliance, except for all of the following:

(1) Every motorcycle, and every diesel-powered vehicle, until the department, pursuant to Section 44012, implements test procedures applicable to motorcycles or to diesel-powered vehicles, or both.

(2) Any motor vehicle that has been issued a certificate of compliance or noncompliance or a repair cost waiver upon a change of ownership or initial registration in this state during the preceding six months.

(3) (A) Prior to January 1, 2003, any motor vehicle manufactured prior to the 1974 model-year.

(B) Beginning January 1, 2003, any motor vehicle that is 30 or more model-years old.

(4) (A) Any motor vehicle four or less model-years old.

(B) The department, by regulation, may increase the exemption provided by this paragraph to include any motor vehicle up to six or less model-years old.

(C) Any motor vehicle excepted by this paragraph shall be subject to testing and to certification requirements as determined by the department, if any of the following apply:

(i) The department determines through remote sensing activities or other means that there is a substantial probability that the vehicle has a tampered emission control system or would fail for other cause a smog check test as specified in Section 44012.

(ii) The vehicle was previously registered outside this state and is undergoing initial registration in this state.

(iii) The vehicle is being registered as a specially constructed vehicle.

(iv) The vehicle has been selected for testing pursuant to Section 44014.7 or any other provision of this chapter authorizing out-of-cycle testing.

(5) In addition to the vehicles exempted pursuant to paragraph (4), any motor vehicle or class of motor vehicles exempted pursuant to subdivision (b) of Section 44024.5. It is the intent of the Legislature that the department, pursuant to the authority granted by this paragraph, exempt at least 15 percent of the lowest emitting motor vehicles from the biennial smog check inspection.

(6) Any motor vehicle that the department determines would present prohibitive inspection or repair problems.

(7) Any vehicle registered to the owner of a fleet licensed pursuant to Section 44020 if the vehicle is garaged exclusively outside

the area included in program coverage, and is not primarily operated inside the area included in program coverage.

(b) Vehicles designated for program coverage in enhanced areas shall be required to obtain inspections from appropriate smog check stations operating in enhanced areas.

SEC. 14. Section 44017.1 of the Health and Safety Code is amended to read:

44017.1. (a) For purposes of this section, "low-income motor vehicle owner" means a person whose income does not exceed 185 percent of the federal poverty level.

(b) Notwithstanding subdivision (a) of Section 44017, for low-income motor vehicle owners qualified under Section 44062.1, the repair cost limit, including parts and labor, shall be two hundred fifty dollars ($250) in all areas where the program operates. However, the department may decrease that amount, to not more than two hundred dollars ($200), if the department determines that participation rates are unsatisfactory.

(c) Until such time as a repair assistance program becomes effective pursuant to Section 44062.1, an economic hardship extension shall be issued upon request to a qualified low-income motor vehicle owner whose motor vehicle has been tested but does not meet applicable emissions standards and the necessary repairs exceed the repair cost limit specified in subdivision (b).

SEC. 15. Section 44060 of the Health and Safety Code is amended to read:

44060. (a) The department shall prescribe the form of the certificate of compliance or noncompliance, repair cost waivers, and economic hardship extensions.

(b) The certificates, repair cost waivers, and economic hardship extensions shall be in the form of an electronic entry filed with the department, the Department of Motor Vehicles, and any other person designated by the department. The department shall ensure that the motor vehicle owner or operator is provided with a written report, signed by the licensed technician who performed the inspection, of any test performed by a smog check station, including a pass or fail indication, and written confirmation of the issuance of the certificate.

(c) (1) The department shall charge a fee to a smog check station, including a test-only station, and a station providing referee functions, for a motor vehicle inspected at that station that meets the requirements of this chapter and is issued a certificate of compliance, a certificate of noncompliance, repair cost waiver, or economic hardship extension.

(2) The fee charged pursuant to paragraph (1) shall be calculated to recover the costs of the department and any other state agency directly involved in the implementation, administration, or enforcement of the motor vehicle inspection and maintenance program, and shall not exceed the amount reasonably necessary to

fund the operation of the program, including all responsibilities, requirements, and obligations imposed upon the department or any of those state agencies by this chapter, that are not otherwise recoverable by fees received pursuant to Section 44034.

(3) Except for adjustments to reflect changes in the Consumer Price Index, as published by the United States Bureau of Labor Statistics, the fee for each certificate, waiver, or extension shall not exceed seven dollars ($7).

(4) Fees collected by the department pursuant to this subdivision shall be deposited in the Vehicle Inspection and Repair Fund. It is the intent of the Legislature that a prudent surplus be maintained in the Vehicle Inspection and Repair Fund. If the surplus exceeds the reasonable costs of administration of the programs specified in this chapter and in Chapter 20.3 (commencing with Section 9880) of Division 3 of the Business and Professions Code, the department shall, by regulation, prescribe a lower fee for the certificates, waivers, and extensions.

(d) (1) Motor vehicles exempted under paragraph (4) of subdivision (a) of Section 44011 that are four or less model-years old shall be subject to an annual smog abatement fee of four dollars ($4). If the department increases the exemption in that paragraph (4) to include motor vehicles that are five or six model-years old, the department may, by regulation, subject those vehicles to the annual smog abatement fee of four dollars ($4). The department may also, by regulation, subject motor vehicles that are exempted under paragraph (5) of subdivision (a) of Section 44011 to the four dollar ($4) annual smog abatement fee. Payment of the annual smog abatement fee shall be made to the Department of Motor Vehicles at the time of registration of the motor vehicle.

(2) Fees collected pursuant to this subdivision shall be deposited on a daily basis into the Vehicle Inspection and Repair Fund.

(e) The sale or transfer of the certificate, waiver, or extension by a licensed smog check station or test-only station to any other licensed smog check station or to any other person, and the purchase or acquisition of the certificate, waiver, or extension, by any person, other than from the department, the department's designee, or pursuant to a vehicle's inspection or repair conducted pursuant to this chapter, is prohibited.

(f) Following implementation of the electronic entry certificate under subdivision (b), the department may require the modification of the analyzers and other equipment required at smog check stations to prevent the entry of a certificate that has not been issued or validated through prepayment of the fee authorized by subdivision (c).

(g) The fee charged by licensed smog check stations to consumers for a certificate, waiver, or extension shall be the same amount that is charged by the department.

SEC. 16. Section 44062.1 of the Health and Safety Code is amended to read:

44062.1. (a) The department shall offer a repair assistance program through entities authorized to perform referee functions.

(b) (1) The repair assistance program shall be available to the following eligible individuals whose vehicles have failed a smog check inspection:

(A) An individual, based on a maximum income level of 185 percent of the federal poverty level, as published quarterly in the Federal Register by the Department of Health and Human Services.

(B) An owner of a motor vehicle who is directed to a test-only facility pursuant to Section 44010.5 or 44014.7.

(2) The department shall offer repair cost assistance, funded by the High Polluter Repair or Removal Account in the Vehicle Inspection and Repair Fund created pursuant to subdivision (a) of Section 44091 and revenues generated by the smog impact fee pursuant to Section 6262 of the Revenue and Taxation Code, to individuals based on the cost effectiveness and air quality benefit of the needed repair. Repair assistance may include retesting costs.

(3) An applicant for repair assistance shall file an application on a form prescribed by the department and shall certify under penalty of perjury that the applicant meets the applicable eligibility standards.

(4) Verification of low-income eligibility shall be based on at least one form of documentation, as determined by the department, including, but not limited to, (A) an income tax return, (B) an employment warrant, or (C) a form of public assistance verification.

(c) The repair assistance program shall be funded by the High Polluter Repair or Removal Account. A minimum of twenty million dollars ($20,000,000) shall be made available annually for the program through funding provided by revenues generated by the smog impact fee pursuant to Section 6262 of the Revenue and Taxation Code.

(d) All repairs subsidized by the state through the program shall be performed at a repair station licensed and certified pursuant to Sections 44014 and 44014.2. Repair shall be based upon a preapproved list of repairs for cost-effective emission reductions.

(e) The qualified low-income motor vehicle owner receiving repair assistance pursuant to this section shall contribute a copayment, as determined by the department as specified in Section 44017.1, either in cash, or in emissions-related partial repairs as verified by a test-only station pursuant to paragraph (2) of subdivision (c) of Section 44015, or a combination thereof. For an owner of a motor vehicle described in subparagraph (B) of paragraph (1) of subdivision (b), the department shall impose a copayment at least equivalent to the amount imposed on a low-income individual receiving assistance under this section. If the repair cost exceeds the applicable repair cost limit, the department

shall inform a motor vehicle owner of all options for compliance at the time of testing and repair.

(f) The department may increase its contribution toward the repair of a motor vehicle under this program in excess of the amount authorized for the repair of a high-polluter pursuant to paragraph (1) of subdivision (b) of Section 44094, if the department determines that the expenditure is cost-effective.

(g) The department shall collect data from the program to provide information on how to improve the program. Data collection shall include all of the following:

(1) The number of motor vehicle owners that are eligible for repair assistance.

(2) The number of eligible motor vehicle owners that use repair assistance funds.

(3) The potential for fraud.

(4) The average repair bills.

(5) The types of repairs being done.

(6) The amount of partial repairs done prior to receipt of repair assistance.

(7) The emissions benefits of providing repair assistance.

(h) The department shall collect data and develop information and shall report to the Legislature on or before April 1, 1999, on eligibility criteria, program participation, the cost of vehicle repairs, and the funding resources needed to implement the program.

(i) For purposes of this section, "low-income motor vehicle owner" means a person whose income does not exceed 185 percent of the federal poverty level.

SEC. 17. Section 44091.2 is added to the Health and Safety Code, to read:

44091.2. It is the intent of the Legislature that if the impact fee imposed pursuant to Section 6262 of the Revenue and Taxation Code is ruled unconstitutional by an appellate court or the California Supreme Court, or if the state is in any manner prevented by either of those courts from imposing or collecting the fee, the repair assistance program implemented pursuant to Section 44062.1 and any voluntary vehicle retirement program implemented by the department not be supported by money appropriated from the General Fund.

SEC. 18. Section 44094 of the Health and Safety Code is amended to read:

44094. (a) Participation in the high polluter repair or removal program specified in this article and Article 10 (commencing with Section 44100) shall be voluntary and shall be available to the owners of high polluters that are registered in an area that is subject to an inspection and maintenance program, have been registered for at least 24 months in the district where the credits are to be applied and, are presently operational, and meet other criteria, as determined by the department.

(b) The program shall provide for both of the following:

(1) As to the repair of a high polluter, payment to the owner of up to 80 percent of the total cost of repair, as determined by the department, but the payment shall not exceed four hundred fifty dollars ($450).

(2) As to the removal of a high polluter, the program shall be subject to Article 10 (commencing with Section 44100).

(c) The department may specify the amount of money that may be paid to an owner of a high-polluting motor vehicle who voluntarily retires the vehicle. The amount paid by the department shall be based on the cost effectiveness and the air quality benefit of retiring the vehicle, as determined by the department.

(d) The department may authorize participation in the program based on a reasonable estimate of the future revenues that will be available to the program.

SEC. 19. Section 50880 of the Health and Safety Code is amended to read:

50880. (a) The Legislature finds and declares all of the following:

(1) That there are more than 600,000 families in California who face the enormous challenge of moving rapidly from welfare to work in order to meet federal and state deadlines.

(2) That a significant number of these families face substantial obstacles in meeting these deadlines inasmuch as a vast percentage of these families pay 50 to 80 percent of their welfare checks for housing, live in counties with unemployment rates that are as high as 30 percent, cannot locate infant or child care because of no availability or long waiting lists, and lack personal or public transportation.

(3) That approximately 1,500,000 children receiving Aid to Families with Dependent Children (AFDC) will require child care when their mothers begin private or public employment and that only four out of every 100 slots in licensed child care centers are open to infants.

(4) That most of the 600,000 parents who will be required to work lack training, and a high percentage lack a high school diploma, job experience, and job retention skills in order to earn the income necessary to sustain themselves and their children without welfare assistance. Studies demonstrate that a welfare mother in Los Angeles with one toddler will need to find a job earning thirteen dollars and seven cents ($13.07) per hour in order to provide housing, and the basic necessities and health care. A mother of two needs seventeen dollars and ten cents ($17.10) per hour.

(5) That in response to this complex problem facing so many endangered families, that the "Families Moving to Work Program" shall be quickly implemented within the California Department of Housing and Community Development by revamping an older, successful program.

(b) The Legislature intends that the "Families Moving to Work Program" shall test innovative strategies of providing affordable housing combined with onsite child care and a job training program. The housing shall be located on a main transportation system.

(c) The Legislature intends that the funds included in Item 2240-106-0001 of the Budget Act of 1999 be used as an integral part of a county's welfare plan as a means of assisting families qualifying for CalWORKs benefits and experiencing the greatest difficulty moving from welfare to work. The Legislature further intends for this to be a transitional program that will provide focused, enriched resources to CalWORKs households during the period of moving from welfare to work, and that upon the completion of the program, the household will be assisted in locating and moving to affordable, permanent housing, and then a new CalWORKs household will be provided assistance in the Families Moving to Work Program. The Legislature intends that the department may establish goals and timelines for moving from welfare to work, and that broad criteria for this transition shall be applied to households on an individual basis.

(d) The Legislature finds and declares that the legislative findings and declarations set forth in Sections 1 to 5, inclusive, of both Chapters 1042 and 1043 of the Statutes of 1979, remain valid and are applicable to the program enacted by this chapter. The Legislature finds and declares that there is an urgent need to establish a program to design new living environments, part of which will include social and economic programs, so that working parents, job-seeking parents, and homeless parents can build productive lives for themselves and their children.

SEC. 20. Section 50881 of the Health and Safety Code is amended to read:

50881. This chapter shall be known and may be cited as the Families Moving to Work Program. The Families Moving to Work Program shall be operated as a component of the Rental Housing Construction Program of the department.

SEC. 21. Section 50881.5 of the Health and Safety Code is amended to read:

50881.5. The definitions in this section apply to all activities conducted pursuant to this chapter. Except as otherwise provided in this chapter, or unless the context requires otherwise, the definitions in Chapter 2 (commencing with Section 50050) of Part 1 also apply to this chapter.

(a) "Account" means the Families Moving to Work Account established by Section 50882.

(b) "Assisted unit" means a unit in a community housing development that is affordable to an eligible household as a result of a payment made by the department pursuant to this chapter. The department shall adopt regulations that establish a method for computing rents for eligible households in accordance with Section 50771.1.

(c) "Community housing development" means a development of 20 or more rental or cooperative units on one or more sites, that includes the social and economic features described in this chapter.

(d) "Congregate housing" or "congregate housing development," means a new or rehabilitated large multibedroom structure in which more than two families share common living areas and child care, cleaning, cooking, and other household responsibilities.

(e) "Development" means both new construction and rehabilitation.

(f) "Development or rehabilitation costs" has the same meaning as "development costs" as defined by subdivision (c) of Section 50735, paragraph (5) of subdivision (b) of Section 50668.5, and paragraph (3) of subdivision (b) of Section 50771.1, respectively.

(g) "Eligible household" means households as defined in Section 50079.5 or 50105, respectively.

(h) "Sponsor" means any nonprofit corporation, cooperative, or local public agency, or any combination thereof, including limited partnerships in which the managing general partner is an eligible nonprofit corporation.

SEC. 22. Section 50882 of the Health and Safety Code is amended to read:

50882. (a) The Families Moving to Work Account is hereby established in the Rental Housing Construction Fund. The account shall be organized into subaccounts as provided in this chapter. All of the following moneys shall be paid into the account:

(1) Any moneys appropriated and made available by the Legislature for the purposes of the account.

(2) Any moneys that the department receives in repayment or return of loans made from the account, including any interest on those loans.

(3) Any other moneys that may be made available to the department for the purposes of this chapter from any other source or sources.

(b) Notwithstanding Section 13340 of the Government Code, all money in the account is hereby continuously appropriated to the department and shall be utilized for the purposes of Article 1 (commencing with Section 50880) to Article 4 (commencing with Section 50893), inclusive, including administrative expenses of the department for the implementation and operation of the programs created by this chapter. All interest or other increment resulting from investment or deposit of moneys in the account shall be deposited in the account, notwithstanding Section 16305.7 of the Government Code. Moneys in the account are not subject to transfer to any other fund, except as set forth in this chapter, pursuant to any provision of Part 2 (commencing with Section 16300) of Division 4 of Title 2 of the Government Code, except the Surplus Money Investment Fund.

(c) At the time funding availability is announced by the department, the department may apportion funds available for loans between community housing developments and congregate housing developments. The plan for apportioning funds may include a priority for funding loans for new construction, acquisition and rehabilitation, or rehabilitation.

(d) Notwithstanding any other provision of law, on or after July 1, 1996, the unencumbered account balance and reserves shall be transferred out of the Family Housing Demonstration Account, but shall be retained within the Rental Housing Construction Fund.

SEC. 23. Section 50884 of the Health and Safety Code is repealed.

SEC. 24. Section 50887 of the Health and Safety Code is amended to read:

50887. The department may make awards from the account for the purposes of assisting the development of community housing developments. To the extent feasible, the department shall ensure that the funds are equally distributed between the northern and southern portions of the state. To the extent feasible, not less than 20 percent of the funds awarded pursuant to this chapter shall be allocated to rural areas.

SEC. 25. Section 50888.3 of the Health and Safety Code is amended to read:

50888.3. The housing component of a community housing development shall include the following features and criteria:

(a) At least 30 percent of the units shall be assisted units, and those assisted units shall be available on a priority basis to, or occupied by, eligible households at affordable rent.

(b) Not less than two-thirds of all assisted units shall, to the extent feasible, be available on a priority basis to, or occupied by, households as defined in Section 50105.

(c) The assisted units shall be available on a priority basis to, or occupied by, families with one or more children, depending on the size of the dwelling unit.

(d) The department shall encourage the provision of three bedroom or larger units in each community housing development. The assisted units shall consist of substantially the same range of unit sizes as are available in nonassisted units, as determined by the department.

SEC. 26. Section 50888.5 of the Health and Safety Code is amended to read:

50888.5. The jobs and economic development component of a community housing development shall include all of the following features and criteria:

(a) The sponsor shall consider existing employment at nearby facilities, the potential of employment at nearby facilities through publicly assisted or other job-training or entry-level employment programs, and employment in the management and operation of the community housing development and its child care center.

(b) The sponsor shall develop a program of job placement and training for residents, which shall be implemented upon initial occupancy. The program shall consider employment and job training opportunities within the community housing development.

SEC. 27. Section 50888.7 of the Health and Safety Code is amended to read:

50888.7. (a) The supportive services of the community housing development shall include all of the following features and criteria:

(1) A child care center and play area adequate in size for the anticipated children of the residents which may also serve children of nonresidents.

(2) A community room, which may also be the child care center.

(3) Adequate laundry facilities.

(b) The supportive services of the community housing development may include other features as appropriate.

SEC. 28. Section 50889.5 of the Health and Safety Code is amended to read:

50889.5. Applications for fund commitments shall be accepted by the department at any time. Fund commitments shall be based on a ranking of applications.

(a) In making this ranking, the department shall give priority to projects that do all of the following:

(1) Serve the greater number of eligible households with the lowest income, as defined in Section 50105, for the greatest period of time above the minimum number of years.

(2) Are located in areas where the housing need is great, as determined by the department, taking into consideration, among other factors, low vacancy rates, high market rents, and long waiting lists for subsidized housing.

(3) Complement the implementation of an existing housing program.

(4) Maximize private, local, and other funding sources.

(5) Are economically feasible.

(6) Are reasonable in cost.

(b) In making funding awards, the department also shall do both of the following:

(1) Evaluate the capability of the sponsor to own, construct or rehabilitate, and manage the housing developments, including those with child care and other support services.

(2) Require evidence from the local welfare department, to be submitted as part of the sponsor's application, that the proposed development is consistent with the Welfare Reform Plan required pursuant to Section 10531 of the Welfare and Institutions Code, as adopted by the county board of supervisors.

SEC. 29. Section 50890 of the Health and Safety Code is amended to read:

50890. The Legislature finds and declares all of the following:

(a) That in addition to the need for housing described in this chapter as community housing developments, there is an additional critical need for smaller scale congregate housing suitable to single-parent households in which families share large, multibedroom houses with common living areas and who share child care, cleaning, cooking, and other household responsibilities.

(b) That congregate housing can be constructed or converted at little more cost than conventional housing, and at less cost than conventional apartment houses. The purposes of this housing can be achieved through a combination of innovative and traditional designs, including, but not limited to, the construction of "flexibility" houses where only the exterior walls and those around the kitchen and bathroom are permanent, or the use of large rooms with interior sliding doors or screens to provide for personal or social spaces.

(c) That this type of housing can reduce reliance on public assistance; increase self-reliance and joint problem solving; assist single parents to obtain and keep employment; provide fulfilling activity for elderly or handicapped persons; provide for more economical use of housing stock; and ensure the use of scarce family resources in a manner which maximizes the health, safety, and development of children and younger single parents. Notwithstanding all of these benefits, there are no public programs that assist in the provision or financing of this housing, and private financing or provision of this housing is almost nonexistent.

SEC. 30. Section 50893.5 of the Health and Safety Code is amended to read:

50893.5. (a) The department shall monitor the construction and operation of the community housing developments and congregate housing developments developed pursuant to this chapter in order to ensure compliance with loan conditions, contract obligations, and this chapter and any regulations adopted pursuant to this chapter. The department may charge a fee to the sponsor to offset the cost of monitoring.

(b) The department may enter into a contract with a local public agency to monitor the operation of community housing developments and congregate housing developments.

SEC. 31. Section 50893.7 of the Health and Safety Code is amended to read:

50893.7. The regulatory agreement shall contain at least the following provisions, and any others determined necessary by the department, each of which is a binding requirement:

(a) Substantially the same provisions as are required by Sections 50766 and 50767, except that they shall be applicable to sponsors and developments assisted pursuant to this chapter and the requirements of this chapter.

(b) A description of, and requirements governing, all social and economic components of the community housing development and

the sponsor's affirmative responsibilities with respect to the components.

(c) A provision making the covenants and conditions of the agreement binding upon successors in interest of the sponsor.

(d) For sponsors other than a governmental agency, a provision limiting the distribution of the sponsor's earnings from the assisted portion of the community housing development, or congregate housing development, in an annual amount no greater than 8 percent of the sponsor's actual investment, excluding unaccrued liabilities of the sponsor, in the assisted portion of the community housing development. The "assisted portion" of a community housing development includes the assisted units, the portion of the common area that is equal to the ratio of floorspace of the assisted units to total units, and if any funds are awarded under this chapter to develop all or any portion of a child care center for the community housing development, the entire child care center. A sponsor shall not be subject to a limitation on distributions received from that portion of the community housing development that is not the assisted portion. That portion of the development which is not assisted shall include the units which are not assisted units, the portion of the common area that is equal in proportion to the ratio of floorspace of the nonassisted units to total units, the child care center, if no funds have been awarded under this chapter for development of the center, and any commercial space which, for the purposes of this chapter, does not include any child care center.

(e) Provisions for requiring termination of tenancy upon completion or termination of the tenant's job training program no later than two years following termination of the cash grant received by the tenant under CalWORKs, consistent with the requirements of the local welfare reform plan and CalWORKs.

(f) Provisions for grievance hearings and other resident protections which ensure reasonable security of continued occupancy.

(g) Provisions to ensure that if an eligible household's income exceeds the standard pursuant to which it was accepted for tenancy, that fact alone shall neither constitute cause for the eviction nor be a violation of the sponsor's loan agreement.

(h) Provisions for setting initial rents and rent increases consistent with paragraph (1) of subdivision (c) of Section 50771.1. Prior to the time any rent increase is effective, the sponsor shall notify every affected tenant, in writing, of the availability of informal meetings with the sponsor to review the proposed rent increase. Each tenant, upon request, shall be provided the information submitted to the department pursuant to this subdivision.

(i) A requirement that the sponsor submit to the department for review and approval, annual operating budgets and periodic reports, which shall at a minimum include information on the fiscal condition of the rental housing development, the maintenance of the

development, and the number of units occupied by eligible households.

SEC. 32. Section 50893.9 of the Health and Safety Code is amended to read:

50893.9. The department, in its administration of the program established pursuant to this chapter, shall do all of the following:

(a) Ensure that services, including child care, have costs that are based on household income and ability to pay.

(b) Ensure that there is an adequate management plan that includes an affirmative marketing plan.

(c) Ensure that all of the following apply to cooperatives and limited equity cooperatives:

(1) The downpayment for an assisted unit shall not exceed 2.5 percent or the prorated development cost of the unit.

(2) Any payment prior to occupancy shall not exceed 10 percent of the income of the household for the prior calendar year.

(3) There is a limitation on the rate of appreciation on any assisted unit.

SEC. 33. Section 50895 of the Health and Safety Code is repealed.

SEC. 34. Section 50895 is added to the Health and Safety Code, to read:

50895. No rule, policy, or standard of general application employed by the department in implementing this chapter shall be subject to the requirements of Chapter 3.5 (commencing with Section 11340) of Part 1 of Title 2 of the Government Code.

SEC. 35. Section 51451 of the Health and Safety Code is amended to read:

51451. The Homebuyer Down Payment Assistance Program and the Rental Assistance Program are hereby established to provide assistance in the amount of the applicable school facility fee on affordable housing developments.

(a) A Homebuyer Down Payment Assistance Program shall provide the following assistance:

(1) Downpayment assistance to the purchaser of newly constructed residential structures in a development project in economically distressed areas in the aggregate amount of school facility fees paid pursuant to one or both of Sections 65995.5 and 65995.7 of the Government Code, less the amount that would be required pursuant to subdivision (b) of Section 65995 of the Government Code notwithstanding Sections 65995.5 and 65995.7 of the Government Code, if all of the following conditions are met:

(A) The development project is located in a county with an unemployment rate that equals or exceeds 125 percent of the state unemployment rate.

(B) Five hundred or more residential structures have been constructed in the county during 1997.

(C) A building permit for an eligible residential structure in the development project is issued by the local agency on or after January 1, 1999.

(D) The eligible residential structure is to be owner occupied for at least five years. If a structure is owner occupied for fewer than five years, the recipient of the assistance shall repay the School Facilities Fee Assistance Fund the amount of the assistance, on a prorated basis.

(E) The sales price of the eligible residential structure does not exceed 175 percent of the median sales price of residential structures in the county during the average of the previous five years.

(2) Downpayment assistance to the purchaser of any newly constructed residential structure in the development project in the aggregate amount of school facility fees paid pursuant to one, all, or any combination of Sections 65995, 65995.5, and 65995.7 of the Government Code, less the amount that would be required pursuant to subdivision (b) of Section 65995 of the Government Code notwithstanding Sections 65995.5 and 65995.7 of the Government Code, if all of the following conditions are met:

(A) The development project is located in the state.

(B) The sales price of the eligible residential structure in the development project does not exceed one hundred ten thousand dollars ($110,000).

(C) A building permit for an eligible residential structure in the development project is issued by the local agency on or after January 1, 1999.

(D) The eligible residential structure is to be owner occupied for at least five years. If a structure is owner occupied for fewer than five years, the recipient of the assistance shall repay the School Facilities Fee Assistance Fund the amount of the assistance, on a prorated basis.

(3) Downpayment to the purchaser of any newly constructed residential structure in a development project in the aggregate amount of school facility fees paid pursuant to one, all, or any combination of subdivision (b) of Section 65995 and Sections 65995.5 and 65995.7 of the Government Code for the eligible residential structure if all of the following conditions are met:

(A) The assistance is provided to a qualified first-time homebuyer pursuant to Section 50068.5.

(B) The qualified first-time homebuyer meets the very low or low-income requirements set forth in Sections 50105 and 50079.5, respectively.

(C) A building permit for an eligible residential structure in the development project is issued by the local agency on or after January 1, 1999.

(D) The eligible residential structure is to be owner occupied for at least five years. If a structure is owner occupied for fewer than five years, the recipient of the assistance shall repay the School Facilities Fee Assistance Fund the amount of the assistance, on a prorated basis.

(b) A Rental Assistance Program shall provide assistance to the housing sponsor of a housing development in the aggregate amount of the school facility fees paid pursuant to one, all, or any combination of subdivision (b) of Section 65995 and Sections 65995.5 and Section 65995.7 of the Government Code that meets all of the following conditions:

(1) The units are deed restricted to very low income households and are continuously available to or occupied by very low income households at rents that do not exceed those prescribed by Section 50053, except that for the purposes of this subdivision, very low income shall be defined as 30 percent times 30 percent of the median income adjusted for family size appropriate for the unit.

(2) The number of dedicated residential units must equal or exceed the number of units supported by the reimbursed school impact fees determined by the average per unit development cost.

(3) The dedicated residential units are regulated by an appropriate local or state agency for a minimum of 30 years.

(4) A building permit for an eligible residential unit in the development project is issued by the local agency on or after January 1, 1999.

SEC. 36. Section 51452 of the Health and Safety Code is amended to read:

51452. (a) The School Facilities Fee Assistance Fund is hereby established in the State Treasury and, notwithstanding Section 13340 of the Government Code, all money in the fund is continuously appropriated to the Department of General Services for the purposes of this chapter. All repayments of disbursed funds pursuant to this chapter or any interest earned from the investment in the Surplus Money Investment Fund or any other moneys accruing to the fund from whatever source shall be returned to the fund and is available for allocation by the California Housing Finance Agency to programs established pursuant to this chapter.

(b) The following amounts are hereby appropriated from the General Fund to the School Facilities Fee Assistance Fund for administrative costs and to make payments to purchasers of newly constructed residential structures and housing sponsors of housing developments pursuant to this chapter from that fund by fiscal year as follows:

(1) Twenty million dollars ($20,000,000) in the 1998–99 fiscal year.

(2) Forty million dollars ($40,000,000) in the 1999–2000 fiscal year.

(3) Forty million dollars ($40,000,000) in the 2000–01 fiscal year.

(4) Forty million dollars ($40,000,000) in the 2001–02 fiscal year.

(5) Twenty million dollars ($20,000,000) in the 2002–03 fiscal year, through December 31, 2002.

(c) The funds shall be distributed by fiscal year to each program in proportion to the total amounts available for each program as follows:

(1) Twenty-eight million dollars ($28,000,000) shall be available for the program set forth in paragraph (1) of subdivision (a) of Section 51451, except that any funds not expended within 18 months shall be available for programs set forth in paragraphs (2) and (3) of subdivision (a) of Section 51451.

(2) Twenty-eight million dollars ($28,000,000) shall be available for the program set forth in paragraph (2) of subdivision (a) of Section 51451.

(3) Fifty-two million dollars ($52,000,000) shall be available for the program set forth in paragraph (3) of subdivision (a) of Section 51451.

(4) Fifty-two million dollars ($52,000,000) shall be available for the program set forth in subdivision (b) of Section 51451.

SEC. 37. Section 51453 of the Health and Safety Code is repealed.

SEC. 38. Section 51455 of the Health and Safety Code is amended to read:

51455. Sections 51450, 51451, 51452, 51454, and this section shall remain in effect until January 1, 2003, and as of that date are repealed.

SEC. 39. Section 311.1 is added to the Public Utilities Code, to read:

311.1. Notwithstanding any other provision of law, the commission shall not consider or require, in determining qualified bidders for, or in awarding contracts, that any facilities be located within a particular area of the state, or within geographical proximity of any particular area of the state.

SEC. 40. Section 19556 of the Revenue and Taxation Code is repealed.

SEC. 41. Section 3 of Chapter 328 of the Statutes of 1998 is amended to read:

Sec. 3. (a) The intent of the Performance and Results Act of 1993 (Chapter 8 (commencing with Section 11800) of Part 1 of Division 3 of Title 2 of the Government Code) and the State Government Strategic Planning and Performance Review Act (Chapter 8.1 (commencing with Section 11810) of Part 1 of Division 3 of Title 2 of the Government Code) is to improve the delivery of governmental services through the use of strategic planning and performance measurement. Therefore, the Department of Consumer Affairs shall commit itself to achieve improved levels of performance, as specified, by focusing its efforts on enhancing the value of the services it delivers.

(b) (1) Notwithstanding any other provision of law, the Director of Consumer Affairs or his or her designee, in lieu of the Director of Finance, is authorized to carry out the provisions of Section 31.00 of the Budget Act as it pertains to the positions funded by the Budget Act.

(2) Notwithstanding Section 31.00 of the Budget Act, the Director of Consumer Affairs is not required to notify the Chairperson of the Joint Legislative Budget Committee regarding any position

authorization, blanket transfer, or reclassification of positions funded by the Budget Act.

(c) Notwithstanding any other provision of law, the Director of Consumer Affairs or his or her designee, in lieu of the Director of Finance, is authorized to carry out the provisions of Section 26.00 of the Budget Act as it pertains to category transfers related to the Budget Act.

(d) Notwithstanding any other provision of law, the Director of Consumer Affairs or his or her designee, in lieu of the Director of Finance, is authorized to approve Budget Revision, Standard Form 26, for activities funded by the Budget Act.

(e) The Department of Consumer Affairs shall be exempt from Rule 444 of the State Personnel Board, which requires advertising vacant positions when filled by transfer within or between department offices or other agencies, or by training and development assignment. This exemption does not provide an exemption from any of the requirements imposed by Section 19232, 19404, or 19790 of the Government Code.

(f) Notwithstanding Sections 2050 to 2057, inclusive, Sections 10115 to 10115.13, inclusive, Sections 10290 to 10382, inclusive, and Sections 12100 to 12121, inclusive, of the Public Contract Code, and Section 14669 and Sections 14740 to 14880, inclusive, of the Government Code, the Director of Consumer Affairs or his or her designee shall have full authority and discretion to execute all contracts, procure all goods and services, negotiate lease agreements for office, warehouse, and other appropriate facilities, and determine appropriate methods to store and retrieve departmental records related to the bureaus, programs, and divisions under the Director of Consumer Affairs' appointing authority.

Except as provided in this subdivision, the Director of Consumer Affairs shall use the authority granted in this subdivision to implement alternative approaches, procedures, and methods, in lieu of the guidelines and procedures contained in the State Administrative Manual and in other state-issued guidelines to carry out the provisions of the Public Contract Code and the Government Code cited in this section, for execution of contracts, procurement of all goods and services, negotiate lease agreements for office, warehouse, and other appropriate facilities, and determine appropriate methods to store and retrieve departmental records related to the bureaus, programs, and divisions under the Director of Consumer Affairs' appointing authority.

This authority granted by this subdivision shall not affect any of the following:

(1) The Department of Consumer Affairs' continued use of the state's private line voice network (CALNET).

(2) The Department of General Services' continued responsibility and authority for the consolidation of the Department of Consumer Affairs' offices in the Sacramento area.

(3) The requirement that the Department of Consumer Affairs obtain the written approval of the Secretary of the State and Consumer Services Agency for any leasing of offices that may affect the Los Angeles basin and San Francisco Area Consolidation Plans.

(g) Notwithstanding any other provision of law, the Director of Consumer Affairs may prepay vendors when it is a best value to the Department of Consumer Affairs. In the event the Department of Consumer Affairs incurs any losses due to the prepayment of vendors, the Department of Consumer Affairs shall report such losses in the semiannual report required in subdivision (q).

(h) Related to the implementation of information technology projects for the bureaus, programs, and divisions under the Director of Consumer Affairs' appointing authority:

(1) Notwithstanding Sections 4819.35 to 4819.37, inclusive, of the State Administrative Manual, the Director of Consumer Affairs or his or her designee, is authorized to internally approve all Feasibility Study Reports related to information technology projects whose aggregate total development costs do not exceed one million dollars ($1,000,000), provided the project activity is consistent with the department's Strategic Information Systems Plan and uses existing resources.

(2) Notwithstanding Sections 12100 to 12121, inclusive, of the Public Contract Code, the Director of Consumer Affairs or his or her designee, shall have full authority and discretion for the procurement of electronic data processing and telecommunications goods and services that do not exceed one million dollars ($1,000,000) per procurement.

(i) Notwithstanding Sections 14850 to 14855, inclusive, of the Government Code, the director, or his or her designee, shall have full authority and discretion to execute contracts and procure printing services, or both, that are timely and cost-beneficial to the bureaus, programs, and divisions under the director's appointing authority.

(j) Notwithstanding Section 2807 of the Penal Code, the Director of Consumer Affairs, or his or her designee, shall have full authority to procure goods and services from the private sector, even though these goods and services may be available through the Prison Industries Authority, when in his or her discretion it is more cost-beneficial to the bureaus, programs, and divisions under the Director of Consumer Affairs' appointing authority.

(k) Notwithstanding subdivision (a) of Section 948 and Section 965 of the Government Code, the Director of Consumer Affairs or his or her designee, in lieu of the Director of Finance, is authorized to certify funds for the payment of all legal settlements, State Board of Control claims, judgments, and tort claims, for which the Department of Consumer Affairs has sufficient expenditure authority and funds without the need for an augmentation. This provision shall only apply to programs under the Director of Consumer Affairs' appointing authority.

(*l*) Notwithstanding Section 11032 of the Government Code, the Director of Consumer Affairs or his or her designee, may authorize officers and employees of the programs under the Director of Consumer Affairs' appointing authority, to travel outside the state or country without approval from any other agency, and the funds appropriated by the Budget Act may be used for that purpose.

(m) Notwithstanding any other provision of law, the Department of Consumer Affairs shall be exempt from Section 12439 of the Government Code regarding the abolition of vacant state positions.

(n) All reports to the Legislature required in the sections cited in this section shall be made by the Director of Consumer Affairs in the same form and manner as currently reported by the otherwise appropriate agency.

(o) The Legislature finds and declares the following with regard to the Department of Consumer Affairs, and the bureaus and programs within the Department of Consumer Affairs:

(1) The traditional budgeting system does not appropriately measure results or outcomes.

(2) The Department of Consumer Affairs has drafted and submitted to the Legislature the following essential elements of performance budgeting and strategic planning:

(A) A strategic business and information systems plan.

(B) Meaningful outcome measures that are the primary focus of management accountability.

(C) Performance targets for each of the outcome measures.

(p) In connection with the support funding appropriated by the Budget Act and by any other act, for the 1999–2000 fiscal year, the Department of Consumer Affairs, pursuant to this subdivision and subdivision (q), shall continue the performance funding project that holds the department accountable for results rather than process. The Department of Consumer Affairs' obligations under this project in the 1999–2000 fiscal year shall include the following:

The Department of Consumer Affairs shall continue to conduct regulatory reviews of the programs under the authority of the Director of Consumer Affairs, to determine whether the regulatory activities of the programs are appropriate and necessary, and whether the programs should be eliminated, modified, or continued. This assessment shall be based on the Department of Consumer Affairs' evaluation of the public benefit of the regulatory activity, the program's success in attaining those benefits, and the data gathered as part of the market condition assessment.

(q) (1) In addition to the commitments described in subdivision (p), the Department of Consumer Affairs shall do both of the following:

(A) Submit to the Legislature any revisions to its strategic business and information systems plans and performance measures in accordance with the schedule established by the administration for submission of strategic plans.

(B) Report semiannually: The Department of Consumer Affairs shall provide an annual report for the previous fiscal year no later than December 31, 1999, and a progress report for the first six months of the current fiscal year no later than April 1, 2000, regarding the status of the implementation of its strategic business and information systems plans, the attainment of its performance targets, and the implementation and impact of the administrative flexibilities provided for the previous fiscal year. The report shall be submitted to the Joint Legislative Budget Committee, the appropriate fiscal committees, and the Department of Finance.

(2) The Department of Consumer Affairs shall not modify its strategic business and information systems plans or performance measures sooner than 60 days after notification, in writing, to the Joint Legislative Budget Committee, the appropriate fiscal committees, and the Department of Finance.

(r) This section shall remain in effect only until the effective date of the Budget Act of 2000 or June 30, 2000, whichever occurs later.

SEC. 42. The Department of Consumer Affairs shall end its participation in the performance-based budgeting pilot project authorized by Chapter 641 of the Statutes of 1993. The Department of Consumer Affairs shall, during the course of the 1999–2000 fiscal year, transition its budgeting and accounting systems to conform with the systems prescribed by the Department of Finance. Nothing in this act shall be construed to prevent the Department of Consumer Affairs from using performance measurement as a management tool in this and subsequent fiscal years.

SEC. 43. (a) The intent of the Performance and Results Act of 1993 (Chapter 8 (commencing with Section 11800) of Part 1 of Division 3 of Title 2 of the Government Code) is to improve the delivery of governmental services through the use of strategic planning and performance measurement. Therefore, the Department of General Services (DGS) shall commit itself to achieve improved levels of performance, as specified in this section, by focusing its efforts on enhancing the value of the services it delivers.

(b) (1) Under Goal Two of the DGS strategic plan, DGS committed itself to providing the following two categories of services by July 1, 1998: (A) services that the Legislature or Governor requires state agencies to purchase from DGS, and (B) services that state agencies are not required to purchase from DGS, but that DGS can provide on a cost-competitive basis.

(2) Notwithstanding Section 7550.5 of the Government Code, DGS shall prepare and submit a report to the Legislature and the Department of Finance on its performance twice per year as follows: on September 1, 1999, for the period January 1, 1999, to June 30, 1999, inclusive; for the 1999–2000 fiscal year, DGS shall report on March 1, 2000, for the period July 1, 1999, to December 31, 1999, inclusive, and on September 1, 2000, for the period January 1, 2000, to June 30, 2000,

inclusive. Each report shall provide data on DGS performance as measured against its yearend objectives established annually by the department. The performance evaluation shall measure, as appropriate, customer satisfaction, cycle times, cost price comparisons, efficiency and effectiveness, and financial performance.

(c) Notwithstanding any other provision of law, the Director of General Services or his or her designee, in lieu of the Director of Finance, may approve DGS Form 22 and DGS Form 220, including the extension of time to expend transferred funds, the transfer of funds from one work order to another, and the Return of Funds Document.

(d) Notwithstanding Chapter 1 (commencing with Section 16301.6) of Part 2 of Division 4 of Title 2 of the Government Code, the Director of General Services or his or her designee may approve "relief from accountability" for debts owed to DGS up to five thousand dollars ($5,000) when DGS determines it cannot collect the debts or when the cost of collection exceeds the amount of the debt.

(e) Notwithstanding Section 2807 of the Penal Code, the Director of General Services or his or her designee may procure goods from the private sector even though the goods may be available through the Prison Industry Authority, when in his or her discretion, it is cost-beneficial to do so and if the director or his or her designee continues to include the authority in soliciting quotations for goods.

(f) Notwithstanding subdivision (a) of Section 948 and Section 965 of the Government Code, the Director of General Services or his or her designee, in lieu of the Director of Finance, may certify funds for payment of all legal settlements and tort claims for which DGS already has sufficient expenditure authority and funds without the need for augmentation.

(g) Notwithstanding Section 14876 of the Government Code, the Director of Personnel Administration or his or her designee shall establish salary and wages for employees of the Office of State Printing pursuant to Sections 3516 to 3517.6, inclusive, of the Government Code.

(h) Notwithstanding Chapter 7 (commencing with Section 14850) of Part 5.5 of Division 3 of Title 2 of, or Section 14901 of, the Government Code, no agency is required to use the Office of State Printing for its printing needs and the Office of State Printing may offer printing services to both state and other public agencies, including cities, counties, special districts, community college districts, the California State University, the University of California, and agencies of the United States government.

(i) Notwithstanding Section 14851 of the Government Code, the Office of State Printing may accept paid advertisements in state publications or in publications promoting an Office of State Printing supported project or program from vendors who are participating as a partner in that project or program. The Office of State Printing may

not accept or publish paid political advertising. Unless otherwise authorized, only the Office of State Printing may print state publications that include paid advertisements.

(j) Notwithstanding Section 965.2 of the Government Code, the Director of General Services or his or her designee, in lieu of the Director of Finance, may certify funds for payment of all legal court settlements for projects funded from the Architecture Revolving Fund, if a sufficient fund balance exists in the work order to pay the claim and the payment does not require a budget augmentation to complete the project.

(k) Notwithstanding Section 14957 of the Government Code, the Director of General Services or his or her designee, in lieu of the Director of Finance, may approve the deposit of checks directly into the Architecture Revolving Fund. DGS shall notify the Department of Finance within 30 days of the date DGS makes such a deposit.

(*l*) Notwithstanding Section 12439 of the Government Code, DGS is exempt from the provisions that abolish, effective July 1, any positions that were vacant continuously during the period between October 1 and June 30 of the preceding year.

(m) Notwithstanding Section 11032 of the Government Code, the Director of General Services or his or her designee may authorize its employees to travel outside the state or country without approval by the Department of Finance.

(n) Notwithstanding any other provision of law, the Director of General Services or his or her designee may prepay vendors when it is cost-beneficial to DGS. In the event DGS incurs any losses due to the prepayment of vendors, DGS shall report those losses to the Joint Legislative Budget Committee and to the appropriate fiscal committees of the Legislature.

(o) (1) Notwithstanding Sections 8647, 11005, and 11005.1 of the Government Code, DGS may accept gifts and donations of real property without approval by the Director of Finance. DGS shall bear any costs associated with the acceptance of those gifts and donations and the funds used for this purpose. DGS shall not certify the fair market value of any gift or donation of real property without performing its own appraisal. Upon receipt of any gift or donation of real property, DGS shall certify in writing to the Department of Finance all of the following:

(A) The gift or donated property will have minimal impact on the operation and maintenance costs and DGS will absorb the costs within its existing budget.

(B) The gift or donated property has no evidence or history of environmental hazards or contamination.

(C) There are no lawsuits pending concerning the property, and clear title is a condition of the gift or donation.

(D) The gift or donation has an estimated fair market value of less than five hundred thousand dollars ($500,000).

(E) There are no provisions that will restrict DGS from divesting title to the gift or donated property.

(F) There are no structures on the property, or any structures on the property will be razed.

(2) If one or more of the criteria listed in this subdivision are not met, DGS shall obtain approval from the Department of Finance to accept the gift or donation of real property.

(3) Any gifts and donations that will require future budget change proposals shall be submitted to the Department of Finance for approval.

(p) This section shall remain in effect only until the effective date of the Budget Act of 2000 or July 1, 2000, whichever occurs later.

SEC. 44. (a) The State Energy Resources Conservation and Development Commission shall conduct a public process to prepare a transition plan report on the transfer of energy efficiency programs from the Public Utilities Commission to the State Energy Resources Conservation and Development Commission, and, notwithstanding Section 7550.5 of the Government Code, submit that report to the Legislature by January 1, 2000. For that purpose, the transition is defined as the period through December 31, 2001, during which utilities will continue as primary program administrators under the oversight of the Public Utilities Commission. The transition plan shall include consideration of all of the following:

(1) Issues associated with oversight responsibility, including those associated with the transfer of responsibility from the Public Utilities Commission to the State Energy Resources Conservation and Development Commission.

(2) Implementation and sequencing issues associated with the transfer of responsibility for administration of energy efficiency activities from utilities to a new administrative structure.

(3) Coordination and synergy between this program and other public goods charge programs such as the Public Interest Energy Research (PIER) program.

(4) Program requirements necessary to ensure that current programs apply market transformation principles and result in sustainable, cost-beneficial improvements in California's energy markets.

(5) Resources necessary to implement the transition plan.

(b) The State Energy Resources Conservation and Development Commission shall conduct a public process to prepare an operational plan report and, notwithstanding Section 7550.5 of the Government Code, submit that report to the Legislature by January 1, 2000. The operational plan report shall recommend a post-transition administrative structure that is designed to achieve efficient and effective program administration. The report shall consider all of the following:

(1) The application of market transformation principles to achieve cost-effective energy efficiency and conservation through

sustainable, cost-beneficial improvements in California's energy markets.

(2) Assessment of energy markets to identify feasible ways of improving market structures, including, but not necessarily limited to, an assessment of California's untapped opportunities to secure cost-effective savings.

(3) Programs that result in sustainable improvements in the information environment, market rules, and other aspects of market structures that result in either of the following:

(A) Enabling private businesses to innovate and provide energy efficient products and services.

(B) Supporting the ability of customers to make more intelligent energy choices.

(4) The appropriate roles of other private and public entities providing energy efficiency services, including, but not limited to, designating a public benefit, nonprofit corporation as the program administrator.

(5) Whether eligibility for program funds should be expanded to support the ability of electricity consumers to shift electricity usage in response to pricing differences.

(6) The appropriate funding levels for energy efficiency and conservation in the post-2001 period and appropriate program oversight in the post-2001 period.

(7) Minimizing the role of state agencies in providing administrative and implementation services.

(8) Programs in existing residential and nonresidential program areas that reduce consumer energy bills while stimulating the growth of a competitive industry providing cost-effective products and services, such as the Standard Performance Contract program.

SEC. 45. Sections 19 to 34, inclusive of this act shall become operative only if an appropriation is made for its purposes in the Budget Act of 1999, or in another statute enacted during the first calendar year of the 1999–2000 Regular Session, and shall be funded exclusively with funds appropriated thereby.

SEC. 46. Notwithstanding Section 17610 of the Government Code, if the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code. If the statewide cost of the claim for reimbursement does not exceed one million dollars ($1,000,000), reimbursement shall be made from the State Mandates Claims Fund.

SEC. 47. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to make the statutory changes to implement the Budget Act of 1999 at the earliest possible time, it is necessary that this act take effect immediately.

CHAPTER 68

An act to make an appropriation in augmentation of Items 9840-001-0001, 9840-001-0494, 9840-001-0988, and 9840-011-0001 of Section 2.00 of the Budget Act of 1998, relating to contingencies or emergencies, to take effect immediately as an appropriation for the usual current expenses of the state.

[Approved by Governor July 6, 1999. Filed with Secretary of State July 6, 1999.]

The people of the State of California do enact as follows:

SECTION 1. (a) The sum of one billion twenty-one million five hundred thousand dollars ($1,021,500,000) is hereby appropriated for expenditure in the 1998–99 fiscal year in augmentation and for the purposes of Contingencies or Emergencies as provided in Items 9840-001-0001, 9840-001-0494, 9840-001-0988, and 9840-011-0001 of Section 2.00 of the Budget Act of 1998 (Ch. 324, Stats. 1998), in accordance with the following schedule:

(1) Nine hundred thirty-seven million four hundred thirty-four thousand dollars ($937,434,000) from the General Fund to the reserve for Contingencies or Emergencies in Item 9840-001-0001.

(2) Seventy-two million six hundred twelve thousand dollars ($72,612,000) from unallocated special funds to the reserve for Contingencies or Emergencies in Item 9840-001-0494.

(3) Eleven million four hundred fifty-four thousand dollars ($11,454,000) from unallocated nongovernmental cost funds to the reserve for Contingencies or Emergencies in Item 9840-001-0988.

(b) The Director of Finance may withhold authorization for the expenditure of funds provided in this section until such time as, and to the extent that, preliminary estimates of potential deficiencies are verified.

SEC. 2. This act makes an appropriation for the usual current expenses of the state within the meaning of Article IV of the Constitution and shall go into immediate effect.

CHAPTER 69

An act to amend Section 18152.5 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

[Approved by Governor July 6, 1999. Filed with
Secretary of State July 6, 1999.]

The people of the State of California do enact as follows:

SECTION 1. Section 18152.5 of the Revenue and Taxation Code is amended to read:

18152.5. (a) For purposes of this part, gross income shall not include 50 percent of any gain from the sale or exchange of qualified small business stock held for more than five years.

(b) (1) If the taxpayer has eligible gain for the taxable year from one or more dispositions of stock issued by any corporation, the aggregate amount of the gain from dispositions of stock issued by the corporation which may be taken into account under subdivision (a) for the taxable year shall not exceed the greater of either of the following:

(A) Ten million dollars ($10,000,000) reduced by the aggregate amount of eligible gain taken into account by the taxpayer under subdivision (a) for prior taxable years and attributable to dispositions of stock issued by the corporation.

(B) Ten times the aggregate adjusted bases of qualified small business stock issued by the corporation and disposed of by the taxpayer during the taxable year. For purposes of subparagraph (B), the adjusted basis of any stock shall be determined without regard to any addition to basis after the date on which the stock was originally issued.

(2) For purposes of this subdivision, the term "eligible gain" means any gain from the sale or exchange of qualified small business stock held for more than five years.

(3) (A) In the case of a married individual filing a separate return, subparagraph (A) of paragraph (1) shall be applied by substituting five million dollars ($5,000,000) for ten million dollars ($10,000,000).

(B) In the case of a married taxpayer filing a joint return, the amount of gain taken into account under subdivision (a) shall be allocated equally between the spouses for purposes of applying this subdivision to subsequent taxable years.

(C) For purposes of this subdivision, marital status shall be determined under Section 7703 of the Internal Revenue Code.

(c) For purposes of this section:

(1) Except as otherwise provided in this section, the term "qualified small business stock" means any stock in a C corporation which is originally issued after August 10, 1993, if both of the following apply:

(A) As of the date of issuance, the corporation is a qualified small business.

(B) Except as provided in subdivisions (f) and (h), the stock is acquired by the taxpayer at its original issue (directly or through an underwriter) in either of the following manners:

(i) In exchange for money or other property (not including stock).

(ii) As compensation for services provided to the corporation (other than services performed as an underwriter of the stock).

(2) (A) Stock in a corporation shall not be treated as qualified small business stock unless, during substantially all of the taxpayer's holding period for the stock, the corporation meets the active business requirements of subdivision (e) and the corporation is a C corporation.

(B) (i) Notwithstanding subdivision (e), a corporation shall be treated as meeting the active business requirements of subdivision (e) for any period during which the corporation qualifies as a specialized small business investment company.

(ii) For purposes of clause (i), the term "specialized small business investment company" means any eligible corporation (as defined in paragraph (4) of subdivision (e)) that is licensed to operate under Section 301(d) of the Small Business Investment Act of 1958 (as in effect on May 13, 1993).

(3) (A) Stock acquired by the taxpayer shall not be treated as qualified small business stock if, at any time during the four-year period beginning on the date two years before the issuance of the stock, the corporation issuing the stock purchased (directly or indirectly) any of its stock from the taxpayer or from a related person (within the meaning of Section 267(b) or 707(b)) to the taxpayer.

(B) Stock issued by a corporation shall not be treated as qualified small business stock if, during the two-year period beginning on the date one year before the issuance of the stock, the corporation made one or more purchases of its stock with an aggregate value (as of the time of the respective purchases) exceeding 5 percent of the aggregate value of all of its stock as of the beginning of the two-year period.

(C) If any transaction is treated under Section 304(a) of the Internal Revenue Code as a distribution in redemption of the stock of any corporation, for purposes of subparagraphs (A) and (B), the corporation shall be treated as purchasing an amount of its stock equal to the amount treated as a distribution in redemption of the stock of the corporation under Section 304(a) of the Internal Revenue Code.

(d) For purposes of this section:

(1) The term "qualified small business" means any domestic corporation (as defined in Section 7701(a)(4) of the Internal Revenue Code) which is a C corporation if all of the following apply:

(A) The aggregate gross assets of the corporation (or any predecessor thereof) at all times on or after July 1, 1993, and before the issuance did not exceed fifty million dollars ($50,000,000).

(B) The aggregate gross assets of the corporation immediately after the issuance (determined by taking into account amounts received in the issuance) do not exceed fifty million dollars ($50,000,000).

(C) At least 80 percent of the corporation's payroll, as measured by total dollar value, is attributable to employment located within California.

(D) The corporation agrees to submit those reports to the Franchise Tax Board and to shareholders as the Franchise Tax Board may require to carry out the purposes of this section.

(2) (A) For purposes of paragraph (1), the term "aggregate gross assets" means the amount of cash and the aggregate adjusted basis of other property held by the corporation.

(B) For purposes of subparagraph (A), the adjusted basis of any property contributed to the corporation (or other property with a basis determined in whole or in part by reference to the adjusted basis of property so contributed) shall be determined as if the basis of the property contributed to the corporation immediately after the contribution was equal to its fair market value as of the time of the contribution.

(3) (A) All corporations which are members of the same parent-subsidiary controlled group shall be treated as one corporation for purposes of this subdivision.

(B) For purposes of subparagraph (A), the term "parent-subsidiary controlled group" means any controlled group of corporations as defined in Section 1563(a)(1) of the Internal Revenue Code, except that both of the following shall apply:

(i) "More than 50 percent" shall be substituted for "at least 80 percent" each place it appears in Section 1563(a)(1) of the Internal Revenue Code.

(ii) Section 1563(a)(4) of the Internal Revenue Code shall not apply.

(e) (1) For purposes of paragraph (2) of subdivision (c), the requirements of this subdivision are met by a corporation for any period if during that period both of the following apply:

(A) At least 80 percent (by value) of the assets of the corporation are used by the corporation in the active conduct of one or more qualified trades or businesses in California.

(B) The corporation is an eligible corporation.

(2) For purposes of paragraph (1), if, in connection with any future qualified trade or business, a corporation is engaged in:

(A) Startup activities described in Section 195(c)(1)(A) of the Internal Revenue Code,

(B) Activities resulting in the payment or incurring of expenditures which may be treated as research and experimental expenditures under Section 174 of the Internal Revenue Code, or

(C) Activities with respect to in-house research expenses described in Section 41(b)(4) of the Internal Revenue Code, then

assets used in those activities shall be treated as used in the active conduct of a qualified trade or business. Any determination under this paragraph shall be made without regard to whether a corporation has any gross income from those activities at the time of the determination.

(3) For purposes of this subdivision, the term "qualified trade or business" means any trade or business other than any of the following:

(A) Any trade or business involving the performance of services in the fields of health, law, engineering, architecture, accounting, actuarial science, performing arts, consulting, athletics, financial services, brokerage services, or any trade or business where the principal asset of the trade or business is the reputation or skill of one or more of its employees.

(B) Any banking, insurance, financing, leasing, investing, or similar business.

(C) Any farming business (including the business of raising or harvesting trees).

(D) Any business involving the production or extraction of products of a character with respect to which a deduction is allowable under Section 613 or 613A of the Internal Revenue Code.

(E) Any business of operating a hotel, motel, restaurant, or similar business.

(4) For purposes of this subdivision, the term "eligible corporation" means any domestic corporation, except that the term shall not include any of the following:

(A) A DISC or former DISC.

(B) A corporation with respect to which an election under Section 936 of the Internal Revenue Code is in effect or which has a direct or indirect subsidiary with respect to which the election is in effect.

(C) A regulated investment company, real estate investment trust (REIT), or real estate mortgage investment conduit (REMIC).

(D) A cooperative.

(5) (A) For purposes of this subdivision, stock and debt in any subsidiary corporation shall be disregarded and the parent corporation shall be deemed to own its ratable share of the subsidiary's assets, and to conduct its ratable share of the subsidiary's activities.

(B) A corporation shall be treated as failing to meet the requirements of paragraph (1) for any period during which more than 10 percent of the value of its assets (in excess of liabilities) consists of stock or securities in other corporations which are not subsidiaries of the corporation (other than assets described in paragraph (6)).

(C) For purposes of this paragraph, a corporation shall be considered a subsidiary if the parent owns more than 50 percent of the combined voting power of all classes of stock entitled to vote, or more than 50 percent in value of all outstanding stock, of the corporation.

(6) For purposes of subparagraph (A) of paragraph (1), the following assets shall be treated as used in the active conduct of a qualified trade or business:

(A) Assets that are held as a part of the reasonably required working capital needs of a qualified trade or business of the corporation.

(B) Assets that are held for investment and are reasonably expected to be used within two years to finance research and experimentation in a qualified trade or business or increases in working capital needs of a qualified trade or business. For periods after the corporation has been in existence for at least two years, in no event may more than 50 percent of the assets of the corporation qualify as used in the active conduct of a qualified trade or business by reason of this paragraph.

(7) A corporation shall not be treated as meeting the requirements of paragraph (1) for any period during which more than 10 percent of the total value of its assets consists of real property that is not used in the active conduct of a qualified trade or business. For purposes of the preceding sentence, the ownership of, dealing in, or renting of, real property shall not be treated as the active conduct of a qualified trade or business.

(8) For purposes of paragraph (1), rights to computer software that produces active business computer software royalties (within the meaning of Section 543(d)(1) of the Internal Revenue Code) shall be treated as an asset used in the active conduct of a trade or business.

(9) A corporation shall not be treated as meeting the requirements of paragraph (1) for any period during which more than 20 percent of the corporation's total payroll expense is attributable to employment located outside of California.

(f) If any stock in a corporation is acquired solely through the conversion of other stock in the corporation that is qualified small business stock in the hands of the taxpayer, both of the following shall apply:

(1) The stock so acquired shall be treated as qualified small business stock in the hands of the taxpayer.

(2) The stock so acquired shall be treated as having been held during the period during which the converted stock was held.

(g) (1) If any amount included in gross income by reason of holding an interest in a pass-through entity meets the requirements of paragraph (2), then both of the following shall apply:

(A) The amount shall be treated as gain described in subdivision (a).

(B) For purposes of applying subdivision (b), the amount shall be treated as gain from a disposition of stock in the corporation issuing the stock disposed of by the pass-through entity and the taxpayer's proportionate share of the adjusted basis of the pass-through entity in the stock shall be taken into account.

(2) An amount meets the requirements of this paragraph if both of the following apply:

(A) The amount is attributable to gain on the sale or exchange by the pass-through entity of stock that is qualified small business stock in the hands of the entity (determined by treating the entity as an individual) and that was held by that entity for more than five years.

(B) The amount is includable in the gross income of the taxpayer by reason of the holding of an interest in the entity that was held by the taxpayer on the date on which the pass-through entity acquired the stock and at all times thereafter before the disposition of the stock by the pass-through entity.

(3) Paragraph (1) shall not apply to any amount to the extent the amount exceeds the amount to which paragraph (1) would have applied if the amount was determined by reference to the interest the taxpayer held in the pass-through entity on the date the qualified small business stock was acquired.

(4) For purposes of this subdivision, the term "pass-through entity" means any of the following:

(A) Any partnership.

(B) Any S corporation.

(C) Any regulated investment company.

(D) Any common trust fund.

(h) For purposes of this section:

(1) In the case of a transfer described in paragraph (2), the transferee shall be treated as meeting both of the following:

(A) Having acquired the stock in the same manner as the transferor.

(B) Having held the stock during any continuous period immediately preceding the transfer during which it was held (or treated as held under this subdivision) by the transferor.

(2) A transfer is described in this subdivision if the transfer is any of the following:

(A) By gift.

(B) At death.

(C) From a partnership to a partner of stock with respect to which requirements similar to the requirements of subdivision (g) are met at the time of the transfer (without regard to the five-year holding period requirement).

(3) Rules similar to the rules of Section 1244(d)(2) of the Internal Revenue Code shall apply for purposes of this section.

(4) (A) In the case of a transaction described in Section 351 of the Internal Revenue Code or a reorganization described in Section 368 of the Internal Revenue Code, if qualified small business stock is exchanged for other stock that would not qualify as qualified small business stock but for this subparagraph, the other stock shall be treated as qualified small business stock acquired on the date on which the exchanged stock was acquired.

(B) This section shall apply to gain from the sale or exchange of stock treated as qualified small business stock by reason of subparagraph (A) only to the extent of the gain that would have been recognized at the time of the transfer described in subparagraph (A) if Section 351 or 368 of the Internal Revenue Code had not applied at that time. The preceding sentence shall not apply if the stock that is treated as qualified small business stock by reason of subparagraph (A) is issued by a corporation that (as of the time of the transfer described in subparagraph (A)) is a qualified small business.

(C) For purposes of this paragraph, stock treated as qualified small business stock under subparagraph (A) shall be so treated for subsequent transactions or reorganizations, except that the limitation of subparagraph (B) shall be applied as of the time of the first transfer to which the limitation applied (determined after the application of the second sentence of subparagraph (B)).

(D) In the case of a transaction described in Section 351 of the Internal Revenue Code, this paragraph shall apply only if immediately after the transaction the corporation issuing the stock owns directly or indirectly stock representing control (within the meaning of Section 368(c) of the Internal Revenue Code) of the corporation whose stock was exchanged.

(i) For purposes of this section:

(1) In the case where the taxpayer transfers property (other than money or stock) to a corporation in exchange for stock in the corporation, both of the following shall apply:

(A) The stock shall be treated as having been acquired by the taxpayer on the date of the exchange.

(B) The basis of the stock in the hands of the taxpayer shall in no event be less than the fair market value of the property exchanged.

(2) If the adjusted basis of any qualified small business stock is adjusted by reason of any contribution to capital after the date on which the stock was originally issued, in determining the amount of the adjustment by reason of the contribution, the basis of the contributed property shall in no event be treated as less than its fair market value on the date of the contribution.

(j) (1) If the taxpayer has an offsetting short position with respect to any qualified small business stock, subdivision (a) shall not apply to any gain from the sale or exchange of the stock unless both of the following apply:

(A) The stock was held by the taxpayer for more than five years as of the first day on which there was such a short position.

(B) The taxpayer elects to recognize gain as if the stock was sold on that first day for its fair market value.

(2) For purposes of paragraph (1), the taxpayer shall be treated as having an offsetting short position with respect to any qualified small business stock if any of the following apply:

(A) The taxpayer has made a short sale of substantially identical property.

(B) The taxpayer has acquired an option to sell substantially identical property at a fixed price.

(C) To the extent provided in regulations, the taxpayer has entered into any other transaction that substantially reduces the risk of loss from holding the qualified small business stock. For purposes of the preceding sentence, any reference to the taxpayer shall be treated as including a reference to any person who is related (within the meaning of Section 267(b) or 707(b) of the Internal Revenue Code) to the taxpayer.

(k) The Franchise Tax Board may prescribe those regulations as may be appropriate to carry out the purposes of this section, including regulations to prevent the avoidance of the purposes of this section through splitups, shell corporations, partnerships, or otherwise.

(*l*) It is the intent of the Legislature that, in construing this section, any regulations that may be promulgated by the Secretary of the Treasury under Section 1202(k) of the Internal Revenue Code shall apply to the extent that those regulations do not conflict with this section or with any regulations that may be promulgated by the Franchise Tax Board.

SEC. 2. This act provides for a tax levy within the meaning of Article IV of the Constitution and shall go into immediate effect.

CHAPTER 70

An act to amend Sections 1206.5, 1265, and 1300 of the Business and Professions Code, relating to clinical laboratories.

[Approved by Governor July 6, 1999. Filed with Secretary of State July 6, 1999.]

The people of the State of California do enact as follows:

SECTION 1. Section 1206.5 of the Business and Professions Code is amended to read:

1206.5. (a) Notwithstanding subdivision (b) of Section 1206, no person shall perform a clinical laboratory test or examination classified as waived under CLIA unless the clinical laboratory test or examination is performed under the overall operation and administration of the laboratory director, as described in Section 1209, including, but not limited to, documentation by the laboratory director of the adequacy of the qualifications and competency of the personnel, and the test is performed by any of the following persons:

(1) A licensed physician and surgeon holding a M.D. or D.O. degree.

(2) A licensed podiatrist or a licensed dentist when the results of the tests can be lawfully utilized within his or her practice.

(3) A person licensed under this chapter to engage in clinical laboratory practice or to direct a clinical laboratory.

(4) A person authorized to perform tests pursuant to a certificate issued under Article 5 (commencing with Section 101150) of Chapter 2 of Part 3 of Division 101 of the Health and Safety Code.

(5) A licensed physician assistant when authorized by a supervising physician and surgeon in accordance with Section 3502 or Section 3535.

(6) A person licensed under Chapter 6 (commencing with Section 2700).

(7) A person licensed under Chapter 6.5 (commencing with Section 2840).

(8) A perfusionist when authorized by and performed in compliance with Section 2590.

(9) A respiratory care practitioner when authorized by and performed in compliance with Chapter 8.3 (commencing with Section 3700).

(10) A medical assistant, as defined in Section 2069, when the waived test is performed pursuant to a specific authorization meeting the requirements of Section 2069.

(11) A pharmacist, when ordering drug therapy-related laboratory tests in compliance with clause (ii) of subparagraph (A) of paragraph (5) of subdivision (a) of, or paragraph (6) of subdivision (a) of, Section 4052.

(12) Other health care personnel providing direct patient care.

(b) Notwithstanding subdivision (b) of Section 1206, no person shall perform clinical laboratory tests or examinations classified as of moderate complexity under CLIA unless the clinical laboratory test or examination is performed under the overall operation and administration of the laboratory director, as described in Section 1209, including, but not limited to, documentation by the laboratory director of the adequacy of the qualifications and competency of the personnel, and the test is performed by any of the following persons:

(1) A licensed physician and surgeon holding a M.D. or D.O. degree.

(2) A licensed podiatrist or a licensed dentist when the results of the tests can be lawfully utilized within his or her practice.

(3) A person licensed under this chapter to engage in clinical laboratory practice or to direct a clinical laboratory.

(4) A person authorized to perform tests pursuant to a certificate issued under Article 5 (commencing with Section 101150) of Chapter 2 of Part 3 of Division 101 of the Health and Safety Code.

(5) A licensed physician assistant when authorized by a supervising physician and surgeon in accordance with Section 3502 or Section 3535.

(6) A person licensed under Chapter 6 (commencing with Section 2700).

(7) A perfusionist when authorized by and performed in compliance with Section 2590.

(8) A respiratory care practitioner when authorized by and performed in compliance with Chapter 8.3 (commencing with Section 3700).

(9) A person performing nuclear medicine technology when authorized by and performed in compliance with Article 6 (commencing with Section 107115) of Chapter 4 of Part 1 of Division 104 of the Health and Safety Code.

(10) Any person when performing blood gas analysis in compliance with Section 1245.

(11) (A) A person certified as an "Emergency Medical Technician II" or paramedic pursuant to Division 2.5 (commencing with Section 1797) of the Health and Safety Code while providing prehospital medical care, a person licensed as a psychiatric technician under Chapter 10 (commencing with Section 4500) of Division 2, as a vocational nurse pursuant to Chapter 6.5 (commencing with Section 2840) of Division 2, or as a midwife licensed pursuant to Article 24 (commencing with Section 2505) of Chapter 5 of Division 2, or certified by the department pursuant to Division 5 (commencing with Section 70001) of Title 22 of the California Code of Regulations as a nurse assistant or a home health aide, who provides direct patient care, so long as the person is performing the test as an adjunct to the provision of direct patient care by the person, is utilizing a point-of-care laboratory testing device at a site for which a laboratory license or registration has been issued, meets the minimum clinical laboratory education, training, and experience requirements set forth in regulations adopted by the department, and has demonstrated to the satisfaction of the laboratory director that he or she is competent in the operation of the point-of-care laboratory testing device for each analyte to be reported.

(B) Prior to being authorized by the laboratory director to perform laboratory tests or examinations, testing personnel identified in subparagraph (A) shall participate in a preceptor program until they are able to perform the clinical laboratory tests or examinations authorized in this section with results that are deemed accurate and skills that are deemed competent by the preceptor. For the purposes of this section, a "preceptor program" means an organized system that meets regulatory requirements in which a preceptor provides and documents personal observation and critical evaluation, including review of accuracy, reliability, and validity, of laboratory testing performed.

(12) Any other person within a physician office laboratory when the test is performed under the supervision of the patient's physician and surgeon or podiatrist who shall be accessible to the laboratory to provide onsite, telephone, or electronic consultation as needed, and shall: (A) ensure that the person is performing test methods as

required for accurate and reliable tests; and (B) have personal knowledge of the results of the clinical laboratory testing or examination performed by that person before the test results are reported from the laboratory.

(13) A pharmacist, when ordering drug therapy-related laboratory tests in compliance with clause (ii) of subparagraph (A) of paragraph (5) of subdivision (a) of, or paragraph (6) of subdivision (a) of, Section 4052.

(c) Notwithstanding subdivision (b) of Section 1206, no person shall perform clinical laboratory tests or examinations classified as of high complexity under CLIA unless the clinical laboratory test or examination is performed under the overall operation and administration of the laboratory director, as described in Section 1209, including, but not limited to, documentation by the laboratory director of the adequacy of the qualifications and competency of the personnel, and the test is performed by any of the following persons:

(1) A licensed physician and surgeon holding a M.D. or D.O. degree.

(2) A licensed podiatrist or a licensed dentist when the results of the tests can be lawfully utilized within his or her practice.

(3) A person licensed under this chapter to engage in clinical laboratory practice or to direct a clinical laboratory when the test or examination is within a specialty or subspecialty authorized by the person's licensure.

(4) A person authorized to perform tests pursuant to a certificate issued under Article 5 (commencing with Section 101150) of Chapter 2 of Part 3 of Division 101 of the Health and Safety Code when the test or examination is within a specialty or subspecialty authorized by the person's certification.

(5) A licensed physician assistant when authorized by a supervising physician and surgeon in accordance with Section 3502 or Section 3535.

(6) A perfusionist when authorized by and performed in compliance with Section 2590.

(7) A respiratory care practitioner when authorized by and performed in compliance with Chapter 8.3 (commencing with Section 3700).

(8) A person performing nuclear medicine technology when authorized by and performed in compliance with Article 6 (commencing with Section 107115) of Chapter 4 of Part 1 of Division 104 of the Health and Safety Code.

(9) Any person when performing blood gas analysis in compliance with Section 1245.

(10) Any other person within a physician office laboratory when the test is performed under the onsite supervision of the patient's physician and surgeon or podiatrist who shall: (A) ensure that the person is performing test methods as required for accurate and reliable tests; and (B) have personal knowledge of the results of

clinical laboratory testing or examination performed by that person before the test results are reported from the laboratory.

(d) Clinical laboratory examinations classified as provider-performed microscopy under CLIA may be personally performed using a brightfield or phase/contrast microscope by one of the following practitioners:

(1) A licensed physician and surgeon using the microscope during the patient's visit on a specimen obtained from his or her own patient or from a patient of a group medical practice of which the physician is a member or employee.

(2) A nurse midwife holding a certificate as specified by Section 2746.5, a licensed nurse practitioner as specified in Section 2835.5, or a licensed physician assistant acting under the supervision of a physician pursuant to Section 3502 using the microscope during the patient's visit on a specimen obtained from his or her own patient or from the patient of a clinic, group medical practice, or other health care provider of which the certified nurse midwife, licensed nurse practitioner, or licensed physician assistant is an employee.

(3) A licensed dentist using the microscope during the patient's visit on a specimen obtained from his or her own patient or from a patient of a group dental practice of which the dentist is a member or an employee.

SEC. 2. Section 1265 of the Business and Professions Code is amended to read:

1265. (a) (1) A clinical laboratory performing clinical laboratory tests or examinations classified as of moderate or of high complexity under CLIA shall obtain a clinical laboratory license pursuant to this chapter. The department shall issue a clinical laboratory license to any person who has applied for the license on forms provided by the department and who is found to be in compliance with this chapter and the regulations pertaining thereto. No clinical laboratory license shall be issued by the department unless the clinical laboratory and its personnel meet the CLIA requirements for laboratories performing tests or examinations classified as of moderate or high complexity, or both.

(2) A clinical laboratory performing clinical laboratory tests or examinations subject to a certificate of waiver or a certificate of provider-performed microscopy under CLIA, shall register with the department. The department shall issue a clinical laboratory registration to any person who has applied for the registration on forms provided by the department and is found to be in compliance with this chapter, the regulations pertaining thereto, and the CLIA requirements for either a certificate of waiver or a certificate of provider-performed microscopy.

(b) An application for a clinical laboratory license or registration shall include the name or names of the owner or the owners, the name or names of the laboratory director or directors, the name and location of the laboratory, a list of the clinical laboratory tests or

examinations performed by the laboratory by name and total number of test procedures and examinations performed annually (excluding tests the laboratory may run for quality control, quality assurance, or proficiency testing purposes). The application shall also include a list of the tests and the test kits, methodologies, and laboratory equipment used, and the qualifications (educational background, training, and experience) of the personnel directing and supervising the laboratory and performing the laboratory examinations and test procedures, and any other relevant information as may be required by the department. If the laboratory is performing tests subject to a provider-performed microscopy certificate, the name of the provider or providers performing those tests shall be included on the application. Application shall be made by the owners of the laboratory and the laboratory directors prior to its opening. A license or registration to conduct a clinical laboratory if the owners are not the laboratory directors shall be issued jointly to the owners and the laboratory directors and the license or registration shall include any information as may be required by the department. The owners and laboratory directors shall be severally and jointly responsible to the department for the maintenance and conduct thereof or for any violations of this chapter and regulations pertaining thereto.

(c) The department shall not issue a license or registration until it is satisfied that the clinical laboratory will be operated within the spirit and intent of this chapter, that the owners and laboratory directors are each of good moral character, and that the granting of the license will not be in conflict with the interests of public health.

(d) A separate license or registration shall be obtained for each laboratory location, with the following exceptions:

(1) Laboratories that are not at a fixed location, that is, laboratories that move from one testing site to another, such as mobile units providing laboratory testing, health screening fairs, or other temporary testing locations, may apply for and obtain one license or registration for the designated primary site or home base, using the address of that primary site.

(2) Not-for-profit, or federal, state, or local government laboratories that engage in limited (not more than a combination of 15 moderately complex or waived tests, as defined under CLIA, per license) public health testing may apply for and obtain a single license or registration.

(3) Laboratories within a hospital that are located at contiguous buildings on the same campus and under common direction, may file a single application or multiple applications for a license or registration of laboratory locations within the same campus or street address.

(4) Locations within a single street and city address that are under common ownership may apply for and obtain a single license or registration or multiple licenses or registrations, at the discretion of the owner or owners.

(e) A license or registration shall be automatically revoked in 30 days if there is a major change of laboratory directorship or ownership. The license or registration shall be valid for the calendar year or remainder thereof for which it is issued unless revoked or suspended. If the department does not within 60 days after the date of receipt of the application issue a license or registration, it shall state the grounds and reasons for its refusal in writing, serving a copy upon the applicant by certified mail addressed to the applicant at his or her last known address.

(f) The department shall be notified within 30 days of any change in ownership, name, location, or laboratory directors.

SEC. 3. Section 1300 of the Business and Professions Code is amended to read:

1300. The amount of application, registration, and license fees under this chapter shall be as follows:

(a) The application fee for a histocompatibility laboratory director's, clinical laboratory bioanalyst's, clinical chemist's, clinical microbiologist's, clinical laboratory toxicologist's, clinical cytogeneticist's, or clinical molecular biologist's license is thirty-eight dollars ($38). This fee shall be sixty-three dollars ($63) commencing on July 1, 1983.

(b) The annual renewal fee for a histocompatibility laboratory director's, clinical laboratory bioanalyst's, clinical chemist's, clinical microbiologist's, or clinical laboratory toxicologist's license is thirty-eight dollars ($38). This fee shall be sixty-three dollars ($63) commencing on July 1, 1983.

(c) The application fee for a clinical laboratory scientist's or limited clinical laboratory scientist's license is twenty-three dollars ($23). This fee shall be thirty-eight dollars ($38) commencing on July 1, 1983.

(d) The application and annual renewal fee for a cytotechnologist's license shall be fifty dollars ($50) commencing on January 1, 1991.

(e) The annual renewal fee for a clinical laboratory scientist's or limited clinical laboratory scientist's license is fifteen dollars ($15). This fee shall be twenty-five dollars ($25) commencing on July 1, 1983.

(f) The application fee for a clinical laboratory license is six hundred dollars ($600).

(g) The annual renewal fee for a clinical laboratory license is five hundred fifty-seven dollars ($557).

(h) The application fee for a certificate of accreditation issued pursuant to Section 1223 is one hundred fifty dollars ($150).

(i) The annual renewal fee for a certificate of accreditation issued pursuant to Section 1223 is one hundred dollars ($100).

(j) In addition, clinical laboratories providing cytology services shall pay an annual fee that shall be set by the department in an amount needed to meet but not exceed the department's costs of

proficiency testing and special site surveys for these laboratories, and that shall be based upon the volume of cytologic slides examined by a laboratory. If the amount collected is less than or exceeds the amount needed for these purposes, the amount of fees collected from those laboratories in the following year shall be adjusted accordingly.

(k) The application fee for a trainee's license is eight dollars ($8). This fee shall be thirteen dollars ($13) commencing on July 1, 1983.

(*l*) The annual renewal fee for a trainee's license is five dollars ($5). This fee shall be eight dollars ($8) commencing on July 1, 1983.

(m) The application fee for a duplicate license is three dollars ($3). This fee shall be five dollars ($5) commencing on July 1, 1983.

(n) The delinquency fee is equal to the annual renewal fee.

(o) The director may establish a fee for examinations required under this chapter. The fee shall not exceed the total cost to the department in conducting the examination.

(p) The certification and renewal fees for hemodialysis technicians certified under subdivision (a) of Section 1247.6 shall be fifty dollars ($50). This subdivision shall become inoperative on July 1, 2000, and shall have no effect after that date.

(q) The annual fee for a clinical laboratory subject to registration under paragraph (2) of subdivision (a) of Section 1265 and performing only those clinical laboratory tests or examinations considered waived under CLIA is fifty dollars ($50). The annual fee for a clinical laboratory subject to registration under paragraph (2) of subdivision (a) of Section 1265 and performing only provider-performed microscopy, as defined under CLIA is seventy-five dollars ($75). A clinical laboratory performing both waived and provider-performed microscopy shall pay an annual registration fee of seventy-five dollars ($75).

(r) The costs of the department in conducting a complaint investigation, imposing sanctions, or conducting a hearing under this chapter shall be paid by the clinical laboratory. The fee shall be no greater than the fee the laboratory would pay under CLIA for the same type of activities and shall not be payable if the clinical laboratory would not be required to pay those fees under CLIA.

(s) The state, a district, city, county, city and county, or other political subdivision, or any public officer or body, shall be subject to the payment of fees established pursuant to this chapter or regulations adopted thereunder.

(t) In addition to the payment of registration or licensure fees, a clinical laboratory located outside the State of California shall reimburse the department for travel and per diem to perform any necessary onsite inspections at the clinical laboratory in order to ensure compliance with this chapter.

(u) Whenever a clinical laboratory has paid registration or compliance fees, or both, to HCFA under CLIA for the same period of time for which a license is issued under Section 1265, the fee required for the clinical laboratory license under subdivision (f) or

(g), and as adjusted pursuant to Section 100450 of the Health and Safety Code, shall be reduced by the percentage of the total of all CLIA registration and compliance fees paid to HCFA by all California laboratories that are made available to the department to carry out its functions as a CLIA agent in the federal fiscal year immediately prior to when the license fee is due.

CHAPTER 71

An act to add Chapter 4 (commencing with Section 400) to Part 1 of the Education Code, relating to the English Language Acquisition Program.

[Approved by Governor July 6, 1999. Filed with Secretary of State July 6, 1999.]

The people of the State of California do enact as follows:

SECTION 1. Chapter 4 (commencing with Section 400) is added to Part 1 of the Education Code, to read:

CHAPTER 4. ENGLISH LANGUAGE ACQUISITION PROGRAM

400. (a) The Legislature finds and declares that English language proficiency is critical to academic success. It is therefore the intent of the Legislature to enact the English Language Acquisition Program to improve the English proficiency of California pupils, so that those pupils are better able to meet the state's academic content and performance standards. It is the intent of the Legislature that the pupils participating in this program meet grade level English language development standards established pursuant to Section 60811, as well as grade level standards in reading, writing, mathematics, science, and history/social science established pursuant to Section 60605.

(b) It is the intent of the Legislature that the English Language Acquisition Program be administered consistent with research-based strategies for teaching English language learners, as well as the English Language for Immigrant Children act set forth in Chapter 3 (commencing with Sec. 300), as applicable.

(c) It is further the intent of the Legislature that the data developed through this program be used to inform curriculum, instruction, assessment, research, inservice staff development, and teacher preparation regarding use of the most effective practices for teaching English language learners.

402. The Legislature hereby establishes the English Language Acquisition Program designed for pupils enrolled in grades 4 to 8, inclusive.

404. (a) (1) The Superintendent of Public Instruction shall allocate to each participating local educational agency, for each pupil enrolled in any of grades 4 to 8, inclusive, and identified as eligible for participation in the program established pursuant to this chapter one hundred dollars ($100) per school year.

(2) If the available funding is insufficient to support the minimum allocation set forth in paragraph (1), the Superintendent of Public Instruction shall give priority for funding to schools with the highest proportion of pupils enrolled who are identified as English language learners.

(b) (1) From funds appropriated specifically for this purpose, local educational agencies may receive an allocation of one hundred dollars ($100) on a one-time basis for each English language learner enrolled in kindergarten or any of grades 1 to 12, inclusive, who is reclassified to English-fluent status. Each local educational agency applying for an allocation pursuant to this subdivision shall describe the procedures and criteria for reclassification of English language learners to English-fluent status. A local educational agency may not claim funding pursuant to subdivision (a) for any pupil who has been classified as fluent in the English language if the local educational agency has received funding on behalf of that pupil pursuant to this subdivision. In order to be eligible for funding pursuant to this subdivision, a local educational agency shall implement the English language development test established pursuant to Section 60810.

(2) This subdivision shall only be implemented upon the state's adoption of English language development standards pursuant to Section 60811.

(c) Not later than 60 days after the effective date of the act adding this section, the Superintendent of Public Instruction shall notify local educational agencies of the availability of funds for the English Language Acquisition Program. For purposes of this chapter, "local educational agency" means a school district, charter school, or county office of education. Each local educational agency shall have the opportunity to request funds appropriated for the purposes of this chapter not later than 60 days after the notification from the Superintendent of Public Instruction.

(d) As a condition of receiving funds under subdivision (a), each local educational agency shall certify that it will do all of the following:

(1) Conduct academic assessments of English language learners to ensure appropriate placement of those pupils. The assessments shall include:

(A) Initial assessment of English language learners to determine their English proficiency level.

(B) Ongoing assessment conducted at least annually to ensure accurate placement of English language learners, to communicate progress, and to provide formative assessment information to refine the program. Assessment measures shall include, but are not limited

to, the state standardized testing and reporting program required by Section 60604, unless a pupil is exempted by law, and the English language development instrument to be developed pursuant to Section 60811, when it is developed.

(2) Provide a program for English language development instruction to assist pupils in successfully achieving the English language development standards adopted by the State Board of Education pursuant to Section 60811. The program shall include structured immersion instruction to be provided for English learners, such as specially designed academic instruction in English, and sheltered English strategies to ensure access by English language learners to the core curriculum, unless the local educational agency has obtained a waiver pursuant to Section 310.

(3) Provide supplemental instructional support, such as intersession, before and after school, opportunities or summer school to provide English language learners with continuing English language development. These opportunities are to supplement the regular school program and may include, but are not limited to, newcomer centers and tutorial support, mentors, or any other program that meets the objectives of the program established pursuant to this chapter. Academic support services needed to provide these opportunities may be funded by this program.

(4) Coordinate services and funding sources available to English language learners, including, but not limited to, community-based English tutoring programs established pursuant to Article 4 (commencing with Section 315) of Chapter 3, programs for at-risk youth, after-school, intersession, and summer school programs, reading programs established pursuant to Chapter 2 of the Statutes of 1999 (First Extraordinary Session) and any available federal funds. The local educational agency shall also certify that it integrates adult community-based tutoring resources with the program established pursuant to this chapter.

(e) Funding allocated pursuant to this chapter shall supplement existing resources supporting language acquisition for English language learners in grades 4 to 8, inclusive. Funds may be used for any of the purposes identified in the program established pursuant to this chapter.

(f) Funding for this program is contingent on an appropriation specifically for this purpose in the annual Budget Act or any other measure.

406. (a) The Regents of the University of California are requested to authorize the President of the University of California or his or her designee to jointly develop English Language Development Professional Institutes with the Chancellor of the California State University, the Chancellor of the California Community Colleges, the independent colleges and universities, and the Superintendent of Public Instruction, or their designees. In order to provide maximum access, the institutes shall be offered at sites

widely distributed throughout the state. The California Subject Matter Projects, an intersegmental, discipline-based professional development network administered by the University of California, is requested to be the organizing entity for the institutes and followup programs.

(b) (1) Commencing in the 1999–2000 academic year, the institutes shall provide instruction for school teams from each school participating in the program established pursuant to this chapter. A school team shall include teachers who do not hold cross-cultural or bilingual cross-cultural certificates or their equivalents, teachers who hold those certificates or their equivalents, and a schoolsite administrator. The majority of the team shall be teachers who do not hold those cross-cultural certificates or their equivalents. If the participating school team employs instructional assistants who provide instructional services to English language learners, the team may include these instructional assistants.

(2) Criteria and priority for selection of participating school teams shall include, but not necessarily be limited to, all of the following:

(A) Schools whose pupils' reading scores are at or below the 40th percentile on the English language arts portion of the achievement test required to be administered pursuant to Section 60640.

(B) Schools in which a high percentage of pupils score below grade level on the English language development assessment to be developed pursuant to Section 60811, when it is developed.

(C) Schools with a high number of new, underprepared, and noncredentialed teachers. Underprepared teachers shall be defined as teachers who do not possess a cross-cultural or bilingual cross-cultural certificate, or their equivalents.

(D) Schools in which the enrollment of English language learners exceeds 25 percent of the total school enrollment.

(E) Schools with a full complement of team members as described in paragraph (1).

(c) Each team member who participates in a program at an institute shall receive a stipend of one thousand dollars ($1,000).

(d) Instruction provided by the institutes shall be consistent with state-adopted academic content standards, and with the English language development standards adopted pursuant to Section 60811.

(e) (1) Instruction at the institutes shall consist of an intensive, sustained training period of no less than 40 hours during the summer or during an intersession break, and shall be supplemented, during the following school year, with no fewer than the equivalent of five additional days of instruction and schoolsite meetings, held on at least a monthly basis, to focus on the academic progress of English language learners at that school.

(2) Instruction at the institutes shall be of sufficient scope, depth, and duration to fully equip instructional personnel to offer a comprehensive and rigorous instructional program for English Language learners, and to assess pupil progress so these pupils can

meet the content and performance standards required of all pupils in California. The instruction shall be designed to increase the capacity of teachers and other school personnel to provide and assess standards-based instruction for English language learners.

(3) The instruction shall be multidisciplinary and focus on instruction in disciplines for which the State Board of Education has adopted academic content standards. The instruction shall also be research-based and provide effective models of professional development in order to ensure that instructional personnel increase their skills, at a minimum, in all of the following:

(A) Literacy instruction and assessment for diverse pupil populations, including instruction in the teaching of reading that is research-based and consistent with the balanced, comprehensive strategies required under Section 44757.

(B) English language development and second language acquisition strategies.

(C) Specially designed instruction and assessment in English.

(D) Application of appropriate assessment instruments to assess language proficiency, and utilization of benchmarks for reclassification of pupils from English language learners to fully English proficient.

(E) Examination of pupil work as a basis for the alignment of standards, instruction, and assessment.

(F) Use of appropriate instructional materials to assist English language learners to attain academic content standards.

(G) Instructional technology and its integration into the school curriculum for English language learners.

(H) Parent involvement and effective practices for building partnerships with parents.

(f) It is the intent of the Legislature that a local educational agency or postsecondary institution that offers an accredited program of professional preparation consider providing partial and proportional credit toward satisfaction of the course requirements to an enrolled candidate who satisfactorily completes a California English Language Development Institute program, if the program has been certified by the Commission on Teacher Credentialing as meeting preparation standards.

(g) This section shall not apply to the University of California unless and until the Regents of the University of California act, by resolution, to make it applicable.

408. (a) The Legislature finds and declares that an evaluation of the program established pursuant to this chapter is desirable and necessary, and accordingly, requires all of the following:

(1) No later than October 1, 2003, each local educational agency that receives funding through the program established pursuant to this chapter shall submit a report to the Superintendent of Public Instruction that includes:

(A) An assessment of the effectiveness of that local educational agency in assisting English language learners in achieving state academic content and performance standards, including:

(i) Increasing school rates of redesignation of pupils from English language learners to English fluency.

(ii) Increasing high school completion rates of English language learners.

(iii) Improving test scores assessing English language development as well as grade level standards in reading, writing, mathematics, science, and history/social science established pursuant to Sections 60640 and 60811.

(B) Problems encountered in the design and operation of the program, including identification of any federal, state, or local statute or regulation that impedes program implementation.

(2) The Superintendent of Public Instruction shall contract for an independent evaluation of the effectiveness of funds awarded under this chapter in assisting local educational agencies in implementing the English Language Acquisition Program. No later than April 1, 2004, the Superintendent of Public Instruction shall submit to the Governor and the Legislature the results of the evaluation, and a summary of the reports submitted to the superintendent pursuant to this subdivision.

(b) The evaluation shall focus on the extent to which goals and objectives have been met and shall include recommendations for modifications to the program to achieve those goals. The evaluation shall also compare the success of participating local educational agencies in meeting the goals and objectives to local educational agencies not participating in the program and shall take into consideration comparisons to schools with similar characteristics.

(c) Additional independent evaluations may be conducted by the Superintendent of Public Instruction subject to additional funding being made available for purposes of this chapter in subsequent fiscal years.

410. (a) Subject to funds appropriated therefor in the annual Budget Act or any other measure, the California Research Bureau of the California State Library shall convene a broadly diverse group to examine the available research on English language acquisition by English language learners. This research shall include evaluations of English language acquisition programs that demonstrate success in assisting English language learners in being redesignated as fluent in English, as well as achieving academic progress. The research shall include short-term strategies that may be made available to local educational agencies as soon as practicable, as well as long-term research that may provide for case studies and model programs distributed to local educational agencies pursuant to paragraph (c).

(b) The Superintendent of Public Instruction shall compile a compendium of model programs identified in subdivision (a) that demonstrate success in assisting English language learners in being

redesignated as fluent in English, and shall provide this compendium in a program advisory to local educational agencies.

(c) The Superintendent of Public Instruction shall provide the compendium of model programs identified in subdivision (a) that demonstrate success in teaching strategies and methodologies to institutions of higher education and other institutions that offer teacher training programs so that these strategies may be considered for inclusion in teacher training programs.

CHAPTER 72

An act to amend Sections 66025, 69615.6, 69618.1, 69618.2, 69618.3, and 76300 of the Education Code, relating to postsecondary education, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 6, 1999. Filed with Secretary of State July 6, 1999.]

The people of the State of California do enact as follows:

SECTION 1. Section 66025 of the Education Code is amended to read:

66025. (a) Systemwide fees charged to resident undergraduate students at the University of California and the California State University shall be reduced for the 1998–99 fiscal year by 5 percent below the level charged during the 1997–98 fiscal year, and the systemwide fees charged to those students for the 1999–2000 fiscal year shall be reduced by 5 percent below the level charged during the 1998–99 fiscal year. Systemwide education and registration fees charged to resident graduate students at the University of California and the California State University for the 1999–2000 fiscal year shall be reduced by 5 percent below the level charged those resident students for the 1997–98 fiscal year. This subdivision does not apply to resident students pursuing a course of study leading to a professional degree who are subject to a supplemental fee pursuant to the policy of the University of California.

(b) No provision of this section shall apply to the University of California except to the extent that the Regents of the University of California, by appropriate resolution, make that provision applicable.

SEC. 2. Section 69615.6 of the Education Code is amended to read:

69615.6. (a) Beginning no later than the 1986–87 school year, and each school year thereafter up to and including the 1997–98 school year, the commission shall issue warrants for the assumption of up to 500 student loans for program participants eligible under this article.

(b) For the 1998–99 school year, the commission shall issue warrants for the assumption of up to 4,500 student loans for program participants eligible under this article.

(c) For the 1999–2000 school year, and each school year thereafter, the commission shall issue warrants for the assumption of up to 5,500 student loans for program participants eligible under this article.

(d) Commencing with the 2000–01 school year, and each school year thereafter, up to 100 of the 5,500 warrants issued pursuant to subdivision (c), shall be issued for the assumption of student loans for applicants who agree to teach in school districts serving rural areas.

(e) The issuance of warrants shall be subject to funding to be provided in the Budget Act for each fiscal year.

SEC. 3. Section 69618.1 of the Education Code is amended to read:

69618.1. (a) Program participants shall meet all of the following eligibility criteria prior to selection in the program and must continue to meet these criteria, as appropriate, during the payment periods:

(1) The participant shall be a United States citizen or eligible noncitizen.

(2) The participant shall be a California resident attending an eligible school or college in the state.

(3) The participant shall be making satisfactory academic progress.

(4) The participant shall have complied with United States Selective Service requirements.

(5) The participant shall not owe a refund on any state or federal educational grant or have delinquent or defaulted student loans.

(b) Any person enrolled in an institution of postsecondary education and participating in the loan assumption program set forth in this article may be eligible to receive a conditional warrant for loan assumption, to be redeemed pursuant to Section 69618.2 upon becoming employed as a full-time faculty member at a California college or university or the equivalent of full-time service as a faculty member employed part-time at two or more California colleges or universities.

(c) (1) The commission shall award warrants to students with demonstrated academic ability and financial need, as determined by the commission pursuant to Article 1.5 (commencing with Section 69503).

(2) The applicant shall have completed a baccalaureate degree program or be enrolled in an academic program leading to a graduate level degree.

(3) The applicant shall be currently enrolled in or admitted to a program in which he or she will be enrolled in a full-time course of study each academic term as defined by an eligible institution. The applicant shall agree to maintain satisfactory academic progress.

(4) The applicant shall have been judged by his or her postsecondary institution to have outstanding ability on the basis of criteria that may include, but need not be limited to, any of the following:

(A) Grade point average.

(B) Test scores.

(C) Faculty evaluations.

(D) Interviews.

(E) Other recommendations.

(5) In order to meet the costs of obtaining a graduate degree, the applicant shall have received, or be approved to receive, a loan under one or more of the following designated loan programs:

(A) The Federal Family Education Loan Program (20 U.S.C. Sec. 1071 et seq.).

(B) Any loan program approved by the commission.

(6) The applicant shall have agreed to teach on a full-time basis at one or more accredited California colleges or universities for at least three consecutive years after obtaining a graduate degree.

(d) A person participating in the program pursuant to this section shall not receive more than one warrant.

SEC. 4. Section 69618.2 of the Education Code is amended to read:

69618.2. The commission shall redeem an applicant's warrant and commence loan assumption payments as specified in Section 69618.3 upon verification that the applicant has fulfilled all of the following:

(a) The applicant has received a graduate degree from an accredited, participating California institution.

(b) The applicant has provided the equivalent of full-time instruction at one or more regionally accredited California colleges or universities for one academic year or the equivalent.

(c) The applicant has met the requirements of the warrant and all other conditions of this article.

SEC. 5. Section 69618.3 of the Education Code is amended to read:

69618.3. The terms of the loan assumptions granted under this article shall be as follows, subject to the specific terms of each warrant:

(a) After a program participant has completed one academic year, or the equivalent of teaching, at one or more regionally accredited, eligible California colleges or universities, the Student Aid Commission shall assume up to two thousand dollars ($2,000) of the participant's outstanding liability under one or more of the designated loan programs. The initial year of eligible teaching must begin within 10 years of receiving an initial conditional warrant from the commission.

(b) After the program participant has completed two consecutive academic years, or the equivalent of teaching, at one or more regionally accredited California colleges or universities, the

commission shall assume up to an additional two thousand dollars ($2,000) of the participant's outstanding liability under one or more of the designated loan programs, for a total loan assumption of up to four thousand dollars ($4,000).

(c) After a program participant has completed three consecutive academic years, or the equivalent of teaching, at one or more regionally accredited California colleges or universities, the commission shall assume up to an additional two thousand dollars ($2,000) of the participant's outstanding liability under one or more of the designated loan programs, for a total loan assumption of up to six thousand dollars ($6,000).

SEC. 6. Section 76300 of the Education Code is amended to read:

76300. (a) The governing board of each community college district shall charge each student a fee pursuant to this section.

(b) (1) The fee prescribed by this section shall be twelve dollars ($12) per unit per semester, effective with the fall term of the 1998–99 academic year, and eleven dollars ($11) per unit per semester effective with the fall term of the 1999–2000 academic year.

(2) The chancellor shall proportionately adjust the amount of the fee for term lengths based upon a quarter system and also shall proportionately adjust the amount of the fee for summer sessions, intersessions, and other short-term courses. In making these adjustments, the chancellor may round the per unit fee and the per term or per session fee to the nearest dollar.

(c) For the purposes of computing apportionments to community college districts pursuant to Section 84750, the chancellor shall subtract from the total revenue owed to each district, 98 percent of the revenues received by districts from charging a fee pursuant to this section.

(d) The chancellor shall reduce apportionments by up to 10 percent to any district that does not collect the fees prescribed by this section.

(e) The fee requirement does not apply to any of the following:

(1) Students enrolled in the noncredit courses designated by Section 84757.

(2) California State University or University of California students enrolled in remedial classes provided by a community college district on a campus of the University of California or a campus of the California State University, for whom the district claims an attendance apportionment pursuant to an agreement between the district and the California State University or the University of California.

(3) Students enrolled in credit contract education courses pursuant to Section 78021, if the entire cost of the course, including administrative costs, is paid by the public or private agency, corporation, or association with which the district is contracting and if these students are not included in the calculation of the average daily attendance of that district.

(f) The governing board of a community college district may exempt special part-time students admitted pursuant to Section 76001 from the fee requirement.

(g) The fee requirements of this section shall be waived for any student who, at the time of enrollment, is a recipient of benefits under the Aid to Families with Dependent Children program, the Supplemental Security Income/State Supplementary Program, or a general assistance program or has demonstrated financial need in accordance with the methodology set forth in federal law or regulation for determining the expected family contribution of students seeking financial aid. The governing board of a community college district also shall waive the fee requirements of this section for any student who demonstrates eligibility according to income standards established by the board of governors and contained in Section 58620 of Title 5 of the California Code of Regulations.

(h) The fee requirements of this section shall be waived for any student who, at the time of enrollment is a dependent, or surviving spouse who has not remarried, of any member of the California National Guard who, in the line of duty and while in the active service of the state, was killed, died of a disability resulting from an event that occurred while in the active service of the state, or is permanently disabled as a result of an event that occurred while in the active service of the state. "Active service of the state," for the purposes of this subdivision, refers to a member of the California National Guard activated pursuant to Section 146 of the Military and Veterans Code.

(i) (1) It is the intent of the Legislature that sufficient funds be provided to support the provision of a fee waiver for every student who demonstrates eligibility pursuant to subdivisions (g) and (h).

(2) From funds provided in the annual Budget Act, the board of governors shall allocate to community college districts, pursuant to this subdivision, an amount equal to 2 percent of the fees waived pursuant to subdivisions (g) and (h). From funds provided in the annual Budget Act, the board of governors shall allocate to community college districts, pursuant to this subdivision, an amount equal to 7 percent of the fee waivers provided pursuant to subdivisions (g) and (h) for determination of financial need and delivery of student financial aid services, on the basis of the number of students for whom fees are waived. Funds allocated to a community college district for determination of financial need and delivery of student financial aid services shall supplement, and shall not supplant, the level of funds allocated for the administration of student financial aid programs during the 1992–93 fiscal year.

(j) The board of governors shall adopt regulations implementing this section.

SEC. 7. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to make the necessary statutory changes to implement the Budget Act of 1999 with respect to the funding of higher education as soon as possible, it is necessary that this act take effect immediately.

CHAPTER 73

An act to amend Section 4112 of the Business and Professions Code, relating to pharmacies.

[Approved by Governor July 6, 1999. Filed with Secretary of State July 7, 1999.]

The people of the State of California do enact as follows:

SECTION 1. Section 4112 of the Business and Professions Code is amended to read:

4112. (a) Any pharmacy located outside this state that ships, mails, or delivers, in any manner, controlled substances, dangerous drugs, or dangerous devices into this state shall be considered a nonresident pharmacy.

(b) All nonresident pharmacies shall register with the board. The board may register a nonresident pharmacy that is organized as a limited liability company in the state in which it is licensed.

(c) A nonresident pharmacy shall disclose to the board the location, names, and titles of (1) its agent for service of process in this state, (2) all principal corporate officers, if any, (3) all general partners, if any, and (4) all pharmacists who are dispensing controlled substances, dangerous drugs, or dangerous devices to residents of this state. A report containing this information shall be made on an annual basis and within 30 days after any change of office, corporate officer, partner, or pharmacist.

(d) All nonresident pharmacies shall comply with all lawful directions and requests for information from the regulatory or licensing agency of the state in which it is licensed as well as with all requests for information made by the board pursuant to this section. The nonresident pharmacy shall maintain, at all times, a valid unexpired license, permit, or registration to conduct the pharmacy in compliance with the laws of the state in which it is a resident. As a prerequisite to registering with the board, the nonresident pharmacy shall submit a copy of the most recent inspection report resulting from an inspection conducted by the regulatory or licensing agency of the state in which it is located.

(e) All nonresident pharmacies shall maintain records of controlled substances, dangerous drugs, or dangerous devices dispensed to patients in this state so that the records are readily retrievable from the records of other drugs dispensed.

(f) Any pharmacy subject to this section shall, during its regular hours of operation, but not less than six days per week, and for a minimum of 40 hours per week, provide a toll-free telephone service to facilitate communication between patients in this state and a pharmacist at the pharmacy who has access to the patient's records. This toll-free number shall be disclosed on a label affixed to each container of drugs dispensed to patients in this state.

(g) The board shall adopt regulations that apply the same requirements or standards for oral consultation to a nonresident pharmacy that operates pursuant to this section and ships, mails, or delivers any controlled substances, dangerous drugs, or dangerous devices to residents of this state, as are applied to an in-state pharmacy that operates pursuant to Section 4037 when the pharmacy ships, mails, or delivers any controlled substances, dangerous drugs, or dangerous devices to residents of this state. The board shall not adopt any regulations that require face-to-face consultation for a prescription that is shipped, mailed, or delivered to the patient. The regulations adopted pursuant to this subdivision shall not result in any unnecessary delay in patients receiving their medication.

(h) The registration fee shall be the fee specified in subdivision (a) of Section 4400.

(i) The registration requirements of this section shall apply only to a nonresident pharmacy that ships, mails, or delivers controlled substances, dangerous drugs, and dangerous devices into this state pursuant to a prescription.

(j) Nothing in this section shall be construed to authorize the dispensing of contact lens by nonresident pharmacists except as provided by Section 4124.

CHAPTER 74

An act to amend Section 10754 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

[Approved by Governor July 7, 1999. Filed with Secretary of State July 7, 1999.]

The people of the State of California do enact as follows:

SECTION 1. Section 10754 of the Revenue and Taxation Code is amended to read:

10754. (a) Notwithstanding any other provision of law, the total amount of the vehicle license fee otherwise required with respect to a vehicle shall be offset in accordance with those provisions set forth below that are operative pursuant to subdivision (b):

(1) (A) For any initial or original registration of any vehicle, never before registered in this state, for which the final due date for

the license fee is on or after January 1 of any calendar year for which this paragraph is operative, and for any renewal of registration with an expiration date on or after January 1 of any calendar year for which this paragraph is operative, the department shall offset the total amount of fees otherwise due at the time of registration of that vehicle by an amount equal to 25 percent of the amount computed pursuant to Section 10752 or 10752.1, or Section 18115 of the Health and Safety Code.

(B) Upon proper payment of license fees to the Department of Motor Vehicles, the amount of the offset for each vehicle shall be transferred into the Motor Vehicle License Fee Account in the Transportation Tax Fund, and into the Local Revenue Fund, pursuant to Section 11000 or Section 11000.1, as applicable.

(C) During any period in which insufficient moneys are available to be transferred from the General Fund to fully fund the offsets required by subparagraph (A), within 90 days of a reduction of funding, the department shall reduce the amount of each offset computed pursuant to that subparagraph by multiplying that amount by the ratio of the amount of moneys actually available to be transferred from the General Fund to pay for those offsets to the amount of moneys that is necessary to fully fund those offsets.

(1.3) (A) For any initial or original registration of any vehicle, never before registered in this state, for which the final due date for the license fee is on or after January 1 of any calendar year for which this paragraph is operative, and for any renewal of registration with an expiration date on or after January 1 of any calendar year for which this paragraph is operative, the department shall offset the total amount of fees otherwise due at the time of registration of that vehicle by an amount equal to 35 percent to of the amount computed pursuant to Section 10752 or 10752.1, or Section 18115 of the Health and Safety Code.

(B) Upon proper payment of license fees to the Department of Motor Vehicles, the amount of the offset for each vehicle shall be transferred into the Motor Vehicle License Fee Account in the Transportation Tax Fund, and into the Local Revenue Fund, pursuant to Section 11000 or Section 11000.1, as applicable.

(C) During any period in which insufficient moneys are available to be transferred from the General Fund to fully fund the offsets required by subparagraph (A), within 90 days of a reduction of funding, the department shall reduce the amount of each offset computed pursuant to that subparagraph by multiplying that amount by the ratio of the amount of moneys actually available to be transferred from the General Fund to pay for those offsets to the amount of moneys that is necessary to fully fund those offsets.

(2) (A) For any initial or original registration of any vehicle, never before registered in this state, for which the final due date for the license fee is on or after January 1 of any calendar year for which this paragraph is operative, and for any renewal of registration with

an expiration date on or after January 1 of any calendar year for which this paragraph is operative, the department shall offset the total amount of fees otherwise due at the time of registration of that vehicle by an amount equal to 35 percent of the amount computed pursuant to Section 10752 or 10752.1, or Section 18115 of the Health and Safety Code.

(B) Upon proper payment of license fees to the Department of Motor Vehicles, the amount of the offset for each vehicle shall be transferred into the Motor Vehicle License Fee Account in the Transportation Tax Fund, and into the Local Revenue Fund, pursuant to Section 11000 or Section 11000.1, as applicable.

(C) During any period in which insufficient moneys are available to be transferred from the General Fund to fully fund the offsets required by subparagraph (A), within 90 days of a reduction of funding, the department shall reduce the amount of each offset computed pursuant to that subparagraph by multiplying that amount by the ratio of the amount of moneys actually available to be transferred from the General Fund to pay for those offsets to the amount of moneys that is necessary to fully fund those offsets.

(3) (A) For any initial or original registration of any vehicle, never before registered in this state, for which the final due date for the license fee is on or after January 1 of any calendar year for which this paragraph is operative, and for any renewal of registration with an expiration date on or after January 1 of any calendar year for which this paragraph is operative, the department shall offset the total amount of fees otherwise due at the time of registration of that vehicle by an amount equal to $46^1/_2$ percent of the amount computed pursuant to Section 10752 or 10752.1, or Section 18115 of the Health and Safety Code.

(B) Upon proper payment of license fees to the Department of Motor Vehicles, the amount of the offset for each vehicle shall be transferred into the Motor Vehicle License Fee Account in the Transportation Tax Fund, and into the Local Revenue Fund, pursuant to Section 11000 or Section 11000.1, as applicable.

(C) During any period in which insufficient moneys are available to be transferred from the General Fund to fully fund the offsets required by subparagraph (A), within 90 days of a reduction of funding, the department shall reduce the amount of each offset computed pursuant to that subparagraph by multiplying that amount by the ratio of the amount of moneys actually available to be transferred from the General Fund to pay for those offsets to the amount of moneys that is necessary to fully fund those offsets.

(4) (A) For any initial or original registration of any vehicle, never before registered in this state, for which the final due date for the license fee is on or after January 1 of any calendar year for which this paragraph is operative, and for any renewal of registration with an expiration date on or after January 1 of any calendar year for which this paragraph is operative, the department shall offset the total

amount of fees otherwise due at the time of registration of that vehicle by an amount equal to 55 percent of the amount computed pursuant to Section 10752 or 10752.1, or Section 18115 of the Health and Safety Code.

(B) Upon proper payment of license fees to the Department of Motor Vehicles, the amount of the offset for each vehicle shall be transferred into the Motor Vehicle License Fee Account in the Transportation Tax Fund, and into the Local Revenue Fund, pursuant to Section 11000 or Section 11000.1, as applicable.

(C) During any period in which insufficient moneys are available to be transferred from the General Fund to fully fund the offsets required by subparagraph (A), within 90 days of a reduction of funding, the department shall reduce the amount of each offset computed pursuant to that subparagraph by multiplying that amount by the ratio of the amount of moneys actually available to be transferred from the General Fund to pay for those offsets to the amount of moneys that is necessary to fully fund those offsets.

(5) (A) For any initial or original registration of any vehicle, never before registered in this state, for which the final due date for the license fee is on or after January 1 of any calendar year for which this paragraph is operative, and for any renewal of registration with an expiration date on or after January 1 of any calendar year for which this paragraph is operative, the department shall offset the total amount of fees otherwise due at the time of registration of that vehicle by an amount equal to $67^1/_2$ percent of the amount computed pursuant to Section 10752 or 10752.1, or Section 18115 of the Health and Safety Code.

(B) Upon proper payment of license fees to the Department of Motor Vehicles, the amount of the offset for each vehicle shall be transferred into the Motor Vehicle License Fee Account in the Transportation Tax Fund, and into the Local Revenue Fund, pursuant to Section 11000 or Section 11000.1, as applicable.

(C) During any period in which insufficient moneys are available to be transferred from the General Fund to fully fund the offsets required by subparagraph (A), within 90 days of a reduction in funding, the department shall reduce the amount of each offset computed pursuant to that subparagraph by multiplying that amount by the ratio of the amount of moneys actually available to be transferred from the General Fund to pay for those offsets to the amount of moneys that is necessary to fully fund those offsets.

(b) The offset provisions set forth in subdivision (a) shall be operative as provided by the following:

(1) Paragraph (1) of subdivision (a) shall be operative for vehicle license fees with a final due date in each calendar year beginning on or after January 1, 1999, unless paragraph (1.3), (2), (3), (4), or (5) of subdivision (a) becomes operative. In that event, paragraph (1) of subdivision (a) will be inoperative only for that period during which one of those paragraphs is operative.

(1.3) Paragraph (1.3) of subdivision (a) shall be operative for vehicle license fees with a final due date in the calendar year beginning on January 1, 2000.

(2) Paragraph (2) of subdivision (a) shall be operative for vehicle license fees with a final due date in the calendar year beginning on January 1, 2001, if the forecast of General Fund revenue, excluding transfers, for the 2000–01 fiscal year, is at least sixty-five billion five hundred twenty-six million dollars ($65,526,000,000). On September 1, 2000, the Director of Finance shall certify to the Governor, the Legislature, and the department whether this condition has been met.

Five days before certification, the Director of Finance shall submit to the Chair of the Joint Legislative Budget Committee a forecast of General Fund revenues with sufficient detail to document the basis of the certification.

(3) Paragraph (2) of subdivision (a) shall be operative for vehicle license fees with a final due date in each calendar year beginning on or after January 1, 2002, if both of the following occur:

(A) The forecast of General Fund revenue, excluding transfers, for the 2001–02 fiscal year, is at least sixty-eight billion six hundred forty million dollars ($68,640,000,000). On September 1, 2001, the Director of Finance shall certify to the Governor, the Legislature, and the department whether this condition has been met.

(B) Paragraph (2) of subdivision (a) became operative pursuant to paragraph (2) of this subdivision.

If paragraph (3), (4), or (5) of subdivision (a) becomes operative for any calendar year beginning on or after January 1, 2002, paragraph (2) of subdivision (a) shall be inoperative during the period in which any of those paragraphs is so operative.

Five days before certification, the Director of Finance shall submit to the Chair of the Joint Legislative Budget Committee a forecast of General Fund revenues with sufficient detail to document the basis of the certification.

(4) If paragraph (2) of subdivision (a) does not become operative pursuant to paragraph (2) of this subdivision, paragraph (2) of subdivision (a) shall be operative for vehicle license fees with a final due date in the calendar year beginning on January 1, 2002, if the forecast of General Fund revenue, excluding transfers, for the 2001–02 fiscal year, is at least sixty-eight billion six hundred forty million dollars ($68,640,000,000), but is less than sixty-nine billion one hundred forty million dollars ($69,140,000,000). If paragraph (2) of subdivision (a) does not become operative pursuant to paragraph (2) of this subdivision, the Director of Finance shall, on September 1, 2001, certify to the Governor, the Legislature, and the department whether the condition set forth in the preceding sentence has been met.

Five days before certification, the Director of Finance shall submit to the Chair of the Joint Legislative Budget Committee a forecast of

General Fund revenues with sufficient detail to document the basis of the certification.

(5) Paragraph (3) of subdivision (a) shall be operative for vehicle license fees with a final due date in the calendar year beginning on January 1, 2002, if the forecast of General Fund revenue, excluding transfers, for the 2001–02 fiscal year, is at least sixty-nine billion one hundred forty million dollars ($69,140,000,000). On September 1, 2001, the Director of Finance shall certify to the Governor, the Legislature, and the department whether this condition has been met.

Five days before certification, the Director of Finance shall submit to the Chair of the Joint Legislative Budget Committee a forecast of General Fund revenues with sufficient detail to document the basis of the certification.

(6) Paragraph (2) of subdivision (a) shall be operative for vehicle license fees with a final due date in each calendar year beginning on or after January 1, 2003, if both of the following occur:

(A) The forecast of General Fund revenue, excluding transfers, for the 2002–03 fiscal year, is at least seventy-two billion one hundred sixty million dollars ($72,160,000,000). On September 1, 2002, the Director of Finance shall certify to the Governor, the Legislature, and the department whether this condition has been met.

(B) Paragraph (2) of subdivision (a) became operative pursuant to paragraph (4) of this subdivision, or paragraph (3) of subdivision (a) became operative pursuant to paragraph (5) of this subdivision.

If paragraph (3), (4), or (5) of subdivision (a) becomes operative for any calendar year beginning on or after January 1, 2003, paragraph (2) of subdivision (a) shall be inoperative during the period in which any of those paragraphs is so operative.

Five days before certification, the Director of Finance shall submit to the Chair of the Joint Legislative Budget Committee a forecast of General Fund revenues with sufficient detail to document the basis of the certification.

(7) If paragraph (2) of subdivision (a) does not become operative pursuant to paragraph (6) of this subdivision, paragraph (2) of subdivision (a) shall be operative for vehicle license fees with final due date in the calendar year beginning on January 1, 2003, if the forecast of General Fund revenue, excluding transfers, for the 2002–03 fiscal year, is at least seventy-two billion one hundred sixty million dollars ($72,160,000,000), but is less than seventy-two billion six hundred sixty million dollars ($72,660,000,000). If paragraph (2) of subdivision (a) does not become operative pursuant to paragraph (6) of this subdivision, the Director of Finance shall, on September 1, 2002, certify to the Governor, the Legislature, and the department whether the condition set forth in the preceding sentence has been met.

Five days before certification, the Director of Finance shall submit to the Chair of the Joint Legislative Budget Committee a forecast of

General Fund revenues with sufficient detail to document the basis of the certification.

(8) Paragraph (3) of subdivision (a) shall be operative for vehicle license fees with a final due date in each calendar year beginning on or after January 1, 2003, if both of the following occur:

(A) The forecast of General Fund revenue, excluding transfers, for the 2002–03 fiscal year, is at least seventy-two billion one hundred sixty million dollars ($72,160,000,000). On September 1, 2002, the Director of Finance shall certify to the Governor, the Legislature, and the department whether this condition has been met.

(B) Paragraph (3) of subdivision (a) became operative pursuant to paragraph (5) of this subdivision.

If paragraph (4) or (5) of subdivision (a) becomes operative for any calendar year beginning on or after January 1, 2003, paragraph (3) of subdivision (a) shall be inoperative during the period in which either of those paragraphs is so operative.

Five days before certification, the Director of Finance shall submit to the Chair of the Joint Legislative Budget Committee a forecast of General Fund revenues with sufficient detail to document the basis of the certification.

(9) If paragraph (3) of subdivision (a) does not become operative pursuant to paragraph (8) of this subdivision, paragraph (3) of subdivision (a) shall be operative for vehicle license fees with final due date in the calendar year beginning on January 1, 2003, if the forecast of General Fund revenue, excluding transfers, for the 2002–03 fiscal year, is at least seventy-two billion six hundred sixty million dollars ($72,660,000,000), but is less than seventy-three billion one hundred sixty million dollars ($73,160,000,000). If paragraph (3) of subdivision (a) does not become operative pursuant to paragraph (8) of this subdivision, the Director of Finance shall, on September 1, 2002, certify to the Governor, the Legislature, and the department whether the condition set forth in the preceding sentence has been met.

Five days before certification, the Director of Finance shall submit to the Chair of the Joint Legislative Budget Committee a forecast of General Fund revenues with sufficient detail to document the basis of the certification.

(10) Paragraph (4) of subdivision (a) shall be operative for vehicle license fees with a final due date in the calendar year beginning on January 1, 2003, if the forecast of General Fund revenue, excluding transfers, for the 2002–03 fiscal year, is at least seventy-three billion one hundred sixty million dollars ($73,160,000,000) but is less than seventy-four billion three hundred sixty million dollars ($74,360,000,000). On September 1, 2002, the Director of Finance shall certify to the Governor, the Legislature, and the department whether this condition has been met.

Five days before certification, the Director of Finance shall submit to the Chair of the Joint Legislative Budget Committee a forecast of

General Fund revenues with sufficient detail to document the basis of the certification.

(11) Paragraph (5) of subdivision (a) shall be operative for vehicle license fees with a final due date in the calendar year beginning on January 1, 2003, if the forecast of General Fund revenue, excluding transfers, for the 2002–03 fiscal year, is at least seventy-four billion three hundred sixty million dollars ($74,360,000,000). On September 1, 2002, the Director of Finance shall certify to the Governor, the Legislature, and the department whether this condition has been met.

Five days before certification, the Director of Finance shall submit to the Chair of the Joint Legislative Budget Committee a forecast of General Fund revenues with sufficient detail to document the basis of the certification.

(12) Paragraph (2) of subdivision (a) shall be operative for vehicle license fees with a final due date in each calendar year beginning on or after January 1, 2004, if both of the following occur:

(A) The forecast of General Fund revenue, excluding transfers, for the 2003–04 fiscal year, is at least seventy-six billion one hundred eight million dollars ($76,108,000,000). On September 1, 2003, the Director of Finance shall certify to the Governor, the Legislature, and the department whether this condition has been met.

(B) Paragraph (2) of subdivision (a) became operative pursuant to paragraph (7) of this subdivision, paragraph (3) of subdivision (a) became operative pursuant to paragraph (9) of this subdivision, paragraph (4) of subdivision (a) became operative pursuant to paragraph (10) of this subdivision, or paragraph (5) of subdivision (a) became operative pursuant to paragraph (11) of this subdivision.

If paragraph (3), (4), or (5) of subdivision (a) becomes operative for any calendar year beginning on or after January 1, 2004, paragraph (2) of subdivision (a) shall become inoperative.

Five days before certification, the Director of Finance shall submit to the Chair of the Joint Legislative Budget Committee a forecast of General Fund revenues with sufficient detail to document the basis of the certification.

(13) Paragraph (3) of subdivision (a) shall be operative for vehicle license fees with a final due date in each calendar year beginning on or after January 1, 2004, if both of the following occur:

(A) The forecast of General Fund revenue, excluding transfers, for the 2003–04 fiscal year, is at least seventy-six billion one hundred eight million dollars ($76,108,000,000). On September 1, 2003, the Director of Finance shall certify to the Governor, the Legislature, and the department whether this condition has been met.

(B) Paragraph (3) of subdivision (a) became operative pursuant to paragraph (9) of this subdivision, paragraph (4) of subdivision (a) became operative pursuant to paragraph (10) of this subdivision, or paragraph (5) of subdivision (a) became operative pursuant to paragraph (11) of this subdivision.

If paragraph (4) or (5) of subdivision (a) becomes operative for the calendar year beginning on or after January 1, 2004, paragraph (3) of subdivision (a) shall become inoperative.

Five days before certification, the Director of Finance shall submit to the Chair of the Joint Legislative Budget Committee a forecast of General Fund revenues with sufficient detail to document the basis of the certification.

(14) Paragraph (4) of subdivision (a) shall be operative for vehicle license fees with a final due date in each calendar year beginning on or after January 1, 2004, if both of the following occur:

(A) The forecast of General Fund revenue, excluding transfers, for the 2003–04 fiscal year, is at least seventy-seven billion one hundred eight million dollars ($77,108,000,000). On September 1, 2003, the Director of Finance shall certify to the Governor, the Legislature, and the department whether this condition has been met.

(B) Paragraph (4) of subdivision (a) became operative pursuant to paragraph (10) of this subdivision, or paragraph (5) of subdivision (a) became operative pursuant to paragraph (11) of this subdivision.

If paragraph (5) of subdivision (a) becomes operative for the calendar year beginning on or after January 1, 2004, paragraph (4) of subdivision (a) shall become inoperative.

Five days before certification, the Director of Finance shall submit to the Chair of the Joint Legislative Budget Committee a forecast of General Fund revenues with sufficient detail to document the basis of the certification.

(15) Paragraph (5) of subdivision (a) shall be operative for vehicle license fees with a final due date in each calendar year beginning on or after January 1, 2004, if both of the following occur:

(A) The forecast of General Fund revenue, excluding transfers, for the 2003–04 fiscal year, is at least seventy-eight billion three hundred eight million dollars ($78,308,000,000). On September 1, 2003, the Director of Finance shall certify to the Governor, the Legislature, and the department whether this condition has been met.

(B) Paragraph (5) of subdivision (a) became operative pursuant to paragraph (11) of this subdivision.

Five days before certification, the Director of Finance shall submit to the Chair of the Joint Legislative Budget Committee a forecast of General Fund revenues with sufficient detail to document the basis of the certification.

(c) (1) For purposes of this section, "department" means the Department of Motor Vehicles and the Department of Housing and Community Development.

(2) For purposes of this section, the "final due date" for a license fee is the last date upon which that fee may be paid without being delinquent.

(3) For purposes of certifications specified in paragraphs (2) to (15), inclusive, of subdivision (b), the General Fund revenue forecast, excluding transfers, that is used for the enactment of the relevant budget act shall be calculated in a manner that is consistent with the definition of General Fund revenues, excluding transfers, that was used by the Department of Finance in the 1998 May Revision revenue forecast as reflected on Schedule 8 of that revision.

(4) For purposes of making the certifications specified in paragraphs (2) to (15), inclusive, of subdivision (b), the Department of Finance shall, for each of the 2000–01 to 2003–04 fiscal years, inclusive, estimate the combined fiscal impact of all state tax law changes, including any changes with respect to interest or penalties, that were enacted by the Legislature and signed by the Governor on or after January 1, 1999. If for any fiscal year, the Department of Finance estimates a cumulative reduction in General Fund revenues in excess of one hundred million dollars ($100,000,000), the Department of Finance shall subtract the amount of that estimated reduction from each of the General Fund revenue target amounts, specified in paragraphs (2) to (15), inclusive, of subdivision (b), and shall apply each resulting difference in lieu of each corresponding target amount. For each fiscal year for which the preceding sentence applies, the Department of Finance shall also do all of the following:

(A) Subtract the amount of the estimated General Fund revenue loss from the estimated amount of the fiscal impact of each offset specified in paragraphs (2) to (5), inclusive, of subdivision (a).

(B) Divide each annual amount calculated pursuant to subparagraph (A) by the corresponding estimate by the Department of Finance of annual vehicle license fee revenues.

(C) Calculate percentages by multiplying each quotient determined pursuant to subparagraph (B) by 100 and rounding each result to the nearest 10th.

(D) Provide the percentages calculated in subparagraph (C) to the department, which shall apply those percentages in lieu of those corresponding offsets set forth in paragraphs (2) to (5), inclusive, of subdivision (a).

(5) For purposes of making the certifications specified in paragraphs (2) to (15), inclusive, of subdivision (b), the Department of Finance shall do all of the following:

(A) Estimate for each of the 2000–01 to 2003–04 fiscal years, inclusive, the total fiscal impact of all settlements that result in an annual revenue increase of more than one hundred million dollars ($100,000,000) per year for five fiscal years or less.

(B) Subtract each total fiscal impact estimated pursuant to subparagraph (A) from the amounts of the revenue forecasts referred to in paragraphs (2) to (15), inclusive, of subdivision (b).

(C) Use each difference calculated pursuant to subparagraph (B) in lieu of each corresponding revenue forecast.

SEC. 2. This act provides for a tax levy within the meaning of Article IV of the Constitution and shall go into immediate effect.

CHAPTER 75

An act to amend Section 11925 of the Revenue and Taxation Code, relating to taxation.

[Approved by Governor July 7, 1999. Filed with Secretary of State July 7, 1999.]

The people of the State of California do enact as follows:

SECTION 1. Section 11925 of the Revenue and Taxation Code is amended to read:

11925. (a) In the case of any realty held by a partnership or other entity treated as a partnership for federal income tax purposes, no levy shall be imposed pursuant to this part by reason of any transfer of an interest in the partnership or other entity or otherwise, if both of the following occur:

(1) The partnership or other entity treated as a partnership is considered a continuing partnership within the meaning of Section 708 of the Internal Revenue Code of 1986.

(2) The continuing partnership or other entity treated as a partnership continues to hold the realty concerned.

(b) If there is a termination of any partnership or other entity treated as a partnership for federal income tax purposes, within the meaning of Section 708 of the Internal Revenue Code of 1986, for purposes of this part, the partnership or other entity shall be treated as having executed an instrument whereby there was conveyed, for fair market value (exclusive of the value of any lien or encumbrance remaining thereon), all realty held by the partnership or other entity at the time of the termination.

(c) Not more than one tax shall be imposed pursuant to this part by a county, city and county or city by reason of a termination described in subdivision (b), and any transfer pursuant thereto, with respect to the realty held by a partnership or other entity treated as a partnership at the time of the termination.

(d) No levy shall be imposed pursuant to this part by reason of any transfer between an individual or individuals and a legal entity or between legal entities that results solely in a change in the method of holding title to the realty and in which proportional ownership interests in the realty, whether represented by stock, membership interest, partnership interest, cotenancy interest, or otherwise,

directly or indirectly, remain the same immediately after the transfer.

CHAPTER 76

An act to add Section 10754.1 to the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

[Approved by Governor July 7, 1999. Filed with Secretary of State July 7, 1999.]

The people of the State of California do enact as follows:

SECTION 1. Section 10754.1 is added to the Revenue and Taxation Code, to read:

10754.1. For purposes of applying paragraph (1) of subdivision (b) of Section 10754, the vehicle license fees, due in 1998 on or before December 31 of that year for a vehicle subject to the International Registration Program as described in Section 8052 of the Vehicle Code, are deemed to have had a final due date in the 1999 calendar year. It is the intent of the Legislature that this section be implemented to apply the 25 percent offset specified in paragraph (1) of subdivision (a) of Section 10754 to the vehicle license fees described in the preceding sentence. The department shall apply the amount of each vehicle license fee reduction resulting from this section against the amount of vehicle license fees due and payable on the part of the relevant registrant in 1999.

SEC. 2. This act provides for a tax levy within the meaning of Article IV of the Constitution and shall go into immediate effect.

CHAPTER 77

An act to amend Sections 17052.12 and 23609 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

[Approved by Governor July 7, 1999. Filed with Secretary of State July 7, 1999.]

The people of the State of California do enact as follows:

SECTION 1. Section 17052.12 of the Revenue and Taxation Code is amended to read:

17052.12. For each taxable year beginning on or after January 1, 1987, there shall be allowed as a credit against the "net tax" (as

defined by Section 17039) for the taxable year an amount determined in accordance with Section 41 of the Internal Revenue Code, except as follows:

(a) For each taxable year beginning before January 1, 1997, the reference to "20 percent" in Section 41(a)(1) of the Internal Revenue Code is modified to read "8 percent."

(b) (1) For each taxable year beginning on or after January 1, 1997, and before January 1, 1999, the reference to "20 percent" in Section 41(a)(1) of the Internal Revenue Code is modified to read "11 percent."

(2) For each taxable year beginning on or after January 1, 1999, the reference to "20 percent" in Section 41(a)(1) of the Internal Revenue Code is modified to read "12 percent."

(c) Section 41(a)(2) of the Internal Revenue Code, relating to basic research payments, shall not apply.

(d) "Qualified research" shall include only research conducted in California.

(e) In the case where the credit allowed under this section exceeds the "net tax," the excess may be carried over to reduce the "net tax" in the following year, and succeeding years if necessary, until the credit has been exhausted.

(f) (1) With respect to any expense paid or incurred after the operative date of Section 6378, Section 41(b)(1) of the Internal Revenue Code is modified to exclude from the definition of "qualified research expense" any amount paid or incurred for tangible personal property that is eligible for the exemption from sales or use tax provided by Section 6378.

(2) For each taxable year beginning on or after January 1, 1998, the reference to "Section 501(a)" in Section 41(b)(3)(C) of the Internal Revenue Code, relating to contract research expenses, is modified to read "this part or Part 11 (commencing with Section 23001)."

(g) (1) For each taxable year beginning on or after January 1, 1998:

(A) The reference to "1.65 percent" in Section 41(c)(4)(A)(i) of the Internal Revenue Code is modified to read "one and thirty-two hundredths of one percent."

(B) The reference to "2.2 percent" in Section 41(c)(4)(A)(ii) of the Internal Revenue Code is modified to read "one and seventy-six hundredths of one percent."

(C) The reference to "2.75 percent" in Section 41(c)(4)(A)(iii) of the Internal Revenue Code is modified to read "two and two-tenths of one percent."

(2) Section 41(c)(4)(B) shall not apply and in lieu thereof an election under Section 41(c)(4)(A) of the Internal Revenue Code may be made for any taxable year of the taxpayer beginning on or after January 1, 1998. That election shall apply to the taxable year for which made and all succeeding taxable years unless revoked with the consent of the Franchise Tax Board.

(3) Section 41(c)(6) of the Internal Revenue Code, relating to gross receipts, is modified to take into account only those gross receipts from the sale of property held primarily for sale to customers in the ordinary course of the taxpayer's trade or business that is delivered or shipped to a purchaser within this state, regardless of f.o.b. point or any other condition of the sale.

(h) Section 41(h) of the Internal Revenue Code, relating to termination, shall not apply.

(i) Section 41(g) of the Internal Revenue Code, relating to special rule for passthrough of credit, is modified by each of the following:

(1) The last sentence shall not apply.

(2) If the amount determined under Section 41(a) of the Internal Revenue Code for any taxable year exceeds the limitation of Section 41(g) of the Internal Revenue Code, that amount may be carried over to other taxable years under the rules of subdivision (e); except that the limitation of Section 41(g) of the Internal Revenue Code shall be taken into account in each subsequent taxable year.

SEC. 2. Section 23609 of the Revenue and Taxation Code is amended to read:

23609. For each income year beginning on or after January 1, 1987, there shall be allowed as a credit against the "tax" (as defined by Section 23036) an amount determined in accordance with Section 41 of the Internal Revenue Code, except as follows:

(a) For each income year beginning before January 1, 1997, both of the following modifications shall apply:

(1) The reference to "20 percent" in Section 41(a)(1) of the Internal Revenue Code is modified to read "8 percent."

(2) The reference to "20 percent" in Section 41(a)(2) of the Internal Revenue Code is modified to read "12 percent."

(b) (1) For each income year beginning on or after January 1, 1997, and before January 1, 1999, both of the following modifications shall apply:

(A) The reference to "20 percent" in Section 41(a)(1) of the Internal Revenue Code is modified to read "11 percent."

(B) The reference to "20 percent" in Section 41(a)(2) of the Internal Revenue Code is modified to read "24 percent."

(2) For each income year beginning on or after January 1, 1999, both of the following shall apply:

(A) The reference to "20 percent" in Section 41(a)(1) of the Internal Revenue Code is modified to read "12 percent."

(B) The reference to "20 percent" in Section 41(a)(2) of the Internal Revenue Code is modified to read "24 percent."

(c) (1) With respect to any expense paid or incurred after the operative date of Section 6378, Section 41(b)(1) of the Internal Revenue Code is modified to exclude from the definition of "qualified research expense" any amount paid or incurred for tangible personal property that is eligible for the exemption from sales or use tax provided by Section 6378.

(2) "Qualified research" and "basic research" shall include only research conducted in California.

(d) The provisions of Section 41(e)(7)(A) of the Internal Revenue Code, shall be modified so that "basic research," for purposes of this section, includes any basic or applied research including scientific inquiry or original investigation for the advancement of scientific or engineering knowledge or the improved effectiveness of commercial products, except that the term does not include any of the following:

(1) Basic research conducted outside California.

(2) Basic research in the social sciences, arts, or humanities.

(3) Basic research for the purpose of improving a commercial product if the improvements relate to style, taste, cosmetic, or seasonal design factors.

(4) Any expenditure paid or incurred for the purpose of ascertaining the existence, location, extent, or quality of any deposit of ore or other mineral (including oil and gas).

(e) (1) In the case of a taxpayer engaged in any biopharmaceutical research activities that are described in codes 2833 to 2836, inclusive, or any research activities that are described in codes 3826, 3829, or 3841 to 3845, inclusive, of the Standard Industrial Classification (SIC) Manual published by the United States Office of Management and Budget, 1987 edition, or any other biotechnology research and development activities, the provisions of Section 41(e)(6) of the Internal Revenue Code shall be modified to include both of the following:

(A) A qualified organization as described in Section 170(b)(1)(A)(iii) of the Internal Revenue Code and owned by an institution of higher education as described in Section 3304(f) of the Internal Revenue Code.

(B) A charitable research hospital owned by an organization that is described in Section 501(c)(3) of the Internal Revenue Code, is exempt from taxation under Section 501(a) of the Internal Revenue Code, is not a private foundation, is designated a "specialized laboratory cancer center," and has received Clinical Cancer Research Center status from the National Cancer Institute.

(2) For purposes of this subdivision:

(A) "Biopharmaceutical research activities" means those activities that use organisms or materials derived from organisms, and their cellular, subcellular, or molecular components, in order to provide pharmaceutical products for human or animal therapeutics and diagnostics. Biopharmaceutical activities make use of living organisms to make commercial products, as opposed to pharmaceutical activities that make use of chemical compounds to produce commercial products.

(B) "Other biotechnology research and development activities" means research and development activities consisting of the application of recombinant DNA technology to produce commercial

products, as well as research and development activities regarding pharmaceutical delivery systems designed to provide a measure of control over the rate, duration, and site of pharmaceutical delivery.

(f) In the case where the credit allowed by this section exceeds the "tax," the excess may be carried over to reduce the "tax" in the following year, and succeeding years if necessary, until the credit has been exhausted.

(g) For each income year beginning on or after January 1, 1998, the reference to "Section 501(a)" in Section 41(b)(3)(C) of the Internal Revenue Code, relating to contract research expenses, is modified to read "this part or Part 10 (commencing with Section 17001)."

(h) (1) For each income year beginning on or after January 1, 1998:

(A) The reference to "1.65 percent" in Section 41(c)(4)(A)(i) of the Internal Revenue Code is modified to read "one and thirty-two hundredths of one percent."

(B) The reference to "2.2 percent" in Section 41(c)(4)(A)(ii) of the Internal Revenue Code is modified to read "one and seventy-six hundredths of one percent."

(C) The reference to "2.75 percent" in Section 41(c)(4)(A)(iii) of the Internal Revenue Code is modified to read "two and two-tenths of one percent."

(2) Section 41(c)(4)(B) shall not apply and in lieu thereof an election under Section 41(c)(4)(A) of the Internal Revenue Code may be made for any income year of the taxpayer beginning on or after January 1, 1998. That election shall apply to the income year for which made and all succeeding income years unless revoked with the consent of the Franchise Tax Board.

(3) Section 41(c)(6) of the Internal Revenue Code, relating to gross receipts, is modified to take into account only those gross receipts from the sale of property held primarily for sale to customers in the ordinary course of the taxpayer's trade or business that is delivered or shipped to a purchaser within this state, regardless of f.o.b. point or any other condition of the sale.

(i) Section 41(h) of the Internal Revenue Code, relating to termination, shall not apply.

(j) Section 41(g) of the Internal Revenue Code, relating to special rule for passthrough of credit, is modified by each of the following:

(1) The last sentence shall not apply.

(2) If the amount determined under Section 41(a) of the Internal Revenue Code for any income year exceeds the limitation of Section 41(g) of the Internal Revenue Code, that amount may be carried over to other income years under the rules of subdivision (f), except that the limitation of Section 41(g) of the Internal Revenue Code shall be taken into account in each subsequent income year.

SEC. 3. This act provides for a tax levy within the meaning of Article IV of the Constitution and shall go into immediate effect.

CHAPTER 78

An act to amend Sections 2558.45, 8203.3, 8447, 8482.3, 8660, 8661, 8662, 8663, 8664, 8666, 8667, 8668, 8669, 8669.1, 11020, 11021, 37252, 37252.5, 37253, 41203.1, 42238, 42238.1, 42238.145, 42239, 42239.1, 42247.5, 44235, 44579.1, 45125, 46300, 47612, 47763.5, 47771.5, 48664, 52084, 52086, 53031, 56195.1, 56836.06, 56836.08, 56836.15, 60605, 60640, 60643, 60810, 60811, and 84750 of, to amend the heading of Chapter 3 (commencing with Section 47610) of Part 26.8 of, to amend and renumber Section 47613.7 of, to amend, repeal, and add Section 14002 of, to add Sections 41344, 41857, 47632.5, 49545.5, 56044, 56045, 56203, 56207.5, and 60643.5 to, to add Article 8 (commencing with Section 18200) to Chapter 2 of Part 11 of, Article 6 (commencing with Section 49080) to Chapter 6.5 of Part 27 of, an article heading (commencing with Section 51110) to, and Article 2 (commencing with Section 51120) to Chapter 1.5 of Part 28 of, Chapter 6 (commencing with Section 47630) to Part 26.8 of, to repeal Sections 8665, 8669.2, 47613, and 47613.5 of, the Education Code, to amend Sections 15379.80, 68926, and 68926.3 of the Government Code, to amend Sections 97.2 and 97.3 of the Revenue and Taxation Code, to amend Section 1120.2 of the Welfare and Institutions Code, and to amend Section 2 of Chapter 948 of, and Section 56 of Chapter 330 of, the Statutes of 1998, relating to education, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 7, 1999. Filed with Secretary of State July 7, 1999.]

I am signing Assembly Bill No. 1115, however, I am reducing the appropriations made in Section 65, 66, 70, 72 and 73 by a total of $15,526,000. These appropriations are being eliminated because I have specific concerns about the projects or to ensure the State maintains a prudent reserve. The specific reductions are as follows:

I am reducing the reappropriation in Section 65 by eliminating subdivision (b) which allocates $200,000 to the Julian Union School District for kitchen equipment needed for nutrition programs. Although this program may be meritorious, I am deleting the funding for it to ensure the State maintains a prudent reserve.

I am reducing the reappropriation in Section 65 by eliminating subdivision (c) which allocates $200,000 to the Grossmont Union High School District for construction of a swimming pool at Steele Canyon High School. Although this project may be meritorious, I am deleting the funding for it to ensure the State maintains a prudent reserve.

I am reducing the reappropriation in Section 65 by eliminating subdivision (d) which allocates $100,000 on a one-time basis to the San Diego County Office of Education to provide assistance for schools to secure health insurance for uninsured, low-income pupils. Although this program may be meritorious, I am deleting the funding for it to ensure the State maintains a prudent reserve.

I am reducing the reappropriation in Section 65 by $25,000 by reducing subdivision (e) from $27,500 to $2,500 for the Alta-Dutch Flat Union School District for afternoon school busing service. I am taking this action because to ensure the State maintains a prudent reserve.

I am reducing the reappropriation in Section 65 by eliminating subdivision (f) which allocates $100,000 on a one-time basis to the Los Gatos Union School District to support the expansion of science programs through the Youth Science Institute in the City of Los Gatos. Although this project may be meritorious, I am deleting the funding for it to ensure the State maintains a prudent reserve.

I am reducing the reappropriation in Section 65 by eliminating subdivision (g) which allocates $250,000 on a one-time basis to the Oak Park Unified School District for the purpose of purchasing computer equipment and materials for the library at Oak Park High School. I am taking this action because the budget currently includes $150.5 million which is allocated to all school districts on the basis of average daily attendance, which districts can use specifically for library materials and equipment.

I am reducing the reappropriation in Section 65 by eliminating subdivision (h) which allocates $175,000 to the Anaheim City School District for an after-school learning safe neighborhoods program. I am eliminating this project because the use of one-time Proposition 98 funding, for what appears to be an ongoing program, is not appropriate. Moreover, there is an existing grant program for this purpose, the After-School Learning and Safe Neighborhoods Partnerships program, which awards renewable grants and is increased by $35 million in the 1999 Budget Act for the 1999–2000 fiscal year. Local programs may compete for renewable grants for either purpose by applying through the Department of Education.

I am reducing the reappropriation in Section 65 by eliminating subdivision (i) which allocates $250,000 to the Rio Del Valle Elementary School District for construction of a gymnasium at Rio Del Valle Junior High School. Although this project may be meritorious, I am deleting the funding for it to ensure the State maintains a prudent reserve.

I am reducing the reappropriation in Section 65 by eliminating subdivision (k) which allocates $6,000 on a one-time basis to the San Juan Unified School District for the purchase of a computer, printer, and appropriate software for the Cottage Elementary School library. I am taking this action because the budget currently includes $158.5 million which is allocated to all school districts on the basis of average daily attendance, which districts can use specifically for library materials and equipment.

I am reducing the reappropriation in Section 65 by eliminating subdivision (*l*) which allocates $250,000 to the Saddleback Valley Unified School District for construction of a gymnasium at Laguna Hills High School. Although this project may be meritorious, I am deleting the funding for it to ensure the State maintains a prudent reserve.

I am reducing the reappropriation in Section 65 by eliminating subdivision (m) which allocates $100,000 to the Woodlake Union High School District for construction of a swimming pool. Although this project may be meritorious, I am deleting the funding for it to ensure the State maintains a prudent reserve.

I am reducing the appropriation in Section 65 by eliminating subdivision (n) which allocates $110,000 to the Sacramento City Unified School District to support the Sacramento START after-school program. I am eliminating this project because the use of one-time Proposition 98 funding, for what appears to be an ongoing program, is not appropriate. Moreover, there is an existing grant program for this purpose, the After-School Learning and Safe Neighborhoods Partnerships program, which awards renewable grants and is increased by $35 million in the 1999 Budget Act for the 1999–2000 fiscal year. Local programs may compete for renewable grants for either purpose by applying through the Department of Education.

I am reducing the reappropriation in Section 65 by eliminating subdivision (o) which allocates $30,000 on a one-time basis to the Galt Joint Union Elementary School District to support an education program using STAR test results to improve teaching. I am deleting this funding because I recently enacted legislation implementing the state wide accountability initiative to hold schools accountable for their performance

and to reward high achieving and improving schools, therefore this proposal unnecessary.

I am reducing the reappropriation in Section 65 by eliminating subdivision (p) which allocates $10,000 to the Oak View Unified School District to repair the school blacktop area. Although this project may be meritorious, I am deleting the funding for it to ensure the State maintains a prudent reserve.

I am reducing the appropriation in Section 65 by eliminating subdivision (r) which allocates $30,000 to the ABC School District for an after school project at Hawaiian Gardens Elementary School. I am eliminating this project because the use of one-time Proposition 98 funding, for what appears to be an ongoing program, is not appropriate. Moreover, there is an existing grant program for this purpose, the After-School Learning and Safe Neighborhoods Partnerships program, which awards renewable grants and is increased by $35 million in the 1999 Budget Act for the 1999–2000 fiscal year. Local programs may compete for renewable grants for either purpose by applying through the Department of Education.

I am sustaining subdivision (z) of Section 65 which reappropriates $700,000 to the Superintendent of Public Instruction for allocation to the County Office Fiscal Crisis and Management Assistance Team (FCMAT) for distribution to the Compton Unified School District. However, I am requesting that these funds be used only for the specific purposes of implementing the school district's recovery plans. I also encourage the Compton Unified School District to fully avail itself of the existing program funding provided, including for summer school programs, after school programs, and the staff development day buy out program as appropriate, to assist the district in funding its reforms.

I am sustaining subdivision (aa) of Section 65 which reappropriates $1,500,000 to subsidize the costs of low-income children's participation in residential science camps. However, I note that this is a one-time appropriation; this program should develop alternative funding sources for the future.

I am reducing the reappropriation in Section 65 by eliminating subdivision (cc) which allocates $232,000 on a one-time basis to the Bilingual Foundation of the Arts to develop arts-based literacy skills in school age children. I am deleting the funding because the budget includes $6 million for Local Arts Education projects which can be used for this purpose.

I am reducing the reappropriation in Section 65 by eliminating subdivision (dd) which allocates $100,000 to the Los Angeles Unified School District to renovate the San Fernando High School Teen Health Clinic. Although this project may be meritorious, I am deleting the funding for it to ensure the State maintains a prudent reserve.

I am reducing the appropriation in Section 65 of this bill by eliminating subdivision (hh) which allocates $16,900 to replace funding reduced as a result of an audit exception at the North Cow Creek School District. An independent audit of the district's class size reduction funding determined that the district inappropriately claimed $16,900 of incentive funding during the 1996–97 school year for classes with excess enrollment. Since the purpose of the incentive funding is to reduce enrollment to no more than 20 students per teacher and the program does not permit waiver of the class size requirement, it would be inappropriate, and establish an undesirable precedent, to restore funding to the district.

I am reducing the reappropriation in Section 65 by eliminating subdivision (jj) which allocates $120,000 to the Golden Valley Unified School District for home-to-school transportation. I am taking this action because this augmentation provides funding on a one-time basis for costs that are ongoing.

I am reducing the reappropriation in Section 65 by eliminating subdivision (mm) which allocates $288,000 on a one-time basis to the Oxnard Unified School District for the Parent University Project. I am taking this action because this augmentation provides funding on a one-time basis for costs that are ongoing.

I am reducing the appropriation in Section 65 bill by eliminating subdivision (oo) which allocates $139,000 on a one-time basis to the Sacramento City Unified School District for the Center for Educational Excellence. This program provides local services and also disseminates the Center's language arts curricula and models statewide. This augmentation would reimburse the district for additional costs of

statewide distribution. It is not clear why this school district is involved in a program that distributes materials on a statewide basis or whether the materials meet the standards established by the State Board of Education. The distribution function described for the Center is currently and appropriately performed by the State Department of Education.

I am sustaining subdivision (pp) of Section 65 which reappropriates $750,000 to the Superintendent of Public Instruction for allocation to the County Office Fiscal Crisis and Management Assistance Team (FCMAT) for an audit of the Oakland Unified School District. However, I am requesting that FCMAT conduct a comprehensive assessment of the District in its major operational areas and provide recommendations by January 31, 2000. FCMAT and the district, in consultation with the Department of Finance, should enter into a contract specifying the terms of the assessments and the responsibilities of each of the parties prior to allocation of the $750,000 to FCMAT.

I am reducing the reappropriation in Section 65 by eliminating subdivision (qq) which allocates $250,000 to the Capistrano Unified School District for a planning grant to develop a teacher training and development facility. Although this project may be meritorious, I am deleting the funding for it to ensure the State maintains a prudent reserve.

I am reducing the reappropriation in Section 65 by eliminating subdivision (ss) which allocates $500,000 to the Los Angeles Unified School District for renovation of the San Fernando Middle School Auditorium. Although this project may be meritorious, I am deleting the funding for it to ensure the State maintains a prudent reserve.

I am reducing the appropriation in Section 66 by eliminating subdivision (b) which allocates $500,000 to the Sacramento County Office of Education for a State Resource Center for the California Reading Initiative. Although this project may be meritorious, I am deleting the funding for it to ensure the State maintains a prudent reserve.

I am reducing the reappropriation in Section 70 by $2,820,000 by deleting subdivisions (a), (b), (c), (d)(1), (e) and (f), which would have provided for a variety of local projects for Community College districts. While voter registration is an important activity, I am reducing the $300,000 in schedule (c) for voter registration purposes because it does not appear necessary to provide funding for an activity that could be easily undertaken by campus groups or other civic groups. Although the other deleted projects may be meritorious, I am deleting the funding for them to ensure the state maintains a prudent reserve.

I am reducing the appropriation in Section 72 by eliminating subdivision (a) which appropriates $2,000,000 to the Department of Education for allocation by the Controller for reimbursement of Sacramento City Unified School District's 1998–99 voluntary desegregation audited claim. The state is not statutorily obligated to pay for any costs incurred for voluntary integration programs above the amount budgeted for that purpose. Desegregation claims are funded in accordance with an existing statutory formula, as limited by funding appropriated in the Budget Act. Based on these statutory provisions, there is no legal obligation to fund these programs beyond the amount provided in the annual Budget Act.

I am reducing the appropriation in Section 73 by eliminating subdivisions (a), (b), (c) and (d) which allocate a total of $6,724,100 to reimburse school districts desegregation program deficiencies for fiscal years 1994–95 and 1995–96. Desegregation claims are funded in accordance with an existing statutory formula, as limited by funding appropriated in the Budget Act. Based on these statutory provisions, there is no legal obligation to fund these programs beyond the amount provided in the annual Budget Act. In addition, the Legislature statutorily limited the funding formula for this program in the current year as well as in the past four years in the education trailer bills. The provisions statutorily limit the funding otherwise provided in statute for court-ordered desegregation and voluntary integration programs to the level of funding provided in the appropriation for these programs, consistent with all other programs funded through the mega-item appropriation. Finally, districts are advised of the amounts available for each fiscal year for these programs by the State Department of Education.

GRAY DAVIS, Governor

The people of the State of California do enact as follows:

SECTION 1. Section 2558.45 of the Education Code is amended to read:

2558.45. For the purposes of this article the revenue limit of each county superintendent of schools shall be reduced by a deficit factor, as follows:

(a) (1) The revenue limit for the 1994–95 fiscal year for each county superintendent of schools determined pursuant to this article shall be reduced by a 12.59 percent deficit factor.

(2) The revenue limit for the 1995–96 fiscal year determined pursuant to this article for each county superintendent of schools shall be reduced by an 11.70 percent deficit factor.

(3) The revenue limit for the 1996–97 and 1997–98 fiscal years determined pursuant to this article for each county superintendent of schools shall be reduced by an 11.547 percent deficit factor, as adjusted pursuant to Section 42238.41.

(4) The revenue limit for the 1999–2000 fiscal year determined pursuant to this article for each county superintendent of schools shall be reduced by a 8.628 percent deficit factor.

(b) (1) The revenue limit for each county superintendent of schools for the 1994–95 fiscal year shall be determined as if the revenue limit for each county superintendent of schools had been determined for the 1993–94 fiscal year without being reduced by the deficit factor required pursuant to Section 2558.4.

(2) When computing the revenue limit for each county superintendent of schools for the 1995–96 or any subsequent fiscal year pursuant to this article, the revenue limit shall be determined as if the revenue limit for each county superintendent of schools had been determined for the previous fiscal year without being reduced by the deficit factor specified in this section.

SEC. 2. Section 8203.3 of the Education Code is amended to read:

8203.3. (a) On or before June 30, 1999, the State Department of Education shall develop prekindergarten learning development guidelines. The development of these guidelines shall be funded from funds appropriated for this purpose in the Budget Act of 1998. The guidelines shall focus on preparing four- and five-year-old children for kindergarten. The guidelines shall identify appropriate developmental milestones for each age, how to assess where children are in relation to the milestones, and suggested methods for achieving the milestones. In addition, the guidelines shall identify any basic beginning skills needed to prepare children for kindergarten or first grade, and methods for teaching these basic skills. The guidelines shall be articulated with the academic content and performance standards adopted by the State Board of Education for kindergarten and grades 1 to 12, inclusive. The State Department of Education may contract with an appropriate public or private agency to develop the guidelines.

(b) In future expenditure plans for quality improvement activities, the State Department of Education shall include funding for periodically updating the guidelines consistent with academic and performance standards and relevant research, broadly distributing the guidelines, and providing education, outreach, and training services to implement the guidelines.

(c) Programs funded by the State Department of Education under Article 6 (commencing with Section 8230), Article 7 (commencing with Section 8235), and Article 8 (commencing with Section 8240) shall use the prekindergarten learning development guidelines developed pursuant to this section.

SEC. 3. Section 8447 of the Education Code is amended to read:

8447. (a) The Legislature hereby finds and declares that greater efficiencies may be achieved in the execution of state subsidized child care and development program contracts with public and private agencies by the timely approval of contract provisions by the Department of Finance, the Department of General Services, and the State Department of Education and by authorizing the State Department of Education to establish a multiyear application, contract expenditure, and service review as may be necessary to provide timely service while preserving audit and oversight functions to protect the public welfare.

(b) The Department of Finance and the Department of General Services shall approve or disapprove annual contract funding terms and conditions, including both family copayment schedules and regional market rate schedules that are required to be adhered to by contract, and contract face sheets submitted by the State Department of Education not more than 30 working days from the date of submission, unless unresolved conflicts remain between the Department of Finance, the State Department of Education, and the Department of General Services. The State Department of Education shall resolve conflicts within an additional 30 working day time period. Contracts and funding terms and conditions shall be issued to child care contractors no later than June 1. Applications for new child care funding shall be issued not more than 45 working days after the effective date of authorized new allocations of child care moneys.

(c) With respect to subdivision (b), it is the intent of the Legislature that the Department of Finance annually review contract funding terms and conditions for the primary purpose of ensuring consistency between child care contracts and the child care budget. This review, shall include evaluating any proposed changes to contract language or other fiscal documents to which the contractor is required to adhere, including those changes to terms or conditions that authorize higher reimbursement rates, that modify related adjustment factors, that modify administrative or other service allowances, or that diminish copayment revenues otherwise available for services, to determine if the change is necessary or has

the potential effect of reducing the number of full-time equivalent children that may be served.

(d) Alternative payment child care systems, as set forth in Article 3 (commencing with Section 8220), shall be subject to the rates established in the Regional Market Rate Survey of California Child Care Providers for provider payments. The State Department of Education shall contract to conduct and complete the annual Regional Market Rate Survey with a goal of completion by March 1.

(e) By March 1 of each year, the Department of Finance shall provide to the State Department of Education the State Median Income amount for a four-person household in California based on the best available data. The State Department of Education shall adjust its fee schedule for child care providers to reflect this updated state median income.

(f) Notwithstanding the June 1 date specified in subdivision (b), changes to the regional market rate schedules and copayment schedules may be made at any other time to reflect the availability of accurate data necessary for their completion, provided these documents receive the approval of the Department of Finance. The Department of Finance shall review the changes within 30 working days of submission and the State Department of Education shall resolve conflicts within an additional 30 working day period. Contractors shall be given adequate notice prior to the effective date of the approved schedules. It is the intent of the Legislature that contracts for services not be delayed by the timing of the availability of accurate data needed to update these schedules.

SEC. 4. Section 8482.3 of the Education Code is amended to read:

8482.3. (a) The After School Learning and Safe Neighborhoods Partnerships Program shall be established to serve pupils in kindergarten and grades 1 to 9, inclusive, at participating elementary, middle, junior high, and charter schoolsites.

(b) A program may operate on one or multiple schoolsites. If a program operates at multiple schoolsites, only one application shall be required for its establishment.

(c) An after school program established pursuant to this article shall consist of the following two components:

(1) An educational and literacy component whereby tutoring or homework assistance is provided in one or more of the following areas: language arts, mathematics, history and social science, or science.

(2) A component whereby educational enrichment, which may include, but need not be limited to, recreation and prevention activities, is provided.

(d) Applicants for programs established pursuant to this article may include any of the following:

(1) A local education agency, including a charter school.

(2) A city, county, or nonprofit organization in partnership with, and with the approval of, a local education agency or agencies.

(e) Applicants for grants pursuant to this article shall ensure that each of the following requirements is fulfilled, if applicable:

(1) The application documents the commitments of each partner to operate a program on that schoolsite or schoolsites.

(2) The application has been approved by the school district and the principal of each schoolsite.

(3) Each partner in the application agrees to share responsibility for the quality of the program.

(4) The application designates the public agency or local education agency partner to act as the fiscal agent. For purposes of this section, "public agency" means only a county board of supervisors or, where the city is incorporated or has a charter, a city council.

(5) Applicants agree to follow all fiscal reporting and auditing standards required by the State Department of Education.

SEC. 5. Section 8660 of the Education Code is amended to read:

8660. (a) The California State Summer School for Mathematics and Science is hereby created to establish a multidisciplinary academic development program in mathematics and science and to enable pupils with demonstrated academic excellence in mathematics and science to receive intensive educational enrichment in these subjects.

(b) The California State Summer School for Mathematics and Science shall provide an opportunity for pupils who wish to study advanced mathematics or science or to pursue careers that require a high degree of skills and knowledge in mathematics or science.

SEC. 6. Section 8661 of the Education Code is amended to read:

8661. The Regents of the University of California are hereby requested to operate the California State Summer School for Mathematics and Science.

SEC. 7. Section 8662 of the Education Code is amended to read:

8662. (a) Pupils who have demonstrated academic excellence in mathematics and science and who meet one of the following criteria shall be eligible for admission to the summer school:

(1) The pupil graduated, or will graduate, from the 8th grade at the end of the school year immediately preceding the summer school session for which he or she is applying.

(2) The pupil is currently enrolled in any of grades 9 to 12, inclusive.

(3) The pupil graduated from high school during the school year immediately preceding the summer school session for which he or she is applying.

(b) A pupil's participation in the summer school shall not be credited toward the pupil's completion of the course of study prescribed for graduation from high school, unless the local school district that the pupil regularly attends tenders payment to the pupil, no later than the last day of the summer school session, for all application and other fees and expenses charged to the pupil by the

summer school that would not be charged to a pupil enrolled in the public school system.

SEC. 8. Section 8663 of the Education Code is amended to read:

8663. (a) The Legislature finds and declares that the admission of out-of-state pupils to the California State Summer School for Mathematics and Science can enhance the national and international standing of the pupils who attend the summer school.

(b) It is the intent of the Legislature that pursuant to the eligibility criteria set forth in Section 8662, the Regents of the University of California adopt policies that will enable pupils who are not California residents, including residents of other countries, to be admitted to the California State Summer School for Mathematics and Science, not to exceed in any year 20 pupils or 5 percent of the total pupil population of the summer school, whichever is less. It is the further intent of the Legislature that admission of a nonresident under this subdivision may not result in the denial of admission under this chapter to a California resident who is eligible for that admission and satisfies applicable qualifications for admission.

SEC. 9. Section 8664 of the Education Code is amended to read:

8664. The Regents of the University of California are hereby requested to perform all of the following duties:

(a) Provide for the operation and governance of the California State Summer School for Mathematics and Science, including the appointment of an advisory committee to assist in planning and administering the summer school.

(b) Develop and implement a statewide application procedure in cooperation with appropriate state and local agencies, including, but not limited to, school districts, the California State University, and the California Community Colleges. The cost of the application process shall be at least partially offset by charging each applicant a fee not to exceed twenty dollars ($20). Applicants who are unable to pay the fee shall petition the University of California for a waiver, which shall be granted or denied pursuant to the rules and regulations adopted pursuant to subdivision (b) of Section 8669.

(c) Develop the curriculum of the summer school.

(d) Establish a nonprofit foundation to develop and receive private support for the summer school or establish a separate account for donations.

SEC. 10. Section 8665 of the Education Code is repealed.

SEC. 11. Section 8666 of the Education Code is amended to read:

8666. It is the intent of the Legislature that the period of instruction for the California State Summer School for Mathematics and Science commence no earlier than one week following the end of the regular school year, and concludes no later than one week prior to the commencement of the next regular school year. This section shall not be construed to prohibit two sessions per year.

SEC. 12. Section 8667 of the Education Code is amended to read:

8667. (a) The University of California shall be responsible for selection of the faculty of the California State Summer School for Mathematics and Science.

(b) The faculty for the summer school shall be selected from distinguished kindergarten to 12th grade, inclusive, teachers and university faculty of mathematics and science, and may not be restricted to members of the current faculty of the University of California. Notwithstanding any other provision of law, the faculty may not be subject to credentialing requirements or any other restrictions upon eligibility for employment generally applicable to public school instructors, except for the requirement of obtaining a certificate of clearance from the Commission on Teacher Credentialing pursuant to Sections 44332.5, 44339, 44340, and 44341.

SEC. 13. Section 8668 of the Education Code is amended to read:

8668. The site for the California State Summer School for Mathematics and Science shall be chosen by the Regents of the University of California. The Regents of the University of California are requested to collaborate with other institutions of higher education regarding the planning and administration of the summer school.

SEC. 14. Section 8669 of the Education Code is amended to read:

8669. (a) It is the intent of the Legislature that at least 50 percent, but not more than 75 percent, of the actual costs of the California State Summer School for Mathematics and Science for each fiscal year would be financed by state funds beginning in the 1999–2000 fiscal year. The balance of the operating costs would be financed with fees and private support.

(b) Except as provided in subdivision (c), the Regents of the University of California shall set a tuition fee within a range that corresponds to actual program costs, up to but not exceeding one thousand dollars ($1,000) per session in the year 2000, and may increase this fee by an amount up to 5 percent each year thereafter. It is the intent of the Legislature that the University of California award full or partial scholarships on the basis of need and that pupils who are unable to pay all or part of the fee may petition the University of California for a fee reduction or waiver to ensure that a qualified applicant is not denied admission solely because of an ability to pay part or all of the fee. Any public announcement regarding the summer school program should include notification that need-based scholarships are available, and information regarding the procedure for applying for a scholarship award.

(c) For pupils who are not California residents, it is the intent of the Legislature that the Regents of the University of California set a tuition fee that is not less than the total actual costs to the summer school of services per pupil.

(d) The foundation authorized to be established pursuant to subdivision (f) of Section 8664 may raise funds from the private sector that may be used by the summer school for general program

operating costs, scholarships, program augmentation, public relations, recruitment activity, or special projects. Private support may include, but not be limited to, direct grants to the summer school from private corporations or foundations, individual contributions, in-kind contributions, or fundraising benefits conducted by any entity.

SEC. 15. Section 8669.1 of the Education Code is amended to read:

8669.1. It is the intent of the Legislature that the University of California conduct an evaluation on the effectiveness of the California State Summer School for Mathematics and Science every two years from the effective date of the act that amends this section.

SEC. 16. Section 8669.2 of the Education Code is repealed.

SEC. 17. Section 11020 of the Education Code is amended to read:

11020. (a) Local educational agencies may submit proposals to the Superintendent of Public Instruction to fund activities that will increase the percentage of pupils at qualifying high schools that meet the requirements for admission to the California State University or the University of California. The Superintendent of Public Instruction shall recommend, and the State Board of Education shall adopt criteria for the implementation of this chapter. Grants awarded pursuant to this chapter shall be used by the schoolsite to provide academic assistance and services to pupils necessary to inform pupils about the benefits of, and requirements for, higher education and to prepare pupils for college entrance. Funds awarded pursuant to this chapter shall not be used as a local match for any other state funded outreach, academic achievement, or college preparation program. These activities shall be designed to accomplish that which is set forth in paragraphs (1) to (3), inclusive, and either paragraph (4) or (5) of the following:

(1) Significant improvement on scores on nationally normed, standardized tests used for college admission decisions.

(2) Significant increases in the number and percentage of pupils who enroll in and complete the A-F or college preparatory course requirements that are a prerequisite for admission to the California State University and the University of California with at least a "C" grade.

(3) Increases in the college participation rate.

(4) Significant increases in the number and percentage of pupils who take nationally normed, standardized tests used for college admission decisions, and increases in the results of the assessment administered through Article 4 (commencing with Section 60640) of Chapter 5 of Part 33.

(5) Significant increases in the number and percentage of pupils who enroll in and complete the advanced placement courses and receive a score of "3" or above.

(b) Applications by local educational agencies to the Superintendent of Public Instruction for the funding of academic

achievement programs pursuant to this chapter shall include all the following elements to be considered complete and eligible for consideration:

(1) Data from the prior fiscal year for all of the items listed in subdivision (a).

(2) An assessment that identifies the amount of improvement at the qualifying school that is necessary in order to perform at a level equivalent to the statewide average on each of the items listed in paragraphs (1) to (5), inclusive, of subdivision (a).

(3) A comprehensive plan developed by the regional partnership describing how the funds provided pursuant to this chapter in combination with the matching funds provided by other participants in the regional partnership will be used to improve performance on any of the items listed in subdivision (a).

(4) An accountability plan that assesses the progress made by students at the qualifying school towards performance at the 1997–98 statewide average on each of the items listed in paragraphs (1) to (5), inclusive, of subdivision (a).

(5) Evidence that each partner in the regional partnership is prepared to commit the amount of funds and other support outlined in the comprehensive plan required pursuant to paragraph (3). Local education agencies shall provide evidence that the total contribution from all of the partners, including, but not necessarily limited to, the reasonable value of in-kind goods or services, equals the amount of the grant.

(c) As used in this chapter, the following terms have the following meanings, unless the context clearly requires otherwise:

(1) "Local educational agency" means school districts, county offices of education, or charter schools. "Institution of higher education" means any of the following:

(A) A California community college district.

(B) A campus of the California State University.

(C) A campus of the University of California.

(D) A member institution of the Association of Independent California Colleges and Universities.

(2) "Qualifying school" means a comprehensive high school that provides instruction in any of grades 9 to 12, inclusive, with a percentage of pupils who graduate from the school and enroll in the California State University or the University of California in the following year that is below the statewide average according to information from the California Postsecondary Education Commission.

(3) "Regional organization" includes, but is not limited to, business, labor, and community-based organizations.

(4) "Regional partnership" means a combination of at least one school district or county office of education, at least one institute of higher education, and at least one regional organization, each having an interest in and capacity to influence education in the region.

"Regional partnership" is not limited to a combination formed pursuant to this chapter after the operative date of this chapter, but may also include a partnership in existence immediately preceding the operative date of this chapter if it complies with all of the requirements of this section. A partner may participate in more than one partnership and a partnership may encompass a geographic area that overlaps with an area covered by another partnership.

SEC. 18. Section 11021 of the Education Code is amended to read:

11021. (a) Pursuant to the criteria approved by the State Board of Education, the Superintendent of Public Instruction shall develop an application inviting local educational agencies to apply to receive funds for qualifying schools, subject to an appropriation of funds for purposes of this section.

(b) Funds shall be distributed and dispersed equitably throughout the state in a manner consistent with the purposes of this chapter and that ensures that qualifying schools located in rural, urban, and suburban areas have access to these programmatic funds.

(c) Priority in the allocation of funding to qualifying schools shall be based upon a combination of the following factors that shall be given equal consideration:

(1) The qualifying school's relative low ranking in comparison to the statewide average percentage of high school graduates who complete the A-F or college preparatory course requirements for admission to the California State University and the University of California with a "C" grade or better.

(2) The qualifying school's relative low ranking in comparison to the statewide average percentage of high school pupils who take the nationally-normed, standardized tests used for college admission decisions.

(3) The qualifying school's relative low ranking in comparison to other schools maintaining the same grades in any of grades 9 to 12, inclusive, of the schoolwide average scores on nationally-normed, standardized tests used for college admission decisions.

(4) The qualifying school's relative low ranking in comparison to other schools in its college participation rate.

(d) Funds allocated to qualifying schools pursuant to this chapter shall be awarded annually by the Superintendent of Public Instruction for a period of up to four years only if funding is appropriated in the annual Budget Act if both of the following conditions are met:

(1) After the second full funded year, and each year thereafter, the grant may be renewed on an annual basis for up to two additional years if the local educational agency submits data to the State Department of Education that demonstrates the necessary qualifying levels of improvement at the qualifying school in comparison to the year immediately preceding the year in which funds were provided to the school pursuant to this chapter, in accordance with subdivision (a) of Section 11020.

(2) The Superintendent of Public Instruction determines that the data submitted on behalf of qualifying schools demonstrates progress in each of the areas identified in subdivision (a) of Section 11020, as determined by relative improvement levels approved by the State Board of Education.

(e) Funds allocated pursuant to this section may not exceed one hundred dollars ($100) per pupil at a qualifying school in any single fiscal year. A qualifying school with less than 200 pupils may request funding of up to twenty thousand dollars ($20,000).

(f) Funds appropriated pursuant to this chapter may supplement, but may not supplant, any existing program or service provided at a qualifying school that is consistent with this chapter.

(g) No more than 5 percent of the amount that is appropriated to a local educational agency for expenditure at a qualifying school pursuant to this chapter shall be used for administrative costs.

(h) Grant recipients shall ensure that parents or guardians of all 8th grade pupils are notified of the course requirements that are a prerequisite for admission to the California State University and the University of California.

SEC. 18.5. Section 14002 of the Education Code is amended to read:

14002. (a) The Controller shall during each fiscal year commencing with the 1980–81 fiscal year, transfer from the General Fund of the state to that portion of the State School Fund restricted for elementary and high school purposes, hereinafter called Section A of the State School Fund such sums, in addition to the sums accruing from other sources, as shall provide in Section A of the State School Fund for apportionment during the fiscal year a total amount per pupil in average daily attendance during the preceding fiscal year credited to all elementary, high, and unified school districts and to all county superintendents of schools in the state, as certified by the Superintendent of Public Instruction, of one hundred eighty dollars ($180).

(b) The Controller shall also transfer, as needed during each fiscal year commencing with the 1980–81 fiscal year, such additional amounts from the General Fund to Section A of the State School Fund as are certified from time to time by the Superintendent of Public Instruction to be necessary to meet actual computed apportionments from Section A of the State School Fund for the purposes set forth in Section 41301; provided that the total of such additional amounts transferred in a fiscal year shall not exceed, except pursuant to subdivision (c) of this section, one thousand two hundred sixty-eight dollars ($1,268) for the 1980–81 fiscal year and fiscal years thereafter, per pupil in average daily attendance during the preceding fiscal year credited to all elementary, high, and unified school districts and to all county superintendents of schools in the state, as certified by the Superintendent of Public Instruction.

(c) In addition to the amounts authorized to be transferred to Section A of the State School Fund under subdivisions (a) and (b), the Controller shall transfer from the General Fund to Section A of the State School Fund during the fiscal year, upon certification of the Superintendent of Public Instruction, if necessary to meet actual computed apportionments for the fiscal year for the purposes set forth in Sections 41300 and 41301, an amount not to exceed the lesser of: (1) 1 percent of the total apportionment from Section A of the State School Fund in the preceding fiscal year for the purposes set forth in Sections 41300 and 41301, or (2) the net amount, if any, by which the total amounts authorized to be transferred from the General Fund to Section A of the State School Fund under subdivisions (a) and (b) in prior fiscal years have exceeded the total amounts actually apportioned in prior fiscal years for the purposes set forth in Sections 41300 and 41301.

(d) The Controller shall also transfer to Section A of the State School Fund any additional amounts appropriated thereto by the Legislature in augmentation of any of the amounts for any of the purposes set forth in Sections 41300 and 41301 and such additional amounts shall be allowed and apportioned by the Superintendent of Public Instruction and warrants therefor drawn by the Controller in the manner provided in Sections 41050, 46304, and 84503 and in this article, Article 2 (commencing with Section 14040), Article 3 (commencing with Section 41330) of Chapter 3, and Article 1 (commencing with Section 41600) of Chapter 4 of Part 24.

(e) The amounts transferred under subdivisions (a) and (b) of this section shall be cumulatively increased by the following amounts:

(1) In the 1981–82 fiscal year, by 7 percent.

(2) In the 1982–83 fiscal year and each fiscal year thereafter, by 6 percent.

(f) Commencing with the 1999–2000 fiscal year, the Controller shall also transfer from the General Fund to Section A of the State School Fund during the fiscal year additional amounts necessary to meet computed apportionments of general-purpose funding for charter schools pursuant to Section 47633 less local funds allocated to the charter school pursuant to Section 47635.

(g) This section shall become inoperative on July 1, 2002, and, as of January 1, 2003, is repealed, unless a later enacted statute that is enacted before January 1, 2003, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 18.7. Section 14002 is added to the Education Code, to read:

14002. (a) The Controller shall during each fiscal year commencing with the 1980–81 fiscal year, transfer from the General Fund of the state to that portion of the State School Fund restricted for elementary and high school purposes, hereinafter called Section A of the State School Fund such sums, in addition to the sums accruing from other sources, as shall provide in Section A of the State School Fund for apportionment during the fiscal year a total amount

per pupil in average daily attendance during the preceding fiscal year credited to all elementary, high, and unified school districts and to all county superintendents of schools in the state, as certified by the Superintendent of Public Instruction, of one hundred eighty dollars ($180).

(b) The Controller shall also transfer, as needed during each fiscal year commencing with the 1980–81 fiscal year, such additional amounts from the General Fund to Section A of the State School Fund as are certified from time to time by the Superintendent of Public Instruction to be necessary to meet actual computed apportionments from Section A of the State School Fund for the purposes set forth in Section 41301; provided that the total of such additional amounts transferred in a fiscal year shall not exceed, except pursuant to subdivision (c) of this section, one thousand two hundred sixty-eight dollars ($1,268) for the 1980–81 fiscal year and fiscal years thereafter, per pupil in average daily attendance during the preceding fiscal year credited to all elementary, high, and unified school districts and to all county superintendents of schools in the state, as certified by the Superintendent of Public Instruction.

(c) In addition to the amounts authorized to be transferred to Section A of the State School Fund under subdivisions (a) and (b), the Controller shall transfer from the General Fund to Section A of the State School Fund during the fiscal year, upon certification of the Superintendent of Public Instruction, if necessary to meet actual computed apportionments for the fiscal year for the purposes set forth in Sections 41300 and 41301, an amount not to exceed the lesser of: (1) 1 percent of the total apportionment from Section A of the State School Fund in the preceding fiscal year for the purposes set forth in Sections 41300 and 41301, or (2) the net amount, if any, by which the total amounts authorized to be transferred from the General Fund to Section A of the State School Fund under subdivisions (a) and (b) in prior fiscal years have exceeded the total amounts actually apportioned in prior fiscal years for the purposes set forth in Sections 41300 and 41301.

(d) The Controller shall also transfer to Section A of the State School Fund any additional amounts appropriated thereto by the Legislature in augmentation of any of the amounts for any of the purposes set forth in Sections 41300 and 41301 and such additional amounts shall be allowed and apportioned by the Superintendent of Public Instruction and warrants therefor drawn by the Controller in the manner provided in Sections 41050, 46304, and 84503 and in this article, Article 2 (commencing with Section 14040), Article 3 (commencing with Section 41330) of Chapter 3, and Article 1 (commencing with Section 41600) of Chapter 4 of Part 24.

(e) The amounts transferred under subdivisions (a) and (b) of this section shall be cumulatively increased by the following amounts:

(1) In the 1981–82 fiscal year, by 7 percent.

(2) In the 1982–83 fiscal year and each fiscal year thereafter, by 6 percent.

(f) This section shall become operative on July 1, 2002.

SEC. 19. Article 8 (commencing with Section 18200) is added to Chapter 2 of Part 11 of the Education Code, to read:

Article 8. California Classroom Library Materials Act of 1999

18200. The Legislature finds and declares that the availability of grade-level appropriate reading materials in the classroom provides an intellectually stimulating environment for early readers and an opportunity to develop beginning reading skills; promotes an appreciation for reading; and helps to establish the conditions in which children become independent readers and lifelong learners. The Legislature further finds and declares that classroom libraries make resources available to teachers that help them to motivate pupils and to enhance their skill and enjoyment in reading.

18201. (a) The California Classroom Library Materials Act of 1999 is hereby established, and shall be administered by the Superintendent of Public Instruction.

(b) Any school district that maintains a kindergarten or any of grades 1 to 4, inclusive, may apply for funding to the Superintendent of Public Instruction under this article. A charter school may apply for funding on its own behalf or through its chartering entity. Notwithstanding Section 47610, a charter school applying on its own behalf is required to develop and certify approval of a classroom library plan.

(c) (1) As a condition of receiving funding under this article, a school district shall develop a districtwide kindergarten and grade 1 to grade 4, inclusive, classroom library plan and shall receive certification of the plan from the governing board of the school district. A school district shall include in the plan a means of preventing loss, damage, or destruction of the materials.

(2) In developing the plan required by paragraph (1), school districts are encouraged to include school library media teachers, primary grade teachers, and to consider selections included in the list of recommended books established pursuant to Section 19336. If a school library media teacher is not employed by the school district, the district is encouraged to involve a school library media teacher employed by the county office of education in the development of the plan.

18202. (a) A fund is hereby established in the State Treasury to be known as the Business Organizations and Opportunities for Kids Fund. Moneys donated by private entities for the purchase of classroom reading materials pursuant to this article shall be deposited into this fund. These donations shall be tax exempt and treated as a charitable contribution to the extent allowed under both federal and state law.

(b) All moneys in the Business Organizations and Opportunities for Kids Fund are available for expenditure only upon an appropriation in the annual Budget Act or other act. The fund shall be administered by the State Librarian in consultation with the Superintendent of Public Instruction. The allocation and expenditure of money in the fund shall be consistent with Section 18203.

18203. (a) Funds appropriated for the purposes of this article shall be apportioned to eligible school districts in an equal amount per enrollment reported in the second principal apportionment of the prior fiscal year for kindergarten or any of grades 1 to 4, inclusive. Upon receiving an apportionment, a school district shall allocate these funds to each schoolsite that maintains a kindergarten or any of grades 1 to 4, inclusive. The schoolsite shall expend the funds for the purchase of grade-level appropriate reading materials in accordance with the districtwide kindergarten and grade 1 to grade 4, inclusive, classroom library plan required by Section 18201.

(b) For the purposes of this article, "grade-level appropriate reading materials" means nontextbook fiction and nonfiction books and periodicals.

SEC. 20. Section 37252 of the Education Code, as amended by Chapter 1 of the 1999–2000 First Extraordinary Session, is amended to read:

37252. (a) The governing board of each district maintaining any or all of grades 7 to 12, inclusive, shall offer and a charter school that maintains any or all of grades 7 to 12, inclusive, may offer summer school instructional programs, using the amount computed pursuant to Section 42239, for pupils enrolled in grades 7 to 12, inclusive, who do not demonstrate sufficient progress toward passing the exit examination required for high school graduation pursuant to Chapter 8 (commencing with Section 60850) of Part 33. Sufficient progress shall be determined on the basis of either of the following:

(1) The results of the assessments administered pursuant to Article 4 (commencing with Section 60640) of Chapter 5 of Part 33 and the minimum levels of proficiency recommended by the State Board of Education pursuant to Section 60648.

(2) The pupils' grades and other indicators of academic achievement designated by the district.

(b) The summer school programs shall also be offered to pupils who were enrolled in grade 12 during the prior school year after the completion of grade 12.

(c) (1) For purposes of this section a pupil shall be considered to be enrolled in a grade immediately upon completion of the preceding grade.

(2) For the purposes of this section, pupils who do not possess sufficient English language skills to be assessed as set forth in Sections 60850 and 60853, shall be considered pupils who do not demonstrate sufficient progress towards passing the exit examination required for

high school graduation and shall receive supplemental instruction designed to assist the pupils succeed on the high school exit examination.

(d) Instructional programs may be offered pursuant to this section during the summer, after school, Saturday, or during intersession, or in any combination of summer, after school, Saturday, or intersession instruction, but shall be in addition to the regular schoolday.

(e) This section shall become operative January 1, 2000.

SEC. 21. Section 37252.5 of the Education Code is amended to read:

37252.5. (a) The governing board of each district maintaining any or all of grades 2 to 9, inclusive, shall offer and a charter school maintaining any or all of grades 2 to 9, inclusive, may offer programs of direct, systematic, and intensive supplemental instruction to pupils enrolled in grades 2 to 9, inclusive, who have been retained pursuant to Section 48070.5. A school district or charter school may require a pupil who has been retained to participate in supplemental instructional programs. Notwithstanding the requirements of this section, the school district or charter school shall provide a mechanism for a parent or guardian to decline to enroll his or her child in the program. Attendance in supplemental instructional programs shall not be compulsory within the meaning of Section 48200.

(b) Each charter school and the governing board of each district maintaining any or all of grades 2 to 6, inclusive, may offer programs of direct, systematic, and intensive supplemental instruction to pupils enrolled in grades 2 to 6, inclusive, with low mathematics, reading, or written expression scores to allow those pupils to achieve proficiency in standards adopted by the State Board of Education. Services offered pursuant to this subdivision shall be provided to pupils in the following priority order:

(1) Pupils who have been recommended for retention or who have been identified as being at risk of retention pursuant to Section 48070.5 or school district policies.

(2) Pupils who have been identified as having a deficiency in mathematics, reading, or written expression based on the results of the tests administered under the Standardized Testing and Reporting Program established pursuant to Article 4 (commencing with Section 60640) of Chapter 5 of Part 33.

(c) Supplemental educational services pursuant to subdivisions (a) and (b) shall be offered during the summer, after school, on Saturdays, or during intersession, or in a combination of summer school, after school, Saturday, or intersession instruction. Services shall not be provided during the pupil's regular instructional day if it would result in the pupil being removed from classroom instruction in the core curriculum.

(d) For purposes of this section, a pupil shall be considered to be enrolled in a grade immediately upon completion of the preceding

grade. Summer school instruction may also be offered to pupils who were enrolled in grade 6 during the prior fiscal year after the completion of grade 6. For ninth grade pupils identified in subdivision (a), summer school instruction may also be offered to pupils who were enrolled in grade 9 during the prior fiscal year after the completion of grade 9.

(e) Each school district or charter school shall use results from tests administered under the Standardized Testing and Reporting Program, established pursuant to Article 4 (commencing with Section 60640) of Chapter 5 of Part 33 or other evaluative criteria to identify eligible pupils pursuant to subdivision (b).

(f) An intensive remedial program in reading or written expression offered pursuant to this section shall, as needed, include instruction in phoneme awareness, systematic explicit phonics and decoding, word attack skills, spelling and vocabulary, explicit instruction of reading comprehension, writing, and study skills.

(g) Each school district or charter school shall seek the active involvement of parents and classroom teachers in the development and implementation of supplemental instructional programs provided pursuant to this section.

(h) It is the intent of the Legislature that pupils who are at risk of failing to meet state adopted standards, or who are at risk of retention, be identified as early in the school year, and as early in their school careers as possible and be provided the opportunity for supplemental instruction sufficient to assist them in attaining expected levels of academic achievement.

(i) (1) The maximum amount of funding for the purposes of programs offered pursuant to this section to serve pupils in grades 2 to 6, inclusive, shall not exceed 10 percent of the statewide total enrollment in grades 2 to 6, inclusive, for the prior fiscal year multiplied by 120 hours, multiplied by the hourly rate for the current fiscal year determined pursuant to subdivision (c) of Section 42239. Any funding provided for the purposes of this section shall first be used by the district or charter school to provide services required pursuant to subdivision (a), and then shall be allocated in the following manner:

(A) Notwithstanding subdivision (g) of Section 42239, a school district or charter school that offers instruction pursuant to subdivisions (a) and (b) to serve pupils in grades 2 to 6, inclusive, shall be entitled to receive an additional reimbursement in an amount up to 5 percent of the district's or charter school's total enrollment in grades 2 to 6, inclusive, for the prior fiscal year multiplied by 120 hours, multiplied by the hourly rate for the current fiscal year determined pursuant to subdivision (c) of Section 42239.

(B) The balance of the appropriation made for the purposes of funding programs offered pursuant to this section to serve pupils in grades 2 to 6, inclusive, shall be allocated for reimbursement for pupil attendance in instruction pursuant to subdivisions (a) and (b) that

is in excess of 5 percent of the district's enrollment for the prior year in grades 2 to 6, inclusive, multiplied by 120 hours, multiplied by the hourly rate for the current fiscal year determined pursuant to subdivision (c) of Section 42239.

(2) If the funds claimed by school districts or charter schools pursuant to subparagraph (B) of paragraph (1) of this subdivision exceed the available balance of the appropriation made for the purposes of funding programs offered pursuant to this section in paragraph (1) of this subdivision after the minimum allocation to eligible districts has been made pursuant to subparagraph (A) of paragraph (1) of this subdivision, the allocation of the balance shall be prorated based on each district's or charter school's share of the total additional hours of instruction offered pursuant to subparagraph (B) of paragraph (1) of this subdivision.

SEC. 22. Section 37253 of the Education Code is amended to read:

37253. (a) The governing board of any school district that offers summer school instructional programs pursuant to this article, and a charter school, may also offer summer school programs for instruction in mathematics, science, or other core academic areas designated by the Superintendent of Public Instruction.

(b) The governing board of a school district, or a charter school operating a summer school program pursuant to subdivision (a) may apply to the Superintendent of Public Instruction for grants for the following purposes:

(1) To establish staff development programs for teachers, to upgrade the academic and instructional skills of those teachers providing instruction in the summer school program.

(2) To establish a training program in which persons enrolled in a postsecondary educational institution or teacher training program and who intend to teach mathematics, science, or other core academic areas designated by the Superintendent of Public Instruction, provide supervised instructional services.

(c) To the extent feasible, programs established pursuant to subdivision (b) shall be operated in cooperation with postsecondary educational institutions, teacher education and computer centers, and other appropriate institutions.

(d) The Superintendent of Public Instruction shall adopt rules and regulations necessary to implement this section, including, but not limited to, the designation of academic areas other than mathematics and science as core academic areas.

(e) Instructional programs may be offered pursuant to this section during the summer, after school, Saturday, or during intersession, or in any combination of summer, after school, Saturday, or intersession instruction, but shall be in addition to the regular schoolday.

SEC. 23. Section 41203.1 of the Education Code is amended to read:

41203.1. (a) For the 1990–91 fiscal year and each fiscal year thereafter, allocations calculated pursuant to Section 41203 shall be

distributed in accordance with calculations provided in this section. Notwithstanding Section 41203, and for the purposes of this section, school districts, community college districts, and direct elementary and secondary level instructional services provided by the State of California shall be regarded as separate segments of public education, and each of these three segments of public education shall be entitled to receive respective shares of the amount calculated pursuant to Section 41203 as though the calculation made pursuant to subdivision (b) of Section 8 of Article XVI of the California Constitution were to be applied separately to each segment and the base year for the purposes of this calculation under paragraph (1) of subdivision (b) of Section 8 of Article XVI of the California Constitution were based on the 1989–90 fiscal year. Calculations made pursuant to this subdivision shall be made so that each segment of public education is entitled to the greater of the amounts calculated for that segment pursuant to paragraph (1) or (2) of subdivision (b) of Section 8 of Article XVI of the California Constitution.

(b) If the single calculation made pursuant to Section 41203 yields a guaranteed amount of funding that is less than the sum of the amounts calculated pursuant to subdivision (a), then the amount calculated pursuant to Section 41203 shall be prorated for the three segments of public education.

(c) Notwithstanding any other provision of law, this section shall not apply to fiscal year 1992–93 to fiscal year 1999–2000, inclusive.

SEC. 24. Section 41344 is added to the Education Code, to read:

41344. (a) If, as the result of an audit or review, a local education agency is required to repay an apportionment significant audit exception, the Superintendent of Public Instruction and the Director of Finance, or their designees, within 90 days of the date on which a local education agency receives the final report of the audit or review, shall jointly establish a plan for repayment of state school funds that the local education agency received on the basis of average daily attendance, or other data, that did not comply with statutory or regulatory requirements that were conditions of the apportionments. At the time the local education agency is notified, the Controller shall also be notified of the repayment plan. The repayment plan shall be established in accordance with the following:

(1) The Controller shall withhold the disallowed amount at the next principal apportionment or pursuant to paragraph (2), unless subdivision (d) applies, in which case the disallowed amount shall be withheld, at the next principal apportionment or pursuant to paragraph (2) following the determination regarding the appeal. In calculating the disallowed amount, the Controller shall determine the total amount of overpayment received by the local education agency on the basis of average daily attendance, or other data, reported by the local education agency that did not comply with one

or more statutory or regulatory requirements that are conditions of apportionment.

(2) If the Superintendent of Public Instruction and the Director of the Department of Finance concur that repayment of the full liability in the current fiscal year would constitute a severe financial hardship for the local agency, they may approve a repayment plan of equal annual payments over a period of up to eight years. The repayment plan shall include interest on each year's outstanding balance at the rate earned on the state's short-term pooled investment fund during that year. The Superintendent of Public Instruction and the Director of the Department of Finance shall jointly establish this repayment plan. The Controller shall withhold amounts pursuant to the repayment plan.

(3) If the Superintendent of Public Instruction and the Director of the Department of Finance do not jointly establish a schedule for repayment and notify the State Controller's Office of that repayment schedule within 90 days following the date on which the local education agency received the final report of the audit or review, the State Controller shall withhold the entire disallowed amount determined pursuant to paragraph (1) at the next principal apportionment.

(b) A local educational agency's fiscal year average daily attendance may not be computed pursuant to Section 42238.5 if the average daily attendance of a local education agency is adjusted by the Superintendent of Public Instruction pursuant to subdivision (a) or pursuant to any other audit or review conducted by a governmental agency.

(c) Notwithstanding any other provision of law, this section may not be waived under any authority set forth in this code except that a local educational agency may request a waiver of strict compliance in accordance with Section 41609.

(d) Within 60 days of the date on which a local education agency receives a final audit report resulting from an audit or review, a local agency may appeal a finding contained in the final report to a panel consisting of the Superintendent of Public Instruction, the Director of the Department of Finance, and a Chief Administrative Officer of the Fiscal Crisis and Management Assistance Team established pursuant to Section 42127.8, or one of their designees. Within 90 days of the date on which the appeal is received by the panel, a hearing shall be held at which the local agency may present evidence or arguments if the local education agency believes that the final report contains any finding that was based on errors of fact. A repayment schedule may not commence until the panel reaches a determination regarding the appeal. If the panel determines that the local agency is correct in its assertion in whole or in part, the allowable portion of any apportionment payment that was withheld shall be paid at the next principal apportionment.

(e) As used in this section, "audit or review" means an audit conducted by the Controller's office, an annual audit conducted by a certified public accountant or a public accountant firm pursuant to Section 41020, and an audit or review conducted by a governmental agency that provided the local education agency with an opportunity to provide a written response.

SEC. 24.4. Section 41857 is added to the Education Code, to read:

41857. A charter school is eligible for funding pursuant to, and shall comply with all requirements of, this article. For purposes of this article, a reference to a school district shall be deemed to also be a reference to a charter school.

SEC. 24.6. Section 42238 of the Education Code is amended to read:

42238. (a) For the 1984–85 fiscal year and each fiscal year thereafter, the county superintendent of schools shall determine a revenue limit for each school district in the county pursuant to this section.

(b) The base revenue limit for the current fiscal year shall be determined by adding to the base revenue limit for the prior fiscal year the following amounts:

(1) The inflation adjustment specified in Section 42238.1.

(2) For the 1995–96 fiscal year, the equalization adjustment specified in Section 42238.4.

(3) For the 1996–97 fiscal year, the equalization adjustments specified in Sections 42238.41, 42238.42, and 42238.43.

(4) For the 1985–86 fiscal year, the amount received per unit of average daily attendance in the 1984–85 fiscal year pursuant to Section 42238.7.

(5) For the 1985–86, 1986–87, and 1987–88 fiscal years, the amount per unit of average daily attendance received in the prior fiscal year pursuant to Section 42238.8.

(c) Except for districts subject to subdivision (d), the base revenue limit computed pursuant to subdivision (b) shall be multiplied by the district average daily attendance computed pursuant to Section 42238.5.

(d) (1) For districts for which the number of units of average daily attendance determined pursuant to Section 42238.5 is greater for the current fiscal year than for the 1982–83 fiscal year, compute the following amount, in lieu of the amount computed pursuant to subdivision (c):

(A) Multiply the base revenue limit computed pursuant to subdivision (c) by the average daily attendance computed pursuant to Section 42238.5 for the 1982–83 fiscal year.

(B) Multiply the lesser of the amount in subdivision (c) or 1.05 times the statewide average base revenue limit per unit of average daily attendance for districts of similar type for the current fiscal year by the difference between the average daily attendance computed pursuant to Section 42238.5 for the current and 1982–83 fiscal years.

(C) Add the amounts in subparagraphs (A) and (B).

(2) This subdivision shall become inoperative on July 1, 1998.

(e) For districts electing to compute units of average daily attendance pursuant to paragraph (3) of subdivision (a) of Section 42238.5, the amount computed pursuant to Article 4 (commencing with Section 42280) shall be added to the amount computed in subdivision (c) or (d), as appropriate.

(f) For the 1984–85 fiscal year only, the county superintendent shall reduce the total revenue limit computed in this section by the amount of the decreased employer contributions to the Public Employees' Retirement System resulting from enactment of Chapter 330 of the Statutes of 1982, offset by any increase in those contributions, as of the 1983–84 fiscal year, resulting from subsequent changes in employer contribution rates.

(g) The reduction required by subdivision (f) shall be calculated as follows:

(1) Determine the amount of employer contributions that would have been made in the 1983–84 fiscal year if the applicable Public Employees' Retirement System employer contribution rate in effect immediately prior to the enactment of Chapter 330 of the Statutes of 1982 were in effect during the 1983–84 fiscal year.

(2) Subtract from the amount determined in paragraph (1) the greater of subparagraph (A) or (B):

(A) The amount of employer contributions that would have been made in the 1983–84 fiscal year if the applicable Public Employees' Retirement System employer contribution rate in effect immediately after the enactment of Chapter 330 of the Statutes of 1982 were in effect during the 1983–84 fiscal year.

(B) The actual amount of employer contributions made to the Public Employees' Retirement System in the 1983–84 fiscal year.

(3) For purposes of this subdivision, employer contributions to the Public Employees' Retirement System for any of the following shall be excluded from the calculation specified above:

(A) Positions supported totally by federal funds that were subject to supplanting restrictions.

(B) Positions supported by funds received pursuant to Section 42243.6.

(C) Positions supported, to the extent of employer contributions not exceeding twenty-five thousand dollars ($25,000) by any single educational agency, from a revenue source determined on the basis of equity to be properly excludable from the provisions of this subdivision by the Superintendent of Public Instruction with the approval of the Director of Finance.

(4) For accounting purposes, the reduction made by this subdivision may be reflected as an expenditure from appropriate sources of revenue as directed by the Superintendent of Public Instruction.

(h) The Superintendent of Public Instruction shall apportion to each school district the amount determined in this section less the sum of:

(1) The district's property tax revenue received pursuant to Chapter 3 (commencing with Section 75) and Chapter 6 (commencing with Section 95) of Part 0.5 of the Revenue and Taxation Code.

(2) The amount, if any, received pursuant to Part 18.5 (commencing with Section 38101) of the Revenue and Taxation Code.

(3) The amount, if any, received pursuant to Chapter 3 (commencing with Section 16140) of the Government Code.

(4) Prior years' taxes and taxes on the unsecured roll.

(5) Fifty percent of the amount received pursuant to Section 41603.

(6) The amount of motor vehicle license fees distributed pursuant to Section 11003.4 of the Revenue and Taxation Code.

(7) The amount, if any, received pursuant to any provision of the Community Redevelopment Law (Part 1 (commencing with Section 33000) of Division 24 of the Health and Safety Code), except for any amount received pursuant to Section 33401 or 33676 of the Health and Safety Code that is used for land acquisition, facility construction, reconstruction, or remodeling, or deferred maintenance, except for any amount received pursuant to Section 33492.15, paragraph (4) of subdivision (a) of Section 33607.5, or Section 33607.7 of the Health and Safety Code that is allocated exclusively for educational facilities.

(8) For a unified school district, other than a unified school district that has converted all of its schools to charter status pursuant to Section 47606, the amount of statewide average general-purpose funding per unit of average daily attendance received by school districts for each of four grade level ranges, as computed by the State Department of Education pursuant to Section 47633, multiplied by the average daily attendance, in corresponding grade level ranges, of any pupils who attend charter schools for which the district is the sponsoring local educational agency, as defined in Section 47632, and who reside in and would otherwise have been eligible to attend a noncharter school of the district.

SEC. 25. Section 42238.1 of the Education Code is amended to read:

42238.1. (a) For the 1986–87 fiscal year and each fiscal year up to and including the 1998–99 fiscal year, the Superintendent of Public Instruction shall compute an inflation adjustment equal to the product of paragraphs (1) and (2):

(1) Compute the sum of the following:

(A) The statewide average base revenue limit per unit of average daily attendance for the prior fiscal year for districts of similar type.

(B) The amount, if any, per unit of average daily attendance received by the district pursuant to Article 8 (commencing with Section 46200) of Chapter 2 of Part 26 for the prior fiscal year.

(2) The percentage change in the annual average value of the Implicit Price Deflator for State and Local Government Purchases of Goods and Services for the United States, as published by the United States Department of Commerce for the 12-month period ending in the third quarter of the prior fiscal year. This percentage change shall be determined using the latest data available as of May 1 of the preceding fiscal year compared with the annual average value of the same deflator for the 12-month period ending in the third quarter of the second preceding fiscal year, using the latest data available as of May 1 of the second preceding fiscal year, as reported by the Department of Finance.

(b) For the 1999–2000 fiscal year and each fiscal year thereafter, the Superintendent of Public Instruction shall compute an inflation adjustment equal to the product of paragraphs (1) and (2):

(1) Compute the sum of the following:

(A) The statewide average base revenue limit per unit of average daily attendance for the prior fiscal year for districts of similar type.

(B) The amount, if any, per unit of average daily attendance received by the district pursuant to Article 8 (commencing with Section 46200) of Chapter 2 of Part 26 for the prior fiscal year.

(2) The percentage change in the annual average value of the Implicit Price Deflator for State and Local Government Purchases of Goods and Services for the United States, as published by the United States Department of Commerce for the 12-month period ending in the third quarter of the prior fiscal year. This percentage change shall be determined using the latest data available as of May 10 of the preceding fiscal year compared with the annual average value of the same deflator for the 12-month period ending in the third quarter of the second preceding fiscal year, using the latest data available as of May 10 of the preceding fiscal year, as report by the Department of Finance.

(c) This section shall become operative July 1, 1986.

SEC. 26. Section 42238.145 of the Education Code is amended to read:

42238.145. For the purposes of this article, the revenue limit for each school district shall be reduced by a deficit factor, as follows:

(a) (1) For the 1994–95 fiscal year, the revenue limit for each school district determined pursuant to this article shall be reduced by an 11.01 percent deficit factor.

(2) For the 1995–96 fiscal year, the revenue limit for each school district determined pursuant to this article shall be reduced by a 10.12 percent deficit factor.

(3) For the 1996–97 and 1997–98 fiscal years, the revenue limit for each school district determined pursuant to this article shall be

reduced by a 9.967 percent deficit factor, as adjusted pursuant to Section 42238.42.

(4) For the 1999–2000 fiscal year, the revenue limit for each school district determined pursuant to this article shall be reduced by a 6.996 percent deficit factor.

(b) (1) The revenue limit for the 1994–95 fiscal year for each school district shall be determined as if the revenue limit for each school district had been determined for the 1993–94 fiscal year without being reduced by the deficit factor required pursuant to Section 42238.14.

(2) When computing the revenue limit for each school district for the 1995–96 or any subsequent fiscal year pursuant to this article, the revenue limit shall be determined as if the revenue limit for that school district had been determined for the previous fiscal year without being reduced by the deficit factor specified in this section.

SEC. 27. Section 42239 of the Education Code is amended to read:

42239. For the 1984–85 fiscal year and each fiscal year thereafter, the county superintendent shall compute an amount for each school district's or charter school's summer school attendance in the following manner:

(a) Divide the amount received on account of average daily attendance pursuant to Section 42238.6 in the 1983–84 fiscal year by the 1983–84 fiscal year hours of attendance. This amount shall be increased annually by the percentage increase granted to school districts or charter schools for base revenue limit increases.

(b) Multiply the amount computed in subdivision (a) by the lesser of the 1983–84 fiscal year hours of summer school attendance or the actual fiscal year hours of summer school attendance computed pursuant to paragraph (1) of subdivision (d).

(c) If the fiscal year hours of summer school attendance computed pursuant to subdivision (d) in fiscal years 1984–85 through 1997–98, inclusive, or pursuant to subdivision (f) in 1998–99 and each fiscal year thereafter, exceed the hours of summer school attendance specified in subdivision (b), multiply the increased hours by one dollar and fifty cents ($1.50). This amount shall be increased annually by the percentage increase pursuant to subdivision (b) of Section 42238.1 granted to school districts or charter schools for base revenue limit increases.

(d) Commencing in the 1984–85 fiscal year to the 1997–98 fiscal year, inclusive, summer school attendance shall be the sum of paragraphs (1), (2), and (3):

(1) The hours of attendance in the categories identified in Section 42238.6 as it read in the 1983–84 fiscal year.

(2) Any summer school hours of attendance for mathematics, science, English as a second language, or other core curriculum areas designated by the Superintendent of Public Instruction.

(3) Hours of general, vocational work experience education, if the school district or charter school certifies to the Superintendent of

Public Instruction that all courses identified in paragraphs (1) and (2) have been offered to meet student demand and if the statewide demand, up to the amounts specified in subdivision (e), as amended by the annual Budget Act, and the amounts specified in the appropriation made for the purposes of this section in the annual Budget Act, has been met for all courses identified in paragraphs (1) and (2). The total statewide amount apportioned for general vocational work experience summer school programs shall not exceed one hundred thousand dollars ($100,000) in any fiscal year. If the total statewide entitlement pursuant to this paragraph exceeds one hundred thousand dollars ($100,000), the State Department of Education shall apportion funds on a pro rata basis. As used in this section, reimbursement of "hours of general vocational work experience" shall be based on the number of hours of attendance for that work experience course, at a rate equal to that for a course in paragraph (2) of the same number of credits.

(e) (1) Except as otherwise provided in paragraph (3) of subdivision (d), a school district's maximum entitlement for reimbursement for pupil attendance in summer school programs offered pursuant to paragraphs (2) and (3) of subdivision (d) shall be an amount equal to 5 percent of the district's or charter school's total enrollment for the prior fiscal year times 120 hours, times the hourly rate for the current fiscal year determined pursuant to subdivision (c).

(2) A district, or charter school, may enroll more than 5 percent of its students, or may enroll students for more than 120 hours per year in summer school programs offered pursuant to paragraphs (2) and (3) of subdivision (d), as long as the total state apportionment to the district or charter school for those programs does not exceed the amount computed pursuant to paragraph (1). A district or charter school shall earn its entitlement at the per pupil hourly rate pursuant to subdivision (c).

(f) Commencing in the 1998–99 fiscal year and each fiscal year thereafter, summer school attendance shall be the sum of paragraphs (1), (2), and (3):

(1) The hours of attendance claimed by school districts, or charter schools, for the following:

(A) For the 1998–99 and 1999–2000 fiscal years, for the categories identified in Section 42238.6 as it read in the 1983–84 fiscal year.

(B) Instruction provided pursuant to Section 37252.

(C) Instruction provided to pupils in grades 7, 8, and 9, inclusive, pursuant to Section 37252.5.

(2) Any summer school hours of attendance for mathematics, science, English as a second language, or other core curriculum areas designated by the Superintendent of Public Instruction.

(3) Hours of general vocational work experience education, if the school district or charter school certifies to the Superintendent of Public Instruction that all courses identified in paragraphs (1) and

(2) have been offered to meet pupil demand and if the statewide demand, up to the amounts set forth in subdivision (g), as amended by the annual Budget Act, and the amounts set forth in the appropriation made for the purposes of this section in the annual Budget Act, has been met for all courses identified in paragraphs (1) and (2). The total statewide amount apportioned for general vocational work experience summer school programs shall not exceed one hundred thousand dollars ($100,000) in any fiscal year. If the total statewide entitlement pursuant to this paragraph exceeds one hundred thousand dollars ($100,000), the State Department of Education shall apportion funds on a pro rata basis. As used in this section, reimbursement of "hours of general vocational work experience" shall be based on the number of hours of attendance for that work experience course, at a rate equal to that for a course in paragraph (2) of the same number of credits.

(g) (1) Commencing in the 1998–99 fiscal year, and each fiscal year thereafter, except as otherwise provided in paragraph (3) of subdivision (f), a school district's or charter school's maximum entitlement for reimbursement for pupil attendance in summer school programs offered pursuant to paragraphs (2) and (3) of subdivision (f) shall be an amount equal to 7 percent of the district's total enrollment for the prior fiscal year multiplied by 120 hours, multiplied by the hourly rate for the current fiscal year determined pursuant to subdivision (c).

(2) Notwithstanding paragraph (1), or any other provision of law, the Superintendent of Public Instruction shall reallocate to any school district any unexpended balance of the appropriations made for the current fiscal year for core academic summer school programs, pursuant to paragraph (2) of subdivision (f) in the following priority:

(A) For the purposes of funding any deficiencies, for the current fiscal year, in remedial summer school programs authorized pursuant to paragraph (1) of subdivision (f).

(B) For reimbursement for actual pupil attendance in summer school programs authorized under paragraph (2) of subdivision (f). In no event shall any district or charter school receive reimbursement for pupil attendance in summer school programs in excess of 10 percent of the district's enrollment for the prior fiscal year multiplied by 120 hours, multiplied by the hourly rate for the current fiscal year.

(C) For the purposes of funding supplemental educational services for the current fiscal year authorized pursuant to subdivision (b) of Section 37252.5.

(D) For the purposes of funding general vocation work experience education for the current fiscal year authorized pursuant to paragraph (3) of subdivision (f).

(h) Notwithstanding any other provision of law, classes may be convened pursuant to this section during the summer, before school,

after school, during school, on Saturdays, or during intersession, or in a combination of summer school, before school, after school, Saturday, or intersession instruction, but shall be in addition to the regular schoolday.

(i) Notwithstanding any other provision of law, the hourly rates determined pursuant to this section shall be reduced by the deficit factor determined pursuant to Section 42238.145.

SEC. 28. Section 42239.1 of the Education Code is amended to read:

42239.1. (a) For the 1999–2000 fiscal year and each fiscal year thereafter, each school district shall be eligible for reimbursement for hours of pupil attendance claimed for intensive reading programs offered pursuant to Article 1 (commencing with Section 53025) of Chapter 16 of Part 28 of the Education Code in an amount up to 10 percent of the district's total enrollment in kindergarten and grades 1 to 4, inclusive, for the prior fiscal year multiplied by 120 hours, multiplied by the hourly rate for the current fiscal year determined pursuant to subdivision (c) of Section 42239 reduced by the deficit factor described in Section 42238.145. This amount shall be provided in addition to the amount provided pursuant to Section 42239.

(b) When expending funds received pursuant to this section a school district shall give first priority for the purpose specified in paragraph (1) of subdivision (c) of Section 53027.

SEC. 28.5. Section 42247.5 of the Education Code is amended to read:

42247.5. (a) For the purposes of Section 42247.1, the "Administrative Recommendations and Action Plans for Implementing a Voluntary Desegregation Plan in the Sacramento City Unified School District," adopted February 29, 1988, and as subsequently amended, shall be the latest adopted desegregation plan for the Sacramento City Unified School District.

(b) (1) Notwithstanding Section 42247, commencing with the 1998–99 fiscal year, and each fiscal year thereafter, reimbursements for voluntary desegregation authorized pursuant to Sections 42243.9, 42247, and 42249 to the Sacramento City Unified School District shall not exceed the amount in excess of one-fifth of the audited desegregation costs approved by the Controller and actually incurred in the 1990–91 fiscal year, reduced by the federal desegregation reimbursement of three million ninety-six thousand nine hundred eighty-nine dollars ($3,096,989) received in the 1990–91 fiscal year, adjusted pursuant to Section 42247.2, provided that the school district has contributed in the prior fiscal year not less than one-fifth of the audited costs approved by the Controller that fiscal year. The audited costs actually incurred in the 1990–91 fiscal year includes expenditures for the Sacramento City Unified School District's federal magnet program.

(2) Notwithstanding paragraph (1), commencing with the 1998–99 fiscal year, the Sacramento City Unified School District's

level of reimbursement shall be calculated based on actual reimbursements received for its 1998–99 voluntary desegregation audited claim.

(c) Nothing in this section shall be construed to permit the Sacramento City Unified School District to receive any of the following:

(1) Additional reimbursement for the costs of its voluntary desegregation program for any fiscal year prior to the 1998–99 fiscal year.

(2) More than four-fifths of actual costs of the district's voluntary desegregation program approved by the Controller for any fiscal year.

(3) Reimbursement for any voluntary desegregation program costs for which the district receives federal funding.

SEC. 29. Section 44235 of the Education Code is amended to read:

44235. (a) Fees shall be levied by the commission for the issuance and renewal of teaching and service credentials. Commencing January 1, 1987, the fee for the issuance and renewal of teaching and service credentials shall be fifty dollars ($50). In subsequent years, the commission may set a different fee, but in no case shall a fee exceed seventy dollars ($70) without express legislative approval.

(b) A single fee, not to exceed the charge for a single supplemental credential, shall be charged for all supplemental credentials applied for at the same time as a teaching or service credential pursuant to subdivision (a).

(c) Subject to funds being appropriated expressly for this purpose in the annual Budget Act, fees authorized by this section shall be waived by the commission for first-time teaching credential applicants for the following credentials:

(1) Single subject credential.

(2) Multiple subject credential.

(3) Special education credential.

(4) Specialist instruction credential.

(d) Annually, as part of the budget review process, the Department of Finance shall recommend to the Legislature an appropriate credential fee sufficient to generate revenues necessary to support the operating budget of the commission plus a prudent reserve, as determined by the Department of Finance pursuant to subdivision (b) of Section 44234.

SEC. 30. Section 44579.1 of the Education Code is amended to read:

44579.1. (a) There is hereby established the Instructional Time and Staff Development Reform Program. It is the intent of the Legislature that this program enhance staff development opportunities for classroom personnel, but this article shall not be construed to provide the sole source of funding for staff development activities for school personnel or to limit in any way the amount or

type of staff development that is provided to school district personnel from other resources.

(b) The State Department of Education shall submit draft regulations for the purpose of implementing this article to the State Board of Education for its review and approval. The State Board of Education shall adopt regulations for the purpose of implementing this article pursuant to Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

(c) (1) Each fiscal year, the Superintendent of Public Instruction shall provide each eligible school district and county office of education applying for a grant pursuant to this article with a staff development allowance of two hundred seventy dollars ($270) per day, adjusted annually commencing with the 1999–2000 fiscal year for the inflation adjustment calculated pursuant to subdivision (b) of Section 42238.1, for up to three days, for each certificated classroom teacher and one hundred forty dollars ($140) per day, adjusted annually commencing with the 1999–2000 fiscal year for the inflation adjustment calculated pursuant to subdivision (b) of Section 42238.1, for up to one day for each classified classroom instructional aide and certificated teaching assistant who participates in staff development instructional methods, including teaching strategies, classroom management and other training designed to improve pupil performance, conflict resolution, and academic content in the core curriculum areas that are provided by the school district or county office of education.

(2) Each fiscal year, the Superintendent of Public Instruction, shall provide each eligible charter school applying for a grant pursuant to this article with a staff development allowance of two hundred seventy dollars ($270) per day, adjusted annually commencing with the 1999–2000 fiscal year for the inflation adjustment calculated pursuant to subdivision (b) of Section 42238.1, for up to three days, for each classroom teacher and one hundred forty dollars ($140) per day adjusted annually commencing with the 1999–2000 fiscal year for the inflation adjustment calculated pursuant to subdivision (b) of Section 42238.1, for up to one day for each classroom instructional aide and assistant who participates in staff development instructional methods, including teaching strategies, classroom management, conflict resolution, and other training designed to improve pupil performance, and academic content in the core curriculum areas that are provided by the charter school.

(d) To be eligible for a grant pursuant to this article, the staff development program provided by the school district, charter school, or county office of education shall meet all of the following requirements:

(1) Meet local educational priorities as defined by the governing board of the school district, charter school, or county board of education.

(2) Be consistent with regulations defining staff development activities eligible to receive funding under this section.

(e) To qualify as a funded participant, each eligible participant shall be present for the full staff development day, and records of attendance shall be maintained in a manner to be prescribed in regulations. Each staff development day shall be at least as long as the full-time instructional workday for certificated or classified instructional employees of the school district. For purposes of this section, a single staff development day may be conducted over several calendar days.

(f) (l) Except as provided pursuant to paragraph (2), if the staff development day is conducted after completion of an instructional day, it may not be held on a minimum day for which a parent or guardian was notified pursuant to subdivision (c) of Section 48980.

(2) For staff working in multitrack, year-round schools, not more than two staff development days may be scheduled for "off track" teachers at a school with a minimum day scheduled. In this event, teachers at the multitrack, year-round school who are being paid for service on the minimum days are not eligible for that day of funding under this article.

(g) Notwithstanding Section 45203, probationary and permanent employees in the classified service may not receive regular pay on days during which staff development is offered pursuant to this article unless they are required to report for duty on those days.

(h) A charter school may be eligible to receive funding under this chapter only if the school certifies that it meets the minimum instructional time requirements applicable to school districts.

(i) This section shall be operative in any fiscal year only to the extent that funds are provided for its purposes in the annual Budget Act.

SEC. 31. Section 45125 of the Education Code is amended to read:

45125. (a) (1) Except as provided in Section 45125.01, the governing board of any school district shall require each person to be employed in a position not requiring certification qualifications, except a secondary school pupil employed in a temporary or part-time position by the governing board of the school district having jurisdiction over the school attended by the pupil, to have two fingerprint cards bearing the legible rolled and flat impressions of the person's fingerprints together with a personal description of the applicant prepared by a local public law enforcement agency having jurisdiction in the area of the school district, which agency shall transmit the cards, together with the fee required by subdivision (f), to the Department of Justice; except that any district, or districts with a common board, may process the fingerprint cards if the district so elects.

(2) As used in this section, "local public law enforcement agency" includes any school district and as used in Section 45126 requires the Department of Justice to provide to any school district, upon

application, information pertaining only to applicants for employment by the district, including applicants who are employees of another district.

(b) (1) Upon receiving the fingerprint cards, the Department of Justice shall ascertain whether the applicant has been arrested or convicted of any crime insofar as that fact can be ascertained from information available to the department and forward the information to the employing agency submitting the applicant's fingerprints no more than 15 working days after receiving the fingerprint cards. The Department of Justice shall not forward records of criminal proceedings that did not result in a conviction but shall forward information on arrests pending adjudication.

(2) Upon implementation of an electronic fingerprinting system with terminals located statewide and managed by the Department of Justice, the Department of Justice shall ascertain the information required pursuant to this subdivision within three working days. If the Department of Justice cannot ascertain the information required pursuant to this subdivision within three working days, the department shall notify the school district that it cannot so ascertain the required information. This notification shall be delivered by telephone or electronic mail to the school district. If a school district is notified by the Department of Justice that it cannot ascertain the required information about a person, the school district may not employ that person until the Department of Justice ascertains that information.

(3) In the case of a person to be employed in a position not requiring certification qualifications who is described in subparagraph (A) or (B), the school district shall request the Department of Justice to forward one copy of the fingerprint cards to the Federal Bureau of Investigation for the purpose of obtaining any record of previous convictions of the applicant.

(A) The person has not resided in the State of California for at least one year immediately preceding the person's application for employment.

(B) The person has resided for more than one year, but less than seven years, in the State of California and the Department of Justice has ascertained that the person was convicted of a sex offense where the victim was a minor or a drug offense where an element of the offense is either the distribution to, or the use of a controlled substance by, a minor.

(c) The governing board of a school district shall not employ a person until the Department of Justice completes its check of the state criminal history file as set forth in this section and Sections 45125.5 and 45126, except that this subdivision does not apply to secondary school pupils who are to be employed in a temporary or part-time position by the governing board of the school district having jurisdiction over the school they attend.

(d) The governing board of each district shall maintain a list indicating the number of current employees, except secondary school pupils employed in a temporary or part-time position by the governing board of the school district having jurisdiction over the school they attend, who have not completed the requirements of this section. The Department of Justice shall process these cards within 30 working days of their receipt and any cards in its possession on the date of the amendment of this section by Assembly Bill 1610 of the 1997–98 Regular Session within 30 working days of that date. School districts that have previously submitted identification cards for current employees to either the Department of Justice or the Federal Bureau of Investigation shall not be required to further implement the provisions of this section as it applies to those employees.

(e) A plea or verdict of guilty or a finding of guilt by a court in a trial without a jury or forfeiture of bail is deemed to be a conviction within the meaning of this section, irrespective of a subsequent order under the provisions of Section 1203.4 of the Penal Code allowing the withdrawal of the plea of guilty and entering of a plea of not guilty, or setting aside the verdict of guilty, or dismissing the accusations or information.

(f) (1) The school district shall provide the means whereby the fingerprint cards may be completed and may charge a fee determined by the Department of Justice to be sufficient to reimburse the department for the costs incurred in processing the application. The amount of the fee shall be forwarded to the Department of Justice with the required copies of applicant's fingerprint cards. The governing board may collect a reasonable fee payable to the local public law enforcement agency taking the fingerprints and completing the data on the fingerprint cards. In no event shall the fee exceed the actual costs incurred by the agency.

(2) The additional fees shall be transmitted to the city or county treasury. If an applicant is subsequently hired by the board within 30 days of the application, the fee may be reimbursed to the applicant. Funds not reimbursed to applicants shall be credited to the general fund of the district. If the fingerprint cards forwarded to the Department of Justice are those of a person already in the employ of the governing board, the district shall pay the fee required by this section, which fee shall be a proper charge against the general fund of the district, and no fee shall be charged the employee.

(g) This section applies to substitute and temporary employees regardless of length of employment.

(h) Subdivision (c) of this section shall not apply to a person to be employed if a school district determines that an emergency or an exceptional situation exists, and that a delay in filling the position in which the person would be employed would endanger pupil health or safety.

(i) Where reasonable access to the statewide, electronic fingerprinting network is available, the Department of Justice may

mandate electronic submission of the fingerprints and related information required by this section.

(j) A school district shall request subsequent arrest service from the Department of Justice as provided under Section 11105.2 of the Penal Code.

(k) All information obtained from the Department of Justice is confidential. Each agency handling Department of Justice information shall ensure the following:

(1) No recipient may disclose its contents or provide copies of information.

(2) Information received shall be stored in a locked file separate from other files, and shall only be accessible to the custodian of records.

(3) Information received shall be destroyed upon the hiring determination in accordance with subdivision (a) of Section 708 of Title 11 of the California Code of Regulations.

(4) Compliance with destruction, storage, dissemination, auditing, backgrounding, and training requirements as set forth in Sections 700 through 708, inclusive, of Title 11 of the California Code of Regulations and Section 11077 of the Penal Code governing the use and security of criminal offender record information is the responsibility of the entity receiving the information from the Department of Justice.

(*l*) Notwithstanding any other provision of law, the Department of Justice shall process pursuant to this section all requests from a school district, an employer, or a human resource agency for criminal history information on a volunteer to be used in a school.

SEC. 32. Section 46300 of the Education Code is amended to read:

46300. (a) In computing average daily attendance of a school district or county office of education, there shall be included the attendance of pupils while engaged in educational activities required of those pupils and under the immediate supervision and control of an employee of the district or county office who possessed a valid certification document, registered as required by law.

(b) (1) For the purposes of a work experience education program in a secondary school that meets the standards of the California State Plan for Vocational Education, "immediate supervision," in the context of off-campus work training stations, means pupil participation in on-the-job training as outlined under a training agreement, coordinated by the school district under a state-approved plan, wherein the employer and certificated school personnel share the responsibility for on-the-job supervision.

(2) The pupil-teacher ratio in a work experience program shall not exceed 125 pupils per full-time equivalent certificated teacher coordinator. Notwithstanding Section 52033, this ratio may be waived by the State Board of Education pursuant to Article 3 (commencing with Section 33050) of Chapter 1 of Part 20 under criteria developed by the State Board of Education.

(3) A pupil enrolled in a work experience program shall not be credited with more than one day of attendance per calendar day, and shall be a full-time pupil enrolled in regular classes that meet the requirements of Section 46141 or 46144.

(c) (1) For purposes of the rehabilitative schools, classes, or programs described in Section 48917 that require immediate supervision, "immediate supervision" means that the person to whom the pupil is required to report for training, counseling, tutoring, or other prescribed activity shares the responsibility for the supervision of the pupils in the rehabilitative activities with certificated personnel of the district.

(2) A pupil enrolled in a rehabilitative school, class, or program shall not be credited with more than one day of attendance per calendar day.

(d) (1) For the purposes of computing the average daily attendance of pupils engaged in the educational activities required of high school pupils who are also enrolled in a regional occupational center or regional occupational program, the school district shall receive proportional average daily attendance credit for those educational activities that are less than the minimum schoolday, pursuant to regulations adopted by the State Board of Education; however, none of that attendance shall be counted for purposes of computing attendance pursuant to Section 52324.

(2) A school district shall not receive proportional average daily attendance credit pursuant to this subdivision for any pupil in attendance for less than 145 minutes each day.

(3) The divisor for computing proportional average daily attendance pursuant to this subdivision is 240, except that, in the case of a pupil excused from physical education classes pursuant to Section 52316, the divisor is 180.

(4) Notwithstanding any other provision of law, travel time of pupils to attend a regional occupational center or regional occupational program shall not be used in any manner in the computation of average daily attendance.

(e) (1) In computing the average daily attendance of a school district, there shall also be included the attendance of pupils participating in independent study conducted pursuant to Article 5.5 (commencing with Section 51745) of Chapter 5 of Part 28 for five or more consecutive schooldays.

(2) A pupil participating in independent study shall not be credited with more than one day of attendance per calendar day.

(f) For purposes of cooperative vocational education programs and community classrooms described in Section 52372.1, "immediate supervision" means pupil participation in paid and unpaid on-the-job experiences, as outlined under a training agreement and individualized training plans wherein the supervisor of the training site and certificated school personnel share the responsibility for the supervision of on-the-job experiences.

(g) In computing the average daily attendance of a school district, there shall be included the attendance of pupils in kindergarten after they have completed one school year in kindergarten only if the school district has on file for each of those pupils an agreement made pursuant to Section 48011, approved in form and content by the State Department of Education and signed by the pupil's parent or guardian, that the pupil may continue in kindergarten for not more than an additional school year.

SEC. 32.1. The heading of Chapter 3 (commencing with Section 47610) of Part 26.8 of the Education Code is amended to read:

CHAPTER 3. CHARTER SCHOOL OPERATION

SEC. 32.2. Section 47612 of the Education Code is amended to read:

47612. (a) A charter school shall be deemed to be under the exclusive control of the officers of the public schools for purposes of Section 8 of Article IX of the California Constitution, with regard to the appropriation of public moneys to be apportioned to any charter school, including, but not limited to, appropriations made for the purposes of this chapter.

(b) The average daily attendance in a charter school may not, in any event, be generated by a pupil who is not a California resident. To remain eligible for generating charter school apportionments, a pupil over 19 years of age shall be continuously enrolled in public school and make satisfactory progress towards award of a high school diploma. The State Board of Education shall, on or before January 1, 2000, adopt regulations defining "satisfactory progress."

(c) A charter school shall be deemed to be a "school district" for purposes of Section 41302.5, Article 10 (commencing with Section 41850) of Part 24, Section 47638, and Sections 8 and 8.5 of Article XVI of the California Constitution.

SEC. 32.4. Section 47613 of the Education Code is repealed.

SEC. 32.5. Section 47613.5 of the Education Code is repealed.

SEC. 32.6. Section 47613.7 of the Education Code is amended and renumbered to read:

47613. (a) Except as set forth in subdivision (b), a chartering agency may charge for the actual costs of supervisorial oversight of a charter school not to exceed 1 percent of the revenue of the charter school.

(b) A chartering agency may charge for the actual costs of supervisorial oversight of a charter school not to exceed 3 percent of the revenue of the charter school if the charter school is able to obtain substantially rent free facilities from the chartering agency.

(c) A local agency that is given the responsibility for supervisorial oversight of a charter school, pursuant to paragraph (1) of subdivision (k) of Section 47605, may charge for the costs of supervisorial oversight, and administrative costs necessary to secure

charter school funding, not to exceed 3 percent of the revenue of the charter school. A charter school that is charged for costs under this subdivision shall not be charged pursuant to subdivision (a) or (b).

(d) This section shall not prevent the charter school from separately purchasing administrative or other services from the chartering agency or any other source.

(e) For the purposes of this section, a chartering agency means a school district, county department of education, or the State Board of Education, that granted the charter to the charter school.

SEC. 32.8. Chapter 6 (commencing with Section 47630) is added to Part 26.8 of the Education Code, to read:

CHAPTER 6. FUNDING

Article 1. General Provisions

47630. (a) It is the intent of the Legislature that each charter school be provided with operational funding that is equal to the total funding that would be available to a similar school district serving a similar pupil population, except that a charter school may not be funded as a necessary small school or a necessary small high school, nor receive revenue limit funding that exceeds the statewide average for a school district of a similar type.

(b) The Legislature finds and declares that the funding method established by this chapter provides for simple and, at the option of the charter school, local or direct allocation of funds to charter schools in a manner that is consistent with state and federal law.

47630.5. (a) This chapter applies to the calculation of operational funding for charter schools. Except as otherwise provided in this chapter, this chapter shall apply to all charter schools without regard to their sponsoring local education agency.

(b) For the 1999–2000, 2000–01, and 2001–02 fiscal years in the case of a charter school that was assigned a number by the State Board of Education prior to June 1, 1999, the use of the charter school funding method established by this chapter shall be at the discretion of that charter school. A charter school that elects to have its funding determined pursuant to the method established by this chapter shall notify the State Department of Education by June 1 prior to the affected fiscal year. An election to be funded pursuant to the method established by this chapter is irrevocable.

(c) Additional legal or fiscal responsibilities on the part of a county superintendent of schools are not imposed by this chapter, except as specifically provided in this chapter.

47631. (a) Article 2 (commencing with Section 47633) and Article 3 (commencing with Section 47636) may not apply to a charter granted pursuant to Section 47605.5.

(b) Notwithstanding subdivision (a), a pupil attending a county-sponsored charter school who is eligible to attend that school

solely as a result of parental request pursuant to subdivision (b) of Section 1981 shall be funded pursuant to this chapter.

47632. For purposes of this chapter, the following terms shall be defined as follows:

(a) "General-purpose entitlement" means an amount computed by formula set forth in Section 47633 beginning in the 1999–2000 fiscal year, which is based on the statewide average amounts of general purpose funding from those state and local sources identified in Section 47633 received by school districts of similar type and serving similar pupil populations.

(b) "Categorized block grant" means an amount computed by the formula set forth in Section 47634 beginning in the 1999–2000 fiscal year, which is based on the statewide average amounts of categorical aid from those sources identified in Section 47634 received by school districts of similar type and serving similar pupil populations.

(c) "General-purpose funding" means those funds that consist of state aid, local property taxes, and other revenues applied toward a school district's revenue limit, pursuant to Section 42238.

(d) "Categorical aid" means aid that consists of state or federally funded programs, or both, which are apportioned for specific purposes set forth in statute or regulation.

(e) "Educationally disadvantaged pupils" means those pupils who are eligible for subsidized meals pursuant to Section 49552 or are identified as English learners pursuant to subdivision (a) of Section 306, or both.

(f) "Operational funding" means all funding except funding for capital outlay.

(g) "School district of a similar type" means a school district that is serving similar grade levels.

(h) "Similar pupil population" means similar numbers of pupils by grade level, with a similar proportion of educationally disadvantaged pupils.

(i) "Sponsoring local educational agency" means the following:

(1) In the cases where a charter school is granted by a school district, the sponsoring local educational agency is the school district.

(2) In cases where a charter is granted by a county office of education after having been previously denied by a school district, the sponsoring local educational agency means the school district that initially denied the charter petition.

(3) In cases where a charter is granted by the State Board of Education after having been previously denied by a local educational agency, the sponsoring local educational agency means the local educational agency designated by the State Board of Education pursuant to paragraph (1) of subdivision (k) of Section 47605 or if a local educational agency is not designated, the local educational agency that initially denied the charter petition.

(4) For pupils attending county-sponsored charter schools who are eligible to attend such schools solely as a result of parental request

pursuant to subdivision (b) of Section 1981, the sponsoring local education agencies means the pupils' school districts of residence.

47632.5. A charter school that is established through the conversion of an existing public school where the charter is granted by a district other than the district in which the school is located may not generate or receive revenue limit funding in excess of the revenue limit of the school district in which the school was located prior to the conversion to charter status. This limitation shall apply whether the charter converts to charter status a single existing public school or multiple existing public schools.

Article 2. Charter School Block Grant

47633. The Superintendent of Public Instruction shall annually compute a general-purpose entitlement, funded from a combination of state aid and local funds, for each charter school as follows:

(a) The superintendent shall annually compute the statewide average amount of general-purpose funding per unit of average daily attendance received by school districts for each of four grade level ranges: kindergarten and grades 1, 2, and 3; grades 4, 5, and 6; grades 7 and 8; and, grades 9 to 12, inclusive. For purposes of making these computations, both of the following conditions shall apply:

(1) Revenue limit funding attributable to pupils in kindergarten and grades 1 to 5, inclusive, shall equal the statewide average revenue limit funding per unit of average daily attendance received by elementary school districts; revenue limit funding attributable to pupils in grades 6, 7, and 8, shall equal the statewide average revenue limit funding per unit of average daily attendance received by unified school districts; and revenue limit funding attributable to pupils in grades 9 to 12, inclusive, shall equal the statewide average revenue limit funding per unit of average daily attendance received by high school districts.

(2) Revenue limit funding received by school districts shall exclude the value of any benefit attributable to the presence of necessary small schools or necessary small high schools within the school district.

(b) The superintendent shall multiply each of the four amounts computed in subdivision (a) by the charter school's average daily attendance in the corresponding grade level ranges. The resulting figure shall be the amount of the charter school's general-purpose entitlement, which shall be funded through a combination of state aid and local funds. From funds appropriated for this purpose pursuant to Section 14002, the superintendent shall apportion to each charter school this amount, less local funds allocated to the charter school pursuant to Section 47635.

(c) General-purpose entitlement funding may be used for any public school purpose determined by the governing body of the charter school.

47634. The Superintendent of Public Instruction shall annually compute a categorical block grant amount for each charter school as follows:

(a) The superintendent shall compute, as of June 30, 1999, the estimated statewide average amount of funding for other state categorical aid per unit of average daily attendance received by school districts in 1998–99, for each of four grade level ranges: kindergarten and grades 1, 2, and 3; grades 4, 5, and 6; grades 7 and 8; and grades 9 to 12, inclusive. For purposes of this computation, other state categorical aid is limited to the following programs:

(1) The Agricultural Vocational Education Incentive Program, as set forth in Article 7.5 (commencing with Section 52460) of Chapter 9 of Part 28.

(2) Apprentice education established pursuant to Article 8 (commencing with Section 8150) of Chapter 1 of Part 6.

(3) The Beginning Teacher Support and Assessment System as set forth in Article 4.5 (commencing with Section 44279.1) of Chapter 2 of Part 25.

(4) College preparation programs as set forth in Chapter 8 (commencing with Section 60830) of Part 33, the Academic Improvement and Achievement Act as set forth in Chapter 12 (commencing with Section 11020) of Part 7, and the advanced placement program as set forth in Chapter 8.3 (commencing with Section 52240) of Part 28.

(5) Community day schools as set forth in Article 3 (commencing with Section 48660) of Chapter 4 of Part 27.

(6) The Demonstration Programs in Intensive Instruction as set forth in Chapter 4 (commencing with Section 58600) of Part 31.

(7) The School-Based Pupil Motivation And Maintenance Program and Dropout Recovery Act, as set forth in Article 7 (commencing with Section 54720) of Chapter 9 of Part 29.

(8) The Early Intervention For School Success Program, as set forth in Article 4.5 (commencing with Section 54685) of Chapter 9 of Part 29.

(9) Education Technology pursuant to Article 15 (commencing with Section 51870.5) of Chapter 5 of Part 28.

(10) Foster youth programs pursuant to Chapter 11.3 (commencing with Section 42920) of Part 24.

(11) Gifted and talented pupil programs pursuant to Chapter 8 (commencing with Section 52200) of Part 28.

(12) The Healthy Start Support Services for Children Act, as set forth in Chapter 5 (commencing with Section 8800) of Part 6.

(13) High-risk first-time offenders programs pursuant to Chapter 2 (commencing with Section 47760) of Part 26.95.

(14) The General Fund contribution to the State Instructional Material Fund pursuant to Article 3 (commencing with Section 60240) of Chapter 2 of Part 33.

(15) Intersegmental programs for kindergarten and grades 1 to 12, inclusive, funded by Item 6110-230-0001 of Section 2.00 of the Budget Act of 1998.

(16) Proposition 98 educational programs pursuant to Item 6110-231-0001 of Section 2.00 of the Budget Act of 1998.

(17) The California Mentor Teacher Program, as set forth in Article 4 (commencing with Section 44490) of Chapter 3 of Part 25.

(18) The Miller-Unruh Basic Reading Act of 1965, as set forth in Chapter 2 (commencing with Section 54100) of Part 29.

(19) The Morgan-Hart Class Size Reduction Act of 1989, as set forth in Chapter 6.8 (commencing with Section 52080) of Part 28.

(20) Opportunity schools pursuant to Article 2 (commencing with Section 48630) of Chapter 4 of Part 27.

(21) Partnership academies pursuant to Article 5 (commencing with Section 54690) of Chapter 9 of Part 29.

(22) Mathematics staff development pursuant to Chapter 3.25 (commencing with Section 44695) and Chapter 3.33 (commencing with Section 44720) of Part 25.

(23) Improvement of elementary and secondary education pursuant to Chapter 6 (commencing with Section 52000) of Part 28.

(24) The School Community Policing Partnership Act of 1998, as set forth in Article 6 (commencing with Section 32296) of Chapter 2.5 of Part 19.

(25) The School/Law Enforcement partnership funded by Item 6110-226-0001 of Section 2.00 of the Budget Act of 1998.

(26) Specialized secondary schools pursuant to Chapter 6 (commencing with Section 58800) of Part 31.

(27) School personnel staff development and resource centers pursuant to Chapter 3.1 (commencing with Section 44670) of Part 25.

(28) Supplemental grants funded by Item 6110-230-0001 of Section 2.00 of the Budget Act of 1998.

(29) Academic progress and counseling review pursuant to Section 48431.6.

(30) The Schiff-Bustamante Standards-Based Instructional Materials Programs as set forth in Chapter 3.5 (commencing with Section 60450) of Part 33.

(31) The Elementary School Intensive Reading Program, as set forth in Chapter 16 (commencing with Section 53025) of Part 28.

(32) The California Public School Library Protection Act, as set forth in Article 6 (commencing with Section 18175) of Chapter 2 of Part 11.

(33) The Public School Accountability Act of 1999, as set forth in Chapter 6.1 (commencing with Section 52050) of Part 28.

(34) The California Peer Assistance and Review Program for Teachers, as set forth in Article 4.5 (commencing with Section 44500) of Chapter 3 of Part 25.

Notwithstanding any other provision of law, charter schools that have received a block grant pursuant to this section shall not be

eligible to receive separate funding for programs enumerated in paragraphs (1) to (34), inclusive.

(b) For purposes of the computation prescribed by subdivision (a), other state categorical aid may not include any of the following:

(1) Programs for which a charter school is required to apply separately.

(2) Programs that support, or are provided in lieu of, capital expenses.

(3) Funding for court-ordered or voluntary desegregation programs.

(4) Special education programs.

(5) Economic Impact Aid.

(6) Lottery funds.

(c) The superintendent shall annually adjust each of the resulting four amounts computed pursuant to subdivision (a) by the cumulative percentage change from the 1998–99 fiscal year, as annually calculated by the Director of Finance pursuant to Section 47634.5, in the total amount of state funding per unit of average daily attendance received by K–12 local educational agencies for purposes that apply toward meeting the requirements of Section 8 of Article XVI of the California Constitution, exclusive of funding for adult education, child development programs, special education, Economic Impact Aid, revenue limits for school districts and county offices of education, and programs for which a charter school is required to apply separately.

(d) The superintendent shall multiply each of the four amounts computed in subdivision (c) by the charter school's average daily attendance in the corresponding grade level ranges.

(e) The superintendent shall compute the statewide average amount of funding per identified educationally disadvantaged pupil received by school districts in the current year pursuant to Article 2 (commencing with Section 54020) of Chapter 1 of Part 29. This amount shall be multiplied by the number of educationally disadvantaged pupils enrolled in the charter school. The resulting amount may not, in any event, be less than the minimum amount if greater than zero of Economic Impact Aid funding to which a school district of similar size would be entitled pursuant to Section 54031. For purposes of this subdivision, a pupil who is eligible for subsidized meals pursuant to Section 49552 and is identified as an English language learner pursuant to subdivision (a) of Section 306 shall count as two pupils.

(f) The superintendent shall add the amounts computed in subdivisions (d) and (e). The resulting amount shall be the charter school's categorical block grant, that the superintendent shall apportion to each charter school from funds appropriated for this purpose in the annual Budget Act or another statute.

(g) Notwithstanding any other provision of law, a charter school is not eligible to apply for funding under any of the programs the

funding of which is included in the computation of the categorical block grant. The Superintendent of Public Instruction shall annually provide each charter school with a list of these programs and shall ensure that a charter school receives timely notification of the opportunity to apply for programs administered by the State Department of Education that are excluded from the categorical block grant.

(h) It is the intent of the Legislature to fully fund the categorical block grant and to appropriate additional funding that may be needed in order to compensate for unanticipated increases in average daily attendance in charter schools.

(i) Categorical block grant funding may be used for any purpose determined by the governing body of the charter school.

47634.5. (a) The Director of Finance shall compute and provide to the Superintendent of Public Instruction within 30 days of the enactment of the Budget Act of 1999 the percentage change calculated based on the Budget Act of 1999 and accompanying statutes in the following:

(1) The total amount of state funding per unit of average daily attendance received by kindergarten and grades 1 to 12, inclusive, local educational agencies in 1998–99 for purposes that apply toward meeting the requirements of Section 8 of Article XVI of the California Constitution for any fiscal year, exclusive of funding for school district revenue limits, county offices of education, adult education, child development programs, special education, Economic Impact Aid, and programs for which a charter school is required to apply separately.

(2) The total amount of state funding per unit of average daily attendance appropriated in the Budget Act of 1999 and related implementing legislation for kindergarten and grades 1 to 12, inclusive, local educational agencies for purposes which count toward meeting the requirements of Section 8 of Article XVI of the California Constitution for any fiscal year, exclusive of funding for school district revenue limits, charter schools' general-purpose entitlements, county offices of education, adult education, child development programs, special education, Economic Impact Aid, and programs for which a charter school is required to apply separately.

(b) Commencing in 2000, the Director of Finance shall annually compute and provide as part of the May revision to the Governor's Budget the percentage change in the following:

(1) The total amount of state funding per unit of average daily attendance received by kindergarten and grades 1 to 12, inclusive, local educational agencies in 1998–99 for purposes which count toward meeting the requirements of Section 8 of Article XVI of the California Constitution for any fiscal year, exclusive of funding for school district revenue limits, county offices of education, adult education, child development programs, special education,

Economic Impact Aid, and programs for which a charter school is required to apply separately.

(2) The total amount of state funding per unit of average daily attendance proposed to be appropriated in the following year for kindergarten and grades 1 to 12, inclusive, local educational agencies in the budget year for purposes which count toward meeting the requirements of Section 8 of Article XVI of the California Constitution for any fiscal year, exclusive of funding for school district revenue limits, charter schools' general-purpose entitlements, county offices of education, adult education, child development programs, special education, Economic Impact Aid, and programs for which a charter school is required to apply separately.

47635. (a) A sponsoring local educational agency shall annually transfer to each of its charter schools funding in lieu of property taxes equal to the lesser of the following two amounts:

(1) The average amount of property taxes per unit of average daily attendance, including average daily attendance attributable to charter schools, received by the local educational agency, multiplied by the charter school's average daily attendance.

(2) The statewide average general-purpose funding per unit of average daily attendance received by school districts, as determined by the State Department of Education, multiplied by the charter school's average daily attendance in each of the four corresponding grade level ranges: kindergarten and grades 1, 2, and 3; grades 4, 5, and 6; grades 7 and 8; and grades 9 to 12, inclusive.

(b) The sponsoring local educational agency shall transfer funding in lieu of property taxes to the charter school in monthly installments, by no later than the 15th of each month.

(1) For the months of August to February, inclusive, a charter school's funding in lieu of property taxes shall be computed based on the amount of property taxes received by the sponsoring local educational agency during the preceding fiscal year, as reported to the Superintendent of Public Instruction for purposes of the second principal apportionment. A sponsoring local educational agency shall transfer to the charter school the charter school's estimated annual entitlement to funding in lieu of property taxes as follows:

(A) Six percent in August.

(B) Twelve percent in September.

(C) Eight percent each month in October, November, December, January, and February.

(2) For the months of March to June, inclusive, a charter school's funding in lieu of property taxes shall be computed based on the amount of property taxes estimated to be received by the sponsoring local educational agency during the fiscal year, as reported to the Superintendent of Public Instruction for purposes of the first principal apportionment. A sponsoring local educational agency shall transfer to each of its charter schools an amount equal to one-sixth of the difference between the school's estimated annual entitlement to

funding in lieu of property taxes and the amounts provided pursuant to paragraph (1). An additional one-sixth of this difference shall be included in the amount transferred in the month of March.

(3) For the month of July, a charter school's funding in lieu of property taxes shall be computed based on the amount of property taxes estimated to be received by the sponsoring local educational agency during the prior fiscal year, as reported to the Superintendent of Public Instruction for purposes of the second principal apportionment. A sponsoring local educational agency shall transfer to each of its charter schools an amount equal to the remaining difference between the school's estimated annual entitlement to funding in lieu of property taxes and the amounts provided pursuant to paragraphs (1) and (2).

(4) Final adjustments to the amount of funding in lieu of property taxes allocated to a charter school shall be made in February, in conjunction with the final reconciliation of annual apportionments to schools.

Article 3. Other Operational Funding Available to Charter Schools

47636. (a) This chapter may not be construed to prevent charter schools from applying for, or receiving, operational funding under state or federal categorical programs, the funding of which is not included in the computation of the block grant entitlement. Unless specifically prohibited, a charter school shall only apply for federal or state categorical programs as follows:

(1) A charter school that elects to receive its funding directly, pursuant to Section 47651, may apply for federal and state categorical programs individually. Except as otherwise provided in this chapter, for purposes of determining eligibility for, and allocations of federal or state categorical aid, a charter school that applies individually shall be deemed to be a school district.

(2) A charter school that does not elect to receive its funding directly may apply for federal and state categorical programs in cooperation with its sponsoring local educational agencies.

(b) This chapter may not be construed to prevent a charter school from negotiating with a local educational agency for a share of operational funding from sources not otherwise set forth in this chapter including, but not limited to, all of the following:

(1) Forest reserve revenues and other operational revenues received due to harvesting or extraction of minerals or other natural resources.

(2) Sales and use taxes, to the extent that the associated revenues are available for noncapital expenses of public schools.

(3) Parcel taxes, to the extent that the associated revenues are available for noncapital expenses of public schools.

(4) Ad valorem property taxes received by a school district which exceed its revenue limit entitlement.

(5) "Basic aid" received by a school district pursuant to Section 6 of Article IX of the California Constitution.

47638. For purposes of determining eligibility for, and allocations of, lottery funds, a charter school shall be deemed to be a school district. The State Department of Education shall determine each charter school's appropriate share of statewide total average daily attendance and include this information in its transmittals to the Controller for use in computing allocations of lottery funds.

Article 4. Special Education Funding

47640. For the purposes of this article, "local educational agency" means a school district as defined in Section 41302.5 or a charter school that is deemed a local educational agency pursuant to Section 47641. As used in this article, "local educational agency" also means a charter school that is responsible for complying with all provisions of the Individuals with Disabilities Education Act (20 U.S.C. Sec. 1400 et seq.) and implementing regulations as they relate to local educational agencies.

47641. (a) A charter school that includes in its petition for establishment or renewal, or that otherwise provides, verifiable, written assurances that the charter school will participate as a local educational agency in a special education plan approved by the State Board of Education shall be deemed a local educational agency for the purposes of compliance with federal law (Individuals with Disabilities Education Act; 20 U.S.C. Sec. 1400 et seq.) and for eligibility for federal and state special education funds. A charter school that is deemed a local educational agency for the purposes of special education pursuant to this article shall be permitted to participate in an approved special education local plan that is consistent with subdivision (a), (b), or (c) of Section 56195.1.

(b) A charter school that was granted a charter by a local educational agency that does not comply with subdivision (a) may not be deemed a local educational agency pursuant to this article, but shall be deemed a public school of the local educational agency that granted the charter.

(c) A charter school that has been granted a charter by the State Board of Education, and for which the board has delegated its supervisorial and oversight responsibilities pursuant to paragraph (1) of subdivision (k) of Section 47605, and does not comply with subdivision (a), shall be deemed a public school of the local educational agency to which the board has delegated its supervisorial and oversight responsibilities.

(d) A charter school that has been granted a charter by the State Board of Education, and for which the board has not delegated its supervisorial and oversight responsibilities pursuant to paragraph

(1) of subdivision (k) of Section 47605, may not be deemed a local educational agency unless the charter school complies with subdivision (a).

47642. Notwithstanding Section 47651, all state and federal funding for special education apportioned on behalf on pupils enrolled in a charter school shall be included in the allocation plan adopted pursuant to subdivision (i) of Section 56195.7 or Section 56836.05, or both, by the special education local plan area that includes the charter school.

47643. If the approval of a petition for a charter school requires a change to the allocation plan developed pursuant to subdivision (i) of Section 56195.7 or Section 56836.05, the change shall be adopted pursuant to the policymaking process of the special education local plan area.

47644. For each charter school deemed a local educational agency for the purposes of special education, an amount equal to the amount computed pursuant to Section 56836.08 for the special education local plan area in which the charter school is included shall be apportioned by the Superintendent of Public Instruction pursuant to the local allocation plan developed pursuant to subdivision (i) of Section 56195.7 or Section 56836.05, or both. If the charter school is a participant in a local plan that only includes other charter schools pursuant to subdivision (f) of Section 56195.1, the amount computed pursuant to Section 56836.11, as adjusted pursuant to the incidence multiplier set forth in Section 56836.155, shall be apportioned by the superintendent for each unit of average daily attendance reported pursuant to subdivision (a) of Section 56836.06.

47645. An agency reviewing a request by a charter school to participate as a local educational agency in a special education local plan area may not treat the charter school differently from the manner in which it treats a similar request made by a school district. In reviewing and approving a request by a charter school to participate as a local educational agency in a special education local plan area, a local or state agency shall ensure all of the following:

(a) The special education local plan area complies with Section 56140.

(b) The charter school participates in state and federal funding for special education and the allocation plan developed pursuant to subdivision (i) of Section 56195.7 or Section 56836.05 in the same manner as other local educational agencies of the special education local plan area.

(c) The charter school participates in governance of the special education local plan area and benefits from services provided throughout the special education local plan area, in the same manner as other local educational agencies of the special education local plan area.

47646. (a) A charter school that is deemed to be a public school of the local educational agency that granted the charter for purposes

of special education shall participate in state and federal funding for special education in the same manner as any other public school of that local educational agency. A child with disabilities attending the charter school shall receive special education instruction or designated instruction and services, or both, in the same manner as a child with disabilities who attends another public school of that local educational agency. The agency that granted the charter shall ensure that all children with disabilities enrolled in the charter school receive special education and designated instruction and services in a manner that is consistent with their individualized education program and is in compliance with the Individuals with Disabilities Education Act (20 U.S.C. Sec. 1400 et seq.) and implementing regulations.

(b) In administering the local operation of special education pursuant to the local plan established pursuant to Chapter 3 (commencing with Section 56200) of Part 30, in which the local educational agency that granted the charter participates, the local educational agency that granted the charter shall ensure that each charter school that is deemed a public school for purposes of special education receives an equitable share of special education funding and services consisting of either, or both, of the following:

(1) State and federal funding provided to support special education instruction or designated instruction and services, or both, provided or procured by the charter school that serve pupils enrolled in and attending the charter school.

(2) Any necessary special education services, including administrative and support services and itinerant services, that is provided by the local educational agency on behalf of pupils with disabilities enrolled in the charter school.

(c) In administering the local operation of special education pursuant to the local plan established pursuant to Chapter 3 (commencing with Section 56200) of Part 30, in which the local educational agency that granted the charter participates, the local educational agency that granted the charter shall ensure that each charter school that is deemed a public school for purposes of special education also contributes an equitable share of its charter school block grant funding to support districtwide special education instruction and services, including, but not limited to, special education instruction and services for pupils with disabilities enrolled in the charter school.

47647. A local educational agency reviewing a petition for the establishment or renewal of a charter school may not refuse to grant the petition solely because the charter might enroll pupils with disabilities who reside in a special education local plan area other than the special education local plan area that includes the local educational agency reviewing the petition.

Article 5. Apportionment of Funds

47650. A charter school shall be deemed to be a school district for purposes of determining the manner in which warrants are drawn on the State School Fund pursuant to Section 14041. For purposes of Section 14041, a charter school's "total amount certified" means the state aid portion of the charter school's total general-purpose entitlement and categorical block grant computed pursuant to Sections 47633 and 47634.

47651. (a) A charter school may receive the state aid portion of the charter school's total general-purpose entitlement and categorical block grant directly or through the local educational agency that either grants its charter or was designated by the State Board of Education.

(1) In the case of a charter school that elects to receive its funding directly, the warrant shall be drawn in favor of the superintendent of schools of the county in which the local educational agency that approved the charter or was designated by the State Board of Education as the oversight agency pursuant to paragraph (1) of subdivision (k) of Section 47605 is located, for deposit to the appropriate funds or accounts of the charter school in the county treasury. The county superintendent of schools is authorized to establish appropriate funds or accounts in the county treasury for each charter school.

(2) In the case of a charter school that does not elect to receive its funding directly pursuant to Section 47651, the warrant shall be drawn in favor of the superintendent of schools of the county in which the local educational agency that granted the charter is located or was designated the oversight agency by the board pursuant to paragraph (1) of subdivision (k) of Section 47605, for deposit to the appropriate funds or accounts of the local educational agency.

(3) In the case of a charter school, the charter of which was granted by the State Board of Education, but for which the board has not delegated oversight responsibilities pursuant to paragraph (1) of subdivision (k) of Section 47605, the warrant shall be drawn in favor of the superintendent of schools in the county where the local educational agency is located that initially denied the charter that was later approved by the board. The county superintendent of schools is authorized to establish appropriate funds or accounts in the county treasury for each charter school.

(b) On or before June 1 of each year, a charter school electing to receive its funding directly shall so notify the county superintendent of schools of the county in which the local educational agency that granted the charter is located or, in the case of charters for which the State Board of Education has designated an oversight agency pursuant to paragraph (1) of subdivision (k) of Section 47605, the county superintendent of schools of the county in which the designated oversight agency is located. An election to receive

funding directly shall apply to all funding that the charter school is eligible to receive including, but not limited to, the charter general-purpose entitlements and the categorical block grant computed pursuant to Sections 47633 and 47634, other state and federal categorical aid, and lottery funds.

Article 6. Computations Affecting Sponsoring Local Educational Agencies

47660. (a) For purposes of computing eligibility for, and entitlements to, general-purpose funding and funding for categorical programs, a sponsoring local educational agency's enrollment and average daily attendance shall exclude all enrollment and attendance of pupils in its charter schools.

(b) Notwithstanding subdivision (a), for purposes of computing eligibility for, and entitlements to, revenue limit funding, the average daily attendance of a unified school district, other than a unified school district that has converted all of its schools to charter status pursuant to Section 47606, shall include all attendance of pupils who attend charter schools for which the district is the sponsoring local educational agency and reside in, and would otherwise have been eligible to attend a noncharter school of, the district.

47661. Notwithstanding Section 47660, for purposes of paragraph (1) of subdivision (a) of Section 42238.5, a sponsoring school district's regular average daily attendance shall exclude all attendance of pupils in a charter school, and its second principal apportionment regular average daily attendance for the prior year shall exclude all attendance of pupils who satisfy both of the following conditions:

(a) He or she attended one or more noncharter schools of the school district between July 1 and the last day of the second period, inclusive, in the prior year.

(b) He or she attended a charter school sponsored by the school district between July 1 and the last day of the second period, inclusive, in the current year.

47662. For purposes of Section 42238, the property tax revenues received by a sponsoring local educational agency pursuant to Chapter 3.5 (commencing with Section 75) and Chapter 6 (commencing with Section 95) of Part 0.5 of the Revenue and Taxation Code shall be reduced by the amount of funding in lieu of property taxes allocated to a charter school or schools pursuant to Section 47635.

47663. (a) For a pupil of a charter school sponsored by a basic aid school district who resides in, and is otherwise eligible to attend, a school district other than a basic aid school district, the Superintendent of Public Instruction shall apportion to the sponsoring school district an amount equal to 70 percent of the revenue limit per unit of average daily attendance that would have

been apportioned to the school district that the pupil resides in and would otherwise have been eligible to attend.

(b) A district that loses basic aid status as a result of transferring property taxes to a charter school or schools pursuant to Section 47635 shall be eligible to receive a pro rata share of funding provided by subdivision (a), with the proration factor calculated as the ratio of the following:

(1) The amount of property taxes that the district receives in excess of its total revenue limit guarantee, prior to any transfers made pursuant to Section 47635.

(2) The total amount of property taxes transferred pursuant to Section 47635 to the charter school or schools that it sponsors.

(c) For purposes of this section, "basic aid school district" means a school district that does not receive from the state, for any fiscal year in which the subdivision is applied, an apportionment of state funds pursuant to subdivision (h) of Section 42238.

47664. (a) A school district in which all schools have been converted to charter schools pursuant to Section 47606, at the school district's discretion, may use the funding method provided for by this chapter. A school district that elects to have its funding determined pursuant to the method provided for by this chapter shall so notify the Superintendent of Public Instruction by June 1 prior to the affected fiscal year. Once made, an election to be funded pursuant to the method provided for by this chapter is irrevocable.

(b) In the case of a school district in which all schools have been converted to charter schools pursuant to Section 47606, and that has not elected to be funded pursuant to the method provided for by this chapter, any increase in district average daily attendance attributable to pupils who reside in, and would otherwise be eligible to attend, a district other than the district sponsoring the charter school shall be funded at the lesser of the following:

(1) The sponsoring district's own base revenue limit per unit of average daily attendance.

(2) The statewide average base revenue limit per unit of average daily attendance for districts of a similar type. For purposes of this paragraph, increases in average daily attendance shall be measured relative to the 1998–99 fiscal year or the fiscal year in which all schools in the district were converted to charter schools pursuant to Section 47606, whichever fiscal year is later.

(c) A school district in which all schools have been converted to charter schools pursuant to Section 47606 and that is the sponsoring entity for a charter school or schools that were previously funded pursuant to the method provided pursuant to this chapter shall have its base revenue limit computed as follows:

(1) The average daily attendance of the charter school or schools for the fiscal year prior to the fiscal year in which the conversion is effective shall be multiplied by the statewide average base revenue

limit per unit of average daily attendance for districts of similar type for the fiscal year in which the conversion is effective.

(2) The school district's remaining average daily attendance for the fiscal year prior to the fiscal year in which the conversion is effective shall be multiplied by the school district's base revenue limit per unit of average daily attendance for the fiscal year in which the conversion is effective.

(3) The amounts computed in paragraphs (1) and (2) shall be added and this total shall be divided by the district's total average daily attendance, including average daily attendance in charter schools for which it is the sponsoring entity, for the fiscal year prior to the fiscal year in which the conversion is effective.

SEC. 33. Section 47763.5 of the Education Code is amended to read:

47763.5. (a) In addition to funds from all other sources and subject to the limitation in subdivision (h), the Superintendent of Public Instruction shall apportion to each county office of education or school district that operates a program under this chapter three thousand dollars ($3,000) per year for each unit of average daily attendance reported at the annual apportionment for pupil attendance in a program under this chapter.

(b) The average daily attendance for a program under this chapter shall be determined by dividing the total number of days of attendance in all full school months by a divisor of 135 for the first period of each fiscal year, by a divisor of 180 for the second period of each fiscal year, and by a divisor of 250 for the annual time of each fiscal year.

(c) Subject to the limitation in subdivision (h), the Superintendent of Public Instruction shall apportion to each county office of education or school district that operates a program under this chapter a sum equal to five dollars ($5), multiplied by the total of the number of hours each schoolday that follow completion of the full instructional day, not to exceed six hours per schoolday, that each high-risk first-time offender pupil receives services, as specified in the individual case management plan pursuant to paragraph (1) of subdivision (c) of Section 47761, when those services are provided by one or more employees of one or more of the agencies that are parties to the approved plans developed pursuant to Section 47761.

(d) Subject to the limitation in subdivision (h), the Superintendent of Public Instruction shall apportion, to each county office of education or school district that operates a program under this chapter on days other than schooldays, a sum equal to five dollars ($5), multiplied by the total of the number of hours, not to exceed 10 hours per calendar day that is not a schoolday that each high-risk first-time offender pupil receives services, as specified in the individual case management plan pursuant to paragraph (1) of subdivision (c) of Section 47761, when those services are provided by

one or more employees of one or more of the agencies that are parties to the approved plans developed pursuant to Section 47761.

(e) Notwithstanding any other provision of this section, a county office of education or school district shall receive an apportionment pursuant to subdivision (c) or (d) only for days on which a high-risk first-time offender pupil was required to attend any specified setting or settings in which services are provided for a total of at least eight hours each day as specified in his or her individual case management plan developed pursuant to Section 47761.

(f) The funds provided in this chapter shall be used only for the purpose of implementing the plans determined to be eligible for funding by the Superintendent of Public Instruction pursuant to Section 47756.

(g) Notwithstanding Section 42238.18, a county office of education implementing a plan pursuant to this chapter may use funds apportioned pursuant to this chapter to provide for the services of probation officers.

(h) Notwithstanding any other provision of this section, the funding provided for in this chapter shall be apportioned only to the extent that funds are appropriated for that purpose in the annual Budget Act or other legislation, or both.

(i) Notwithstanding any other provision of law, a pupil's eligibility to attend the program for high-risk first-time offenders shall cease on the second anniversary of his or her first day of attendance in the program.

(j) Notwithstanding any other provision of this section, a county office of education or school district that operates a program under this chapter shall not be eligible to receive an apportionment pursuant to this section in excess of the product of the average number of pupils, per calendar day between July 1 and June 30, inclusive, enrolled to receive services in a program for high-risk first-time offenders, multiplied by six thousand dollars ($6,000).

(k) Notwithstanding any other provision of law, the Superintendent of Public Instruction may provide an apportionment to a county office of education or school district for startup costs, from the funds provided for the purposes of this chapter during the first year that a county office of education or a school district operates a program, if each of the following conditions is met:

(1) The county office of education or school district has submitted an application for startup funding to the Superintendent of Public Instruction by September 1, 1999, for the 1998–99 fiscal year, and for each fiscal year thereafter, not later than January 31st of the fiscal year for which startup funding is sought.

(2) The amount apportioned by the Superintendent of Public Instruction for startup funding pursuant to this subdivision may not exceed 15 percent of the county office of education's or school district's maximum permitted apportionment for the fiscal year startup funding is sought.

(3) Total funding for programs operated pursuant to this chapter, including funding for startup costs, may not exceed the recipient's maximum permitted apportionment for the fiscal year startup funding is sought.

(4) At the final apportionment for the third year of program operation, or at the final apportionment for the last year of program operation if the program operates for fewer than three years, the apportionment for a county office of education or school district operating a program under this chapter shall be reduced by the difference between the amount of startup funding apportioned pursuant to paragraph (2) and an amount equal to 15 percent of the maximum apportionment earned, for other than startup funding, in any one of the first three years of program operation.

(5) Approved startup costs may not include indirect costs, as defined in the California School Accounting Manual, or board and superintendent costs. If startup costs include personnel costs, those costs shall be documented by employee time records.

SEC. 34. Section 47771.5 of the Education Code is amended to read:

47771.5. (a) In addition to funds from all other sources and subject to the limitation in subdivision (h), the Superintendent of Public Instruction shall apportion to each county office of education or school district that operates a program under this chapter three thousand dollars ($3,000) per year for each unit of average daily attendance reported at the annual apportionment for pupil attendance in a program under this chapter.

(b) The average daily attendance for a program under this chapter shall be determined by dividing the total number of days of attendance in all full school months by a divisor of 135 for the first period of each fiscal year, by a divisor of 180 for the second period of each fiscal year, and by a divisor of 250 for the annual time of each fiscal year.

(c) Subject to the limitation in subdivision (h), the Superintendent of Public Instruction shall apportion to each county office of education or school district that operates a program under this chapter a sum equal to five dollars ($5), multiplied by the total of the number of hours each schoolday that follow completion of the full instructional day, not to exceed six hours per schoolday that each transitioning high-risk youth enrolled in a program for transitioning high-risk youth receives services, as specified in the individual case management plan pursuant to clause (i) of subparagraph (B) of paragraph (3) of subdivision (a) of Section 47766, when those services are provided by one or more employees of one or more of the agencies that are parties to the approved plans developed pursuant to Section 47766.

(d) Subject to the limitation in subdivision (h), the Superintendent of Public Instruction shall apportion, to each county office of education or school district that operates a program under

this chapter on days other than schooldays, a sum equal to five dollars ($5), multiplied by the total of the number of hours, not to exceed 10 hours per calendar day that is not a schoolday, that each transitioning high-risk youth receives services, as specified in the individual case management plan pursuant to clause (i) of subparagraph (B) of paragraph (3) of subdivision (a) of Section 47766, when those services are provided by one or more employees of one or more of the agencies that are parties to the approved plans developed pursuant to Section 47766.

(e) Notwithstanding any other provision of this section, a county office of education or school district shall receive an apportionment pursuant to subdivision (c) or (d) only for days on which a transitioning high-risk youth was required to attend any specified setting or settings in which services are provided for a total of at least eight hours each day as specified in his or her individual case management plan developed pursuant to Section 47766.

(f) The funds provided in this chapter shall be used only for the purpose of implementing the plans determined to be eligible for funding by the Superintendent of Public Instruction pursuant to Section 47756.

(g) Notwithstanding Section 42238.18, a county office of education implementing a plan pursuant to this chapter may use funds apportioned pursuant to this chapter to provide for the services of probation officers.

(h) Notwithstanding any other provision of law, the funding provided for in this chapter shall be apportioned only to the extent that funds are appropriated for that purpose in the annual Budget Act or other legislation, or both.

(i) Notwithstanding any other provision of law, a pupil's eligibility to attend a program for transitioning high-risk youth shall cease on the second anniversary of his or her first day of attendance in the program.

(j) Notwithstanding any other provision of this section, a county office of education or school district that operates a program under this chapter shall not be eligible to receive an apportionment pursuant to this section in excess of the product of the average number of pupils, per calendar day between July 1 and June 30, inclusive, enrolled to receive services in a program for transitioning high-risk youth, multiplied by five thousand dollars ($5,000).

(k) Notwithstanding any other provision of law, the Superintendent of Public Instruction may provide an apportionment to a county office of education or school district for startup costs, from the funds provided for the purposes of this chapter during the first year that a county office of education or a school district operates a program, if each of the following conditions is met:

(1) The county office of education or school district has submitted an application for startup funding to the Superintendent of Public Instruction by September 1, 1999, for the 1998–99 fiscal year, and for

each fiscal year thereafter, not later than January 31st of the fiscal year for which startup funding is sought.

(2) The amount apportioned by the Superintendent of Public Instruction for startup funding pursuant to this subdivision may not exceed 15 percent of the county office of education's or school district's maximum permitted apportionment for the fiscal year startup funding is sought.

(3) Total funding for programs operated pursuant to this chapter, including funding for startup costs, may not exceed the recipient's maximum permitted apportionment for the fiscal year startup funding is sought.

(4) At the final apportionment for the third year of program operation, or at the final apportionment for the last year of program operation if the program operates for fewer than three years, the apportionment for a county office of education or school district operating a program under this chapter shall be reduced by the difference between the amount of startup funding apportioned pursuant to paragraph (2) and an amount equal to 15 percent of the maximum apportionment earned, for other than startup funding, in any one of the first three years of program operation.

(5) Approved startup costs may not include indirect costs, as defined in the California School Accounting Manual, or board and superintendent costs. If startup costs include personnel costs, those costs shall be documented by employee time records.

SEC. 35. Section 48664 of the Education Code is amended to read:

48664. (a) (1) In addition to funds from all other sources, the Superintendent of Public Instruction shall apportion to each school district that operates a community day school four thousand dollars ($4,000) per year, and for each county office of education that operates a community day school three thousand dollars ($3,000) per year, for each unit of average daily attendance reported at the annual apportionment for pupil attendance at community day schools adjusted annually commencing with the 1999–2000 fiscal year for the inflation adjustment calculated pursuant to subdivision (b) of Section 42238.1. Average daily attendance reported for this program shall not exceed 0.375 percent of a district's prior year P2 average daily attendance in an elementary school district, 0.5 percent of a district's prior year P2 average daily attendance in a unified school district, or 0.625 percent of a district's prior year P2 average daily attendance in a high school district. The units of average daily attendance of a community day school operated by a county office of education shall not exceed the unused units of average daily attendance of the community day schools operated by the school districts within the jurisdiction of that county office of education.

(2) The Superintendent of Public Instruction may reallocate to any school district any unexpended balance of the appropriations made for the purposes of this subdivision for actual pupil attendance in excess of the percentage specified in this subdivision for the school

district in an amount not to exceed one-half of that percentage. However, the average daily attendance generated by pupils expelled pursuant to subdivision (d) of Section 48915, shall not be subject to these percentage caps on average daily attendance.

(b) The average daily attendance of a community day school shall be determined by dividing the total number of days of attendance in all full school months, by a divisor of 70 in the first period of each fiscal year, by a divisor of 135 in the second period of each fiscal year, and by a divisor of 180 at the annual time of each fiscal year.

(c) The Superintendent of Public Instruction shall apportion to each school district that operates a community day school an amount equal to four dollars ($4), multiplied by the total of the number of hours each schoolday, up to a maximum of two hours daily, that each community day school pupil remains at the community day school under the supervision of an employee of the school district, or a consortium of school districts pursuant to Section 48916.1, reporting the attendance of the pupils for apportionment funding following completion of the full six-hour instructional day.

(d) It is the intent of the Legislature that districts enter into consortia, as feasible, for the purpose of providing community day school programs. Any school district with fewer than 2,501 units of average daily attendance may request a waiver for any fiscal year of the funding limitations set forth in this section. The Superintendent of Public Instruction shall approve a waiver if he or she deems it necessary in order to permit the operation of a community day school of reasonably comparable quality to those offered in a school district with 2,501 or more units of average daily attendance. In no event shall the amount allocated pursuant to a waiver exceed the amount provided for one teacher pursuant to Section 42284, for pupils enrolled in kindergarten and grades 1 to 6, inclusive, or the amount provided for one teacher pursuant to Section 42284, for pupils enrolled in grades 7 to 12, inclusive. The provisions of this act shall not apply to any school district that applied for a waiver within the funding limits established by this subdivision but was denied funding or not fully funded.

(e) The State Department of Education shall evaluate and report to the appropriate legislative policy committees and budget committees on or before October 1, 1998, and for two years thereafter the following programmatic and fiscal issues:

(1) The number of expulsions statewide.

(2) The number of school districts operating community day schools.

(3) Status of the countywide plans as defined in Section 48926.

(4) An evaluation of the community day school average daily attendance funding percentage cap.

(5) Number of small school districts requesting and the number receiving a waiver under this section.

(6) The effect of hourly accounting under Section 48663 for purposes of receiving the additional funding under Section 48664.

(7) The number of pupils and average daily attendance served in community day programs, further identified as the number expelled pursuant to subdivision (b) of Section 48915, subdivision (d) of Section 48915, other expulsion criteria, or referred through a formal district process.

(8) Pupil outcome data and other data as required under Section 48916.1.

(9) Other programmatic or fiscal matters as determined by the State Department of Education.

(f) The additional funds provided in subdivisions (a) (c), and (d) shall only be allocated to the extent that funds are appropriated for this purpose in the annual Budget Act or other legislation, or both, except for pupils expelled pursuant to subdivision (d) of Section 48915. For pupils expelled pursuant to subdivision (d) of Section 48915, the funds apportioned under subdivision (a) are continuously appropriated from the General Fund to Section A of the State School Fund.

(g) A one-time adjustment shall be made to the amount specified in subdivision (a), for the 1998–99 fiscal year and subsequent fiscal years, by increasing that amount by the statewide average quotient resulting from dividing the average daily attendance specified in subparagraph (B) of paragraph (3) of subdivision (a) of Section 42238.8 by the amount specified in subparagraph (C) of paragraph (3) of subdivision (a) of Section 42238.8.

SEC. 36. Article 6 (commencing with Section 49080) is added to Chapter 6.5 of Part 27 of the Education Code, to read:

Article 6. California School Information Services

49080. The Legislature finds and declares that the mission of the California School Information Services is to do all of the following:

(a) Build the capacity of local education agencies to implement and maintain comparable, effective, and efficient pupil information systems that will support their daily program needs, assist local education agencies in improving the outcomes of pupils, and promote the use of information for educational decisionmaking by schoolsite, district office, and county staff.

(b) Enable the accurate and timely exchange of pupil transcripts between local education agencies and to postsecondary institutions.

(c) Assist local education agencies to transmit state and federal reports electronically to the State Department of Education, thereby reducing the reporting burden of local education agency staff.

49080.5. For the purposes of this chapter, the following definitions apply:

(a) "CSIS" means the California School Information Services established pursuant to this article.

(b) "FCMAT" means the County Office Fiscal Crisis and Management Assistance Team established pursuant to Section 42127.8.

(c) "Administrator" means the administrator of the California School Information Services.

49081. The California School Information Services is hereby established. The CSIS shall be administered by the County Office Fiscal Crisis and Management Assistance Team. FCMAT shall hire a program administrator.

49082. The Superintendent of Public Instruction shall contract with a consultant for independent project oversight. The Director of Finance and the Chief Information Officer of the Department of Information Technology shall review the request for proposals for the contract. The consultant hired to conduct the independent project oversight shall twice annually submit a written report to the Superintendent of Public Instruction, the State Board of Education, the FCMAT, the State Chief Information Office, the Director of Finance, the Legislative Analyst, and the appropriate policy and fiscal committees of the Legislature. The report shall include an evaluation of the extent to which the CSIS is meeting the mission described in Section 49080.

49082.5. The California School Information Services shall consult with technical and support staff from local education agencies, special education local plan areas, and schoolsites, the State Department of Education, the University of California, the California State University, the California Community Colleges, and parents.

49083. (a) The California School Information Services program administrator shall submit to the State Board of Education a plan to administer, coordinate, and manage the development and implementation of an electronic statewide school information system to address current problems of information exchange. The plan shall be updated with State Board of Education approval annually.

(b) The plan shall prescribe the set of statewide data elements and codes to be implemented by the California School Information Services. The data elements and codes that are prescribed to be implemented shall comply with Sections 49061 to 49079, inclusive, and Sections 49602 and 56347, with Sections 430 to 438, inclusive, of Title 5 of the California Code of Regulations, with the Information Practices Act of 1977 (Chapter 1 (commencing with Section 1798) of Title 1.8 of Part 4 of Division 3 of the Civil Code), and with the Family Education Rights and Privacy Act statute (20 U.S.C. Secs. 1232g and 1232h and related federal regulations.

(c) The plan shall prescribe the statewide standards for security of the California School Information Services. Those standards shall include, but not be limited to, processes and procedures for handling both paper and electronic data, training for staff that handle the data, administrative management of the data system, and technical measures to secure the data contained in the electronic system.

(d) The data elements and codes set forth in the plan approved by the State Board of Education, as transferred through any electronic statewide school information system, may not contain any questions of items that solicit or invite disclosure of the personal beliefs or practices of a pupil, or his or her parent or guardian, as to sex, family life, morality, or religion, nor may it contain any question designed to evaluate personal behavioral characteristics including, but not limited to, honesty, integrity, sociability, or self-esteem.

SEC. 37. Section 49545.5 is added to the Education Code, to read:

49545.5. To the extent permitted by federal law, the State Department of Education shall adopt regulations to establish eligibility requirements for participation in the child care food program and to impose penalties and sanctions for noncompliance by sponsoring organizations. This section may not be construed to prohibit the State Department of Education from terminating contracts with sponsoring organizations. The State Department of Education is authorized to establish contracts effective for periods of 12 months or less for sponsoring organizations meeting the department's high-risk profile.

SEC. 38. An article heading is added immediately preceding Section 51100 of the Education Code, to read:

Article 1. General Provisions

SEC. 39. Article 2 (commencing with Section 51120) is added to Chapter 1.5 of Part 28 of the Education Code, to read:

Article 2. Parental Involvement Grant Program

51120. (a) The Legislature finds and declares that a critical dimension of effective schooling is parental involvement. Research indicates that parental involvement in a child's education improves pupil achievement. The Legislature further finds and declares that school districts and schools, in collaboration with parents, teachers, pupils, and administrators, by establishing and developing proper efforts that enhance parental involvement, are taking a pivotal step in encouraging pupil success.

(b) It is the intent of the Legislature in enacting this article to encourage and enhance pupil achievement through parental involvement in education.

51121. (a) The Parental Involvement Grant Program is hereby established, and shall be administered by the Superintendent of Public Instruction. The Superintendent of Public Instruction shall develop, and the State Board of Education shall approve, guidelines for implementing this article, including, but not limited to, guidelines for reviewing and approving parental involvement grants.

(b) Any school district or charter school that maintains a kindergarten or any of grades 1 to 12, inclusive, may apply on behalf

of a school for funding under this article if the schoolsite council submits an application and a plan that meets the requirements set forth in subdivision (c), and certifies that a significant percentage of the parents of the pupils at the applicant school have signed the compact agreements specified in subdivision (c) and are participating in the program outlined in the school plan.

(c) The application submitted pursuant to subdivision (b) shall include the following elements:

(1) A plan for a program that facilitates significant involvement of parents in their children's education, including the terms of compact agreements formed between the teachers, pupils, and parents that require parental participation in the following areas, as articulated in the State Board of Education's policy on parent involvement adopted on September 9, 1994:

(A) At home emphasis of the importance of education and learning.

(B) Promoting communication about school programs and pupil progress.

(C) Involving parents in instructional and support roles at the school.

(D) Providing parents with strategies and techniques for assisting their children with learning activities.

(E) Preparing parents to actively participate in school decisionmaking.

(F) Providing parents with the skills to access community and support services that strengthen school programs.

(2) A plan for a coordinated effort between adult education, family literacy programs, and, where such a program is in operation, the Healthy Start program. The plan shall be consistent with existing parental involvement plans to the extent that schoolsites applying for a grant pursuant to this article are currently operating parental involvement programs pursuant to federal law.

(3) The plans described in paragraphs (1) and (2) shall include a component that facilitates contact between the teacher and parent to better meet pupil needs in achieving academic goals.

(4) To the extent necessary, the plans described in paragraphs (1) and (2) shall address a procedure for contact between teachers and parents that may take place outside of regular school hours.

(d) The plan developed by the schoolsite council shall be reviewed and approved by the governing board of the school district, or in the case of a charter school, the governing board of the local educational agency that granted the charter or was designated as the local educational agency by the State Board of Education, and shall be submitted to the State Department of Education together with the application for funding pursuant to this article.

51122. In any fiscal year in which funds are appropriated for making parental involvement grants pursuant to this article, the Superintendent of Public Instruction shall administer the application

process and shall award one-time grants, on a competitive basis, in the amount of twenty-five thousand dollars ($25,000).

SEC. 40. Section 52084 of the Education Code is amended to read:

52084. A school district's application to implement a program pursuant to this chapter shall comprise the following:

(a) Certification that the grade 9 course or the two grade 9 courses included in the program count toward completion of the graduation requirements established in subparagraph (A), (B), (C), or (D) of paragraph (1) of subdivision (a) of Section 51225.3; provided, however, that one of the courses included in the program shall be English.

(b) Certification of the number of grade 9 classes included in the program in the courses designated pursuant to subdivision (a).

(c) Certification that the classes identified pursuant to subdivision (b) in each participating school shall on the average have no more than 20 pupils per certificated teacher and no more than 22 pupils in any participating class.

(d) Certification of pupil enrollment in each class designated pursuant to subdivision (b), as determined pursuant to regulations authorized pursuant to subdivision (h). For purposes of this subdivision, the enrollment figure shall exclude both of the following:

(1) The number of special education pupils enrolled in special day classes on a full-time basis.

(2) The number of pupils enrolled in necessary small schools that receive funding pursuant to Article 4 (commencing with Section 42280) of Chapter 7 of Part 24.

(e) The district's certification shall include a statement that implementation of a class size reduction program pursuant to this chapter has not adversely affected existing class size in courses not referenced in this chapter.

(f) While it is the intent of the Legislature that this program not increase the need for additional classroom facilities, a school district may utilize any funds apportioned pursuant to Section 52086 for the purpose of leasing additional classroom space in order to reduce overcrowded classroom conditions and to reduce pupil-to-teacher ratios.

(g) Any program that includes classes in grade 10, 11, or 12 and that was funded before June 30, 1998, shall continue to be funded for those other classes unless the school district elects to eliminate that program. A school district that elects to continue to operate a class size reduction program in grades 10 to 12, inclusive, shall be eligible to receive one hundred sixty-five dollars ($165) per pupil certified pursuant to this chapter as it read on July 1, 1998, adjusted annually commencing with the 2000–01 fiscal year for the inflation adjustment calculated pursuant to subdivision (b) of Section 42238.1, except that total funding shall not exceed the amount received by the school district for the program for grades 10 to 12, inclusive, in the 1997–98 fiscal year.

(h) The Superintendent of Public Instruction shall recommend, and the State Board of Education shall adopt, regulations for the implementation of this chapter no later than October 17, 1998.

(i) The Controller shall include instructions appropriate to the enforcement of the provisions of this chapter in the audit guide required by subdivision (a) of Section 14502.

SEC. 41. Section 52086 of the Education Code is amended to read:

52086. (a) The Superintendent of Public Instruction shall apportion to each applicant district an amount equal to one hundred sixty-five dollars ($165) per unit of full-year equivalent enrollment reported pursuant to subdivision (d) of Section 52084 if the district certifies an average class size of 20 pupils and no more than 22 pupils in each participating class at each participating school, adjusted annually commencing with the 2000–01 fiscal year for the inflation adjustment calculated pursuant to subdivision (b) of Section 42238.1.

(b) Funds apportioned pursuant to this section shall not become part of a district's revenue limit, and shall be identified as a separate item of expenditure on any financial reports filed by school districts with the state pursuant to statute or regulation.

SEC. 42. Section 53031 of the Education Code is amended to read:

53031. The Superintendent of Public Instruction, with input from an advisory committee, shall evaluate the program established pursuant to this chapter on or before November 1, 2001. If funds are needed for this purpose, it is the intent of the Legislature that funds be appropriated for this purpose in the annual Budget Act.

SEC. 43. Section 56044 is added to the Education Code, to read:

56044. Notwithstanding any other provision of law, state funds may not be allocated to offset any federal funding intended for individuals with exceptional needs, as defined in Section 56026, and withheld from a local educational agency due to the agency's noncompliance with federal law.

SEC. 44. Section 56045 is added to the Education Code, to read:

56045. (a) The Superintendent of Public Instruction shall send a notice to each member of the governing board of a local education agency within 30 days of the superintendent's receipt of notification by the federal government that a local educational agency is not in compliance with the Individual's with Disabilities Education Act (20 U.S.C. Sec. 1400 et seq.) or Section 504 of the Rehabilitation Act or 1973 (29 U.S.C. Sec. 794), or when the Superintendent of Public Instruction determines that the local educational agency is not in compliance with any provision of this part. The notice shall provide a description of those services required by the statute with which the local educational agency is not in compliance.

(b) Upon receipt of the notification sent pursuant to subdivision (a), the governing board shall at a regularly scheduled public hearing address the issue of noncompliance.

SEC. 44.2. Section 56195.1 of the Education Code is amended to read:

56195.1. The governing board of a district shall elect to do one of the following:

(a) If of sufficient size and scope, under standards adopted by the board, submit to the superintendent a local plan for the education of all individuals with exceptional needs residing in the district in accordance with Chapter 3 (commencing with Section 56200).

(b) In conjunction with one or more districts, submit to the superintendent a local plan for the education of individuals with exceptional needs residing in those districts in accordance with Chapter 3 (commencing with Section 56200). The plan shall include, through joint powers agreements or other contractual agreements, all the following:

(1) Provision of a governance structure and any necessary administrative support to implement the plan.

(2) Establishment of a system for determining the responsibility of participating agencies for the education of each individual with exceptional needs residing in the special education local plan area.

(3) Designation of a responsible local agency or alternative administrative entity to perform functions such as the receipt and distribution of funds, provision of administrative support, and coordination of the implementation of the plan. Any participating agency may perform any of these services required by the plan.

(c) Join with the county office, to submit to the superintendent a local plan in accordance with Chapter 3 (commencing with Section 56200) to assure access to special education and services for all individuals with exceptional needs residing in the geographic area served by the plan. The county office shall coordinate the implementation of the plan, unless otherwise specified in the plan. The plan shall include, through contractual agreements, all of the following:

(1) Establishment of a system for determining the responsibility of participating agencies for the education of each individual with exceptional needs residing in the geographical area served by the plan.

(2) Designation of the county office, of a responsible local agency, or of any other administrative entity to perform functions such as the receipt and distribution of funds, provision of administrative support, and coordination of the implementation of the plan. Any participating agency may perform any of these services required by the plan.

(d) The service area covered by the local plan developed under subdivision (a), (b), or (c) shall be known as the special education local plan area.

(e) Nothing in this section shall be construed to limit the authority of a county office and a school district or group of school districts to enter into contractual agreements for services relating to the education of individuals with exceptional needs; provided that, except for instructional personnel service units serving infants, until

a special education local plan area adopts a revised local plan approved pursuant to Section 56836.03, the county office of education or school district that reports a unit for funding shall be the agency that employs the personnel who staff the unit, unless the combined unit rate and support service ratio of the nonemploying agency is equal to or lower than that of the employing agency and both agencies agree that the nonemploying agency will report the unit for funding.

(f) A charter school that is deemed a local educational agency for the purposes of special education pursuant to Article 4 (commencing with Section 47640) of Chapter 6 of Part 26.8 shall participate in an approved local plan pursuant to subdivision (a), (b), or (c). A charter school may submit written policies and procedures to the State Department of Education for approval by the State Board of Education, which establish compliance with the Individuals with Disabilities Education Act (20 U.S.C. Sec. 1400 et seq.), and implementing regulations, either individually, pursuant to subdivision (a) or with other charter schools pursuant to subdivision (b). The State Board of Education shall review these policies and procedures, based on the criteria established pursuant to Section 56100. Upon approval by the State Board of Education, these written policies and procedures shall become the local plan.

SEC. 44.4. Section 56203 is added to the Education Code, to read:

56203. A request by a charter school to participate as a local educational agency in a special education local plan area may not be treated differently from a similar request made by a school district. In reviewing and approving a request by a charter school to participate as a local educational agency in a special education local plan area, the following requirements shall apply:

(a) The special education local plan area shall comply with Section 56140.

(b) The charter school shall participate in state and federal funding for special education and the allocation plan developed pursuant to subdivision (i) of Section 56195.7 or Section 56836.05 in the same manner as other local educational agencies of the special education local plan area.

(c) The charter school shall participate in governance of the special education local plan area in the same manner as other local educational agencies of the special education local plan area.

SEC. 44.6. Section 56207.5 is added to the Education Code, to read:

56207.5. A request by a charter school to participate as a local educational agency in a special education local plan area may not be treated differently from a similar request made by a school district. In reviewing and approving a request by a charter school to participate as a local educational agency in a special education local plan area, the following requirements shall apply:

(a) The special education local plan area shall comply with Section 56140.

(b) The charter school shall participate in state and federal funding for special education and the allocation plan developed pursuant to subdivision (i) of Section 56195.7 or Section 56836.05 in the same manner as other local educational agencies of the special education local plan area.

(c) The charter school shall participate in governance of the special education local plan area in the same manner as other local educational agencies of the special education local plan area.

SEC. 44.8. Section 56836.06 of the Education Code is amended to read:

56836.06. For the purposes of this article, the following terms or phrases shall have the following meanings, unless the context clearly requires otherwise:

(a) "Average daily attendance reported for the special education local plan area" means the total of the following:

(1) The total number of units of average daily attendance reported for the second principal apportionment pursuant to Section 41601 for all pupils enrolled in the district or districts that are a part of the special education local plan area.

(2) The total number of units of average daily attendance reported pursuant to subdivisions (a) and (b) of Section 41601 for all pupils enrolled in schools operated by the county office or offices that compose the special education local plan area, or for those county offices that are a part of more than one special education local plan area, that portion of the average daily attendance of pupils enrolled in the schools operated by the county office that are under the jurisdiction of the special education local plan area.

(b) For the purposes of computing apportionments pursuant to this chapter for the special education local plan area identified as the Los Angeles County Juvenile Court and Community School/Division of Alternative Education Special Education Local Plan Area, the term "average daily attendance" shall mean the total number of units of average daily attendance reported for the second principal apportionment pursuant to subdivisions (a) and (b) of Section 41601 for all pupils enrolled in districts within Los Angeles County and all schools operated by the Los Angeles County Office of Education and the districts within Los Angeles County.

(c) "Special education local plan area" includes the school district or districts and county office or offices of education composing the special education local plan area.

(d) "The fiscal year in which equalization among special education local plan areas has been achieved" means the first fiscal year in which each special education local plan area is funded at or above the statewide target amount per unit of average daily attendance, as computed pursuant to Section 56836.11.

(e) For a charter school deemed a local educational agency for the purposes of special education, an amount equal to the amount computed pursuant to Section 56836.08 for the special education local plan area in which the charter school is included shall be apportioned by the State Department of Education pursuant to the local allocation plan developed pursuant to subdivision (i) of Section 56195.7 or 56836.05, or both. If the charter school is a participant in a local plan which only includes other charter schools pursuant to subdivision (f) of Section 56195.1, the amount computed pursuant to Section 56836.11, as adjusted for any amount for which the special education local plan area is eligible pursuant to the incidence multiplier set forth in Section 56836.155, shall be apportioned by the department pursuant for each unit of average daily attendance reported pursuant to subdivision (a).

SEC. 45. Section 56836.08 of the Education Code is amended to read:

56836.08. (a) For the 1998–99 fiscal year, the superintendent shall make the following computations to determine the amount of funding for each special education local plan area:

(1) Add the amount of funding per unit of average daily attendance computed for the special education local plan area pursuant to paragraph (1) of subdivision (a) of Section 56836.10 to the inflation adjustment computed pursuant to subdivision (d) for the 1998–99 fiscal year.

(2) Multiply the amount computed in paragraph (1) by the units of average daily attendance reported for the special education local plan area for the 1997–98 fiscal year, exclusive of average daily attendance for absences excused pursuant to subdivision (b) of Section 46010, as that subdivision read on July 1, 1996.

(3) Add the actual amount of the equalization adjustment, if any, computed for the 1998–99 fiscal year pursuant to Section 56836.14 to the amount computed in paragraph (2).

(4) Add or subtract, as appropriate, the adjustment for growth computed pursuant to Section 56836.15 from the amount computed in paragraph (3).

(b) For the 1999–2000 fiscal year and each fiscal year thereafter, the superintendent shall make the following computations to determine the amount of funding for each special education local plan area for the fiscal year in which the computation is made:

(1) Add the amount of funding per unit of average daily attendance computed for the special education local plan area for the prior fiscal year pursuant to Section 56836.10 to the inflation adjustment computed pursuant to subdivision (d) for the fiscal year in which the computation is made.

(2) Multiply the amount computed in paragraph (1) by the units of average daily attendance reported for the special education local plan area for the prior fiscal year.

(3) Add the actual amount of the equalization adjustment, if any, computed for the special education local plan area for the fiscal year in which the computation is made pursuant to Section 56836.14 to the amount computed in paragraph (2).

(4) Add or subtract, as appropriate, the adjustment for growth or decline in enrollment, if any, computed for the special education local plan area for the fiscal year in which the computation is made pursuant to Section 56836.15 from the amount computed in paragraph (3).

(c) For the 1998–99 fiscal year and each fiscal year thereafter, the superintendent shall make the following computations to determine the amount of General Fund moneys that the special education local plan area may claim:

(1) Add the total of the amount of property taxes for the special education local plan area pursuant to Section 2572 for the fiscal year in which the computation is made to the amount of federal funds allocated for the purposes of paragraph (1) of subdivision (a) of Section 56836.09 for the fiscal year in which the computation is made.

(2) Add the amount of funding computed for the special education local plan area pursuant to subdivision (a) for the 1998–99 fiscal year, and commencing with the 1999–2000 fiscal year and each fiscal year thereafter, the amount computed for the fiscal year in which the computations were made pursuant to subdivision (b) to the amount of funding computed for the special education local plan area pursuant to Article 3 (commencing with Section 56836.16).

(3) Subtract the sum computed in paragraph (1) from the sum computed in paragraph (2).

(d) For the 1998–99 fiscal year and each fiscal year thereafter, the superintendent shall make the following computations to determine the inflation adjustment for the fiscal year in which the computation is made:

(1) For the 1998–99 fiscal year, multiply the sum of the statewide target amount per unit of average daily attendance for special education local plan areas for the 1997–98 fiscal year computed pursuant to paragraph (3) of subdivision (a) of Section 56836.11 and the amount determined pursuant to paragraph (e) of Section 56836.155 for the 1997–98 fiscal year that corresponds to the amount determined pursuant to paragraph (1) of subdivision (d) of Section 56836.155 by the inflation adjustment computed pursuant to Section 42238.1 for the 1998–99 fiscal year.

(2) For the 1999–2000 fiscal year and each fiscal year thereafter, multiply the sum of the statewide target amount per unit of average daily attendance for special education local plan areas for the prior fiscal year computed pursuant to Section 56836.11 and the amount determined pursuant to paragraph (1) of subdivision (d) of Section 56836.155 for the prior fiscal year by the inflation adjustment computed pursuant to Section 42238.1 for the fiscal year in which the computation is made.

(3) For the purposes of computing the inflation adjustment for the special education local plan area identified as the Los Angeles County Juvenile Court and Community School/Division of Alternative Education Special Education Local Plan Area for the 1998–99 fiscal year and each fiscal year thereafter, the superintendent shall multiply the amount of funding per unit of average daily attendance computed for that special education local plan area for the prior fiscal year pursuant to Section 56836.10 by the inflation adjustment computed pursuant to Section 42238.1 for the fiscal year in which the computation is being made.

(e) For the 1998–99 fiscal year and each fiscal year thereafter to and including the 2002–03 fiscal year, the superintendent shall perform the calculation set forth in Section 56836.155 to determine the adjusted entitlement for the incidence of disabilities for each special education local plan area, but this amount shall not be used in the next fiscal year to determine the base amount of funding for each special education local plan area for the current fiscal year, except as specified in this article.

SEC. 46. Section 56836.15 of the Education Code is amended to read:

56836.15. (a) In order to mitigate the effects of any declining enrollment, commencing in the 1998–99 fiscal year, and each fiscal year thereafter, the superintendent shall calculate allocations to special education local plan areas based on the average daily attendance reported for the special education local plan area for the fiscal year in which the computation is made or the prior fiscal year, whichever is greater. However, the prior fiscal year average daily attendance reported for the special education local plan area shall be adjusted for any loss or gain of average daily attendance reported for the special education local plan area due to a reorganization or transfer of territory in the special education local plan area.

(b) For the 1998–99 fiscal year only, the prior year average daily attendance used in this section shall be the 1997–98 average daily attendance reported for the special education local plan area, exclusive of average daily attendance for absences excused pursuant to subdivision (b) of Section 46010, as that section read on July 1, 1996.

(c) If in the fiscal year for which the computation is made, the number of units of average daily attendance upon which allocations to the special education local plan area are based is greater than the number of units of average daily attendance upon which allocations to the special education local plan area were based in the prior fiscal year, the special education local plan area shall be allocated a growth adjustment equal to the product determined by multiplying the amounts determined under paragraphs (1) and (2).

(1) The statewide target amount per unit of average daily attendance for special education local plan areas determined pursuant to Section 56836.11, added to the amount determined in paragraph (1) of subdivision (d) of Section 56836.155.

(2) The difference between the number of units of average daily attendance upon which allocations to the special education local plan area are based for the fiscal year in which the computation is made and the number of units of average daily attendance upon which allocations to the special education local plan area were based for the prior fiscal year.

(d) If in the fiscal year for which the computation is made, the number of units of average daily attendance upon which allocations to the special education local plan area are based is less than the number of units of average daily attendance upon which allocations to the special education local plan area were based in the prior fiscal year, the special education local plan area shall receive a funding reduction equal to the product determined by multiplying the amounts determined under paragraphs (1) and (2):

(1) The amount of funding per unit of average daily attendance computed for the special education local plan area for the prior fiscal year.

(2) The difference between the number of units of average daily attendance upon which allocations to the special education local plan area are based for the fiscal year in which the computation is made and the number of units of average daily attendance upon which allocations to the special education local plan area were based for the prior fiscal year.

(e) If, in the fiscal year for which the computation is made, the number of units of average daily attendance upon which the allocations to the special education local plan area identified as the Los Angeles County Juvenile Court and Community School/Division of Alternative Education Special Education Local Plan Area are based is greater than the number of units of average daily attendance upon which the allocations to that special education local plan area were based in the prior fiscal year, that special education local plan area shall be allocated a growth adjustment equal to the product determined by multiplying the amounts determined under paragraphs (1) and (2).

(1) The amount of funding per unit of average daily attendance computed for the special education local plan area for the prior fiscal year pursuant to Section 56836.10 multiplied by one plus the inflation adjustment computed pursuant to Section 42238.1 for the fiscal year in which the computation is being made.

(2) The difference between the number of units of average daily attendance upon which allocations to the special education local plan area are based for the fiscal year in which the computation is made and the number of units of average daily attendance upon which allocations to the special education local plan area were based for the prior fiscal year.

SEC. 47. Section 60605 of the Education Code is amended to read:

60605. (a) (1) (A) Not later than January 1, 1998, the State Board of Education shall adopt statewide academically rigorous

content standards, pursuant to the recommendations of the Commission for the Establishment of Academic Content and Performance Standards, in the core curriculum areas of reading, writing, and mathematics to serve as the basis for assessing the academic achievement of individual pupils and of schools, school districts, and the California education system. Not later than November 1, 1998, the State Board of Education shall adopt these standards in the core curriculum areas of history/social science and science. The performance standards and the assessments described in subdivision (c) may be developed concurrently, and shall be based on the content standards adopted by the board pursuant to this section.

(B) Not later than July 15, 2000, the board shall adopt statewide performance standards in the core curriculum areas of reading, writing, mathematics, history-social science, and science based on the recommendations made by a contractor or contractors. Not later than November 15, 2000, the board shall complete the adoption of the portion of the pupil assessments described in subdivision (c) in the core curriculum areas of reading, writing, mathematics, history-social science, and science.

(C) In specifying timeframes for deliverables in the request for proposal developed pursuant to subdivision (i), the State Board of Education shall require the contractor or contractors to submit performance standards to the board not later than a specified date that allows sufficient opportunity for the board to conduct regional hearings prior to the adoption of the performance standards by the dates specified in subparagraph (B).

(2) (A) The State Board of Education may modify any proposed content standards or performance standards prior to adoption and may adopt content and performance standards in individual core curriculum areas as those standards are submitted to the board by the commission or the contractor. The performance standards shall be established against specific grade level benchmarks of academic achievement for each subject area tested and shall be based on the knowledge and skills that pupils will need in order to succeed in the information-based, global economy of the 21st century. These skills shall not include personal behavioral standards or skills, including, but not limited to, honesty, sociability, ethics, or self-esteem. The standards adopted pursuant to this section shall be for the purpose of guiding state decisions regarding the development, adoption, and approval of assessment instruments pursuant to this chapter and shall not be construed to mandate any actions or activities by school districts.

(B) Because these standards are models, the adoption of these standards is not subject to the Administrative Procedure Act. This subparagraph is declaratory of existing law.

(3) Prior to the adoption of academic content and performance standards, the board shall hold regional hearings for the purpose of

giving parents and other members of the public the opportunity to comment on the proposed standards.

(b) (1) The State Board of Education shall require the State Department of Education to notify publishers of the opportunity to submit, for consideration by the State Board of Education pursuant to Section 60642, tests of achievement that include all of the basic academic skills identified in subdivision (c) of Section 60603 in grades 2 to 8, inclusive, and the core curriculum areas identified in subdivision (e) of Section 60603 in grades 9 to 11, inclusive.

(2) On or before October 31, 1997, the Superintendent of Public Instruction shall recommend to the State Board of Education which achievement test to adopt pursuant to subdivision (b) of Section 60642.

(c) (1) The State Board of Education shall adopt an assessment instrument that meets the objectives of Section 60602 and that yields valid, reliable estimates of school performance, school district performance, and statewide performance of pupils that, in grades 4, 5, 8, and 10, assess basic academic skills and incorporate the use of direct writing assessment and other assessments of applied academic skills.

(2) The State Board of Education shall annually require that each school district administer the statewide assessment pursuant to this subdivision to all pupils in grades 4, 5, 8, and 10. The core curriculum areas shall be addressed by that assessment. Notwithstanding any other provision of law, the assessment provided for under this subdivision shall address, in grade 4, only reading, written expression, and mathematics, and, in grade 5, only history/social science and science. Pupils in a given school shall be administered a portion of all subjects of the assessment that will be representative of all the assessment objectives, goals, and categories of items on the entire assessment in a manner that will produce results that are valid and reliable at the school and school district level. The State Department of Education may provide assistance to school districts in the implementation of the assessment established pursuant to this subdivision.

(3) Nothing in this subdivision shall be construed to prevent the State Board of Education from developing or adopting an assessment instrument that also contains assessments of basic academic skills.

(d) The State Board of Education shall adopt assessments pursuant to subdivision (c) that are aligned with the statewide content and performance standards adopted pursuant to subdivision (a). The State Board of Education shall not adopt an assessment pursuant to subdivision (c) for any core curriculum area until the statewide content standards for that core curriculum area have been adopted by the board pursuant to subdivision (a). The State Board of Education shall not award contracts for the development of performance standards and assessments pursuant to subdivision (c)

for any core curriculum area until after adoption of statewide content standards for that core curriculum area.

(e) After the adoption of the statewide content standards, the State Board of Education shall review the achievement test designated pursuant to Section 60642 for conformance with these statewide standards.

(f) After the adoption of the statewide content and performance standards, the State Board of Education shall review the existing curriculum frameworks for conformity with the new statewide standards and shall modify the curriculum frameworks where appropriate to bring them into alignment with the standards.

(g) The State Board of Education shall adopt regulations for the conduct and administration of the testing and assessment program.

(h) The State Board of Education shall adopt a regulation for minimum security procedures that test and assessment publishers and school districts must follow to ensure the security and integrity of test and assessment questions and materials.

(i) Following consideration of recommendations of the Superintendent of Public Instruction, the State Board of Education shall award a contract or contracts to develop performance standards pursuant to subdivision (a) and instruments to be used for the purposes of subdivision (c), according to competitive bidding procedures.

(1) As part of this process, the board may convene an advisory panel composed of nationally recognized experts in pupil assessment. Two members of the panel shall be selected from a list of at least 10 nominees of the Superintendent of Public Instruction. This panel, if convened, shall assist the board in the preparation of the request or requests for proposals to develop performance standards and instruments for use as assessments of applied academic skills and in the review and rating of proposals that are submitted. The panel shall also assist the board in determining methods of ensuring that the achievement test designated pursuant to Section 60642 meets the requirements of Section 60644. The State Department of Education shall provide any necessary staff support for the work of the advisory committee.

(2) Any contractor to whom a contract is awarded pursuant to this subdivision shall assure that parents, classroom teachers, administrators, school district governing board members, and the general public are actively involved in the development of any assessment instruments.

(3) For the purposes of making the computations required by Section 8 of Article XVI of the California Constitution, appropriations made for the payment of contracts awarded pursuant to this subdivision shall be deemed to be "General Fund revenues appropriated for school districts," as defined in subdivision (c) of Section 41202, for the applicable fiscal year, and included within the "total allocations to school districts and community college districts

from General Fund proceeds of taxes appropriated pursuant to Article XIII B," as defined in subdivision (e) of Section 41202, for that fiscal year.

(j) (1) Not less than 60 days before adoption of the statewide pupil assessment pursuant to subdivision (c), the State Board of Education shall make the proposed assessment available for inspection by the public. The board shall adopt any proposed amendments or modifications to the assessment before this public inspection period so that the materials available for inspection are the same materials that the board shall consider for final adoption. This provision applies to subsequent amendments or modifications of the examination in addition to the initial adoption. The proposed assessment shall be available for inspection by the public for a reasonable period of time.

(2) The assessment adopted pursuant to subdivision (c) shall be available for inspection at each county superintendent of schools' office and within each school district at a centrally located site selected by the governing board of each school district. The governing board may also make the assessment available for public inspection at other locations within the school district. An assessment may not be copied or taken from the inspection site.

SEC. 48. Section 60640 of the Education Code is amended to read:

60640. (a) There is hereby established the Standardized Testing and Reporting Program, to be known as the STAR Program.

(b) Commencing in the 1997–98 fiscal year and each fiscal year thereafter, and from the funds available for that purpose, each school district, charter school, and county office of education shall administer to each of its pupils in grades 2 to 11, inclusive, before May 15, the achievement test designated by the State Board of Education pursuant to Section 60642.

(c) The publisher and the school district shall provide two makeup days for the testing of previously absent pupils no later than May 25.

(d) The governing board of the school district may administer achievement tests in kindergarten, and grade 1 or 12, or both, as it deems appropriate.

(e) Individuals with exceptional needs who have an explicit provision in their individualized education program that exempts them from the testing requirement of subdivision (b) shall be so exempt.

(f) At the school district's option, pupils of limited English proficiency who are enrolled in any of grades 2 to 11, inclusive, may take a second achievement test in their primary language. Primary language tests administered pursuant to this subdivision and subdivision (g) shall be subject to the requirements of subdivisions (b), (c), (d), and (e) of Section 60641. These primary language tests shall produce individual pupil scores that are valid and reliable. Notwithstanding any other provision of law, the State Board of Education shall designate for use, as part of this program, a single

primary language test in each language for which such a test is available for grades 2 to 11, inclusive, no later than November 14, 1998, pursuant to the process used for designation of the assessment chosen in the 1997–98 fiscal year, as specified in Section 60642 and 60643, as applicable.

(g) In addition to the test required by subdivision (b), pupils of limited English proficiency who are enrolled in any of grades 2 to 11, inclusive, shall be required to take a test in their primary language if such a test is available, if less than 12 months have elapsed after their initial enrollment in any public school in the state.

(h) The Superintendent of Public Instruction shall apportion funds to enable school districts to meet the requirements of subdivisions (b), (f), and (g). The State Board of Education shall establish the amount of funding to be apportioned. An adjustment to the amount of funding to be apportioned per test may not be valid without the approval of the Director of Finance. A request for approval of an adjustment to the amount of funding to be apportioned per test shall be submitted in writing to the Director of Finance and the chairpersons of the fiscal committees of both houses of the Legislature with accompanying material justifying the proposed adjustment. The Director of Finance is authorized to approve only those adjustments related to activities required by statute. The Director of Finance shall approve or disapprove the amount within 30 days of receipt of the request and shall notify the chairpersons of the fiscal committees of both houses of the Legislature of the decision.

(i) For the purposes of making the computations required by Section 8 of Article XVI of the California Constitution, the appropriation for the apportionments made pursuant to subdivision (g) shall be deemed to be "General Fund revenues appropriated for school districts," as defined in subdivision (c) of Section 41202 of the Education Code, for the applicable fiscal year, and included within the "total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B," as defined in subdivision (e) of Section 41202 of the Education Code, for that fiscal year.

(j) As a condition to receiving an apportionment pursuant to subdivision (h), a school district shall report to the superintendent all of the following:

(1) The number of pupils enrolled in the school district in grades 2 to 11, inclusive.

(2) The number of pupils to whom an achievement test was administered in grades 2 to 11, inclusive, in the school district.

(3) The number of pupils in paragraph (1) who were exempted from the test pursuant to subdivision (e) of Section 60640.

(4) The number of pupils in paragraph (1) who were exempted from the test at the request of their parents or guardians.

SEC. 49. Section 60643 of the Education Code is amended to read:

60643. (a) To be eligible for consideration under Section 60642 by the State Board of Education, test publishers shall agree in writing each year to meet the following requirements, if selected:

(1) Post a performance bond in an amount to be determined by the State Board of Education.

(2) Enter into a standard agreement with all school districts in the state that includes a payment schedule and conditions prescribed by the State Board of Education.

(3) Align the achievement test to the academically rigorous content and performance standards adopted by the State Board of Education.

(4) Comply with subdivisions (c) and (d) of Section 60645.

(5) Provide individual pupil scores to parents or guardians, teachers, and school administrators.

(6) Provide aggregate scores to teachers, administrators, governing boards of school districts, county boards of education, and the State Department of Education in all of the following forms and formats:

(A) Grade level.

(B) School level.

(C) District level.

(D) Countywide.

(E) Statewide.

(F) Comparison of statewide scores relative to other states.

(7) Provide disaggregated scores, based on limited-English-proficient status and non-limited-English-proficient status. For purposes of this section, pupils with "non-limited-English-proficient status" shall include the total of those pupils who are English-only pupils, fluent-English proficient pupils, and redesignated fluent-English proficient pupils. These scores shall be provided to teachers, administrators, governing boards of school districts, county boards of education, and the State Department of Education in the same form and formats listed in paragraph (6).

(8) Provide disaggregated scores by pupil gender and provide disaggregated scores based on whether pupils are economically disadvantaged or not. These disaggregated scores shall be in the same form and formats as listed in paragraph (6). In any one year, the disaggregation shall entail information already being collected by school districts, county offices of education, or charter schools.

(9) Provide disaggregated scores for pupils who have individualized education programs and have enrolled in special education, to the extent required by federal law. These scores shall be provided in the same forms and formats listed in paragraph (6). This section may not be construed to exclude the scores of special education pupils from any state or federal accountability system.

(10) Provide information listed in paragraphs (6), (7), (8), and (9) to the State Board of Education and to the recipients listed in

paragraph (6), in hard copy and in an electronic medium compatible for access through the Internet.

(b) It is the intent of the Legislature that the publisher work with the Superintendent of Public Instruction and the State Board of Education in developing a methodology to disaggregate statewide scores as required in paragraphs (7) and (8) of subdivision (a), and in determining which variable indicated on the STAR testing document shall serve as a proxy for "economically disadvantaged" status pursuant to paragraph (8).

(c) Access to any information about individual pupils or their families shall be granted to the publisher only for purposes of correctly associating test results with the pupils who produced those results or for reporting and disaggregating test results as required by this section. School districts are prohibited from excluding a pupil from the test if a parent or parents decline to disclose income. Nothing in this chapter shall be construed to abridge or deny rights to confidentiality contained in the Family Educational Rights and Privacy Act of 1974 (20 U.S.C. Sec. 1232g) or other applicable provisions of state and federal law that protect the confidentiality of information collected by educational institutions.

(d) Notwithstanding any other provision of law, the publisher of the achievement test designated pursuant to Section 60642 shall comply with all of the conditions and requirements enumerated in subdivision (a) to the satisfaction of the State Board of Education.

(e) (1) The State Department of Education is hereby authorized to develop a standard agreement, subject to the approval of the State Board of Education, that all school districts and the test publisher shall be required to use. The agreement shall contain provisions for withholding full or partial payments for individual components of test administration, including, but not limited to, test development, publication, administration, scoring, test security, data aggregation, analysis, reporting, or electronic transmission. The standard agreement shall specify the exact reports and data files that are to be provided to the district by the publisher, and the number of copies of each report or file to be provided. The State Department of Education shall also specify in the standard agreement that all reports and files must be certified by the district as complete and accurate before final payment to the publisher from the district. The State Department of Education shall specify in the standard agreement that final payments or portions thereof by school districts or any agent of the State of California shall be withheld until the Superintendent of Public Instruction notifies all school districts that the test administration is completed for the academic year and the State Board of Education has made a determination pursuant to paragraph (2) or (3). The Superintendent of Public Instruction shall notify school districts as required by this subdivision within seven work days after receiving instruction from the State Board of Education.

(2) If satisfied that the publisher has met the requirements of subdivision (a), and that the State Department of Education and the State Board of Education have received complete statewide data, to the satisfaction of the board, reported in the manner prescribed by this section, the State Board of Education shall determine that all school districts may make final payments to the publisher.

(3) If the State Board of Education is not satisfied that the publisher has met all of the requirements of subdivision (a) or any of the individual components of test administration, the board may authorize partial payment. The State Board of Education may adopt regulations establishing a process for partial payments to the test publisher by school districts.

(f) The State Board of Education shall consider the performance of publishers no later than July 31 following the test administration for purposes of making appropriate determinations pursuant to the standard agreement authorized pursuant to this section. Any failure of the test publisher to meet the terms of the standard agreement or other requirements of this section that is caused by a school district's failure to fulfill its obligations shall not be deemed cause for a determination adverse to the test publisher under this subdivision.

SEC. 50. Section 60643.5 is added to the Education Code, to read:

60643.5. (a) A school shall be reimbursed by the test publisher selected pursuant to this article for any unexpected expenses incurred due to scheduling changes that resulted from the late delivery of testing materials in connection with the STAR program.

(b) The State Board of Education shall adopt necessary changes to the standard agreement adopted pursuant to Section 60643 to provide for the reimbursement required by subdivision (a) to ensure timely delivery of testing materials to all schools.

(c) The State Department of Education shall monitor and report to the State Board of Education regarding the publisher's production, processing, and delivery system to ensure that a timely delivery of testing materials to all schools occurs during the 1999–2000 testing cycle.

SEC. 51. Section 60810 of the Education Code is amended to read:

60810. (a) (1) The Superintendent of Public Instruction shall review existing tests that assess the English language development of pupils whose primary language is a language other than English. The tests shall include, but not be limited to, an assessment of achievement of these pupils in English reading, speaking, and written skills. The superintendent shall determine which tests, if any, meet the requirements of subdivisions (b) and (c). If any existing test or series of tests meets these criteria, the superintendent, with approval of the State Board of Education, shall report to the Legislature on its findings and recommendations.

(2) If no suitable test exists, the superintendent shall explore the option of a collaborative effort with other states to develop a test or series of tests and share test development costs. If no suitable test

exists, the superintendent, with approval of the State Board of Education, may contract with a local education agency to develop a test or series of tests that meets the criteria of subdivisions (b) and (c) or may contract to modify an existing test or series of tests so that it will meet the requirements of subdivisions (b) and (c).

(3) Not later than August 15, 1999, the Superintendent of Public Instruction and the State Board of Education shall release a request for proposals for the development of the test or series of tests required by this subdivision. Not later than September 15, 1999, the State Board of Education shall select a contractor or contractors for the development of the test or series of tests required by this subdivision, to be available for administration during the 2000–01 school year.

(b) The test or series of tests developed or acquired pursuant to subdivision (a) shall have sufficient range to assess pupils in kindergarten and grades 1 to 12, inclusive, in English reading, speaking, and written skills, except that pupils in kindergarten and grade 1 shall be assessed in reading and written communication only to the extent that comparable standards and assessments in English and language arts are used for native speakers of English.

(c) The test or series of tests shall meet all of the following requirements:

(1) Provide sufficient information about pupils at each grade level to determine levels of proficiency ranging from no English proficiency to fluent English proficiency with at least two intermediate levels.

(2) Have psychometric properties of reliability and validity deemed adequate by technical experts.

(3) Be capable of administration to pupils with any primary language other than English.

(4) Be capable of administration by classroom teachers.

(5) Yield scores that allow comparison of a pupil's growth over time, can be tied to readiness for various instructional options, and can be aggregated for use in the evaluation of program effectiveness.

(6) Not discriminate on the basis of race, ethnicity, or gender.

(7) Be aligned with the standards for English language development adopted by the State Board of Education pursuant to Section 60811.

(d) The test shall be used for the following purposes:

(1) To identify pupils who are limited English proficient.

(2) To determine the level of English language proficiency of pupils who are limited English proficient.

(3) To assess the progress of limited-English-proficient pupils in acquiring the skills of listening, reading, speaking, and writing in English.

SEC. 52. Section 60811 of the Education Code is amended to read:

60811. Not later than July 1, 1999, the State Board of Education shall approve standards for English language development for pupils

whose primary language is a language other than English. The standards shall be comparable in rigor and specificity to the standards for English language arts adopted pursuant to Section 60605.

SEC. 53. Section 84750 of the Education Code is amended to read:

84750. The board of governors, in accordance with the statewide requirements contained in subdivisions (a) to (j), inclusive, and in consultation with institutional representatives of the California Community Colleges and statewide faculty and staff organizations, so as to ensure their participation in the development and review of policy proposals, shall develop criteria and standards for the purposes of making the annual budget request for the California Community Colleges to the Governor and the Legislature, and for the purpose of allocating the state general apportionment revenues, beginning with the budget request for the 1991–92 fiscal year.

In developing the criteria and standards, the board of governors shall utilize and strongly consider the guidelines and work products of the Task Force on Community College Financing as established pursuant to Chapter 1465 of the Statutes of 1986, and shall complete the development of these criteria and standards, accompanied by the necessary procedures, processes, and formulas for utilizing its criteria and standards, by March 1, 1990, and shall submit on or before that date a report on these items to the Legislature and the Governor.

The board of governors shall develop the criteria and standards within the following statewide minimum requirements:

(a) The calculations of each community college district's revenue level for each fiscal year shall be based on the level of general apportionment revenues (state and local) the district received for the prior year plus any amount attributed to a deficit of minimum workload growth, with revenue adjustments being made for increases or decreases in workload, for program improvement as authorized by this section or by any other provision of law, for inflation, and for other purposes authorized by law.

(b) (1) For credit instruction, the funding mechanism developed pursuant to this section shall recognize the needs among the major categories of operation of community colleges, with categories established for instruction, instructional services and libraries, student services, maintenance and operations, and institutional support.

(2) The board of governors may propose to the Legislature, for enactment by statute, other cost categories when adequate data exist.

(3) Funding for noncredit classes shall be determined as follows:

(A) The preliminary amount per noncredit full-time equivalent student (FTES) for 1991–92 shall be equal to the comparable amount for 1990–91 with increases corresponding to the cost of living adjustment (COLA) specified in subdivision (e) and corresponding to any program improvement provided to the maintenance and operations category for 1991–92.

(B) Funds for maintenance and operations shall be included in the funds derived under paragraph (4) of subdivision (c).

(C) Funds for institutional support will be derived as part of the computation under paragraph (5) of subdivision (c).

(D) From the preliminary amount described in subparagraph (A), a deduction shall be made corresponding to the amounts derived in subparagraphs (B) and (C), and the remainder shall be the funded amount per noncredit FTES for 1991–92.

(E) Changes in noncredit FTES shall result in adjustments to revenues as follows:

(i) Increases in noncredit FTES shall result in an increase in revenues in the year of the increase and at the average rate per noncredit FTES.

(ii) Decreases in noncredit FTES shall result in a revenue reduction as follows:

(I) District revenue shall be adjusted at the average rate per noncredit FTES.

(II) Revenue adjustments shall be over a three-year period beginning in the year following the initial year of decrease in noncredit FTES.

(iii) Districts shall be entitled to restore any reductions in apportionment revenue due to decrease in noncredit FTES during the three years following the initial year of decrease in noncredit FTES if there is a subsequent increase in FTES.

(4) Except as otherwise provided by statute, current categorical programs providing direct services to students, including extended opportunity programs and services, and disabled students programs and services, shall continue to be funded separately through the annual Budget Act, and shall not be assumed under budget formulas of program-based funding.

(5) District revenues shall be determined based on systemwide funding standards within the categories, and revenue adjustments shall occur based on distinct measures of workload applicable to each category.

(c) Workload measures applicable to each category shall be established with the following measures to be provided:

(1) For credit instruction, the workload measure shall be the credit FTES. Changes in credit FTES shall result in adjustments in revenues as follows:

(A) Increases in FTES shall result in an increase in revenues in the year of the increase and at the statewide average per FTES.

(B) Decreases in FTES shall result in a revenue reduction as follows:

(i) High revenue districts (those at the statewide average or higher) shall be adjusted at the statewide average per FTES.

(ii) Low revenue districts (those below the statewide average) shall be adjusted at one-half of the district's average per FTES.

(iii) Revenue adjustments shall be made over a three-year period beginning in the year following the initial year of decrease in FTES.

(C) Districts shall be entitled to restore any reductions in apportionment revenue due to decrease in FTES during the three years following the initial year of decrease in FTES if there is a subsequent increase in FTES.

(2) For instructional services and libraries, the workload measure shall be the credit FTES. Changes in credit FTES with respect to instructional services and libraries shall result in adjustments to revenues as follows:

(A) Increases in FTES shall result in an increase in revenues in the year of the increase and at the statewide average rate per FTES.

(B) Decreases in FTES shall result in a revenue reduction as follows:

(i) High revenue districts (those at the statewide average or higher) shall be adjusted at the full amount of the statewide average per FTES.

(ii) Low revenue districts (those below the statewide average) shall be adjusted at one-half of the district's average per FTES.

(iii) Revenue adjustments shall be made over a three-year period beginning in the year following the initial year of decrease in FTES.

(C) Districts shall be entitled to restore any reductions in apportionment revenue due to decreases in FTES during the three years following the initial year of decreases in FTES if there is a subsequent increase in FTES.

(3) For student services, the workload measure shall be based on the numbers of credit students enrolled (headcount).

Changes in headcount shall result in adjustments to revenues as follows:

(A) Increases in headcount shall result in an increase in revenues in the year of the increase at the statewide average per headcount.

(B) Decreases in headcount shall result in a revenue reduction as follows:

(i) High revenue districts (those at the statewide average or higher) shall be adjusted at the full amount of the statewide average per headcount.

(ii) Low revenue districts (those below the statewide average) shall be adjusted at one-half of the district's average per headcount.

(iii) Revenue adjustments shall be made over a three-year period beginning in the year following the initial year of decrease in headcount.

(C) Districts shall be entitled to restore any reductions in apportionment revenue due to decrease in headcount during the three years following the initial year of decrease in headcount if there is a subsequent increase in headcount.

(4) For maintenance and operations, the workload measure shall be based on the number of square feet of owned or leased facilities. Changes in the number of square feet shall be adjusted as follows:

(A) Increases in the number of square feet shall result in an increase in revenue in the year that the increase occurs and at the average per square foot.

(B) Decreases in the number of square feet shall result in a decrease in revenue beginning July 1 of the first full year in which the square feet are no longer owned or leased and at the average rate per square foot.

(5) For institutional support, a single fixed percentage which shall apply to all districts shall be established based on the pattern from the most recent data. The percentage shall be obtained from statewide data by comparing expenditures for this category with the total revenue for all five categories.

(d) Funding standards, subject to the conditions and criteria of this section, shall be established by the board for the various categories of operation established pursuant to subdivision (b). In consultation as required by subdivision (e) of Section 70901, the board of governors shall annually request program improvement moneys to assist districts in meeting these standards.

(e) Annual revenue adjustments shall be made to reflect cost changes, using the same inflation adjustment as required for school districts pursuant to subdivision (b) of Section 42238.1.

(f) An adjustment for economies of scale for districts and colleges shall be provided.

(g) The statewide increase in workload of FTES and headcount shall be, at a minimum, the rate of change of the adult population as determined by the Department of Finance, and may be increased through the budget process to reflect such other factors as statewide priorities, the unemployment rate, and the number of students graduating from California high schools. The allocation of changes on a district-by-district basis shall be determined by the board of governors.

(h) For fiscal year 1991–92 or on the date Section 84750 is implemented by the board of governors in accordance with Section 70 of Chapter 973 of the Statutes of 1988, whichever is later, all districts shall receive at least the amount of revenue to which they would have been entitled pursuant to Article 1 (commencing with Section 84700) of Chapter 5 of Part 50. Thereafter, allocations shall be made pursuant to this section, as implemented by the board of governors pursuant to the annual State Budget.

(i) Except as specifically provided by statute, regulations of the board of governors for determining and allocating the state general apportionment to the community colleges shall not require district governing boards to expend the allocated revenues in specified categories of operation or according to the workload measures developed by the board of governors.

(j) As used in this section:

(1) "Criteria" means the definitions of elements of institutional practice or activity to be included in the categories of operation of community college districts.

(2) "Program improvement" means an increase in revenue which is allocated to all districts to fund standards adopted pursuant to subdivision (d). Program improvement also means an increase in revenue allocated to low revenue districts to bring them closer to the statewide average.

(3) "Standard" means the appropriate level of service in a category of operation of the community college districts.

SEC. 54. Section 15379.80 of the Government Code is amended to read:

15379.80. (a) This chapter shall remain in effect only until January 1, 2001, and as of that date, is repealed, unless a later enacted statute that is enacted before January 1, 2001, deletes or extends that date.

(b) The Legislative Analyst, in conjunction with the Bureau of State Audits, shall conduct a review of the effectiveness of this chapter for submission to the Governor, the Legislature, and the Board of Governors of the California Community Colleges as part of the Legislative Analyst's analysis of the Budget Bill to be issued in February 1999. In evaluating the program, the Legislative Analyst shall consider the matters specified in paragraphs (1) and (2) and, in conjunction with the Bureau of State Audits, shall consider the matter specified in paragraph (3):

(1) The findings of the report required by Section 15379.70.

(2) An analysis of data compiled in accordance with Section 15379.28.

(3) The net effect of program services in the local and regional economy, including new employment, skills enhancement, and training for work force reentry.

(4) An assessment of whether any identified problems are issues that affect the implementation of this chapter or issues that warrant revisions of statutes or regulations. The assessment shall include recommendations to improve the California Community Colleges Economic Development Program while maintaining its basic purposes, including the program mission as established by Section 15379.21.

(5) The extent to which the recommendations of the Bureau of State Audits, as contained in Audit Report #94123 dated January 1996, have been implemented, or to which appropriate justification for nonimplementation has been provided by the board of governors.

SEC. 55. Section 68926 of the Government Code is amended to read:

68926. The fee for filing a notice of appeal in a civil case appealed to a court of appeal is two hundred sixty-five dollars ($265). The fee for filing a petition for a writ within the original civil jurisdiction of the Supreme Court is two hundred dollars ($200). The fee for filing

a petition for a writ within the original civil jurisdiction of a court of appeal is two hundred sixty-five dollars ($265). These fees are in full, for all services, through the rendering of the judgment or the issuing of the remittitur or peremptory writ, except the fee imposed by Section 68927. The Judicial Council may make rules governing the time and method of payment of these fees, and providing for excuse therefrom in appropriate cases. A fee may not be charged in appeals from, nor petitions for writs involving, juvenile cases or proceedings to declare a minor free from parental custody or control.

SEC. 56. Section 68926.3 of the Government Code is amended to read:

68926.3. Notwithstanding any other provision of law, sixty-five dollars ($65) of each fee collected in a civil case by the clerk of each court of appeal pursuant to Section 68926 shall be paid into the State Treasury for deposit in a special account in the General Fund to be known as the California State Law Library Special Account, which account is hereby established.

Moneys deposited in the California State Law Library Special Account during the 1992–93 fiscal year are hereby appropriated for that fiscal year to the California State Law Library for its support. In fiscal years subsequent to the 1992–93 fiscal year, these moneys shall be available for the support of the California State Law Library upon appropriation thereto by the Legislature in the annual Budget Act.

This section shall remain in effect only until January 1, 2005, and as of that date, is repealed, unless a later statute which is enacted before that date extends or repeals that date.

SEC. 57. Section 97.2 of the Revenue and Taxation Code is amended to read:

97.2. Notwithstanding any other provision of this chapter, the computations and allocations made by each county pursuant to Section 96.1 or its predecessor section shall be modified for the 1992–93 fiscal year pursuant to subdivisions (a) to (d), inclusive, and for the 1997–98 and 1998–99 fiscal years pursuant to subdivision (e), as follows:

(a) (1) Except as provided in paragraph (2), the amount of property tax revenue deemed allocated in the prior fiscal year to each county shall be reduced by the dollar amounts indicated as follows, multiplied by 0.953649:

	Property Tax Reduction per County
Alameda	$ 27,323,576
Alpine	5,169
Amador	286,131
Butte	846,452
Calaveras	507,526

Colusa	186,438
Contra Costa	12,504,318
Del Norte	46,523
El Dorado	1,544,590
Fresno	5,387,570
Glenn	378,055
Humboldt	1,084,968
Imperial	998,222
Inyo	366,402
Kern	6,907,282
Kings	1,303,774
Lake	998,222
Lassen	93,045
Los Angeles	244,178,806
Madera	809,194
Marin	3,902,258
Mariposa	40,136
Mendocino	1,004,112
Merced	2,445,709
Modoc	134,650
Mono	319,793
Monterey	2,519,507
Napa	1,362,036
Nevada	762,585
Orange	9,900,654
Placer	1,991,265
Plumas	71,076
Riverside	7,575,353
Sacramento	15,323,634
San Benito	198,090
San Bernardino	14,467,099
San Diego	17,687,776
San Francisco	53,266,991
San Joaquin	8,574,869
San Luis Obispo	2,547,990
San Mateo	7,979,302
Santa Barbara	4,411,812
Santa Clara	20,103,706
Santa Cruz	1,416,413
Shasta	1,096,468

Sierra	97,103
Siskiyou	467,390
Solano	5,378,048
Sonoma	5,455,911
Stanislaus	2,242,129
Sutter	831,204
Tehama	450,559
Trinity	50,399
Tulare	4,228,525
Tuolumne	740,574
Ventura	9,412,547
Yolo	1,860,499
Yuba	842,857

(2) Notwithstanding paragraph (1), the amount of the reduction specified in that paragraph for any county or city and county that has been materially and substantially impacted as a result of a federally declared disaster, as evidenced by at least 20 percent of the cities, or cities and unincorporated areas of the county representing 20 percent of the population within the county suffering substantial damage, as certified by the Director of the Office of Emergency Services, occurring between October 1, 1989, and the effective date of this section, shall be reduced by that portion of five million dollars ($5,000,000) determined for that county or city and county pursuant to subparagraph (B) of paragraph (3).

(3) On or before October 1, 1992, the Director of Finance shall do all of the following:

(A) Determine the population of each county and city and county in which a federally declared disaster has occurred between October 1, 1989, and the effective date of this section.

(B) Determine for each county and city and county as described in subparagraph (A) its share of five million dollars ($5,000,000) on the basis of that county's population relative to the total population of all counties described in subparagraph (A).

(C) Notify each auditor of each county and city and county of the amounts determined pursuant to subparagraph (B).

(b) (1) Except as provided in paragraph (2), the amount of property tax revenue deemed allocated in the prior fiscal year to each city, except for a newly incorporated city that did not receive property tax revenues in the 1991–92 fiscal year, shall be reduced by 9 percent. In making the above computation with respect to cities in Alameda County, the computation for a city described in paragraph (6) of subdivision (a) of Section 100.7, as added by Section 73.5 of Chapter 323 of the Statutes of 1983, shall be adjusted so that the amount multiplied by 9 percent is reduced by the amount

determined for that city for "museums" pursuant to paragraph (2) of subdivision (h) of Section 95.

(2) Notwithstanding paragraph (1), the amount of the reduction determined pursuant to that paragraph for any city that has been materially and substantially impacted as a result of a federally declared disaster, as certified by the Director of the Office of Emergency Services, occurring between October 1, 1989, and the effective date of this section, shall be reduced by that portion of fifteen million dollars ($15,000,000) determined for that city pursuant to subparagraph (B) of paragraph (3).

(3) On or before October 1, 1992, the Director of Finance shall do all of the following:

(A) Determine the population of each city in which a federally declared disaster has occurred between October 1, 1989, and the effective date of this section.

(B) Determine for each city as described in subparagraph (A) its share of fifteen million dollars ($15,000,000) on the basis of that city's population relative to the total population of all cities described in subparagraph (A).

(C) Notify each auditor of each county and city and county of the amounts determined pursuant to subparagraph (B).

(4) In the 1992–93 fiscal year and each fiscal year thereafter, the auditor shall adjust the computations required pursuant to Article 4 (commencing with Section 98) so that those computations do not result in the restoration of any reduction required pursuant to this section.

(c) (1) Subject to paragraph (2), the amount of property tax revenue, other than those revenues that are pledged to debt service, deemed allocated in the prior fiscal year to a special district, other than a multicounty district, a local hospital district, or a district governed by a city council or whose governing board has the same membership as a city council, shall be reduced by 35 percent. For purposes of this subdivision, "revenues that are pledged to debt service" include only those amounts required to pay debt service costs in the 1991–92 fiscal year on debt instruments issued by a special district for the acquisition of capital assets.

(2) No reduction pursuant to paragraph (1) for any special district, other than a countywide water agency that does not sell water at retail, shall exceed an amount equal to 10 percent of that district's total annual revenues, from whatever source, as shown in the 1989–90 edition of the State Controller's Report on Financial Transactions Concerning Special Districts (not including any annual revenues from fiscal years following the 1989–90 fiscal year). With respect to any special district, as defined pursuant to subdivision (m) of Section 95, that is allocated property tax revenue pursuant to this chapter but does not appear in the State Controller's Report on Financial Transactions Concerning Special Districts, the auditor shall determine the total annual revenues for that special district from the

information in the 1989–90 edition of the State Controller's Report on Financial Transactions Concerning Counties. With respect to a special district that did not exist in the 1989–90 fiscal year, the auditor may use information from the first full fiscal year, as appropriate, to determine the total annual revenues for that special district. No reduction pursuant to paragraph (1) for any countywide water agency that does not sell water at retail shall exceed an amount equal to 10 percent of that portion of that agency's general fund derived from property tax revenues.

(3) The auditor in each county shall, on or before January 15, 1993, and on or before January 30 of each year thereafter, submit information to the Controller concerning the amount of the property tax revenue reduction to each special district within that county as a result of paragraphs (1) and (2). The Controller shall certify that the calculation of the property tax revenue reduction to each special district within that county is accurate and correct, and submit this information to the Director of Finance.

(A) The Director of Finance shall determine whether the total of the amounts of the property tax revenue reductions to special districts, as certified by the Controller, is equal to the amount that would be required to be allocated to school districts and community college districts as a result of a three hundred seventy-five million dollar ($375,000,000) shift of property tax revenues from special districts for the 1992–93 fiscal year. If, for any year, the total of the amount of the property tax revenue reductions to special districts is less than the amount as described in the preceding sentence, the amount of property tax revenue, other than those revenues that are pledged to debt service, deemed allocated in the prior fiscal year to a special district, other than a multicounty district, a local hospital district, or a district governed by a city council or whose governing board has the same membership as a city council, shall, subject to subparagraph (B), be reduced by an amount up to 5 percent of the amount subject to reduction for that district pursuant to paragraphs (1) and (2).

(B) No reduction pursuant to subparagraph (A), in conjunction with a reduction pursuant to paragraphs (1) and (2), for any special district, other than a countywide water agency that does not sell water at retail, shall exceed an amount equal to 10 percent of that district's total annual revenues, from whatever source, as shown in the most recent State Controller's Report on Financial Transactions Concerning Special Districts. No reduction pursuant to subparagraph (A), in conjunction with a reduction pursuant to paragraphs (1) and (2), for any countywide water agency that does not sell water at retail shall exceed an amount equal to 10 percent of that portion of that agency's general fund derived from property tax revenues.

(C) In no event shall the amount of the property tax revenue loss to a special district derived pursuant to subparagraphs (A) and (B)

exceed 40 percent of that district's property tax revenues or 10 percent of that district's total revenues, from whatever source.

(4) For the purpose of determining the total annual revenues of a special district that provides fire protection or fire suppression services, all of the following shall be excluded from the determination of total annual revenues:

(A) If the district had less than two million dollars ($2,000,000) in total annual revenues in the 1991–92 fiscal year, the revenue generated by a fire suppression assessment levied pursuant to Article 3.6 (commencing with Section 50078) of Chapter 1 of Part 1 of Division 1 of Title 5 of the Government Code.

(B) In counties that contract with the state to protect state responsibility areas, the total amount of all funds, regardless of the source, that are appropriated to a district, including a fire department, by a board of supervisors pursuant to Section 25642 of the Government Code or Chapter 7 (commencing with Section 13890) of Part 2.7 of Division 12 of the Health and Safety Code for fire protection.

(C) The revenue received by a district as a result of contracts entered into pursuant to Section 4133 of the Public Resources Code.

(5) For the purpose of determining the total annual revenues of a resource conservation district, all of the following shall be excluded from the determination of total annual revenues:

(A) Any revenues received by that district from the state for financing the acquisition of land, or the construction or improvement of state projects, and for which that district serves as the fiscal agent in administering those state funds pursuant to an agreement entered into between that district and a state agency.

(B) Any amount received by that district as a private gift or donation.

(C) Any amount received as a county grant or contract as supplemental to, or independent of, that district's property tax share.

(D) Any amount received by that district as a federal or state grant.

(d) (1) The amount of property tax revenues not allocated to the county, cities within the county, and special districts as a result of the reductions calculated pursuant to subdivisions (a), (b), and (c) shall instead be deposited in the Educational Revenue Augmentation Fund to be established in each county. The amount of revenue in the Educational Revenue Augmentation Fund, derived from whatever source, shall be allocated pursuant to paragraphs (2) and (3) to school districts and county offices of education, in total, and to community college districts, in total, in the same proportion that property tax revenues were distributed to school districts and county offices of education, in total, and community college districts, in total, during the 1991–92 fiscal year.

(2) The auditor shall, based on information provided by the county superintendent of schools pursuant to this paragraph, allocate

the proportion of the Educational Revenue Augmentation Fund to those school districts and county offices of education within the county that are not excess tax school entities, as defined in subdivision (n) of Section 95. The county superintendent of schools shall determine the amount to be allocated to each school district and county office of education in inverse proportion to the amounts of property tax revenue per average daily attendance in each school district and county office of education. In no event shall any additional money be allocated from the fund to a school district or county office of education upon that school district or county office of education becoming an excess tax school entity.

(3) The auditor shall, based on information provided by the Chancellor of the California Community Colleges pursuant to this paragraph, allocate the proportion of the Educational Revenue Augmentation Fund to those community college districts within the county that are not excess tax school entities, as defined in subdivision (n) of Section 95. The chancellor shall determine the amount to be allocated to each community college district in inverse proportion to the amounts of property tax revenue per funded full-time equivalent student in each community college district. In no event shall any additional money be allocated from the fund to a community college district upon that district becoming an excess tax school entity.

(4) (A) If, after making the allocation required pursuant to paragraph (2), the auditor determines that there are still additional funds to be allocated, the auditor shall allocate those excess funds pursuant to paragraph (3). If, after making the allocation pursuant to paragraph (3), the auditor determines that there are still additional funds to be allocated, the auditor shall allocate those excess funds pursuant to paragraph (2).

(B) (i) For the 1995–96 fiscal year and each fiscal year thereafter except the 1999–2000 fiscal year, if, after making the allocations pursuant to paragraphs (2) and (3) and subparagraph (A), the auditor determines that there are still additional funds to be allocated, the auditor shall, subject to clauses (ii) and (iii), allocate those excess funds to the county superintendent of schools. Funds allocated pursuant to this subparagraph shall be counted as property tax revenues for special education programs in augmentation of the amount calculated pursuant to Section 2572 of the Education Code, to the extent that those property tax revenues offset state aid for county offices of education and school districts within the county pursuant to subdivision (c) of Section 56836.08 of the Education Code.

(ii) For the 1995–96 fiscal year only, this subparagraph shall have no application to the County of Mono and the amount allocated pursuant to this subparagraph in the County of Marin shall not exceed five million dollars ($5,000,000).

(iii) For the 1996–97 fiscal year only, the total amount of funds allocated by the auditor pursuant to this subparagraph and

subparagraph (B) of paragraph (4) of subdivision (d) of Section 97.3 shall not exceed that portion of two million five hundred thousand dollars ($2,500,000) that corresponds to the county's proportionate share of all moneys allocated pursuant to this subparagraph and subparagraph (B) of paragraph (4) of subdivision (d) of Section 97.3 for the 1995–96 fiscal year. Upon the request of the auditor, the Department of Finance shall provide to the auditor all information in the department's possession that is necessary for the auditor to comply with this clause.

(iv) For the 1999–2000 fiscal year, if, after making the allocations pursuant to paragraphs (2) and (3) and subparagraph (A), the auditor determines that there are still additional funds to be allocated, the auditor shall allocate the funds to the county, cities, and special districts in proportion to the amounts of ad valorem property tax revenue otherwise required to be shifted from those local agencies to the county's Educational Revenue Augmentation Fund for the relevant fiscal year. This clause shall be operative for the 1999–2000 fiscal year only to the extent that moneys are appropriated for purposes of this clause in the Budget Act of 1999 by an appropriation that specifically references this clause.

(C) For purposes of allocating the Educational Revenue Augmentation Fund for the 1996–97 fiscal year, the auditor shall, after making the allocations for special education programs, if any, required by subparagraph (B), allocate all remaining funds among the county, cities, and special districts in proportion to the amounts of ad valorem property tax revenue otherwise required to be shifted from those local agencies to the county's Educational Revenue Augmentation Fund for the relevant fiscal year. For purposes of ad valorem property tax revenue allocations for the 1997–98 fiscal year and each fiscal year thereafter, no amount of ad valorem property tax revenue allocated to the county, a city, or a special district pursuant to this subparagraph shall be deemed to be an amount of ad valorem property tax revenue allocated to that local agency in the prior fiscal year.

(5) For purposes of allocations made pursuant to Section 96.1 or its predecessor section for the 1993–94 fiscal year, the amounts allocated from the Educational Revenue Augmentation Fund pursuant to this subdivision, other than amounts deposited in the Educational Revenue Augmentation Fund pursuant to Section 33681 of the Health and Safety Code, shall be deemed property tax revenue allocated to the Educational Revenue Augmentation Fund in the prior fiscal year.

(e) (1) For the 1997–98 fiscal year:

(A) The amount of property tax revenue deemed allocated in the prior fiscal year to any city subject to the reduction specified in paragraph (2) of subdivision (b) shall be reduced by an amount that is equal to the difference between the amount determined for the city pursuant to paragraph (1) of subdivision (b) and the amount of

the reduction determined for the city pursuant to paragraph (2) of subdivision (b).

(B) The amount of property tax revenue deemed allocated in the prior fiscal year to any county or city and county subject to the reduction specified in paragraph (2) of subdivision (a) shall be reduced by an amount that is equal to the difference between the amount specified for the county or city and county pursuant to paragraph (1) of subdivision (a) and the amount of the reduction determined for the county or city and county pursuant to paragraph (2) of subdivision (a).

(2) The amount of property tax revenues not allocated to a city or city and county as a result of this subdivision shall be deposited in the Educational Revenue Augmentation Fund described in subparagraph (A) of paragraph (1) of subdivision (d).

(3) For purposes of allocations made pursuant to Section 96.1 for the 1998–99 fiscal year, the amounts allocated from the Educational Revenue Augmentation Fund pursuant to this subdivision shall be deemed property tax revenues allocated to the Educational Revenue Augmentation Fund in the prior fiscal year.

(f) It is the intent of the Legislature in enacting this section that this section supersede and be operative in place of Section 97.03 of the Revenue and Taxation Code, as added by Senate Bill 617 of the 1991–92 Regular Session.

SEC. 58. Section 97.3 of the Revenue and Taxation Code is amended to read:

97.3. Notwithstanding any other provision of this chapter, the computations and allocations made by each county pursuant to Section 96.1 or its predecessor section, as modified by Section 97.2 or its predecessor section for the 1992–93 fiscal year, shall be modified for the 1993–94 fiscal year pursuant to subdivisions (a) to (c), inclusive, as follows:

(a) The amount of property tax revenue deemed allocated in the prior fiscal year to each county and city and county shall be reduced by an amount to be determined by the Director of Finance in accordance with the following:

(1) The total amount of the property tax reductions for counties and cities and counties determined pursuant to this section shall be one billion nine hundred ninety-eight million dollars ($1,998,000,000) in the 1993–94 fiscal year.

(2) The Director of Finance shall determine the amount of the reduction for each county or city and county as follows:

(A) The proportionate share of the property tax revenue reduction for each county or city and county that would have been imposed on all counties under the proposal specified in the "May Revision of the 1993–94 Governor's Budget" shall be determined by reference to the document entitled "Estimated County Property Tax Transfers Under Governor's May Revision Proposal," published by the Legislative Analyst's Office on June 1, 1993.

(B) Each county's or city and county's proportionate share of total taxable sales in all counties in the 1991–92 fiscal year shall be determined.

(C) An amount for each county and city and county shall be determined by applying its proportionate share determined pursuant to subparagraph (A) to the one billion nine hundred ninety-eight million dollar ($1,998,000,000) statewide reduction for counties and cities and counties.

(D) An amount for each county and city and county shall be determined by applying its proportionate share determined pursuant to subparagraph (B) to the one billion nine hundred ninety-eight million dollar ($1,998,000,000) statewide reduction for counties and cities and counties.

(E) The Director of Finance shall add the amounts determined pursuant to subparagraphs (C) and (D) for each county and city and county, and divide the resulting figure by two. The amount so determined for each county and city and county shall be divided by a factor of 1.038. The resulting figure shall be the amount of property tax revenue to be subtracted from the amount of property tax revenue deemed allocated in the prior fiscal year.

(3) The Director of Finance shall, by July 15, 1993, report to the Joint Legislative Budget Committee its determination of the amounts determined pursuant to paragraph (2).

(4) On or before August 15, 1993, the Director of Finance shall notify the auditor of each county and city and county of the amount of property tax revenue reduction determined for each county and city and county.

(5) Notwithstanding any other provision of this subdivision, the amount of the reduction specified in paragraph (2) for any county or city and county that has first implemented, for the 1993–94 fiscal year, the alternative procedure for the distribution of property tax levies authorized by Chapter 3 (commencing with Section 4701) of Part 8 shall be reduced, for the 1993–94 fiscal year only, in the amount of any increased revenue allocated to each qualifying school entity that would not have been allocated for the 1993–94 fiscal year but for the implementation of that alternative procedure. For purposes of this paragraph, "qualifying school entity" means any school district, county office of education, or community college district that is not an excess tax school entity as defined in Section 95.1. Notwithstanding any other provision of this paragraph, the amount of any reduction calculated pursuant to this paragraph for any county or city and county shall not exceed the reduction calculated for that county or city and county pursuant to paragraph (2).

(b) The amount of property tax revenue deemed allocated in the prior fiscal year to each city shall be reduced by an amount to be determined by the Director of Finance in accordance with the following:

(1) The total amount of the property tax reductions determined for cities pursuant to this section shall be two hundred eighty-eight million dollars ($288,000,000) in the 1993–94 fiscal year.

(2) The Director of Finance shall determine the amount of reduction for each city as follows:

(A) The amount of property tax revenue that is estimated to be attributable in the 1993–94 fiscal year to the amount of each city's state assistance payment received by that city pursuant to Chapter 282 of the Statutes of 1979 shall be determined.

(B) A factor for each city equal to the amount determined pursuant to subparagraph (A) for that city, divided by the total of the amounts determined pursuant to subparagraph (A) for all cities, shall be determined.

(C) An amount for each city equal to the factor determined pursuant to subparagraph (B), multiplied by three hundred eighty-two million five hundred thousand dollars ($382,500,000), shall be determined.

(D) In no event shall the amount for any city determined pursuant to subparagraph (C) exceed a per capita amount of nineteen dollars and thirty-one cents ($19.31), as determined in accordance with that city's population on January 1, 1993, as estimated by the Department of Finance.

(E) The amount determined for each city pursuant to subparagraphs (C) and (D) shall be the amount of property tax revenue to be subtracted from the amount of property tax revenue deemed allocated in the prior year.

(3) The Director of Finance shall, by July 15, 1993, report to the Joint Legislative Budget Committee those amounts determined pursuant to paragraph (2).

(4) On or before August 15, 1993, the Director of Finance shall notify each county auditor of the amount of property tax revenue reduction determined for each city located within that county.

(c) (1) The amount of property tax revenue deemed allocated in the prior fiscal year to each special district, as defined pursuant to subdivision (m) of Section 95, shall be reduced by the amount determined for the district pursuant to paragraph (3) and increased by the amount determined for the district pursuant to paragraph (4). The total net amount of these changes is intended to equal two hundred forty-four million dollars ($244,000,000) in the 1993–94 fiscal year.

(2) (A) Notwithstanding any other provision of this subdivision, no reduction shall be made pursuant to this subdivision with respect to any of the following special districts:

(i) A local hospital district as described in Division 23 (commencing with Section 32000) of the Health and Safety Code.

(ii) A water agency that does not sell water at retail, but not including an agency the primary function of which, as determined on the basis of total revenues, is flood control.

(iii) A transit district.

(iv) A police protection district formed pursuant to Part 1 (commencing with Section 20000) of Division 14 of the Health and Safety Code.

(v) A special district that was a multicounty special district as of July 1, 1979.

(B) Notwithstanding any other provision of this subdivision, the first one hundred four thousand dollars ($104,000) of the amount of any reduction that otherwise would be made under this subdivision with respect to a qualifying community services district shall be excluded. For purposes of this subparagraph, a "qualifying community services district" means a community services district that meets all of the following requirements:

(i) Was formed pursuant to Division 3 (commencing with Section 61000) of Title 6 of the Government Code.

(ii) Succeeded to the duties and properties of a police protection district upon the dissolution of that district.

(iii) Currently provides police protection services to substantially the same territory as did that district.

(iv) Is located within a county in which the board of supervisors has requested the Department of Finance that this subparagraph be operative in the county.

(3) (A) On or before September 15, 1993, the county auditor shall determine an amount for each special district equal to the amount of its allocation determined pursuant to Section 96 or 96.1, and Section 96.5 or their predecessor sections for the 1993–94 fiscal year multiplied by the ratio determined pursuant to paragraph (1) of subdivision (a) of former Section 98.6 as that section read on June 15, 1993. In those counties that were subject to former Sections 98.66, 98.67, and 98.68, as those sections read on that same date, the county auditor shall determine an amount for each special district that represents the current amount of its allocation determined pursuant to Section 96 or 96.1, and Section 96.5 or their predecessor sections for the 1993–94 fiscal year that is attributed to the property tax shift from schools required by Chapter 282 of the Statutes of 1979. In that county subject to Section 100.4, the county auditor shall determine an amount for each special district that represents the current amount of its allocations determined pursuant to Section 96, 96.1, 96.5, or 100.4 or their predecessor sections for the 1993–94 fiscal year that is attributable to the property tax shift from schools required by Chapter 282 of the Statutes of 1979. In determining these amounts, the county auditor shall adjust for the influence of increased assessed valuation within each district, including the effect of jurisdictional changes, and the reductions in property tax allocations required in the 1992–93 fiscal year by Chapters 699 and 1369 of the Statutes of 1992. In the case of a special district that has been consolidated or reorganized, the auditor shall determine the amount of its current property tax allocation that is attributable to the prior district's or

districts' receipt of state assistance payments pursuant to Chapter 282 of the Statutes of 1979. Notwithstanding any other provision of this paragraph, for a special district that is governed by a city council or whose governing board has the same membership as a city council and that is a subsidiary district as defined in subdivision (e) of Section 16271 of the Government Code, the county auditor shall multiply the amount that otherwise would be calculated pursuant to this paragraph by 0.38 and the result shall be used in the calculations required by paragraph (5). In no event shall the amount determined by this paragraph be less than zero.

(B) Notwithstanding subparagraph (A), commencing with the 1994–95 fiscal year, in the County of Sacramento, the auditor shall determine the amount for each special district that represents the current amount of its allocations determined pursuant to Section 96, 96.1, 96.5, or 100.6 for the 1994–95 fiscal year that is attributed to the property tax shift from schools required by Chapter 282 of the Statutes of 1979.

(4) (A) (i) On or before September 15, 1993, the county auditor shall determine an amount for each special district that is engaged in fire protection activities, as reported to the Controller for inclusion in the 1989–90 Edition of the Financial Transactions Report Concerning Special Districts under the heading of "Fire Protection," that is equal to the amount of revenue allocated to that special district from the Special District Augmentation Fund for fire protection activities in the 1992–93 fiscal year. For purposes of the preceding sentence for counties of the second class, the phrase "amount of revenue allocated to that special district" means an amount of revenue that was identified for transfer to that special district, rather than the amount of revenue that was actually received by that special district pursuant to that transfer.

(ii) In the case of a special district, other than a special district governed by the county board of supervisors or whose governing body is the same as the county board of supervisors, that is engaged in fire protection activities as reported to the Controller, the county auditor shall also determine the amount by which the district's amount determined pursuant to paragraph (3) exceeds the amount by which its allocation was reduced by operation of former Section 98.6 in the 1992–93 fiscal year. This amount shall be added to the amount otherwise determined for the district under this paragraph. In any county subject to former Section 98.65, 98.66, 98.67, or 98.68 in that same fiscal year, the county auditor shall determine for each special district that is engaged in fire protection activities an amount that is equal to the amount determined for that district pursuant to paragraph (3).

(B) For purposes of this paragraph, a special district includes any special district that is allocated property tax revenue pursuant to this chapter and does not appear in the State Controller's Report on Financial Transactions Concerning Special Districts, but is engaged

in fire protection activities and appears in the State Controller's Report on Financial Transactions Concerning Counties.

(5) The total amount of property taxes allocated to special districts by the county auditor as a result of paragraph (4) shall be subtracted from the amount of property tax revenues not allocated to special districts by the county auditor as a result of paragraph (3) to determine the amount to be deposited in the Education Revenue Augmentation Fund as specified in subdivision (d).

(6) On or before September 30, 1993, the county auditor shall notify the Director of Finance of the net amount determined for special districts pursuant to paragraph (5).

(d) (1) The amount of property tax revenues not allocated to the county, city and county, cities within the county, and special districts as a result of the reductions required by subdivisions (a), (b), and (c) shall instead be deposited in the Educational Revenue Augmentation Fund established in each county or city and county pursuant to Section 97.2. The amount of revenue in the Educational Revenue Augmentation Fund, derived from whatever source, shall be allocated pursuant to paragraphs (2) and (3) to school districts and county offices of education, in total, and to community college districts, in total, in the same proportion that property tax revenues were distributed to school districts and county offices of education, in total, and community college districts, in total, during the 1992–93 fiscal year.

(2) The county auditor shall, based on information provided by the county superintendent of schools pursuant to this paragraph, allocate that proportion of the revenue in the Educational Revenue Augmentation Fund to be allocated to school districts and county offices of education only to those school districts and county offices of education within the county that are not excess tax school entities, as defined in subdivision (n) of Section 95. The county superintendent of schools shall determine the amount to be allocated to each school district in inverse proportion to the amounts of property tax revenue per average daily attendance in each school district. For each county office of education, the allocation shall be made based on the historical split of base property tax revenue between the county office of education and school districts within the county. In no event shall any additional money be allocated from the Educational Revenue Augmentation Fund to a school district or county office of education upon that district or county office of education becoming an excess tax school entity. If, after determining the amount to be allocated to each school district and county office of education, the county superintendent of schools determines there are still additional funds to be allocated, the county superintendent of schools shall determine the remainder to be allocated in inverse proportion to the amounts of property tax revenue, excluding Educational Revenue Augmentation Fund moneys, per average daily attendance in each remaining school district, and on the basis

of the historical split described above for each county office of education, that is not an excess tax school entity until all funds that would not result in a school district or county office of education becoming an excess tax school entity are allocated. The county superintendent of schools may determine the amounts to be allocated between each school district and county office of education to ensure that all funds that would not result in a school district or county office of education becoming an excess tax school entity are allocated.

(3) The county auditor shall, based on information provided by the Chancellor of the California Community Colleges pursuant to this paragraph, allocate that proportion of the revenue in the Educational Revenue Augmentation Fund to be allocated to community college districts only to those community college districts within the county that are not excess tax school entities, as defined in subdivision (n) of Section 95. The chancellor shall determine the amount to be allocated to each community college district in inverse proportion to the amounts of property tax revenue per funded full-time equivalent student in each community college district. In no event shall any additional money be allocated from the Educational Revenue Augmentation Fund to a community college district upon that district becoming an excess tax school entity.

(4) (A) If, after making the allocation required pursuant to paragraph (2), the auditor determines that there are still additional funds to be allocated, the auditor shall allocate those excess funds pursuant to paragraph (3). If, after making the allocation pursuant to paragraph (3), the auditor determines that there are still additional funds to be allocated, the auditor shall allocate those excess funds pursuant to paragraph (2). If, after determining the amount to be allocated to each community college district, the Chancellor of the California Community Colleges determines that there are still additional funds to be allocated, the Chancellor of the California Community Colleges shall determine the remainder to be allocated to each community college district in inverse proportion to the amounts of property tax revenue, excluding Educational Revenue Augmentation Fund moneys, per funded full-time equivalent student in each remaining community college district that is not an excess tax school entity until all funds that would not result in a community college district becoming an excess tax school entity are allocated.

(B) (i) For the 1995–96 fiscal year and each fiscal year thereafter except the 1999–2000 fiscal year, if, after making the allocations pursuant to paragraphs (2) and (3) and subparagraph (A), the auditor determines that there are still additional funds to be allocated, the auditor shall, subject to clauses (ii) and (iii), allocate those excess funds to the county superintendent of schools. Funds allocated pursuant to this subparagraph shall be counted as property tax revenues for special education programs in augmentation of the

amount calculated pursuant to Section 2572 of the Education Code, to the extent that those property tax revenues offset state aid for county offices of education and school districts within the county pursuant to subdivision (c) of Section 56836.08 of the Education Code.

(ii) For the 1995–96 fiscal year only, this subparagraph shall have no application to the County of Mono and the amount allocated pursuant to this subparagraph in the County of Marin shall not exceed five million dollars ($5,000,000).

(iii) For the 1996–97 fiscal year only, the total amount of funds allocated by the auditor pursuant to this subparagraph and subparagraph (B) of paragraph (4) of subdivision (d) of Section 97.2 shall not exceed that portion of two million five hundred thousand dollars ($2,500,000) that corresponds to the county's proportionate share of all moneys allocated pursuant to this subparagraph and subparagraph (B) of paragraph (4) of subdivision (d) of Section 97.2 for the 1995–96 fiscal year. Upon the request of the auditor, the Department of Finance shall provide to the auditor all information in the department's possession that is necessary for the auditor to comply with this clause.

(iv) For the 1999–2000 fiscal year, if, after making the allocations pursuant to paragraphs (2) and (3) and subparagraph (A), the auditor determines that there are still additional funds to be allocated, the auditor shall allocate the funds to the county, cities, and special districts in proportion to the amounts of ad valorem property tax revenue otherwise required to be shifted from those local agencies to the county's Educational Revenue Augmentation Fund for the relevant fiscal year. This clause shall be operative for the 1999–2000 fiscal year only to the extent that moneys are appropriated for purposes of this clause in the Budget Act of 1999 by an appropriation that specifically references this clause.

(C) For purposes of allocating the Educational Revenue Augmentation Fund for the 1996–97 fiscal year, the auditor shall, after making the allocations for special education programs, if any, required by subparagraph (B), allocate all remaining funds among the county, cities, and special districts in proportion to the amounts of ad valorem property tax revenue otherwise required to be shifted from those local agencies to the county's Educational Revenue Augmentation Fund for the relevant fiscal year. For purposes of ad valorem property tax revenue allocations for the 1997–98 fiscal year and each fiscal year thereafter, no amount of ad valorem property tax revenue allocated to the county, a city, or a special district pursuant to this subparagraph shall be deemed to be an amount of ad valorem property tax revenue allocated to that local agency in the prior fiscal year.

(5) For purposes of allocations made pursuant to Section 96.1 for the 1994–95 fiscal year, the amounts allocated from the Educational Revenue Augmentation Fund pursuant to this subdivision, other

than those amounts deposited in the Educational Revenue Augmentation Fund pursuant to any provision of the Health and Safety Code, shall be deemed property tax revenue allocated to the Educational Revenue Augmentation Fund in the prior fiscal year.

SEC. 59. Section 1120.2 of the Welfare and Institutions Code is amended to read:

1120.2. (a) There is in the Department of the Youth Authority a correctional education authority for the purpose of carrying out the education and training of wards committed to the youth authority.

(b) The course of study for wards attending any of grades 7 to 12, inclusive, shall include those courses specified in Article 3 (commencing with Section 51220) of Chapter 2 of Part 28 of the Education Code. The course of study shall meet the model curriculum standards adopted by the Superintendent of Public Instruction pursuant to Section 51226 of the Education Code.

(c) (1) The correctional education authority shall adopt standards of proficiency in basic skills for wards attending a course of study for any of grades 7 to 12, inclusive.

(2) Differential standards and assessment procedures may be adopted for wards for whom an individualized education program has been developed and for whom the regular instructional program has been modified or for wards who have been diagnosed with a learning handicap or disability.

(d) The correctional education authority may issue diplomas of graduation from high school to wards who have completed the required course of study and meet the standards of proficiency in basic skills adopted by the correctional education authority. The authority may also administer to wards the general educational development tests that have been approved by the State Board of Education.

(e) For purposes of receiving federal funds, the correctional education authority shall be deemed a local educational agency.

(f) For purposes of receiving state funds pursuant to subdivision (b) of Section 8 of Article XVI of the California Constitution in accordance with the definitions set forth in Section 41202 of the Education Code, the correctional education authority shall be deemed a state agency and shall only be entitled to state funding for direct instructional services provided to wards attending a course of study. The correctional education authority may not receive state funds unless the funds are specifically appropriated to the Department of the Youth Authority for direct instructional services, and may not receive additional funds from the State Department of Education under any other program.

SEC. 60. Section 2 of Chapter 948 of the Statutes of 1998 is amended to read:

Sec. 2. The sum of five million dollars ($5,000,000) is hereby appropriated from the General Fund to the Library of California Board for the purpose of funding the startup phase of the Library of

California as set forth in Chapter 4.5 (commencing with Section 18800) of Part 11 of the Education Code for expenditure in the 1998–99 and 1999–2000 fiscal years to pay the costs of all of the following:

(a) Telecommunications infrastructure to support up to 1,000 libraries, including, but not limited to, the costs of linking systems and installing regional servers.

(b) Statewide information data base licenses.

(c) Reimbursement for interlibrary loans and direct loans pursuant to subdivisions (a) and (c) of Section 18844 of the Education Code.

(d) Regional library network development.

(e) Support for statewide coordination.

SEC. 61. Section 56 of Chapter 330 of the Statutes of 1998 is amended to read:

Sec. 56. Notwithstanding any other provision of law, for the purposes of Sections 14002, 14004, and 41301 of the Education Code for the 1999–2000 fiscal year, the Superintendent of Public Instruction shall certify to the Controller amounts that do not exceed the amounts needed to fund the revenue limits of school districts, as determined pursuant to Section 42238 of the Education Code, and the revenue limits of county superintendents of schools as determined pursuant to Section 2558 of the Education Code as adjusted by the deficit factors applicable to the 1999–2000 fiscal year, and the revenue limit portion of charter school operational funding as determined pursuant to Section 47633 of the Education Code.

SEC. 62. Notwithstanding any other provision of law, for the purposes of Sections 14002, 14004, and 41301 of the Education Code for the 2000–01 fiscal year, the Superintendent of Public Instruction shall certify to the Controller amounts that do not exceed the amounts needed to fund the revenue limits of school districts, as determined pursuant to Section 42238 of the Education Code, and the revenue limits of county superintendents of schools as determined pursuant to Section 2558 of the Education Code as adjusted by the deficit factors applicable to the 2000–01 fiscal year, and the revenue limit portion of charter school operational funding as determined pursuant to Section 47633 of the Education Code.

SEC. 63. Notwithstanding Section 42238.1 of the Education Code or any other provision of law, the cost-of-living adjustment for Items 6110-104-0001, 6110-105-0001, 6110-156-0001, 6110-158-0001, 6110-161-0001, 6110-185-0001, 6110-186-0001, 6110-190-0001, 6110-196-0001, 6110-234-0001, and 6110-235-0001 of Section 2.00, and those items identified in subdivision (b) of Section 12.40 of the Budget Act of 1999 and the amount appropriated for the purposes of Section 42243.7 of the Education Code for the 1999–2000 fiscal year shall be 1.41 percent. All funds appropriated in the items identified in this section are in lieu of the amounts that would otherwise be appropriated pursuant to any other provision of law.

SEC. 64. The sum of one million dollars ($1,000,000) in the General Fund that was appropriated by Chapter 805 of the Statutes of 1998, in augmentation of schedule (e) of Item 6110-001-0001 of Section 2.00 of Chapter 324 of the Statutes of 1998, is hereby reappropriated to the University of California to support the administrative planning and startup costs of the California State Summer School for Mathematics and Science established pursuant to Chapter 3.8 (commencing with Section 8660) of Part 6 of the Education Code.

SEC. 65. The sum of fifteen million four hundred seventy-one thousand dollars ($15,471,000) is hereby reappropriated from the Proposition 98 Reversion Account to the Superintendent of Public Instruction, in accordance with the following schedule:

(a) Forty thousand dollars ($40,000) for allocation on a one-time basis to the Alpine Union School District to work in collaboration with the Alpine Community Center to support the Each One Teach One program.

(b) Two hundred thousand dollars ($200,000) for allocation on a one-time basis to the Julian Union School District to provide startup funds for nutrition programs for kindergarten to grade 12, inclusive, school districts in San Diego County.

(c) Two hundred thousand dollars ($200,000) for allocation on a one-time basis to the Grossmont Union High School District for construction of a swimming pool at Steele Canyon High School.

(d) One hundred thousand dollars ($100,000) for allocation on a one-time basis to the San Diego County Office of Education to provide assistance for schools to secure health insurance for uninsured, low-income pupils.

(e) Twenty-seven thousand five hundred dollars ($27,500) for allocation on a one-time basis to the Alta-Dutch Flat Union School District to provide afternoon school busing service.

(f) One hundred thousand dollars ($100,000) for allocation on a one-time basis to the Los Gatos Union School District to support the expansion of science programs through the Youth Science Institute in the City of Los Gatos.

(g) Two hundred fifty thousand dollars ($250,000) for allocation on a one-time basis to the Oak Park Unified School District for the purchase of computer equipment and materials for the library at Oak Park High School.

(h) One hundred seventy-five thousand dollars ($175,000) for allocation on a one-time basis to the Anaheim City School District for an after school learning, safe neighborhoods program.

(i) Two hundred fifty thousand dollars ($250,000) for allocation on a one-time basis to Rio Elementary School District for construction of a gymnasium at Rio Del Valle Junior High School.

(j) Thirty thousand dollars ($30,000) for allocation on a one-time basis to the Lafayette School District in Contra Costa County for the purchase of age-appropriate school playground equipment.

(k) Six thousand dollars ($6,000) for allocation on a one-time basis to the San Juan Unified School District for the purchase of a computer, printer, and appropriate software for the Cottage Elementary School library.

(*l*) Two hundred fifty thousand dollars ($250,000) for allocation on a one-time basis to the Saddleback Valley Unified School District for construction of a gymnasium at Laguna Hills High School.

(m) One hundred thousand dollars ($100,000) for allocation on a one-time basis to the Woodlake Union High School District for construction of a swimming pool.

(n) One hundred ten thousand dollars ($110,000) for allocation on a one-time basis to the Sacramento City Unified School District to support the Sacramento START after school program.

(o) Thirty thousand dollars ($30,000) for allocation on a one-time basis to the Galt Joint Union Elementary School District to support an educational program using STAR test results to improve teaching.

(p) Ten thousand dollars ($10,000) for allocation on a one-time basis to the Oak View Unified School District to repair school blacktop area.

(q) Two hundred thousand dollars ($200,000) for allocation on a one-time basis to the Palmdale Elementary School District to support a joint-use library with the City of Palmdale.

(r) Thirty thousand dollars ($30,000) for allocation on a one-time basis to the ABC School District for an after school project at Hawaiian Gardens Elementary School.

(s) Fifty thousand dollars ($50,000) for allocation on a one-time basis to the ABC School District for construction of a joint-use recreational facility at Hawaiian Gardens Elementary School.

(t) Fifty-seven thousand dollars ($57,000) for allocation on a one-time basis to the Central Union School District to provide a covered outdoor structure for the Stratford School.

(u) Eighty-five thousand dollars ($85,000) for allocation on a one-time basis to the Sunol Glen Unified School District for a septic system.

(v) One hundred thousand dollars ($100,000) for allocation on a one-time basis to the Long Beach Unified School District for construction of a swimming facility in the City of Avalon on Catalina Island.

(w) One hundred twenty thousand dollars ($120,000) for allocation on a one-time basis to the Anaheim Unified School District for construction of a lunch shelter at Henry Elementary School.

(x) One hundred twenty thousand dollars ($120,000) for allocation on a one-time basis to the Anaheim Unified School District for construction of a lunch shelter at Lincoln Elementary School.

(y) Six hundred thousand dollars ($600,000) for allocation on a one-time basis to Lawndale Elementary School District to renovate the William Green Park, school park, and playground.

(z) Seven hundred thousand dollars ($700,000) for allocation on a one-time basis to the County Office Fiscal Crisis and Management Assistance Team (FCMAT) for distribution to the Compton Unified School District for the purposes of assisting with the implementation of the school district's recovery plan.

(aa) One million five hundred thousand dollars ($1,500,000) for allocation on a one-time basis to school districts and county offices of education that operate programs to subsidize the costs for low-income children to participate in residential outdoor science programs, pursuant to legislation enacted in the 1999–2000 Regular Session that becomes operative on or before January 1, 2000.

(bb) Two million dollars ($2,000,000) for allocation on a one-time basis to provide matching grants to school districts for the purpose of improving or replacing schoolsite playground equipment to meet state-mandated playground safety standards, pursuant to legislation enacted in the 1999–2000 Regular Session that becomes operative on or before January 1, 2000.

(cc) Two hundred thirty-two thousand dollars ($232,000) for allocation on a one-time basis to the Bilingual Foundation of the Arts to develop arts-based literacy skills in schoolage children.

(dd) One hundred thousand dollars ($100,000) for allocation on a one-time basis to the Los Angeles Unified School District to renovate the San Fernando High School Teen Health Clinic.

(ee) Two million dollars ($2,000,000) for allocation on a one-time basis to the Grossmont Union High School District for the Valhalla High School Library.

(ff) Two hundred fifty thousand dollars ($250,000) for allocation on a one-time basis to the Los Angeles Unified School District for the Los Angeles High School for the Arts and the California Academy of Math and Science.

(gg) Twenty-five thousand dollars ($25,000) for allocation on a one-time basis to the Fairfield-Suisun Unified School District on a one-time basis for the Youth Diversion Program at Crystal Middle School.

(hh) Sixteen thousand nine hundred dollars ($16,900) for allocation on a one-time basis to the North Cow Creek School District to provide funding that was reduced by an audit exception in the kindergarten to grade 3, inclusive, class size reduction program.

(ii) Seven hundred fifty thousand dollars ($750,000) for allocation on a one-time basis to the San Luis Coastal Unified School District for construction of a swimming pool at San Luis Obispo High School.

(jj) One hundred twenty thousand dollars ($120,000) for allocation on a one-time basis to the Golden Valley Unified School District for home-to-school transportation.

(kk) One million dollars ($1,000,000) for allocation on a one-time basis equally among the following school districts for the Home Instruction for Preschool Youngsters program:

(1) Long Beach Unified School District.

(2) Moreno Valley Unified School District.
(3) San Diego Unified School District.
(4) West Contra Costa Unified School District.

(*ll*) One hundred fifty thousand dollars ($150,000) for allocation on a one-time basis to the Baldwin Park Unified School District for science laboratory equipment.

(mm) Two hundred eighty-eight thousand dollars ($288,000) for allocation on a one-time basis to the Oxnard Unified School District for the Parent University Project.

(nn) One hundred eighty-two thousand five hundred dollars ($182,500) for allocation in the specified amounts on a one-time basis to the following districts for snow removal:

(1) Eighty thousand dollars ($80,000) to the Tahoe-Truckee Unified School District.

(2) Four thousand five hundred dollars ($4,500) to the Alpine County Unified School District.

(3) Two thousand dollars ($2,000) to the Vallecito Union Elementary School District.

(4) Five thousand dollars ($5,000) to the Susanville School District.

(5) Forty thousand dollars ($40,000) to the Mammoth Unified School District.

(6) One thousand dollars ($1,000) to the Sierra-Plumas Joint Unified School District.

(7) Fifty thousand dollars ($50,000) to the Lake Tahoe Unified School District.

(oo) One hundred thirty-nine thousand dollars ($139,000) for allocation on a one-time basis to the Sacramento City Unified School District for the Center for Educational Excellence.

(pp) Seven hundred fifty thousand dollars ($750,000) for allocation on a one-time basis to the County Office Fiscal Crisis and Management Assistance Team (FCMAT) for an audit of the Oakland Unified School District.

(qq) Two hundred fifty thousand dollars ($250,000) for allocation on a one-time basis to the Capistrano Unified School District for a planning grant to develop a teacher training and development facility.

(rr) Five hundred thousand dollars ($500,000) for allocation on a one-time basis to the Mount Diablo Unified School District for a multipurpose facility for the Diablo View Parent Club.

(ss) Five hundred thousand dollars ($500,000) for allocation on a one-time basis to the Los Angeles Unified School District for the San Fernando Middle School Auditorium.

(tt) Five hundred thousand dollars ($500,000) for allocation on a one-time basis to the Sweetwater Union High School District for a joint-use library project between the Sweetwater Union High School District and the South Bay Union Elementary School District.

(uu) Two hundred seventy-six thousand six hundred dollars ($276,600) for allocation on a one-time basis to the Sanger Unified School District for a swimming pool.

SEC. 66. The sum of nine hundred seventy-three thousand four hundred dollars ($973,400) is hereby appropriated from the General Fund to the Superintendent of Public Instruction in accordance with the following schedule:

(a) (1) Four hundred seventy-three thousand four hundred dollars ($473,400) for allocation on a one-time basis to the Sanger Unified School District for a swimming pool.

(2) For the purposes of making the computations required by Section 8 of Article XVI of the California Constitution, the appropriation made by paragraph (1) shall be deemed to be "General Fund revenues appropriated for school districts," as defined in subdivision (c) of Section 41202 of the Education Code, for the 1998–99 fiscal year, and included within the "total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article III B," as defined in subdivision (e) of Section 41202 of the Education Code for the 1998–99 fiscal year.

(b) (1) Five hundred thousand dollars ($500,000) for allocation on a one-time basis to the Sacramento County Office of Education for a State Resource Center for the California Reading Initiative.

(2) For the purposes of making computations required by Section 8 of Article XVI of the California Constitution, the appropriation made by paragraph (1) shall be deemed to be "General Fund revenues appropriated for school districts," as defined in subdivision (c) of Section 41202 of the Education Code, for the 1998–99 fiscal year, and included within the "total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B," as defined in subdivision (e) of Section 41202 of the Education Code for the 1998–99 fiscal year.

SEC. 67. (a) The sum of one hundred thirty-four million dollars ($134,000,000) is hereby appropriated from the General Fund to the Superintendent of Public Instruction for allocation on a one-time basis to school districts and charter schools. Of this amount, the Superintendent of Public Instruction shall allocate forty million two hundred thousand dollars ($40,200,000) to school districts and charter schools on the basis of prior year enrollment for kindergarten and grades 1 to 8, inclusive, and ninety-three million eight hundred thousand dollars ($93,800,000) to school districts and charter schools on the basis of prior year enrollment for grades 9 through 12, inclusive.

(b) These funds may be used by school districts and charter schools, for any of the following purposes, to assist them in implementing the new statewide accountability system:

(1) Instructional materials, including sheltered English materials and types of materials specifically designed for English learners.

(2) Staff Development Buyout Program.

(3) Other staff development activities.

(c) For the purposes of making the computations required by Section 8 of Article XVI of the California Constitution, the appropriation made by subdivision (a) shall be deemed to be "General Fund revenues appropriated for school districts," as defined in subdivision (c) of Section 41202 of the Education Code, for the 1998–99 fiscal year, and included within the "total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B," as defined in subdivision (e) of Section 41202 of the Education Code for the 1998–99 fiscal year.

SEC. 68. The sum of one million dollars ($1,000,000) is hereby appropriated from the General Fund to the Superintendent of Public Instruction for allocation to the five Challenger Learner Centers. Each center shall be allocated an equal amount.

SEC. 69. (a) The unencumbered balances as of June 30, 1999, from subdivision (k) of Section 41, in the 1997 Omnibus Education Trailer Bill, Chapter 299 of the Statutes of 1997 is hereby reappropriated to the Controller for the reimbursement of state-mandated local cost claims submitted by local education agencies and community college districts for fiscal years 1994–95 to 1999–2000, inclusive.

(b) Prior to the use of funds appropriated in subdivision (a), the Controller shall ensure that audits of the claims are complete.

SEC. 70. The sum of three million three hundred twenty thousand dollars ($3,320,000) is hereby reappropriated from the Proposition 98 Reversion Account to the Chancellor of the California Community Colleges, in accordance with the following schedule:

(a) Seven hundred ninety thousand dollars ($790,000) for allocation on a one-time basis to the College of the Sequoias. Of this amount, forty thousand dollars ($40,000) is for the following purposes:

(1) Twenty thousand dollars ($20,000) to implement a staff fingerprinting system.

(2) Twenty thousand dollars ($20,000) to purchase land and to begin infrastructure for the Dairy Center at Tulare Union High School.

(b) Five hundred thousand dollars ($500,000) for allocation on a one-time basis to Valley College in the Los Angeles Community College District for a media arts center.

(c) Three hundred thousand dollars ($300,000) for allocation on a one-time basis to community college districts for voter registration pursuant to legislation enacted in the 1999–2000 Regular Session that becomes operative on or before January 1, 2000.

(d) One million five hundred thousand dollars ($1,500,000) to the Desert Community College District for transition costs to a one-time basis for transition cost, to be allocated as follows:

(1) One million dollars ($1,000,000) to the College of the Desert.

(2) Five hundred thousand dollars ($500,000) to Copper Mountain College.

(e) Fifty thousand dollars ($50,000) for allocation on a one-time basis to Mission College for a baseball field.

(f) One hundred eighty thousand dollars ($180,000) for allocation on a one-time basis to Merced College for video conferencing technology.

SEC. 71. (a) The sum of ten million dollars ($10,000,000) is hereby appropriated from the General Fund to the Controller to transfer to Section B of the State School Fund for the purpose of providing one-time grants to community college districts for the 1999–2000 fiscal year.

(b) The funds appropriated by subdivision (a) shall be allocated by the Chancellor of the California Community Colleges to community college districts for the purpose of one-time expenditures on high priority projects for instructional equipment, library materials replacement, technology infrastructure, scheduled maintenance, and special repairs. These funds shall be allocated in an average amount per actual statewide full-time equivalent student enrollment reported for the 1998–99 fiscal year.

(c) For the purpose of making the computations required by Section 8 of Article XVI of the California Constitution, the amount appropriated pursuant to subdivision (a) shall be deemed to be "General Fund revenues appropriated for community college districts," as defined in subdivision (d) of Section 41202 of the Education Code for the 1998–99 fiscal year, and included within the "total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B," as defined in subdivision (e) of Section 41202 of the Education Code for the 1998–99 fiscal year.

SEC. 72. (a) The sum of two million dollars ($2,000,000) is hereby appropriated to the Department of Education for transfer to Section A of the State School Fund for allocation by the Controller, for reimbursement of Sacramento City Unified School District's 1998–99 voluntary desegregation audited claim. From this amount, the Sacramento City Unified School District shall be reimbursed up to the amount allowed under current law, not to exceed two million dollars ($2,000,000).

(b) For the purposes of making the computations required by Section 8 of Article XVI of the California Constitution, the appropriation made by paragraph (a) shall be deemed to be "General Fund revenues appropriated for school districts," as defined in subdivision (c) of Section 41202 of the Education Code, for the 1998–99 fiscal year, and included within the "total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B," as defined

in subdivision (e) of Section 41202 of the Education Code for the 1998–99 fiscal year.

SEC. 73. (a) The sum of one million one hundred thirty-two thousand seven hundred fifty-nine dollars ($1,132,759) is hereby appropriated from the General Fund to the State Controller, for reimbursement of approved claims received from the following school districts for the 1994–95 costs of court-ordered desegregation programs pursuant to Section 42247 of the Education Code, in accordance with the following schedule:

Court-ordered Desegregation School Districts	Reimbursement Claims for the 1994–95 fiscal year
Bakersfield City School District	$ 41,444
Los Angeles Unified School District	502,947
Menlo Park City School District	1,164
Palo Alto Unified School District	19,676
Ravenswood City School District	835
Redwood City School District	1,207
San Bernardino Unified School District	69,281
San Diego Unified School District	0
San Francisco Unified School District	216,357
San Jose Unified School District	130,302
San Mateo County Office of Education	327
Santa Clara County Superintendent of Schools	414
Sequoia Union High School District	9,880
Stockton Unified School District	138,925
GRAND TOTAL	$1,132,759

(b) The sum of three million seven hundred forty-five thousand six hundred fifty-seven dollars ($3,745,657) is hereby appropriated from the General Fund to the State Controller, for reimbursement of approved claims received from the following school districts for the 1995–96 costs of court-ordered desegregation programs pursuant to Section 42247 of the Education Code, in accordance with the following schedule:

Court-ordered Desegregation School Districts	Reimbursement Claims for the 1995–96 fiscal year
Bakersfield City School District	$ 41,399
Los Angeles Unified School District	2,141,010
Menlo Park City School District	1,111
Palo Alto Unified School District	21,103
Ravenswood City School District	1,010
Redwood City School District	1,313
San Bernardino Unified School District	100,669
San Diego Unified School District	187,909
San Francisco Unified School District	1,067,577
San Jose Unified School District	6,361
San Mateo County Office of Education	1,212
Santa Clara County Superintendent of Schools	404
Sequoia Union High School District	12,621
Stockton Unified School District	161,959
GRAND TOTAL	$3,745,657

(c) The sum of five hundred eighty-two thousand eight dollars ($582,008) is hereby appropriated from the General Fund to the State Controller, for reimbursement of approved claims received from the following school districts for the 1994–95 costs of voluntary desegregation programs pursuant to Sections 42247 and 42249 of the Education Code, in accordance with the following schedule:

Voluntary Desegregation School Districts	Reimbursement Claims for the 1994–95 fiscal year
ABC Unified School District	$ 2,813
Bakersfield City School District	11,112
Banning Unified School District	374
Berkeley Unified School District	0
Brawley Elementary School District	1,199
Chula Vista Elementary School District	1,821
Claremont Unified School District	1,835
Eastside Union High School District	1,315

El Centro Elementary School District	5,113
Fresno Unified School District	94,068
Fullerton Elementary School District	1,108
Gilroy Unified School District	11,539
Hanford School District	281
Long Beach Unified School District	0
Los Angeles Unified School District	273,971
Merced City School District	1,672
Monrovia Unified School District	664
Monterey Peninsula Unified School District	2,253
Mountain View–Los Altos Union School District	21
North Monterey County Unified School District	0
Oakland Unified School District	5,375
Oxnard Elementary School District	8,001
Pasadena Unified School District	2,962
Redwood City Elementary School District	3,042
Riverside Unified School District	5,171
Sacramento City Unified School District	956
San Bernardino City Unified School District	34,621
San Diego City Unified School District	42,270
San Jose Unified School District	20,403
San Mateo–Foster City School District	4,471
San Mateo Union High School District	1,056
Santa Barbara Elementary School District	359
Santa Monica–Malibu School District	7,309
Santa Paula Elementary School District	2,345
Sequoia Union High School District	1,590
Solana Beach Elementary School District	683
Sunnyvale Elementary School District	659
Sweetwater Union High School District	5,213
Ventura Unified School District	0
Vista Unified School District	24,360
GRAND TOTAL	$582,008

(d) The sum of one million two hundred sixty-three thousand six hundred seventy-seven dollars ($1,263,677) is hereby appropriated from the General Fund to the State Controller, for reimbursement of approved claims received from the following school districts for the 1995–96 costs of voluntary desegregation programs pursuant to Sections 42247 and 42249 of the Education Code, in accordance with the following schedule:

Voluntary Desegregation School Districts	Reimbursement Claims for the 1995–96 fiscal year
ABC Unified School District	$ 2,989
Bakersfield City School District	14,465
Banning Unified School District	434
Berkeley Unified School District	26,758
Brawley Elementary School District	721
Chula Vista Elementary School District	0
Claremont Unified School District	3,181
Eastside Union High School District	0
El Centro Elementary School District	2,343
Fresno Unified School District	93,599
Fullerton Elementary School District	1,665
Gilroy Unified School District	17,430
Hanford School District	333
Long Beach Unified School District	211,506
Los Angeles Unified School District	559,884
Merced City School District	2,200
Monrovia Unified School District	2,377
Monterey Peninsula Unified School District	1,960
Mountain View–Los Altos Union School District	15
North Monterey County Unified School District	4,353
Oakland Unified School District	41,079
Oxnard Elementary School District	9,584
Pasadena Unified School District	12,482
Redwood City Elementary School District	23,281
Riverside Unified School District	7,414
Sacramento City Unified School District	1,634
San Bernardino City Unified School District	51,361
San Diego City Unified School District	82,170
San Jose Unified School District	26,984
San Mateo–Foster City School District	6,074
San Mateo Union High School District	1,507
Santa Barbara Elementary School District	29
Santa Monica–Malibu School District	10,227
Santa Paula Elementary School District	7,426
Sequoia Union High School District	1,857
Solana Beach Elementary School District	0

Sunnyvale Elementary School District	931
Sweetwater Union High School District	0
Ventura Unified School District	208
Vista Unified School District	33,214
GRAND TOTAL	$1,263,677

(e) For the purposes of making the computations required by Section 8 of Article XVI of the California Constitution, the appropriation made by this section shall be deemed to be "General Fund revenues appropriated for school districts," as defined in subdivision (c) of Section 41202 of the Education Code, for the 1998–99 fiscal year, and included within the "total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B," as defined in subdivision (e) of Section 41202 of the Education Code for the 1998–99 fiscal year.

SEC. 74. The sum of two hundred thousand dollars ($200,000) is hereby appropriated from the General Fund to the University of California for violence prevention studies.

SEC. 75. Notwithstanding Section 17610 of the Government Code, if the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code. If the statewide cost of the claim for reimbursement does not exceed one million dollars ($1,000,000), reimbursement shall be made from the State Mandates Claims Fund.

SEC. 76. No reimbursement is required by the amendment to Sections 97.2 and 97.3 of the Revenue and Taxation Code by the act adding this section pursuant to Section 6 of Article XIII B of the California Constitution because these amendments provide for offsetting savings to local agencies or school districts that result in no net costs to the local agencies or school districts, within the meaning of Section 17556 of the Government Code.

SEC. 77. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to implement the Budget Act of 1999 with respect to the public schools and higher education, it is necessary that this act take effect immediately.

CHAPTER 79

An act to add Section 29550.4 to the Government Code, relating to booking fees, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 7, 1999. Filed with Secretary of State July 7, 1999.]

I am signing Assembly Bill No. 1662, relating to booking fees after vetoing subdivisions (c) and (d) of Section 29550.4 of the Government Code as added by this bill.

AB 1662 continuously appropriates up to $50 million annually from the General Fund to the Controller for allocation to cities for reimbursement of their actual booking and processing costs paid to counties. Under this bill, the amount appropriated from the General Fund would be increased annually by two percent beginning with the 2000–01 fiscal year. I am deleting the provisions authorizing this two percent annual adjustment because future increases in these reimbursements should be provided subject to the state's ability to fund these increases rather than automatically through a continuous appropriation.

GRAY DAVIS, Governor

The people of the State of California do enact as follows:

SECTION 1. Section 29550.4 is added to the Government Code, to read:

29550.4. (a) Notwithstanding Section 13340, the sum of up to fifty million dollars ($50,000,000) is hereby continuously appropriated annually from the General Fund to the Controller commencing with the 1999–2000 fiscal year for allocation to cities for reimbursement for actual costs incurred by cities in the payment of booking and processing fees pursuant to this article. For the 1999–2000 fiscal year, this appropriation shall be allocated to cities for reimbursement for actual costs incurred by them during the period July 1, 1997, to July 1, 1998. If the actual costs incurred by cities during the period of July 1, 1997, to July 1, 1998, in the payment to counties of booking and processing fees is greater than fifty million dollars ($50,000,000), then the Controller shall prorate the reimbursement to each city accordingly.

(b) Not later than December 1, 1999, the Controller shall allocate the funds appropriated pursuant to subdivision (a) to all qualified cities and shall certify to the Director of Finance the actual amount of money allocated to cities for the payment of booking and processing fees pursuant to subdivision (a).

(c) For the 2000–01 fiscal year, the annual appropriation made pursuant to this section shall be increased by 2 percent above the lesser of either the amount appropriated pursuant to subdivision (a) or the amount certified by the Controller pursuant to subdivision (b). In either case, the amount of reimbursement allocated to each city by the Controller shall increase in proportion to the increase in the annual appropriation.

(d) Commencing with the 2001–02 fiscal year, the annual appropriation made pursuant to this section shall be increased by 2 percent each fiscal year above the appropriation of the previous fiscal year. The amount of reimbursement allocated to each city by the Controller shall increase annually in proportion to the increase in the annual appropriation.

(e) Any city that applies for reimbursement pursuant to this section shall comply with all requests made by the Controller. Any city that does not pay booking or processing fees to a county or any city that contracts with a county for the payment of those fees shall be ineligible for reimbursement pursuant to this section.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to provide relief to cities for the costs of criminal booking and processing fees owed to counties, it is necessary that this act take effect immediately.

CHAPTER 80

An act to amend Sections 44930 and 45201 of the Education Code, relating to school employees.

[Approved by Governor July 12, 1999. Filed with Secretary of State July 12, 1999.]

The people of the State of California do enact as follows:

SECTION 1. Section 44930 of the Education Code is amended to read:

44930. (a) Governing boards of school districts shall accept the resignation of any employee and shall fix the time when the resignation takes effect, which, except as provided by subdivision (b), shall not be later than the close of the school year during which the resignation has been received by the board.

(b) Notwithstanding any other provision of law, an employee and the governing board of a school district may agree that a resignation will be accepted at a mutually agreed upon date not later than two years beyond the close of the school year during which the resignation is received by the board.

SEC. 2. Section 45201 of the Education Code is amended to read:

45201. (a) The governing boards of any school district may accept the resignation of any employee and may fix the time when the resignation shall take effect, which, except as noted in subdivision (b), shall not be later than the close of the school year during which the resignation is received by the board.

(b) Notwithstanding any other provision of law, an employee and the governing board of a school district may agree that a resignation will be accepted at a mutually agreed upon date not later than two years beyond the close of the school year during which the resignation is received by the board.

CHAPTER 81

An act to add and repeal Section 31755 of the Food and Agricultural Code, relating to animals, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 12, 1999. Filed with Secretary of State July 12, 1999.]

The people of the State of California do enact as follows:

SECTION 1. Section 31755 is added to the Food and Agricultural Code, to read:

31755. (a) Notwithstanding any other provision of law, a public agency that had a contract with another public or private entity to provide or receive animal shelter or animal pound holding services on January 1, 1999, upon adoption of a resolution, may comply with the holding periods specified in Sections 31108, 31752, 31752.5, and 31754 on June 30, 1999, if all of the following conditions are met:

(1) The public agency determines after a duly noticed public hearing that its animal shelter provider, independently of, or in conjunction with, other animal pounds or animal shelters, cannot reasonably comply with the longer holding periods required by Sections 31108, 31752, 31752.5, and 31754, as amended or added by Chapter 752 of the Statutes of 1998 because of the lack of sufficient facilities. The resolution adopted by the public agency under this subdivision shall state clearly the status of the contract for animal shelter or animal pound holding services and shall include informational findings of local circumstances that form the basis for the determination, including, but not limited to, the number of animals impounded in the prior year, the number of animals expected to be impounded under the holding periods required by Sections 31108, 31752, 31752.5, and 31754, as amended or added by Chapter 752 of the Statutes of 1998, the number of animals euthanized the prior year and the cost of providing the service, the number of animals adopted or reunited with owners the prior year and the cost of providing the service, the percentage of cage space predicted to be needed in order to comply with the holding periods required by Sections 31108, 31752, 31752.5, and 31754 as amended or added by Chapter 752 of the Statutes of 1998.

(2) Within 60 days of the adoption of the resolution under subdivision (a), the public agency shall adopt a plan to meet the holding periods required by Sections 31108, 31752, 31752.5, and 31754, as amended or added by Chapter 752 of the Statutes of 1998, on or before July 1, 2000. This plan shall include a schedule of implementation of the plan, and shall identify the funding source or sources for any facilities that may have to be built in order for the public agency to comply with the requirements of Chapter 752 of the Statutes of 1998.

(3) The public agency requests its animal shelter provider to utilize existing and any new animal shelter facilities to comply, to the extent possible, with the holding periods required by Sections 31108, 31752, 31752.5, and 31754, as amended or added by Chapter 752 of the Statutes of 1998.

(4) The public agency directs the animal shelter provider to operate or establish a program for the adoption of animals.

(5) The public agency directs the animal shelter provider to release an animal scheduled to be euthanized to a nonprofit, as defined in Section 501(c)(3) of the Internal Revenue Code, animal rescue or adoption organization at the request of that nonprofit organization, as provided by law.

(b) The public agency that adopts a resolution pursuant to subdivision (a) shall require the animal shelter or animal pound holding service provider to implement flexible operating hours in order to increase the opportunity for owners to reclaim their pets and to increase the opportunity for adoption of impounded animals.

(c) It is the intent of the Legislature that there be no further statutory delay in implementing the holding periods established by Chapter 752 of the Statutes of 1998.

(d) It is the intent of the Legislature that, where possible, animal pounds and shelters utilize the Internet to provide pictures or descriptions, or both pictures and descriptions, of animals housed in these pounds or shelters, in order to facilitate reuniting owners and pets and to facilitate adoption.

(e) This section shall remain in effect until July 1, 2000, and as of that date is repealed.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to ensure that local pounds and shelters that provide animal shelter services to public agencies may continue to operate in order to protect the public health, safety, and welfare while making arrangements to implement or otherwise respond to the provisions of Chapter 752 of the Statutes of 1998, it is necessary that this act take effect immediately.

CHAPTER 82

An act to amend Section 74265 of, and to add Section 74265.5 to, the Education Code, relating to community college districts, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 12, 1999. Filed with Secretary of State July 12, 1999.]

The people of the State of California do enact as follows:

SECTION 1. The Legislature hereby finds and declares that, as the portion of the Desert Community College District containing the Copper Mountain Center is in a different county from, and is located 50 miles or more from, any other campus in the district and had, during the 1997-98 fiscal year, a full-time equivalent enrollment of not less than 1,200 and not more than 1,500 students, that portion should be formed into a new community college district pursuant to Section 74265 of the Education Code and that formation should be expedited.

SEC. 2. Section 74265 of the Education Code is amended to read:

74265. (a) (1) Notwithstanding any other provision of this part, an action to form a new community college district from a portion of an existing community college district shall be deemed to be approved as provided by law, for purposes of Section 74250, without election, when approval of that action is given by the Board of Governors of the California Community Colleges pursuant to Section 74205, provided that the proposed new district consists of an existing community college center and its service area, and all of the following conditions exist:

(A) The existing community college center in the proposed new district is located in a county other than the county in which the headquarters of the existing community college district is located.

(B) The community college center in the proposed new district is located 50 or more miles from any other campus or center in the existing community college district.

(C) The existing community college district has a total full-time equivalent enrollment in the 1997–98 fiscal year of not less than 6,500 students and not more than 7,000 students, and the existing community college center, which would become the community college campus in the proposed new district, has a full-time equivalent enrollment in the 1997–98 fiscal year of not less than 1,200 students and not more than 1,500 students.

(2) The Board of Governors of the California Community Colleges shall take action as provided in this subdivision at the first regularly scheduled meeting or special meeting after the operative date of the act that adds Section 74265.5. A new community college district formed pursuant to this section shall be formed as soon as

practicable on or after July 1 of the calendar year in which the act that adds Section 74265.5 becomes operative.

(b) The action to form a new community college district, as described in subdivision (a), shall be submitted for voter approval at an election that shall be called by the county superintendent of schools of the county in which the proposed new community college district is located upon the formation of a new community college district pursuant to subdivision (a). The election shall be called in the manner prescribed in Part 4 (commencing with Section 5000), and shall be conducted at the next available regular election scheduled in the territory of the new community college district defined in the approved proposal according to the procedures prescribed by Sections 35757 to 35764, inclusive. In the event that, pursuant to that election, the voters fail to approve that action, the new community college district formed pursuant to subdivision (a) shall be deemed to be thereupon annexed as a center by the community college district from which it was formed.

(c) The election of the first governing board of the community college district formed pursuant to subdivision (a) shall be called and conducted together with the election provided for under subdivision (b).

(d) Notwithstanding any other provision of law, the requirements set forth in Article 3 (commencing with Section 74150) of Chapter 2 do not apply to the action to form a new community college district described in subdivision (a). It is the intent of the Legislature that the formation of a district pursuant to this section not adversely affect the state funding of community college districts in subsequent fiscal years.

(e) Upon the formation of a new community college district pursuant to this section, the county superintendent of schools for the county in which the new district is situated shall appoint an interim governing board for the new district pursuant to application and selection procedures established by the county superintendent. There shall be five at-large appointees, and these appointees shall constitute the governing board of the new community college district until the members of the governing board elected pursuant to subdivision (c) take office or, in the event that the voters fail to approve the action of forming the new community college district, until the new community college district is annexed, pursuant to subdivision (b), by the community college district from which it was formed.

(f) After the effective date of the formation of the new community college district pursuant to this section, one district may contract with the other district for the performance of services under terms and conditions that may be agreed upon by the two districts.

(g) (1) Notwithstanding any other provision of law, after the effective date of the formation of a new community college district pursuant to this section, the new community college district shall

receive all state funding to which a district of its enrollment with fully accredited programs of instruction would be entitled. Funds authorized, appropriated, or apportioned for distribution to the new community college district, regardless of source, and regardless of whether those funds are presently being handled by the county office of education in which the existing district is headquartered, shall be transferred to, directed to, and channeled through, the county office of education for the county in which the new district is located.

(2) Notwithstanding any other provision of law, the property tax properly attributable to the territory of the new district shall also be transferred to the county office of education for the county in which the new district is located as of July 1 of the calendar year in which the transfer becomes effective.

(h) When procedures implemented pursuant to this section require notice to affected county agencies, and if the territory of the new and old districts is located in more than two counties, then these notices are required to be provided only to the two counties containing the largest parcels of territory comprising the old and new community college districts.

SEC. 3. Section 74265.5 is added to the Education Code, to read:

74265.5. (a) Except as otherwise provided in this section, the disposition of records, funds, property, and obligations when a community college district is formed as specified in Section 74265 shall be governed by Article 3 (commencing with Section 74280) and by any applicable regulations adopted by the Board of Governors of the California Community Colleges.

(b) The existing community college district and a new community college district established pursuant to Section 74265 shall enter into an agreement providing for matters relating to the formation of a new community college district. Those matters to be included in the agreement include, but are not limited to, all of the following:

(1) Assignment of existing academic employees and classified employees.

(2) Division and disposition of all interests in property, buildings, fixtures, and leases thereon, including, but not necessarily limited to, any agreement entered into pursuant to Chapter 2 (commencing with Section 81300) of Part 49.

(3) Facilities and equipment, including, but not limited to, existing obligations for the acquisition, procurement, or maintenance of electronic systems, materials, goods, and services.

(4) Division and transfer of funds and obligations, other than bonded indebtedness, affected by the formation of the proposed new community college district.

(5) Transfer of all records required to be maintained by a community college district, including student records maintained in accordance with Chapter 1.5 (commencing with Section 76200) of Part 47.

(6) Division and transfer of all existing and potential rights, obligations, and liabilities, whether at law or in equity.

(c) The agreement to be entered into pursuant to this section shall expressly provide that the proposed new community college district shall successfully complete accreditation as required by law on or before a date to be specified in the agreement. Nothing in this subdivision shall require the existing community college district to sustain accreditation for the proposed new community college district after the date specified in the agreement for the proposed new community college district to complete accreditation.

(d) The agreement to be entered into pursuant to this section shall specify that funds derived from the sale of bonds issued by the existing community college district shall be used for the acquisition, construction, or improvement of college property only in the territory comprising the existing community college district after formation of the proposed new community college district or to discharge the bonded indebtedness of the existing community college district, except that, if the bonded indebtedness is assumed by the proposed new community college district, the funds may be used in any area of the new district for the purposes for which the bonds were originally voted.

(e) For purposes of this section, the interim board of governors appointed by the county superintendent of schools shall be deemed authorized at all times to execute the agreement provided for by this section on behalf of the proposed new community college district until the members of the first elected governing board of the new community college district take office in accordance with Section 74265.

SEC. 4. Notwithstanding Section 17610 of the Government Code, if the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code. If the statewide cost of the claim for reimbursement does not exceed one million dollars ($1,000,000), reimbursement shall be made from the State Mandates Claims Fund.

SEC. 5. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to ensure an orderly transition for a new community college district formed pursuant to Section 74265 of the Education Code, and to ensure the continuous provision of services to affected community college students as required by law, it is necessary that this act take effect immediately.

CHAPTER 83

An act to amend Sections 2530.2, 2725.1, 4052, 4827, 10145, 10177, 10229, 10232, 11018.12, 17539.15, 17550.14, 17550.16, 17550.23, 17550.41, 19950.2, 21701.1, and 23104.2 of, and to amend and renumber Section 730 of, the Business and Professions Code, to amend Sections 1102.6c, 1739.7, 1793.22, 1815, and 3269 of the Civil Code, to amend Sections 631 and 1167.3 of the Code of Civil Procedure, to amend Sections 25102 and 28956 of the Corporations Code, to amend Sections 8927, 42238.95, 44259.3, 44403, 44579.4, 44731, 51201.5, 51554, 51555, 51871, 52122, 54745, 54748, 54761.3, 60603, 60640, 69621, and 89010 of the Education Code, to amend Sections 10262, 15112, and 15151 of the Elections Code, to amend Sections 4252, 4351, 4901, 6380, 7572, and 7575 of the Family Code, to amend Sections 6420 and 7151 of the Fish and Game Code, to amend Sections 221, 5852, 14651, 20797, and 31753 of the Food and Agricultural Code, to amend Sections 3517.65, 4560, 6253, 6505.5, 7073, 7260, 7262.5, 9359.01, 12652, 13965.2, 14838.5, 18523.3, 19141.3, 19175.6, 19576.5, 19582.3, 20068.2, 20677, 21028, 22200, 22209, 22754.5, and 54975 of, to amend the heading of Article 5 (commencing with Section 63043) of Chapter 2 of Division 1 of Title 6.7 of, to amend and renumber Sections 66400, 66401, 66402, and 66403 of, and to amend and renumber the heading of Chapter 6 (commencing with Section 66400) of Division 1 of Title 7 of, and to repeal Section 54953 of, the Government Code, to amend Sections 1206, 1261.5, 1261.6, 1300, 1351.2, 1357.09, 1357.50, 1357.51, 1367.24, 1442.5, 1502.6, 1522, 1746, 1771.9, 1797.191, 18020, 18025.5, 25989.1, 33392, 33492.22, 44015, 111940, 120440, 124980, and 129820 of, to amend and renumber Section 50518 of, and to repeal Section 33298 of, the Health and Safety Code, to amend Sections 1063.6, 1765.1, 10095, 10116.5, 10194.8, 10232.8, 10273.4, 10700, and 10841 of, and to amend and renumber Sections 12963.96 and 12963.97 of, the Insurance Code, to amend Sections 138.4, 201.5, 1771.5, 3716.2, 4707, and 5433 of the Labor Code, to amend Sections 136.2, 148.10, 290, 298, 299, 299.6, 350, 550, 594, 626.9, 653m, 790, 831.5, 1203.097, 1269b, 1347, 3003, 4536.5, 5066, 6051, 6065, 6126, 12071, 12085, 12086, 12370, 13515.55, and 13602 of the Penal Code, to amend Section 10218, 14575, and 33001 of the Public Resources Code, to amend Sections 64, 401.15, 995.2, 3772.5, 17275.6, 19057, 19141.6, 19271, 23038.5, 23610.5, 23701t, 23704, 24416.2, 41136, and 65004 of the Revenue and Taxation Code, to amend Section 1095 of the Unemployment Insurance Code, to amend Sections 2478, 2810, 4466, 11614, and 40000.15 of the Vehicle Code, to amend Section 1062 of the Water Code, to amend Sections 319, 366.26, 781, 1801, 5768.5, 6609.1, 10980, 11369, 11401, 12302.3, 16118, and 16501.1 of, to amend and renumber Sections 1790, 1791, 1792, 1793, and 11008.19 of, and to amend and repeal Section 17012.5 of, the Welfare and Institutions Code, and to amend Section 8.2 of Chapter 545 of the Statutes of 1943, Section 2 of Chapter 21 of the Statutes of 1998, Section 111 of Chapter 310 of the Statutes of 1998, Section 3 of

Chapter 652 of the Statutes of 1998, Section 1 of Chapter 722 of the Statutes of 1998, Section 11 of Chapter 760 of the Statutes of 1998, Section 12 of Chapter 760 of the Statutes of 1998, and Section 10 of Chapter 969 of the Statutes of 1998, relating to maintenance of the codes.

[Approved by Governor July 12, 1999. Filed with Secretary of State July 12, 1999.]

The people of the State of California do enact as follows:

SECTION 1. Section 730 of the Business and Professions Code, as added by Chapter 400 of the Statutes of 1997, is amended and renumbered to read:

730.5. (a) It is unprofessional conduct and a crime, as provided in Section 4935, for a physician and surgeon, osteopathic physician, dentist, or podiatrist to direct or supervise the performance of acupuncture involving the application of a needle to the body of a human being by a person licensed under this division who is not licensed pursuant to the Acupuncture Licensure Act established by Chapter 12 (commencing with Section 4925).

(b) It is unprofessional conduct and a crime, as provided in Section 4935, for a person licensed under this division who is not licensed pursuant to the Acupuncture Licensure Act established by Chapter 12 (commencing with Section 4925) to perform acupuncture involving the application of a needle to the body of a human being at the direction or under the supervision of a physician and surgeon, osteopathic physician, dentist, or podiatrist.

SEC. 2. Section 2530.2 of the Business and Professions Code is amended to read:

2530.2. As used in this chapter, unless the context otherwise requires:

(a) "Board" means the Speech-Language Pathology and Audiology Board or any successor.

(b) "Person" means any individual, partnership, corporation, limited liability company, or other organization or combination thereof, except that only individuals can be licensed under this chapter.

(c) A "speech-language pathologist" is a person who practices speech-language pathology.

(d) "The practice of speech-language pathology" means the application of principles, methods, and procedures for measurement, testing, identification, prediction, counseling, or instruction related to the development and disorders of speech, voice, or language for the purpose of identifying, preventing, managing, habilitating or rehabilitating, ameliorating, or modifying those disorders and conditions in individuals or groups of individuals; conducting hearing screenings; and the planning, directing, conducting and supervision

of programs for identification, evaluation, habilitation, and rehabilitation of disorders of speech, voice, or language.

(e) "Speech-language pathology aide" means any person meeting the minimum requirements established by the board, who works directly under the supervision of a speech-language pathologist.

(f) (1) "Speech-language pathology assistant" means a person who meets the academic and supervised training requirements set forth by the board and who is approved by the board to assist in the provision of speech-language pathology under the direction and supervision of a speech-language pathologist who shall be responsible for the extent, kind, and quality of the services provided by the speech-language pathology assistant.

(2) The supervising speech-language pathologist employed or contracted for by a public school may hold either a valid and current license issued by the board or a valid, current, and professional clear clinical or rehabilitative services credential in language, speech, and hearing issued by the Commission on Teacher Credentialing. For purposes of this paragraph, a "clear" credential is a credential that is not issued pursuant to a waiver or emergency permit and is as otherwise defined by the Commission on Teacher Credentialing.

(g) An "audiologist" is one who practices audiology.

(h) "The practice of audiology" means the application of principles, methods, and procedures of measurement, testing, appraisal, prediction, consultation, counseling, instruction related to auditory, vestibular, and related functions, and the modification of communicative disorders involving speech, language, auditory behavior or other aberrant behavior resulting from auditory dysfunction, and the planning, directing, conducting, supervising, or participating in programs of identification of auditory disorders, hearing conservation, cerumen removal, aural habilitation, and rehabilitation, including hearing aid recommendation and evaluation procedures including, but not limited to, specifying amplification requirements and evaluation of the results thereof, auditory training, and speech reading.

(i) "Audiology aide" means any person, meeting the minimum requirements established by the board, who works directly under the supervision of an audiologist.

(j) "Medical board" means the Medical Board of California or a division of the board.

(k) A "hearing screening" performed by a speech-language pathologist means a binary puretone screening at a preset intensity level for the purpose of determining if the screened individuals are in need of further medical or audiological evaluation.

(*l*) "Cerumen removal" means the nonroutine removal of cerumen within the cartilaginous ear canal necessary for access in performance of audiological procedures that shall occur under physician and surgeon supervision. Cerumen removal, as provided by this section, shall only be performed by a licensed audiologist.

"Physician and surgeon supervision" shall not be construed to require the physical presence of the physician, but shall include all of the following:

(1) The supervising physician shall collaborate on the development of written standardized protocols. The protocols shall include a requirement that the supervised audiologist immediately refer to an appropriate physician any trauma, including skin tears, bleeding, or other pathology of the ear discovered in the process of cerumen removal as defined in this subdivision.

(2) The supervising physician shall approve the written standardized protocol.

(3) The supervising physician shall be within the general vicinity, as provided by the physician-audiologist protocol, of the supervised audiologist and available by telephone contact at the time of cerumen removal.

(4) A licensed physician and surgeon may not at any one time supervise more than two audiologists for purposes of cerumen removal.

SEC. 3. Section 2725.1 of the Business and Professions Code is amended to read:

2725.1. Notwithstanding any other provision of law, a registered nurse may dispense drugs or devices upon an order by a licensed physician and surgeon when the nurse is functioning within a licensed clinic as defined in paragraphs (1) and (2) of subdivision (a) of Section 1204 of, or within a clinic as defined in subdivision (b) or (c) of Section 1206 of the Health and Safety Code.

A clinic may not employ a registered nurse to perform dispensing duties exclusively. A registered nurse may not dispense drugs in a pharmacy or keep a pharmacy, open shop, or drugstore for the retailing of drugs or poisons. A registered nurse may not compound drugs. Dispensing of drugs by a registered nurse shall not include substances included in the California Uniform Controlled Substances Act (Division 10 (commencing with Section 11000) of the Health and Safety Code). This section does not exempt a clinic from Article 13 (commencing with Section 4180) of Chapter 9.

SEC. 4. Section 4052 of the Business and Professions Code is amended to read:

4052. (a) Notwithstanding any other provision of law, a pharmacist may:

(1) Furnish a reasonable quantity of compounded medication to a prescriber for office use by the prescriber.

(2) Transmit a valid prescription to another pharmacist.

(3) Administer, orally or topically, drugs and biologicals pursuant to a prescriber's order.

(4) Perform the following procedures or functions in a licensed health care facility in accordance with policies, procedures, or protocols developed by health professionals, including physicians,

pharmacists, and registered nurses, with the concurrence of the facility administrator:

(A) Ordering or performing routine drug therapy-related patient assessment procedures including temperature, pulse, and respiration.

(B) Ordering drug therapy-related laboratory tests.

(C) Administering drugs and biologicals by injection pursuant to a prescriber's order (the administration of immunizations under the supervision of a prescriber may also be performed outside of a licensed health care facility).

(D) Initiating or adjusting the drug regimen of a patient pursuant to an order or authorization made by the patient's prescriber and in accordance with the policies, procedures, or protocols of the licensed health care facility.

(5) (A) Perform the following procedures or functions as part of the care provided by a health care facility, a licensed home health agency, a licensed clinic in which there is physician oversight, or a provider who contracts with a licensed health care service plan with regard to the care or services provided to the enrollees of that health care service plan, in accordance with policies, procedures, or protocols of that facility, home health agency, in accordance with subparagraph (D), licensed clinic, or health care service plan developed by health professionals, including physicians, pharmacists, and registered nurses, which shall require, at a minimum, that the medical records of the patient be available to both the patient's prescriber and the pharmacist, and that the procedures to be performed by the pharmacist relate to a condition for which the patient has first seen a physician:

(i) Ordering or performing routine drug therapy-related patient assessment procedures including temperature, pulse, and respiration.

(ii) Ordering drug therapy-related laboratory tests.

(iii) Administering drugs and biologicals by injection pursuant to a prescriber's order (the administration of immunizations under the supervision of a prescriber may also be performed outside of a licensed health care facility).

(iv) Adjusting the drug regimen of a patient pursuant to a specific written order or authorization made by the patient's prescriber for the individual patient, and in accordance with the policies, procedures, or protocols of the health care facility, home health agency, licensed clinic, or health care service plan. Adjusting the drug regimen does not include substituting or selecting a different drug, except as authorized by Section 4073.

(B) A patient's prescriber may prohibit, by written instruction, any adjustment or change in the patient's drug regimen by the pharmacist.

(C) The policies, procedures, or protocols referred to in this paragraph shall require that the pharmacist function as part of a

multidisciplinary group that includes physicians and direct care registered nurses. The multidisciplinary group shall determine the appropriate participation of the pharmacist and the direct care registered nurse.

(D) A pharmacist performing any procedure authorized under this paragraph for a licensed home health agency shall perform the procedures in accordance with a written, patient-specific protocol approved by the treating or supervising physician. Any change, adjustment, or modification of an approved preexisting treatment or drug therapy shall be provided in writing to the treating or supervising physician within 24 hours.

(6) Manufacture, measure, fit to the patient, or sell and repair dangerous devices or furnish instructions to the patient or the patient's representative concerning the use of those devices.

(7) Provide consultation to patients and professional information, including clinical or pharmacological information, advice, or consultation, to other health care professionals.

(b) Prior to performing any procedure authorized by paragraph (4) of subdivision (a), a pharmacist shall have received appropriate training as prescribed in the policies and procedures of the licensed health care facility. Prior to performing any procedure authorized by paragraph (5) of subdivision (a), a pharmacist shall have either (1) successfully completed clinical residency training or (2) demonstrated clinical experience in direct patient care delivery.

(c) Nothing in this section affects the requirements of existing law relating to maintaining the confidentiality of medical records.

(d) Nothing in this section affects the requirements of existing law relating to the licensing of a health care facility.

SEC. 5. Section 4827 of the Business and Professions Code is amended to read:

4827. Nothing in this chapter prohibits any person from:

(a) Practicing veterinary medicine as a bona fide owner of one's own animals. This exemption applies to the following:

(1) The owner's bona fide employees.

(2) Any person assisting the owner, provided that the practice is performed gratuitously.

(b) Lay testing of poultry by the whole blood agglutination test. For purposes of this section, "poultry" means flocks of avian species maintained for food production, including, but not limited to, chickens, turkeys, and exotic fowl.

(c) Making any determination as to the status of pregnancy, sterility, or infertility upon livestock, equine, or food animals at the time an animal is being inseminated, providing no charge is made for this determination.

(d) Administering sodium pentobarbital for euthanasia of sick, injured, homeless, or unwanted domestic pets or animals without the presence of a veterinarian when the person is an employee of an animal control shelter and its agencies or humane society and has

received proper training in the administration of sodium pentobarbital for these purposes.

SEC. 6. Section 10145 of the Business and Professions Code is amended to read:

10145. (a) (1) A real estate broker who accepts funds belonging to others in connection with a transaction subject to this part shall deposit all those funds that are not immediately placed into a neutral escrow depository or into the hands of the broker's principal, into a trust fund account maintained by the broker in a bank or recognized depository in this state. All funds deposited by the broker in a trust fund account shall be maintained there until disbursed by the broker in accordance with instructions from the person entitled to the funds.

(2) Notwithstanding the provisions of paragraph (1), a real estate broker collecting payments or performing services for investors or note owners in connection with loans secured by a first lien on real property may deposit funds received in trust in an out-of-state depository institution insured by the Federal Deposit Insurance Corporation, if the investor or note owner is any one of the following:

(A) The Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Federal Housing Administration, or the United States Department of Veterans Affairs.

(B) A bank or subsidiary thereof, bank holding company or subsidiary thereof, trust company, savings bank or savings and loan association or subsidiary thereof, savings bank or savings association holding company or subsidiary thereof, credit union, industrial bank or industrial loan company, or insurance company doing business under the authority of, and in accordance with, the laws of this state, another state, or the United States relating to banks, trust companies, savings banks or savings associations, credit unions, industrial banks or industrial loan companies, or insurance companies, as evidenced by a license, certificate, or charter issued by the United States or a state, district, territory, or commonwealth of the United States.

(C) Trustees of a pension, profit-sharing, or welfare fund, if the pension, profit-sharing, or welfare fund has a net worth of not less than fifteen million dollars ($15,000,000).

(D) A corporation with outstanding securities registered under Section 12 of the Securities Exchange Act of 1934 or a wholly owned subsidiary of that corporation.

(E) A syndication or other combination of any of the entities specified in subparagraph (A), (B), (C), or (D) that is organized to purchase the promissory note.

(F) The California Housing Finance Agency or a local housing finance agency organized under the Health and Safety Code.

(G) A licensed residential mortgage lender or servicer acting under the authority of that license.

(H) A licensed real estate broker selling all or part of the loan, note, or contract to a lender or purchaser specified in subparagraphs (A) to (G), inclusive.

(3) A real estate broker who deposits funds held in trust in an out-of-state depository institution in accordance with paragraph (2) shall make available, in this state, the books, records, and files pertaining to the trust accounts to the commissioner or the commissioner's representatives or pay the reasonable expenses for travel and lodging incurred by the commissioner or the commissioner's representatives in order to conduct an examination at an out-of-state location.

(b) A real estate broker acting as a principal pursuant to Section 10131.1 shall place all funds received from others for the purchase of real property sales contracts or promissory notes secured directly or collaterally by liens on real property in a neutral escrow depository unless delivery of the contract or note is made simultaneously with the receipt of the purchase funds.

(c) A real estate sales person who accepts trust funds from others on behalf of the broker under whom he or she is licensed shall immediately deliver the funds to the broker or, if so directed by the broker, shall deliver the funds into the custody of the broker's principal or a neutral escrow depository or shall deposit the funds into the broker's trust fund account.

(d) If not otherwise expressly prohibited by this part, a real estate broker may, at the request of the owner of trust funds or of the principals to a transaction or series of transactions from whom the broker has received trust funds, deposit the funds into an interest-bearing account in a bank, savings and loan association, credit union, or industrial loan company, the accounts of which are insured by the Federal Deposit Insurance Corporation, if all of the following requirements are met:

(1) The account is in the name of the broker as trustee for the designated beneficiary or principal of a transaction or series of transactions.

(2) All of the funds in the account are covered by insurance provided by an agency of the United States.

(3) The funds in the account are kept separate, distinct, and apart from funds belonging to the broker or to any other person for whom the broker holds funds in trust.

(4) The broker discloses to the person from whom the trust funds are received, and to a beneficiary whose identity is known to the broker at the time of establishing the account, the nature of the account, how interest will be calculated and paid under various circumstances, whether service charges will be paid to the depository and by whom, and possible notice requirements or penalties for withdrawal of funds from the account.

(5) Interest earned on funds in the account may not inure directly or indirectly to the benefit of the broker or a person licensed to the broker.

(6) In an executory sale, lease, or loan transaction in which the broker accepts funds in trust to be applied to the purchase, lease, or loan, the parties to the contract shall have specified in the contract or by collateral written agreement the person to whom interest earned on the funds is to be paid or credited.

(e) The broker shall have no obligation to place trust funds into an interest-bearing account unless requested to do so and unless all of the conditions in subdivision (d) are met, nor, in any event, if he or she advises the party making the request that the funds will not be placed in an interest-bearing account.

(f) Nothing in subdivision (d) shall preclude the commissioner from prescribing, by regulation, circumstances in which, and conditions under which, a real estate broker is authorized to deposit funds received in trust into an interest-bearing trust fund account.

(g) The broker shall maintain a separate record of the receipt and disposition of all funds described in subdivisions (a) and (b), including any interest earned on the funds.

(h) Upon request of the commissioner, a broker shall furnish to the commissioner an authorization for examination of financial records of those trust fund accounts maintained in a financial institution, in accordance with the procedures set forth in Section 7473 of the Government Code.

(i) As used in this section, "neutral escrow" means an escrow business conducted by a person licensed under Division 6 (commencing with Section 17000) of the Financial Code or by a person described in paragraph (1) or (3) of subdivision (a) of Section 17006 of that code.

SEC. 7. Section 10177 of the Business and Professions Code is amended to read:

10177. The commissioner may suspend or revoke the license of a real estate licensee, or may deny the issuance of a license to an applicant, who has done any of the following, or may suspend or revoke the license of a corporation, or deny the issuance of a license to a corporation, if an officer, director, or person owning or controlling 10 percent or more of the corporation's stock has done any of the following:

(a) Procured, or attempted to procure, a real estate license or license renewal, for himself or herself or any salesperson, by fraud, misrepresentation, or deceit, or by making any material misstatement of fact in an application for a real estate license, license renewal, or reinstatement.

(b) Entered a plea of guilty or nolo contendere to, or been found guilty of, or been convicted of, a felony or a crime involving moral turpitude, and the time for appeal has elapsed or the judgment of conviction has been affirmed on appeal, irrespective of an order

granting probation following that conviction, suspending the imposition of sentence, or of a subsequent order under Section 1203.4 of the Penal Code allowing that licensee to withdraw his or her plea of guilty and to enter a plea of not guilty, or dismissing the accusation or information.

(c) Knowingly authorized, directed, connived at, or aided in the publication, advertisement, distribution, or circulation of any material false statement or representation concerning his or her business, or any business opportunity or any land or subdivision (as defined in Chapter 1 (commencing with Section 11000) of Part 2) offered for sale.

(d) Willfully disregarded or violated the Real Estate Law (Part 1 (commencing with Section 10000)) or Chapter 1 (commencing with Section 11000) of Part 2 or the rules and regulations of the commissioner for the administration and enforcement of the Real Estate Law and Chapter 1 (commencing with Section 11000) of Part 2.

(e) Willfully used the term "realtor" or any trade name or insignia of membership in any real estate organization of which the licensee is not a member.

(f) Acted or conducted himself or herself in a manner that would have warranted the denial of his or her application for a real estate license, or has either had a license denied or had a license issued by another agency of this state, another state, or the federal government revoked or suspended for acts that, if done by a real estate licensee, would be grounds for the suspension or revocation of a California real estate license, if the action of denial, revocation, or suspension by the other agency or entity was taken only after giving the licensee or applicant fair notice of the charges, an opportunity for a hearing, and other due process protections comparable to the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340), Chapter 4 (commencing with Section 11370), and Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code), and only upon an express finding of a violation of law by the agency or entity.

(g) Demonstrated negligence or incompetence in performing any act for which he or she is required to hold a license.

(h) As a broker licensee, failed to exercise reasonable supervision over the activities of his or her salespersons, or, as the officer designated by a corporate broker licensee, failed to exercise reasonable supervision and control of the activities of the corporation for which a real estate license is required.

(i) Has used his or her employment by a governmental agency in a capacity giving access to records, other than public records, in a manner that violates the confidential nature of the records.

(j) Engaged in any other conduct, whether of the same or a different character than specified in this section, which constitutes fraud or dishonest dealing.

(k) Violated any of the terms, conditions, restrictions, and limitations contained in any order granting a restricted license.

(*l*) Solicited or induced the sale, lease, or listing for sale or lease of residential property on the ground, wholly or in part, of loss of value, increase in crime, or decline of the quality of the schools due to the present or prospective entry into the neighborhood of a person or persons of another race, color, religion, ancestry, or national origin.

(m) Violated the Franchise Investment Law (Division 5 (commencing with Section 31000) of Title 4 of the Corporations Code) or regulations of the Commissioner of Corporations pertaining thereto.

(n) Violated the Corporate Securities Law of 1968 (Division 1 (commencing with Section 25000) of Title 4 of the Corporations Code) or the regulations of the Commissioner of Corporations pertaining thereto.

(o) Failed to disclose to the buyer of real property, in a transaction in which the licensee is an agent for the buyer, the nature and extent of a licensee's direct or indirect ownership interest in that real property. The direct or indirect ownership interest in the property by a person related to the licensee by blood or marriage, by an entity in which the licensee has an ownership interest, or by any other person with whom the licensee has a special relationship shall be disclosed to the buyer.

If a real estate broker that is a corporation has not done any of the foregoing acts, either directly or through its employees, agents, officers, directors, or persons owning or controlling 10 percent or more of the corporation's stock, the commissioner may not deny the issuance of a real estate license to, or suspend or revoke the real estate license of, the corporation, provided that any offending officer, director, or stockholder, who has done any of the foregoing acts individually and not on behalf of the corporation, has been completely disassociated from any affiliation or ownership in the corporation.

SEC. 8. Section 10229 of the Business and Professions Code is amended to read:

10229. Any transaction that involves the sale of or offer to sell a series of notes secured directly by an interest in the same real property, or the sale of undivided interests in a note secured directly by real property equivalent to a series transaction, shall comply with all of the following, except as provided in paragraph (4) of subdivision (i), the terms "sale" and "offer to sell," as used in this section, shall have the same meaning as set forth in Section 25017 of the Corporations Code and include the acts of negotiating and arranging the transaction:

(a) A notice in the following form and containing the following information shall be filed with the commissioner within 30 days after the first transaction and within 30 days of any material change in the information required in the notice:

TO: Real Estate Commissioner
Mortgage Loan Section
2201 Broadway
Sacramento, CA 95818

This notice is filed pursuant to Section 10229 of the Business and Professions Code.

( ) Original Notice ( ) Amended Notice

1. Name of Broker conducting transaction under Section 10229:

_____

2. Firm name (if different from "1"):

_____

3. Street address (main location):

_____
and Street City State ZIP Code

4. Mailing address (if different from "3"):

_____

5. Servicing Agent: Identify the person or persons who will act as the servicing agent in transactions pursuant to Section 10229 (including the undersigned Broker if that is the case):

_____
_____

6. Inspection of trust account (before answering this question, review the provisions of paragraph (3) of subdivision (j) of Section 10229).

CHECK ONLY ONE OF THE FOLLOWING:

( ) The undersigned Broker is (or expects to be) required to file reports of inspection of its trust account(s) with the Real Estate Commissioner pursuant to paragraph (3) of subdivision (j) of Section 10229.

( ) The undersigned Broker is NOT (or does NOT expect to be) required to file reports of inspection of its trust account(s) with the Real Estate Commissioner pursuant to paragraph (3) of subdivision (j) of Section 10229.

7. Signature. The contents of this notice are true and correct.

_____ _____

Date Type Name of Broker

_____

Signature of Broker or of Designated Officer of Corporate Broker

_____

Type Name of Person(s) Signing This Notice

NOTE: AN AMENDED NOTICE MUST BE FILED BY THE BROKER WITHIN 30 DAYS OF ANY MATERIAL CHANGE IN THE INFORMATION REQUIRED TO BE SET FORTH HEREIN.

(b) All advertising employed for transactions under this section shall (1) show the name of the broker and (2) comply with Section 10235 of the Business and Professions Code and Sections 260.302 and 2848 of Title 10 of the California Code of Regulations. Brokers and their agents are cautioned that a reference to a prospective investor that a transaction is conducted under this section may be deemed misleading or deceptive if this representation may reasonably be construed by the investor as an implication of merit or approval of the transaction.

(c) The real property directly securing the notes or interests is located in this state, the note or notes are not by their terms subject to subordination to any subsequently created deed of trust upon the real property, and the note or notes are not promotional notes secured by liens on separate parcels of real property in one subdivision or in contiguous subdivisions. For purposes of this subdivision, a promotional note means a promissory note secured by a trust deed, executed on unimproved real property or executed after

construction of an improvement of the property but before the first purchase of the property as so improved, or executed as a means of financing the first purchase of the property as so improved, that is subordinate, or by its terms may become subordinate, to any other trust deed on the property. However, the term "promotional note" does not include either of the following:

(1) A note that was executed in excess of three years prior to being offered for sale.

(2) A note secured by a first trust deed on real property in a subdivision that evidences a bona fide loan made in connection with the financing of the usual cost of the development in a residential, commercial, or industrial building or buildings on the property under a written agreement providing for the disbursement of the loan funds as costs are incurred or in relation to the progress of the work and providing for title insurance ensuring the priority of the security as against mechanic's and materialmen's liens or for the final disbursement of at least 10 percent of the loan funds after the expiration of the period for the filing of mechanic's and materialmen's liens.

(d) (1) The notes or interests are sold by or through a real estate broker, as principal or agent. At the time the interests are originally sold or assigned, neither the broker nor an affiliate of the broker shall have an interest as owner, lessor, or developer of the property securing the loan, or any contractual right to acquire, lease, or develop the property securing the loan. This provision does not prohibit a broker from conducting the following transactions if, in either case, the disclosure statement furnished by the broker pursuant to subdivision (k) discloses the interest of the broker or affiliate in the transaction and the circumstances under which the broker or affiliate acquired the interest:

(A) A transaction in which the broker or an affiliate of the broker is acquiring the property pursuant to a foreclosure under, or sale pursuant to, a deed of trust securing a note for which the broker is the servicing agent or that the broker sold to the holder or holders.

(B) A transaction in which the broker or an affiliate of the broker is reselling from inventory property acquired by the broker pursuant to a foreclosure under, or sale pursuant to, a deed of trust securing a note for which the broker is the servicing agent or that the broker sold to the holder or holders.

(2) For the purposes of this subdivision, the following definitions apply:

(A) "Broker" means a person licensed as a broker under this part.

(B) "Affiliate" means a person controlled by, controlling, or under common control with, the broker.

(e) (1) The notes or interests shall not be sold to more than 10 persons, each of whom meets one or both of the qualifications of income or net worth set forth below and signs a statement, which

shall be retained by the broker for four years, conforming to the following:

Transaction Identifier: _____

Name of Purchaser: _____ Date: _____

Check either one of the following, if true:

( ) My investment in the transaction does not exceed 10% of my net worth, exclusive of home, furnishings, and automobiles.

( ) My investment in the transaction does not exceed 10% of my adjusted gross income for federal income tax purposes for my last tax year or, in the alternative, as estimated for the current year.

_____
Signature

(2) The number of offerees shall not be considered for the purposes of this section.

(3) A husband and wife and their dependents, and an individual and his or her dependents, shall be counted as one person.

(4) A retirement plan, trust, business trust, corporation, or other entity that is wholly owned by an individual and the individual's spouse or the individual's dependents, or any combination thereof, shall not be counted separately from the individual, but the investments of these entities shall be aggregated with those of the individual for the purposes of the statement required by paragraph (1). If the investments of any entities are required to be aggregated under this subdivision, the adjusted gross income or net worth of these entities may also be aggregated with the net worth, income, or both, of the individual.

(5) The "institutional investors" enumerated in subdivision (i) of Section 25102 or subdivision (c) of Section 25104 of the Corporations Code, or in a rule adopted pursuant thereto, shall not be counted.

(f) The notes or interests of the purchasers shall be identical in their underlying terms, including the right to direct or require foreclosure, rights to and rate of interest, and other incidents of being a lender, and the sale to each purchaser pursuant to this section shall be upon the same terms, subject to adjustment for the face or principal amount or percentage interest purchased and for interest earned or accrued. This subdivision does not preclude different selling prices for interests to the extent that these differences are reasonably related to changes in the market value of the loan

occurring between the sales of these interests. The interest of each purchaser shall be recorded.

(g) (1) Except as provided in paragraph (2), the aggregate principal amount of the notes or interests sold, together with the unpaid principal amount of any encumbrances upon the real property senior thereto, shall not exceed the following percentages of the current market value of the real property, as determined in writing by the broker or appraiser pursuant to Section 10232.6, plus the amount for which the payment of principal and interest in excess of the percentage of current market value is insured for the benefit of the holders of the notes or interests by an insurer admitted to do business in this state by the Insurance Commissioner:

(A)	Single–family residence, owner occupied	80%
(B)	Single–family residence, not owner occupied	75%
(C)	Commercial and income–producing properties	65%
(D)	Single family residentially zoned lot or parcel which has installed offsite improvements including drainage, curbs, gutters, sidewalks, paved roads, and utilities as mandated by the political subdivision having jurisdiction over the lot or parcel	65%
(E)	Land that has been zoned for (and if required, approved for subdivision as) commercial or residential development	50%
(F)	Other real property	35%

(2) The percentage amounts specified in paragraph (1) may be exceeded when and to the extent that the broker determines that the encumbrance of the property in excess of these percentages is reasonable and prudent considering all relevant factors pertaining to the real property. However, in no event shall the aggregate principal amount of the notes or interests sold, together with the unpaid principal amount of any encumbrances upon the property senior thereto, exceed 80 percent of the current fair market value of improved real property or 50 percent of the current fair market value of unimproved real property, except in the case of a single-family zoned lot or parcel as defined in paragraph (1), which shall not exceed 65 percent of the current fair market value of that lot or parcel, plus the amount insured as specified in paragraph (1). A written statement shall be prepared by the broker that sets forth the material considerations and facts that the broker relies upon for his or her determination, which shall be retained as a part of the broker's record of the transaction. Either a copy of the statement or the information contained therein shall be included in the disclosures required pursuant to subdivision (k).

(3) A copy of the appraisal or the broker's evaluation shall be delivered to each purchaser. The broker shall advise purchasers of their right to receive a copy. For purposes of this paragraph, "appraisal" means a written estimate of value based upon the assembling, analyzing, and reconciling of facts and value indicators for the real property in question. A broker shall not purport to make an appraisal unless the person so employed is qualified on the basis of special training, preparation, or experience.

(h) The documentation of the transaction shall require that (1) a default upon any interest or note is a default upon all interests or notes and (2) the holders of more than 50 percent of the record beneficial interests of the notes or interests may govern the actions to be taken on behalf of all holders in accordance with Section 2941.9 of the Civil Code in the event of default or foreclosure for matters that require direction or approval of the holders, including designation of the broker, servicing agent, or other person acting on their behalf, and the sale, encumbrance, or lease of real property owned by the holders resulting from foreclosure or receipt of a deed in lieu of foreclosure. The terms called for by this subdivision may be included in the deed of trust, in the assignment of interests, or in any other documentation as is necessary or appropriate to make them binding on the parties.

(i) (1) The broker shall not accept any purchase or loan funds or other consideration from a prospective lender or purchaser, or directly or indirectly cause the funds or other consideration to be deposited in an escrow or trust account, except as to a specific loan or note secured by a deed of trust that the broker owns, is authorized to negotiate, or is unconditionally obligated to buy.

(2) All funds received by the broker from the purchasers or lenders shall be handled in accordance with Section 10145 for disbursement to the persons thereto entitled upon recordation of the interests of the purchasers or lenders in the note and deed of trust. No provision of this section shall be construed as modifying or superseding applicable law regulating the escrow holder in any transaction or the handling of the escrow account.

(3) The books and records of the broker or servicing agent, or both, shall be maintained in a manner that readily identifies transactions under this section and the receipt and disbursement of funds in connection with these transactions.

(4) If required by paragraph (3) of subdivision (j), the review by the independent certified public accountant shall include a sample of transactions, as reflected in the records of the trust account required pursuant to paragraph (1) of subdivision (j), and the bank statements and supporting documents. These documents shall be reviewed for compliance with this section with respect to the handling and distribution of funds. The sample shall be selected at random by the accountant from all these transactions and shall consist of the following: (A) three sales made or 5 percent of the sales

made pursuant to this section during the period for which the examination is conducted, whichever is greater, and (B) 10 payments processed or 2 percent of payments processed under this exemption during the period for which the examination is conducted, whichever is greater. The transaction that constitutes a "sale," for purposes of this subdivision, is the series of transactions by which a series of notes of a maker, or the interests in the note of a maker, are sold or issued to their various purchasers under this section, including all receipts and disbursements in that process of funds received from the purchasers or lenders. The transaction that constitutes a "payment," for the purposes of this subdivision, is the receipt of a payment from the person obligated on the note or from some other person on behalf of the person so obligated, including the broker or servicing agent, and the distribution of that payment to the persons entitled thereto. If a payment involves an advance paid by the broker or servicing agent as the result of a dishonored check, the inspection shall identify the source of funds from which the payment was made or, in the alternative, the steps that are reasonably necessary to determine that there was not a disbursement of trust funds. The accountant shall inspect for compliance with the following specific provisions of this section: paragraphs (1), (2), and (3) of subdivision (i) and paragraphs (1) and (2) of subdivision (j).

(5) Within 30 days of the close of the period for which the report is made, or within any additional time as the commissioner may in writing allow in a particular case, the accountant shall forward to the broker or servicing agent, as the case may be, and to the commissioner, the report of the accountant, stating that the inspection was performed in accordance with this section, listing the sales and the payments examined, specifying the nature of the deficiencies, if any, noted by the accountant with respect to each sale or payment, together with any further information as the accountant may wish to include, such as corrective steps taken with respect to any deficiency so noted, or stating that no deficiencies were observed. If the broker meets the threshold criteria of Section 10232, the report of the accountant shall be submitted as part of the quarterly reports required under Section 10232.25.

(j) The notes or interests shall be sold subject to a written agreement that obligates a licensed real estate broker, or a person exempted from the licensing requirement for real estate brokers under Chapter 3 (commencing with Section 10130) of Part 1 of Division 4, to act as agent for the purchasers or lenders to service the note or notes and deed of trust, including the receipt and transmission of payments and the institution of foreclosure proceedings in the event of a default. A copy of this servicing agreement shall be delivered to each purchaser. The broker shall offer to the lenders or purchasers the services of the broker or one or more affiliates of the broker, or both, as servicing agent for each

transaction conducted pursuant to this section. The agreement shall require all of the following:

(1) (A) That payments received on the note or notes be deposited immediately to a trust account maintained in accordance with this section and with the provisions for trust accounts of licensed real estate brokers contained in Section 10145 and Article 15 (commencing with Section 2830.1) of Chapter 6 of Title 10 of the California Code of Regulations.

(B) That payments deposited pursuant to subparagraph (A) shall not be commingled with the assets of the servicing agent or used for any transaction other than the transaction for which the funds are received.

(2) That payments received on the note or notes shall be transmitted to the purchasers or lenders pro rata according to their respective interests within 25 days after receipt thereof by the agent. If the source for the payment is not the maker of the note, the agent shall inform the purchasers or lenders of the source for payment. A broker or servicing agent who transmits to the purchaser or lenders the broker's or servicing agent's own funds to cover payments due from the borrower but unpaid as a result of a dishonored check may recover the amount of the advances from the trust fund when the past due payment is received. However, this section does not authorize the broker, servicing agent, or any other person to issue, or to engage in any practice constituting, any guarantee or to engage in the practice of advancing payments on behalf of the borrower.

(3) If the broker, directly or through an affiliate, is the servicing agent for notes or interests sold pursuant to this section upon which the payments due during any period of three consecutive months in the aggregate exceed one hundred twenty-five thousand dollars ($125,000) or the number of persons entitled to the payments exceeds 120, the trust account or accounts of that broker or affiliate shall be inspected by an independent certified public accountant at no less than three-month intervals during the time the volume is maintained. Within 30 days after the close of the period for which the review is made, the report of the accountant shall be forwarded as provided in paragraph (5) of subdivision (i). If the broker is required to file an annual report pursuant to subdivision (n) or Section 10232.2, the quarterly report pursuant to this subdivision need not be filed for the last quarter of the year for which the annual report is made. For the purposes of this subdivision, an affiliate of a broker is any person controlled by, controlling, or under common control with the broker.

(4) Unless the servicing agent will receive notice pursuant to Section 2924b of the Civil Code, the servicing agent shall file a request for notice of default upon any prior encumbrances and promptly notify the purchasers or lenders of any default on the prior encumbrances or on the note or notes subject to the servicing agreement.

(5) The servicing agent shall promptly forward copies of the following to each purchaser or lender:

(A) Any notice of trustee sale filed on behalf of the purchasers or lenders.

(B) Any request for reconveyance of the deed of trust received on behalf of the purchasers or lenders.

(k) The broker shall disclose in writing to each purchaser or lender the material facts concerning the transaction on a disclosure form adopted or approved by the commissioner pursuant to Section 10232.5, subject to the following:

(1) The disclosure form shall include a description of the terms upon which the note and deed of trust are being sold, including the terms of the undivided interests being offered therein, including the following:

(A) In the case of the sale of an existing note:

(i) The aggregate sale price of the note.

(ii) The percent of the premium over or discount from the principal balance plus accrued but unpaid interest.

(iii) The effective rate of return to the purchasers if the note is paid according to its terms.

(iv) The name and address of the escrow holder for the transaction.

(v) A description of, and the estimated amount of, each cost payable by the seller in connection with the sale and a description of, and the estimated amount of, each cost payable by the purchasers in connection with the sale.

(B) In the case of the origination of a note:

(i) The name and address of the escrow holder for the transaction.

(ii) The anticipated closing date.

(iii) A description of, and the estimated amount of, each cost payable by the borrower in connection with the loan and a description of, and the estimated amount of, each cost payable by the lenders in connection with the loan.

(2) A copy of the written statement or information contained therein, as required by paragraph (2) of subdivision (g), shall be included in the disclosure form.

(3) Any interest of the broker or affiliate in the transaction, as described in subdivision (d), shall be included with the disclosure form.

(4) When the particular circumstances of a transaction make information not specified in the disclosure form material or essential to keep the information provided in the form from being misleading, and the other information is known to the broker, the other information shall also be provided by the broker.

(*l*) The broker or servicing agent shall furnish any purchaser of a note or interest, upon request, with the names and addresses of the purchasers of the other notes or interests in the loan.

(m) No agreement in connection with a transaction covered by this section shall grant to the real estate broker, the servicing agent, or any affiliate of the broker or agent the option or election to acquire the interests of the purchasers or lenders or to acquire the real property securing the interests. This subdivision shall not prohibit the broker or affiliate from acquiring the interests, with the consent of the purchasers or lenders whose interests are being purchased, or the property, with the consent of the purchasers or lenders, if the consent is given at the time of the acquisition.

(n) Each broker who conducts transactions under this section and meets the criteria of paragraph (3) of subdivision (j) shall file with the commissioner an annual report of a review of its trust account. The report shall be prepared and filed in accordance with subdivision (a) of Section 10232.2 and the rules and procedures thereunder of the commissioner. That report shall cover the broker's transactions under this section and, if the broker also meets the threshold criteria set forth in Section 10232, the broker's transactions subject to that section shall be included as well.

(o) Each broker conducting transactions pursuant to this section who meets the criteria of paragraph (3) of subdivision (j) shall file with the commissioner a report of the transactions that is prepared in accordance with subdivision (c) of Section 10232.2. If the broker also meets the threshold criteria of Section 10232, the report shall include the transactions subject to that section as well. This report shall be confidential pursuant to subdivision (f) of Section 10232.2.

(p) The jurisdiction of the Commissioner of Corporations under the Corporate Securities Law of 1968 shall be neither limited nor expanded by this section. Nothing in this section shall be construed to supersede or restrict the application of the Corporate Securities Law of 1968. A transaction under this section shall not be construed to be a transaction involving the issuance of securities subject to authorization by the Real Estate Commissioner under subdivision (e) of Section 25100 of the Corporations Code.

(q) Nothing in this section shall be construed to change the agency relationships between the parties where they exist or limit in any manner the fiduciary duty of brokers to borrowers, lenders, and purchasers of notes or interests in transactions subject to this section.

SEC. 9. Section 10232 of the Business and Professions Code is amended to read:

10232. (a) Except as otherwise expressly provided, Sections 10232.2, 10232.25, 10233, and 10236.6 are applicable to every real estate broker who intends or reasonably expects in a successive 12 months to do any of the following:

(1) Negotiate a combination of 10 or more of the following transactions pursuant to subdivision (d) or (e) of Section 10131 or Section 10131.1 in an aggregate amount of more than one million dollars ($1,000,000):

(A) Loans secured directly or collaterally by liens on real property or on business opportunities as agent for another or others.

(B) Sales or exchanges of real property sales contracts or promissory notes secured directly or collaterally by liens on real property or on business opportunities as agent for another or others.

(C) Sales or exchanges of real property sales contracts or promissory notes secured directly or collaterally by liens on real property as the owner of those notes or contracts.

(2) Make collections of payments in an aggregate amount of two hundred fifty thousand dollars ($250,000) or more on behalf of owners of promissory notes secured directly or collaterally by liens on real property, owners of real property sales contracts, or both.

(3) Make collections of payments in an aggregate amount of two hundred fifty thousand dollars ($250,000) or more on behalf of obligors of promissory notes secured directly or collaterally by liens on real property, lenders of real property sales contracts, or both.

Persons under common management, direction, or control in conducting the activities enumerated above shall be considered as one person for the purpose of applying the above criteria.

(b) The negotiation of a combination of two or more new loans and sales or exchanges of existing promissory notes and real property sales contracts of an aggregate amount of more than two hundred fifty thousand dollars ($250,000) in any three successive months or a combination of five or more new loans and sales or exchanges of existing promissory notes and real property sales contracts of an aggregate amount of more than five hundred thousand dollars ($500,000) in any successive six months shall create a rebuttable presumption that the broker intends to negotiate new loans and sales and exchanges of an aggregate amount that will meet the criteria of subdivision (a).

(c) In determining the applicability of Sections 10232.2, 10232.25, 10233, and 10236.6, loans or sales negotiated by a broker, or for which a broker collects payments or provides other servicing for the owner of the note or contract, shall not be counted in determining whether the broker meets the criteria of subdivisions (a) and (b) if any of the following apply:

(1) The lender or purchaser is any of the following:

(A) The Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Federal Housing Administration, and the United States Department of Veterans Affairs.

(B) A bank or subsidiary thereof, bank holding company or subsidiary thereof, trust company, savings bank or savings and loan association or subsidiary thereof, savings bank or savings association holding company or subsidiary thereof, credit union, industrial bank or industrial loan company, commercial finance lender, personal property broker, consumer finance lender, or insurer doing business under the authority of, and in accordance with, the laws of this state,

any other state, or the United States relating to banks, trust companies, savings banks or savings associations, credit unions, industrial banks or industrial loan companies, commercial finance lenders, or insurers, as evidenced by a license, certificate, or charter issued by the United States or a state, district, territory, or commonwealth of the United States.

(C) Trustees of a pension, profit-sharing, or welfare fund, if the pension, profit-sharing, or welfare fund has a net worth of not less than fifteen million dollars ($15,000,000).

(D) A corporation with outstanding securities registered under Section 12 of the Securities Exchange Act of 1934 or a wholly owned subsidiary of that corporation.

(E) A syndication or other combination of any of the entities specified in subparagraph (A), (B), (C), or (D) that is organized to purchase the promissory note.

(F) The California Housing Finance Agency or a local housing finance agency organized under the Health and Safety Code.

(G) A licensed residential mortgage lender or servicer acting under the authority of that license.

(H) An institutional investor that issues mortgage-backed securities, as specified in paragraph (11) of subdivision (i) of Section 50003 of the Financial Code.

(I) A licensed real estate broker selling all or part of the loan, the note, or the contract to a lender or purchaser specified in subparagraphs (A) to (H), inclusive.

(2) The loan or sale is negotiated, or the loan or contract is being serviced for the owner, under authority of a permit issued pursuant to applicable provisions of the Corporate Securities Law of 1968 (Division 1 (commencing with Section 25000) of Title 4 of the Corporations Code).

(3) The transaction is subject to the requirements of Article 3 (commencing with Section 2956) of Chapter 2 of Title 14 of Part 4 of Division 3 of the Civil Code.

(d) If two or more real estate brokers who are not under common management, direction, or control cooperate in the negotiation of a loan or the sale or exchange of a promissory note or real property sales contract and share in the compensation for their services, the dollar amount of the transaction shall be allocated according to the ratio that the compensation received by each broker bears to the total compensation received by all brokers for their services in negotiating the loan or sale or exchange.

(e) A real estate broker who meets any of the criteria of subdivision (a) or (b) shall notify the department in writing within 30 days after that determination is made.

SEC. 10. Section 11018.12 of the Business and Professions Code is amended to read:

11018.12. (a) The commissioner may issue a conditional public report for a subdivision specified in Section 11004.5 if the

requirements of subdivision (e) are met, all deficiencies and substantive inadequacies in the documents that are required to make an application for a final public report for the subdivision substantially complete have been corrected, the material elements of the setup of the offering to be made under the authority of the conditional public report have been established, and all requirements for the issuance of a public report set forth in the regulations of the commissioner have been satisfied, except for one or more of the following requirements, as applicable:

(1) A final map has not been recorded.

(2) A condominium plan pursuant to subdivision (e) of Section 1351 of the Civil Code has not been recorded.

(3) A declaration of covenants, conditions, and restrictions pursuant to Section 1353 of the Civil Code has not been recorded.

(4) A declaration of annexation has not been recorded.

(5) A recorded subordination of existing liens to the declaration of covenants, conditions, and restrictions or declaration of annexation, or escrow instructions to effect recordation prior to the first sale, are lacking.

(6) Filed articles of incorporation are lacking.

(7) A current preliminary report of a licensed title insurance company issued after filing of the final map and recording of the declaration covering all subdivision interests to be included in the public report has not been provided.

(8) Other requirements the commissioner determines are likely to be timely satisfied by the applicant, notwithstanding the fact that the failure to meet these requirements makes the application qualitatively incomplete.

(b) The commissioner may issue a conditional public report for a subdivision not referred to or specified in Section 11000.1 or 11004.5 if the requirements of subdivision (e) are met, all deficiencies and substantive inadequacies in the documents that are required to make an application for a final public report for the subdivision substantially complete have been corrected, the material elements of the setup of the offering to be made under the authority of the conditional public report have been established, and all requirements for issuance of a public report set forth in the regulations of the commissioner have been satisfied, except for one or more of the following requirements, as applicable:

(1) A final map has not been recorded.

(2) A declaration of covenants, conditions, and restrictions has not been recorded.

(3) A current preliminary report of a licensed title insurance company issued after filing of the final map and recording of the declaration covering all subdivision interests to be included in the public report has not been provided.

(4) Other requirements the commissioner determines are likely to be timely satisfied by the applicant, notwithstanding the fact that

the failure to meet these requirements makes the application qualitatively incomplete.

(c) A decision by the commissioner to not issue a conditional public report shall be noticed in writing to the applicant within five business days and that notice shall specifically state the reasons why the report is not being issued.

(d) Notwithstanding the provisions of Section 11018.2, a person may sell or lease, or offer for sale or lease, lots or parcels in a subdivision pursuant to a conditional public report if, as a condition of the sale or lease or offer for sale or lease, delivery of legal title or other interest contracted for will not take place until issuance of a public report and provided that the requirements of subdivision (e) are met.

(e) (1) Evidence shall be supplied that all purchase money will be deposited in compliance with subdivision (a) of Section 11013.2 or subdivision (a) of Section 11013.4, and in the case of a subdivision referred to in subdivision (a) of this section, evidence shall be given of compliance with paragraphs (1) and (2) of subdivision (a) of Section 11018.5.

(2) A description of the nature of the transaction shall be supplied.

(3) Provision shall be made for the return of the entire sum of money paid or advanced by the purchaser if a subdivision public report has not been issued within six months of the date of issuance of the conditional public report or the purchaser is dissatisfied with the public report because of a change pursuant to Section 11012.

(f) A subdivider, principal, or his or her agent shall provide a prospective purchaser a copy of the conditional public report and a written statement including all of the following:

(1) Specification of the information required for issuance of a public report.

(2) Specification of the information required in the public report that is not available in the conditional public report, along with a statement of the reasons why that information is not available at the time of issuance of the conditional public report.

(3) A statement that no person acting as a principal or agent shall sell or lease, or offer for sale or lease, lots or parcels in a subdivision for which a conditional public report has been issued except as provided in this article.

(4) Specification of the requirements of subdivision (e).

(g) The prospective purchaser shall sign a receipt that he or she has received and has read the conditional public report and the written statement provided pursuant to subdivision (f).

(h) The term of a conditional public report shall not exceed six months, and may be renewed for one additional term of six months if the commissioner determines that the requirements for issuance of a public report are likely to be satisfied during the renewal term.

SEC. 11. Section 17539.15 of the Business and Professions Code is amended to read:

17539.15. (a) Solicitation materials containing sweepstakes entry materials shall not represent, taking into account the context in which the representation is made, including, without limitation, emphasis, print, size, color, location, and presentation of the representation and any qualifying language, that a person is a winner or has already won a prize unless that person has in fact won a prize. If the representation is made on or visible through the mailing envelope containing the sweepstakes materials, the context in which the representation is to be considered, including any qualifying language, shall be limited to what appears on, appears from, or is visible through the mailing envelope.

(b) Solicitation materials containing sweepstakes entry materials shall include a prominent statement of the no-purchase-necessary message, in readily understandable terms, in the official rules included in those solicitation materials and, if the official rules do not appear thereon, on the entry-order device included in those solicitation materials. The no-purchase-necessary message included in the official rules shall be set out in a separate paragraph in the official rules and be printed in capital letters in contrasting typeface not smaller than the largest typeface used in the text of the official rules.

(c) Sweepstakes entries not accompanied by an order for products or services shall not be subjected to any disability or disadvantage in the winner selection process to which an entry accompanied by an order for products or services would not be subject.

(d) Sweepstakes materials containing sweepstakes entry materials shall not represent that an entry in the promotional sweepstakes accompanied by an order for products or services will be eligible to receive additional prizes or be more likely to win than an entry not accompanied by an order for products or services or that an entry not accompanied by an order for products or services will have a reduced chance of winning a prize in the promotional sweepstakes.

(e) For purposes of this section:

(1) "No-purchase-necessary message" means a statement to the effect that no purchase is necessary as a condition of entering the promotional sweepstakes.

(2) "Official rules" means the formal printed statement, however designated, of the rules for the promotional sweepstakes appearing in the solicitation materials. The official rules shall be prominently identified and all references thereto in any solicitation materials shall consistently use the designation for the official rules that appears in those materials. Each sweepstakes solicitation shall contain a copy of the official rules.

SEC. 12. Section 17550.14 of the Business and Professions Code is amended to read:

17550.14. (a) The seller of travel has an obligation either to provide the air or sea transportation or travel services purchased by

the passenger or to make a refund as provided by this section. The seller of travel shall return to the passenger all moneys paid for air or sea transportation or travel services not actually provided to the passenger, within either of the following periods, whichever is earlier:

(1) Thirty days from one of the following dates:

(A) The scheduled date of departure.

(B) The day the passenger requests a refund.

(C) The day of cancellation by the seller of travel.

(2) Three days from the day the seller of travel is first unable to provide the air or sea transportation or travel services.

As used in this section, "unable to provide" includes, but is not limited to, any day on which the passenger's funds are not in the trust account required by Section 17550.15 and subdivision (g) of Section 17750.21 or the funds necessary to provide the passenger's transportation or travel services have been disbursed other than as allowed by Section 17550.15 or subdivision (a) of Section 17550.16.

(b) If the seller of travel has disbursed the passenger's funds pursuant to paragraph (1), (2), (3), or (4) of subdivision (c) of Section 17550.15, the seller of travel may, instead of providing a refund, provide to the passenger a written statement accompanied by bank records establishing that the passenger's funds were disbursed as required by those provisions and, if disbursed to a seller of travel, proof of current registration of that seller of travel. A seller of travel who is exempt from the requirements of Section 17550.15 pursuant to subdivision (a) of Section 17550.16 and who is in compliance with subdivision (a) of Section 17550.16 may comply with this section by maintaining and providing to the passenger documentary proof of disbursement in compliance with subdivision (a) of Section 17550.16, and proof of current registration of the seller of travel to whom the funds were disbursed, which registration shall note that the registered seller of travel either has a trust account in compliance with Section 17550.15, or is exempt from the requirements of Section 17550.15 pursuant to subdivision (b) or (c) of Section 17550.16.

(c) If terms and conditions relating to a refund upon cancellation by the passenger have been disclosed and agreed to by the passenger and the passenger elects to cancel for any reason other than a seller of travel being unable to provide the air or sea transportation or travel services purchased, the making of a refund in accordance with those terms and conditions shall be deemed to constitute compliance with this section.

(d) Any material misrepresentation by the seller of travel shall be deemed to be a violation of this article and cancellation by the seller of travel, necessitating a refund as required by subdivision (a).

SEC. 13. Section 17550.16 of the Business and Professions Code is amended to read:

17550.16. (a) A seller of travel is exempt from the requirements of subdivisions (a) to (f), inclusive, of Section 17550.15 for all transactions in which the seller of travel is in compliance with paragraphs (1) to (6), inclusive, or with paragraph (7).

(1) The seller of travel sells, provides, furnishes, contracts for, or arranges air or sea transportation in transactions with persons in California, only from locations in California, and the air or sea transportation or travel services are to be furnished by (A) a registered seller of travel that is in compliance with this article and Article 2.7 (commencing with Section 17550.35) or (B) an air or sea carrier.

(2) The seller of travel forwards the passenger's funds, without offsetting or reducing the amount forwarded by any amounts due or claimed in connection with any other transaction, to (A) the provider of the transportation or travel services, (B) the Airlines Reporting Corporation, (C) the trust account identified in the registration of the seller of travel to whom the funds are forwarded, or (D) a registered seller of travel whose registration states that the registered seller is exempt pursuant to subdivision (b) or (c) from the requirements of Section 17550.15, and the seller of travel who forwards funds pursuant to subparagraph (C) or (D) obtains and keeps a copy of the registration referred to in subparagraph (C) or (D).

(3) The seller of travel is an officially appointed agent in good standing of the Airlines Reporting Corporation and the air transportation, if any, is sold to the passenger pursuant to that agency appointment.

(4) The seller of travel has been in business under the same ownership for a period of three years, unless acquired or formed by a registered seller of travel that has been in business under the same ownership for a period of three years. For the purposes of this paragraph, the following shall not constitute a change in ownership:

(A) Any structural change involving a change in the type of entity, such as from a corporation to a partnership, and not involving the addition of any new, underlying ownership interest.

(B) The deletion of any owner or ownership interest.

(5) The seller of travel sells, provides, furnishes, contracts for, or arranges air or sea transportation or travel services only at retail directly to the general public and not through any other seller of travel, all of which air or sea transportation and travel services are to be furnished by other, unrelated providers or sellers of travel.

(6) The seller of travel is in compliance with the requirements of Section 17550.20 and Article 2.7 (commencing with Section 17550.35). Any seller of travel seeking to qualify for this exemption shall provide all information necessary for the Attorney General or his or her delegate to determine that the seller of travel meets the criteria set forth in paragraphs (1) to (6), inclusive.

(7) A seller of travel in a transaction where the air or sea transportation or travel services are furnished by a business entity that (A) is located and providing transportation or travel services outside of the United States and (B) is not in compliance with the provisions of this article is exempt from the requirements of Section 17550.15 for that transaction if the seller of travel obtains each passenger's written acknowledgment of receiving, prior to making any payment, a clear, conspicuous, and complete written disclosure that the provider of transportation or travel services is not in compliance with the Seller of Travel Law and the transaction is not covered by the Travel Consumer Restitution Fund, and of the attendant risks and consequences thereof.

(8) If the Attorney General or his or her delegate finds, pursuant to Section 17550.52, that the Travel Consumer Restitution Corporation has failed or ceased to operate, a seller of travel who was a participant in the Travel Consumer Restitution Fund shall no longer be exempt from compliance with the requirements of Section 17550.15 and 17550.17.

If Article 2.7 (commencing with Section 17550.35) ceases to operate for any reason, including, but not limited to, repeal pursuant to Section 17550.59, no seller of travel shall be exempt from compliance with the requirements of Sections 17550.15 and 17550.17 unless in compliance with subdivision (b) or (c).

(b) A seller of travel who is a participant, with respect to all sales of air or sea transportation and travel services, in a Consumer Protection Deposit Plan that meets the criteria of paragraphs (1) to (3), inclusive, and who complies with paragraph (4) need not comply with Section 17550.15.

(1) The plan is operated and administered by an entity who demonstrates to the satisfaction of the Attorney General or his or her delegate that the operating and administering entity is competent and reliable and that the plan will achieve fully the purposes and objectives of this article. Each approved plan shall include provisions requiring that each participating seller of travel (A) has been engaged in business as a seller of travel in the United States under the same ownership for not less than three years, unless acquired or formed by a seller of travel already participating and in good standing in the plan, and (B) has deposited with the administrator of the plan a minimum of one million dollars ($1,000,000) in security in the form of a bond, letter of credit, or certificate of deposit, which security shall be (i) in favor solely of the plan, (ii) held by the plan pursuant to the terms of the plan, (iii) used solely to refund passenger payments or deposits or to complete tours, and (iv) payable solely in the event that (I) the seller of travel fails to refund passenger payments or deposits due as a result of the bankruptcy, insolvency, or cessation of operations of the seller of travel or after the cancellation or material failure by the seller of travel to complete performance of the passenger's transportation or travel services or (II) the seller of travel

fails to replace the security with another meeting the criteria set forth in subparagraph (B) no later than 30 days prior to its expiration.

(2) Claims filed against the Consumer Protection Deposit Plan are decided within 45 days of receipt and paid within 30 days of decision.

(3) The Consumer Protection Deposit Plan has been reviewed and approved in writing by the Attorney General or his or her delegate as meeting the criteria set forth above, including a finding that the plan will effectuate the purposes of this article. Should the approved plan cease to provide the consumer protections set forth in paragraph (1), the Attorney General or his or her delegate shall revoke his or her approval immediately. Upon that revocation, the seller of travel shall no longer be exempt from compliance with the requirements of Sections 17550.15 and 17550.17.

(4) Any participant in a Consumer Protection Deposit Plan seeking to qualify for this exemption shall provide all information necessary for the Attorney General or his or her delegate to determine (A) that the Consumer Protection Deposit Plan in which the seller of travel is a participant meets the criteria set forth in paragraphs (1), (2), and (3), (B) that the seller of travel is a participant in full compliance with the terms and conditions of an approved consumer protection deposit plan, and (C) provide a written agreement from the authorized representative of the Consumer Protection Deposit Plan in which the plan administrator agrees to give the office of the Attorney General, Consumer Law Section, immediate written and telephonic notice in the event of termination of the seller of travel's participation in the plan.

(c) A seller of travel who utilizes for all transactions a Consumer Protection Escrow Plan which meets the criteria of paragraphs (1) to (6), inclusive, and who complies with paragraph (7) is exempt from the requirements of Section 17550.15.

(1) The plan is operated and administered as escrow holder by a federally insured bank that demonstrates to the Attorney General or his or her delegate that the manner in which it will administer the plan will be consistent with the purposes of this article. Each approved escrow plan shall include provisions requiring that all air tickets sold by participants in the plan be issued through the Airlines Reporting Corporation.

(2) All funds delivered to the escrow holder, by cash, check, charge card, or otherwise, are held and disbursed by the escrow holder for the benefit of, and to protect the interests of, the passenger.

(3) All funds are separately accounted for by booking number and passenger name.

(4) Claims filed against the escrow plan are decided within 45 days of receipt and paid within 30 days of decision.

(5) All passenger funds are to be delivered to the escrow holder as required by Section 17550.15.

(6) The Consumer Protection Escrow Plan has been reviewed and approved in writing by the Attorney General or his or her delegate as meeting the criteria set forth herein, including a finding that the plan will effectuate the purposes and objectives of this article. Should the approved plan cease to provide the consumer protections set forth in paragraphs (1) to (5), inclusive, the Attorney General or his or her delegate shall revoke his or her approval of the plan immediately. Upon that revocation, the seller of travel shall no longer be exempt from compliance with the requirements of Sections 17550.15 and 17550.17.

(7) Any participant in a consumer protection plan seeking to qualify for this exemption shall provide all information necessary for the Attorney General or his or her delegate to (A) determine that the Consumer Protection Escrow Plan in which the seller of travel is a participant meets the criteria set forth in paragraphs (1) to (6), inclusive, (B) determine that the seller of travel is a participant in full compliance with the terms and conditions of an approved Consumer Protection Escrow Plan, and (C) provide a written agreement from the authorized representative of the Consumer Protection Escrow Plan in which the plan administrator agrees to give the office of the Attorney General, Consumer Law Section, immediate written and telephonic notice in the event of termination of the seller of travel's participation in the plan.

SEC. 14. Section 17550.23 of the Business and Professions Code is amended to read:

17550.23. (a) The Travel Consumer Restitution Corporation shall notify the office of the Attorney General whenever a seller of travel with its principal place of business in California, which does business with persons located in California, is in compliance with Article 2.7 (commencing with Section 17550.35).

(b) A registration application for a seller of travel who does not or intends not to comply with the requirements of Section 17550.15 because the seller of travel claims to meet the requirements of subdivision (b) of Section 17550.16 shall be accompanied by evidence that the seller of travel is a participant in a Consumer Protection Deposit Plan that meets the criteria set forth in subdivision (b) of Section 17550.16.

(c) A registration application for a seller of travel who does not or intends not to comply with the requirements of Section 17550.15 because the seller of travel claims to meet the requirements of subdivision (c) of Section 17550.16 shall be accompanied by evidence that the seller of travel is a participant in a Consumer Protection Escrow Plan that meets the criteria set forth in subdivision (c) of Section 17550.16.

SEC. 15. Section 17550.41 of the Business and Professions Code is amended to read:

17550.41. (a) The Board of Directors of the Travel Consumer Restitution Corporation shall be composed of six directors, as follows:

(1) One public consumer representative member appointed by the Director of Consumer Affairs.

(2) One employee of the Department of Justice, assigned by the office of the Attorney General, who shall serve as an ex officio, nonvoting member.

(3) Four directors who are participants in the Travel Consumer Restitution Fund.

(b) The director appointed pursuant to paragraph (1) of subdivision (a) shall serve until the appointment is revoked or another appointment is made, or until the director resigns.

(c) (1) Participant directors shall be elected by a balloting of all participants in the Travel Consumer Restitution Fund in an election to be conducted by the Travel Consumer Restitution Corporation in February of each year. Participant directors shall be elected to serve two-year terms, with two of the four participant directors being elected each year to staggered two-year terms.

(2) The Travel Consumer Restitution Corporation shall adopt bylaw provisions setting forth procedures for the nomination, qualifications, and election of the four participant directors, consistent with this section.

(3) A director who does not qualify to be a participant or who otherwise becomes unable to serve shall not continue to serve as director. The board of the Travel Consumer Restitution Corporation shall adopt rules setting forth the procedures to determine that a director is no longer able to serve as a director and for the board to elect a successor to serve as director until the next election.

SEC. 16. Section 19950.2 of the Business and Professions Code is amended to read:

19950.2. (a) On and after the effective date of this chapter, neither the governing body nor the electors of a county, city, or city and county that has not authorized legal gaming within its boundaries prior to January 1, 1996, shall authorize legal gaming.

(b) No ordinance in effect on January 1, 1996, that authorizes legal gaming within a city, county, or city and county may be amended to expand gaming in that jurisdiction beyond that permitted on January 1, 1996.

(c) Except as provided in subdivision (d), this section shall remain operative only until January 1, 2001.

(d) With respect to Alameda, Contra Costa, Los Angeles, San Mateo, and Santa Clara Counties only, due to the over-concentration of gambling establishments in those counties, this section shall remain operative with respect to those counties until January 1, 2003, and as of that date is repealed.

SEC. 17. Section 21701.1 of the Business and Professions Code is amended to read:

21701.1. (a) The owner or operator of a self-service storage facility or a household goods carrier, may, for a fee, transport individual storage containers to and from a self-service storage

facility that he or she owns or operates. This transportation activity, whether performed by an owner, operator, or carrier, shall not be deemed transportation for compensation or hire as a business of used household goods and is not subject to regulation under Chapter 7 (commencing with Section 5101) of Division 2 of the Public Utilities Code, provided that all of the following requirements are met:

(1) The fee charged (A) to deliver an empty individual storage container to a customer and to transport the loaded container to a self-service storage facility or (B) to return a loaded individual storage container from a self-service storage facility to the customer does not exceed one hundred dollars ($100).

(2) The owner, operator, or carrier, or any affiliate of the owner, operator, or carrier, does not load, pack, or otherwise handle the contents of the container.

(3) The owner, operator, or carrier is registered under Chapter 2 (commencing with Section 34620) of Division 14.85 of the Vehicle Code or holds a permit under Chapter 7 (commencing with Section 5101) of Division 2 of the Public Utilities Code.

(4) The owner, operator, or carrier has procured and maintained cargo insurance in the amount of at least twenty thousand dollars ($20,000) per shipment. Proof of cargo insurance coverage shall be maintained on file and presented to the Department of Motor Vehicles or Public Utilities Commission upon written request.

(5) The owner, operator, or carrier shall disclose to the customer in advance the following information regarding the container transfer service offered, in a written document separate from others furnished at the time of disclosure:

(A) A detailed description of the transfer service, including a commitment to use its best efforts to place the container in an appropriate location designated by the customer.

(B) The dimensions and construction of the individual storage containers used.

(C) The unit charge, if any, for the container transfer service that is in addition to the storage charge or any other fees under the rental agreement.

(D) The availability of delivery or pickup by the customer of his or her goods at the self-service storage facility.

(E) The maximum allowable distance, measured from the self-service storage facility, for the initial pickup and final delivery of the loaded container.

(F) The precise terms of the company's right to move a container from the initial storage location at its own discretion and a statement that the customer will not be required to pay additional charges with respect to that transfer.

(G) Conspicuous disclosure in bold text of the allocation of responsibility for the risk of loss or damage to the customer's goods, including any disclaimer of the company's liability, and the

procedure for presenting any claim regarding loss or damage to the company.

The disclosure of terms and conditions required by this subdivision, and the rental agreement, shall be received by the customer a minimum of 72 hours prior to delivery of the empty individual storage container; however, the customer may, in writing, knowingly and voluntarily waive that receipt. The company shall record in writing, and retain for a period of at least six months after the end of the rental, the time and method of delivery of the information, any waiver made by the customer, and the times and dates of initial pickup and redelivery of the containerized goods.

(6) No later than the time the empty individual storage container is delivered to the customer, the company shall provide the customer with an informational brochure containing the following information about loading the container:

(A) Packing and loading tips to minimize damage in transit.

(B) A suggestion that the customer make an inventory of the items as they are loaded and keep any other record (for example, photographs or videotape) that may assist in any subsequent claims processing.

(C) A list of items that are impermissible to pack in the container (for example, flammable items).

(D) A list of items that are not recommended to be packed in light of foreseeable hazards inherent in the company's handling of the containers and in light of any limitation of liability contained in the rental agreement.

(b) Pickup and delivery of the individual storage containers shall be on a date agreed upon between the customer and the company. If the company requires the customer to be physically present at the time of pickup, the company shall in fact be at the customer's premises prepared to perform the service not more than four hours later than the scheduled time agreed to by the customer and company, and in the event of a preventable breach of that obligation by the company, the customer shall be entitled to receive a penalty of fifty dollars ($50) from the company and to elect rescission of the rental agreement without liability.

(c) No charge shall be assessed with respect to any movement of the container between self-service storage facilities by the company at its own discretion, nor for the delivery of a container to a customer's premises if the customer advises the company, at least 24 hours before the agreed time of container dropoff, orally or in writing, that he or she is rescinding the request for service.

(d) For purposes of this chapter, "individual storage container" means a container that meets all of the following requirements:

(1) It shall be fully enclosed and locked.

(2) It contains not less than 100 and not more than 1,100 cubic feet.

(3) It is constructed out of a durable material appropriate for repeated use. A box constructed out of cardboard or a similar material

shall not constitute an individual storage container for purposes of this section.

(e) Nothing in this section shall be construed to limit the authority of the Public Utilities Commission to investigate and commence an appropriate enforcement action pursuant to Chapter 7 (commencing with Section 5101) of Division 2 of the Public Utilities Code against any person transporting household goods in individual storage containers in a manner other than that described in this section.

SEC. 18. Section 23104.2 of the Business and Professions Code is amended to read:

23104.2. (a) Subject to the exceptions specified in subdivision (b), a retail licensee may return beer to the wholesaler or manufacturer from whom the retail licensee purchased the beer, or any successor thereto, and the wholesaler, manufacturer, or successor thereto may accept that return if the beer is returned in exchange for the identical quantity and brand of beer. No wholesaler or manufacturer, or any successor thereto, shall accept the return of any beer from a retail licensee except when the beer delivered was not the brand or size container ordered by the retail licensee or the amount delivered was other than the amount ordered, in which case the order may be corrected by the wholesaler or manufacturer who sold the beer, or any successor thereto. If a package had been broken or otherwise damaged prior to or at the time of actual delivery, a credit memorandum may be issued for the returned package by the wholesaler or manufacturer who sold the beer, or any successor thereto, in lieu of exchange for an identical package when the return and corrections are completed within 15 days from the date the beer was delivered to the retail licensee.

(b) Notwithstanding subdivision (a), a wholesaler or manufacturer, or any successor thereto, may accept the return of beer purchased from that wholesaler, manufacturer, or successor thereto, as follows:

(1) (A) From a seasonal or temporary licensee if at the termination of the period of the license the seasonal or temporary licensee has beer remaining unsold, or from an annual licensee operating on a temporary basis if at the termination of the temporary period the annual licensee has beer remaining unsold.

(B) For purposes of subparagraph (A), an annual licensee shall be considered to be operating on a temporary basis if he or she operates at seasonal resorts, including summer and winter resorts, or at sporting or entertainment facilities, including racetracks, arenas, concert halls, and convention centers. Temporary status shall be deemed terminated when operations cease for 15 days or more. No wholesaler or manufacturer, or successor thereto, shall accept the return of beer from an annual licensee considered to be operating on a temporary basis unless the licensee notifies that wholesaler or

manufacturer, or successor thereto, within 15 days of the date the licensee's operations ceased.

(2) (A) Subject to subparagraph (B), a wholesaler or manufacturer, or any successor thereto, may, with department approval, accept the return of a brand of beer discontinued in a California market area or a seasonal brand of beer from a retail licensee, provided that the beer is exchanged for a quantity of beer of a brand produced or sold by the same manufacturer with a value no greater than the original sales price to the retail licensee of the returned beer. For purposes of this subparagraph, "seasonal brand of beer" means a brand of beer, as defined in Section 23006, that is brewed by a manufacturer to commemorate a specific holiday season and is so identified by appropriate product packaging and labeling.

(B) A discontinued brand of beer may not be reintroduced for a period of 12 months in the same California market area in which a return and exchange of that beer as described in subparagraph (A) has taken place. A seasonal brand of beer may not be reintroduced for a period of six months in the same California market area in which a return and exchange of that beer as described in subparagraph (A) has taken place.

SEC. 19. Section 1102.6c of the Civil Code is amended to read:

1102.6c. (a) This section shall apply only to any real property that is subject to one or more of the following:

(1) Section 8589.3 of the Government Code.
(2) Section 8589.4 of the Government Code.
(3) Section 51183.5 of the Government Code.
(4) Section 2621.9 of the Public Resources Code.
(5) Section 2694 of the Public Resources Code.
(6) Section 4136 of the Public Resources Code.

(b) In addition to the disclosure required pursuant to Section 1102.6, the transferor of any real property that is subject to this section, or his or her agent, shall deliver to the prospective transferee the following natural hazard disclosure statement:

NATURAL HAZARD DISCLOSURE STATEMENT

This statement applies to the following property: _____

The seller and his or her agent(s) disclose the following information with the knowledge that even though this is not a warranty, prospective buyers may rely on this information in deciding whether and on what terms to purchase the subject property. Seller hereby authorizes any agent(s) representing any principal(s) in this action to provide a copy of this statement to any person or entity in connection with any actual or anticipated sale of the property.

The following are representations made by the seller and his or her agent(s) based on their knowledge and maps drawn by the state. This information is a disclosure and is not intended to be part of any contract between the buyer and the seller.

THIS REAL PROPERTY LIES WITHIN THE FOLLOWING HAZARDOUS AREA(S):

A SPECIAL FLOOD HAZARD AREA (any type Zone "A" or "V") designated by the Federal Emergency Management Agency.

Yes _____ No _____ Do not know and information not available from local jurisdiction _____

AN AREA OF POTENTIAL FLOODING shown on a dam failure inundation map pursuant to Section 8589.5 of the Government Code.

Yes _____ No _____ Do not know and information not available from local jurisdiction _____

A VERY HIGH FIRE HAZARD SEVERITY ZONE pursuant to Section 51178 or 51179 of the Government Code. The owner of this property is subject to the maintenance requirements of Section 51182 of the Government Code.

Yes _____ No _____

A WILDLAND AREA THAT MAY CONTAIN SUBSTANTIAL FOREST FIRE RISKS AND HAZARDS pursuant to Section 4125 of the Public Resources Code. The owner of this property is subject to the maintenance requirements of Section 4291 of the Public Resources Code. Additionally, it is not the state's responsibility to provide fire protection services to any building or structure located within the wildlands unless the Department of Forestry and Fire Protection has entered into a cooperative agreement with a local agency for those purposes pursuant to Section 4142 of the Public Resources Code.

Yes _____ No _____

AN EARTHQUAKE FAULT ZONE pursuant to Section 2622 of the Public Resources Code.

Yes _____ No _____

A SEISMIC HAZARD ZONE pursuant to Section 2696 of the Public Resources Code.

Yes (Landslide Zone)_____ Yes (Liquefaction Zone) ____
No _____ Map not yet released by state _____

THESE HAZARDS MAY LIMIT YOUR ABILITY TO DEVELOP THE REAL PROPERTY, TO OBTAIN INSURANCE, OR TO RECEIVE ASSISTANCE AFTER A DISASTER.

THE MAPS ON WHICH THESE DISCLOSURES ARE BASED ESTIMATE WHERE NATURAL HAZARDS EXIST. THEY ARE NOT DEFINITIVE INDICATORS OF WHETHER OR NOT A PROPERTY WILL BE AFFECTED BY A NATURAL DISASTER. BUYER(S) AND SELLER(S) MAY WISH TO OBTAIN PROFESSIONAL ADVICE REGARDING THOSE HAZARDS AND OTHER HAZARDS THAT MAY AFFECT THE PROPERTY.

Seller represents that the information herein is true and correct to the best of the seller's knowledge as of the date signed by the seller.

Signature of Seller _____ Date _____

Agent represents that the information herein is true and correct to the best of the agent's knowledge as of the date signed by the agent.

Signature of Agent _____ Date _____

Signature of Agent _____ Date _____

Buyer represents that he or she has read and understands this document.

Signature of Buyer _____ Date _____

(c) If an earthquake fault zone, seismic hazard zone, very high fire hazard severity zone, or wildland fire area map or accompanying information is not of sufficient accuracy or scale that a reasonable person can determine if the subject real property is included in a natural hazard area, the seller or seller's agent shall mark "Yes" on the Natural Hazard Disclosure Statement. The seller or seller's agent may mark "No" on the Natural Hazard Disclosure Statement if he or she attaches a report prepared pursuant to subdivision (c) of Section 1102.4 that verifies the property is not in the hazard zone. Nothing in this subdivision is intended to limit or abridge any existing duty of the seller or the seller's agents to exercise reasonable care in making a determination under this subdivision.

(d) The disclosure required pursuant to this section may be provided by the seller and seller's agent in the Local Option Real Estate Disclosure Statement, provided that the Local Option Real Estate Disclosure Statement includes substantially the same information and substantially the same warning that is required by this section.

(e) The disclosure required pursuant to this section is only a disclosure between the seller, the seller's agent, and the buyer, and shall not be used by any other party, including, but not limited to, insurance companies, lenders, or governmental agencies, for any purpose.

(f) The specification of items for disclosure in this section does not limit or abridge any obligation for disclosure created by any other provision of law or that may exist in order to avoid fraud, misrepresentation, or deceit in the transfer transaction.

(g) In any transaction in which a seller has accepted, prior to June 1, 1998, an offer to purchase, the seller, or his or her agent, shall be deemed to have complied with the requirement of subdivision (b) if the seller or agent delivers to the prospective transferee a statement that includes substantially the same information and warning as the Natural Hazard Disclosure Statement.

SEC. 20. Section 1739.7 of the Civil Code is amended to read:

1739.7. (a) As used in this section:

(1) "Autographed" means bearing the actual signature of a personality signed by that individual's own hand.

(2) "Collectible" means an autographed sports item, including, but not limited to, a photograph, book, ticket, plaque, sports program, trading card, item of sports equipment or clothing, or other sports memorabilia sold or offered for sale in or from this state by a dealer to a consumer for five dollars ($5) or more.

(3) "Consumer" means any natural person who purchases a collectible from a dealer for personal, family, or household purposes. "Consumer" also includes a prospective purchaser meeting these criteria.

(4) "Dealer" means a person who is in the business of selling or offering for sale collectibles in or from this state, exclusively or

nonexclusively, or a person who by his or her occupation holds himself or herself out as having knowledge or skill peculiar to collectibles, or to whom that knowledge or skill may be attributed by his or her employment of an agent or other intermediary that by his or her occupation holds himself or herself out as having that knowledge or skill. "Dealer" includes an auctioneer who sells collectibles at a public auction, and also includes persons who are consignors or representatives or agents of auctioneers. "Dealer" includes a person engaged in a mail order, telephone order, or cable television business for the sale of collectibles.

(5) "Description" means any of the following:

(A) Any representation in writing, including, but not limited to, a representation in an advertisement, brochure, catalog, flyer, invoice, sign, or other commercial or promotional material.

(B) Any oral representation.

(C) Any representation included in a radio or television broadcast to the public in or from this state.

(6) "Limited edition" means any collectible that meets all of the following requirements:

(A) A company has produced a specific quantity of a collectible and placed it on the open market.

(B) The producer of the collectible has posted a notice, at its primary place of business, that it will provide any consumer, upon request, with a copy of a notice that states the exact number of a collectible produced in that series of limited editions.

(C) The producer makes available, upon request of a consumer, evidence that the electronic encoding, films, molds, or plates used to create the collectible have been destroyed after the specified number of collectibles have been produced.

(D) The sequence number of the collectible and the number of the total quantity produced in the limited edition are printed on the collectible.

(7) "Mint condition" means any collectible sold on the open market or through a private transaction that meets all of the following requirements:

(A) The item has never been circulated, used, or worn.

(B) The item exhibits little or no sign of aging or degradation caused by oxidation or exposure to sunlight as a result of its display.

(C) The item is otherwise free from creases, blemishes, or marks.

(8) "Promoter" means a person who arranges, holds, organizes, or presents a trade show featuring collectibles, autograph signings, or both.

(9) "Person" means any natural person, partnership, corporation, limited liability company, company, trust, association, or other entity, however organized.

(b) Whenever a dealer, in selling or offering to sell to a consumer a collectible in or from this state, provides a description of that collectible as being autographed, the dealer shall furnish a certificate

of authenticity to the consumer at the time of sale. The certificate of authenticity shall be in writing, shall be signed by the dealer or his or her authorized agent, and shall specify the date of sale. The certificate of authenticity shall be in at least 10-point boldface type and shall contain the dealer's true legal name and street address. The dealer shall retain a copy of the certificate of authenticity for not less than seven years. Each certificate of authenticity shall do all of the following:

(1) Describe the collectible and specify the name of the sports personality who autographed it.

(2) Either specify the purchase price and date of sale or be accompanied by a separate invoice setting forth that information.

(3) Contain an express warranty, which shall be conclusively presumed to be part of the bargain, of the authenticity of the collectible. This warranty shall not be negated or limited by reason of the lack of words such as "warranty" or "guarantee" or because the dealer does not have a specific intent or authorization to make the warranty or because any statement relevant to the collectible is or purports to be, or is capable of being, merely the dealer's opinion.

(4) Specify whether the collectible is offered as one of a limited edition and, if so, specify (A) how the collectible and edition are numbered and (B) the size of the edition and the size of any prior or anticipated future edition, if known. If the size of the edition and the size of any prior or anticipated future edition is not known, the certificate shall contain an explicit statement to that effect.

(5) Indicate whether the dealer is surety bonded or is otherwise insured to protect the consumer against errors and omissions of the dealer and, if bonded or insured, provide proof thereof.

(6) Indicate the last four digits of the dealer's resale certificate number from the State Board of Equalization.

(7) Indicate whether the item was autographed in the presence of the dealer and specify the date and location of, and the name of a witness to, the autograph signing.

(8) Indicate whether the item was obtained or purchased from a third party. If so, indicate the name and address of this third party.

(9) Include an identifying serial number that corresponds to an identifying number printed on the collectible item, if any. The serial number shall also be printed on the sales receipt. If the sales receipt is printed electronically, the dealer may manually write the serial number on the receipt.

(c) No dealer shall represent an item as a collectible if it was not autographed by the sports personality in his or her own hand.

(d) No dealer shall display or offer for sale a collectible in this state unless, at the location where the collectible is offered for sale and in close proximity to the collectible merchandise, there is a conspicuous sign that reads as follows:

"SALE OF AUTOGRAPHED SPORTS MEMORABILIA: AS

REQUIRED BY LAW, A DEALER WHO SELLS TO A CONSUMER ANY SPORTS MEMORABILIA DESCRIBED AS BEING AUTOGRAPHED MUST PROVIDE A WRITTEN CERTIFICATE OF AUTHENTICITY AT THE TIME OF SALE. THIS DEALER MAY BE SURETY BONDED OR OTHERWISE INSURED TO ENSURE THE AUTHENTICITY OF ANY COLLECTIBLE SOLD BY THIS DEALER.''

(e) Any dealer engaged in a mail-order or telephone-order business for the sale of collectibles in or from this state:

(1) Shall include the disclosure specified in subdivision (d), in type of conspicuous size, in any written advertisement relating to a collectible.

(2) Shall include in each television advertisement relating to a collectible the following written on-screen message, which shall be prominently displayed, easily readable, and clearly visible for no less than five seconds, and which shall be repeated for five seconds once during each four-minute segment of the advertisement following the initial four minutes:

"A written certificate of authenticity is provided with each autographed collectible, as required by law. This dealer may be surety bonded or otherwise insured to ensure the authenticity of any collectible sold by this dealer.''

(3) Shall include as part of the oral message of each radio advertisement for a collectible the disclosure specified in subdivision (d).

(f) No dealer shall display or offer for sale a collectible in this state at any trade show or similar event primarily featuring sales of collectibles or other sports memorabilia that offers onsite admission ticket sales unless, at each onsite location where admission tickets are sold, there is prominently displayed a specimen example of a certificate of authenticity.

(g) Any consumer injured by the failure of a dealer to provide a certificate of authenticity containing the information required by this section, or by a dealer's furnishing of a certificate of authenticity that is false, shall be entitled to recover, in addition to actual damages, a civil penalty in an amount equal to 10 times actual damages, plus court costs, reasonable attorney's fees, interest, and expert witness fees, if applicable, incurred by the consumer in the action. The court, in its discretion, may award additional damages based on the egregiousness of the dealer's conduct. The remedy specified in this section is in addition to, and not in lieu of, any other remedy that may be provided by law.

(h) No person shall represent himself or herself as a dealer in this state unless he or she possesses a valid resale certificate number from the State Board of Equalization.

(i) A dealer may be surety bonded or otherwise insured for purposes of indemnification against errors and omissions arising from the authentication, sale, or resale of collectibles.

(j) Whenever a promoter arranges or organizes a trade show featuring collectibles and autograph signings, the promoter shall notify, in writing, any dealer who has agreed to purchase or rent space in this trade show what the promoter will do if any laws of this state are violated, including the fact that law enforcement officials will be contacted when those laws are violated. This notice shall be delivered to the dealer, at his or her registered place of business, at the time the agreement to purchase space in the trade show is made. The following language shall be included in each notice:

"As a vendor at this collectibles trade show, you are a professional representative of this hobby. As a result, you will be required to follow the laws of this state, including laws regarding the sale and display of collectibles, as defined in Section 1739.7 of the Civil Code, forged and counterfeit collectibles and autographs, and mint and limited edition collectibles. If you do not obey the laws, you may be evicted from this trade show, be reported to law enforcement, and be held liable for a civil penalty of 10 times the amount of damages."

SEC. 21. Section 1793.22 of the Civil Code is amended to read:

1793.22. (a) This section shall be known and may be cited as the Tanner Consumer Protection Act.

(b) It shall be presumed that a reasonable number of attempts have been made to conform a new motor vehicle to the applicable express warranties if, within one year from delivery to the buyer or 12,000 miles on the odometer of the vehicle, whichever occurs first, either (1) the same nonconformity has been subject to repair four or more times by the manufacturer or its agents and the buyer has at least once directly notified the manufacturer of the need for the repair of the nonconformity or (2) the vehicle is out of service by reason of repair of nonconformities by the manufacturer or its agents for a cumulative total of more than 30 calendar days since delivery of the vehicle to the buyer. The 30-day limit shall be extended only if repairs cannot be performed due to conditions beyond the control of the manufacturer or its agents. The buyer shall be required to directly notify the manufacturer pursuant to paragraph (1) only if the manufacturer has clearly and conspicuously disclosed to the buyer, with the warranty or the owner's manual, the provisions of this section and of subdivision (d) of Section 1793.2, including the requirement that the buyer must notify the manufacturer directly pursuant to paragraph (1). This presumption shall be a rebuttable presumption affecting the burden of proof, and it may be asserted by the buyer in any civil action, including an action in small claims court, or other formal or informal proceeding.

(c) If a qualified third-party dispute resolution process exists, and the buyer receives timely notification in writing of the availability of that qualified third-party dispute resolution process with a description of its operation and effect, the presumption in subdivision (b) may not be asserted by the buyer until after the buyer has initially resorted to the qualified third-party dispute resolution process as required in subdivision (d). Notification of the availability of the qualified third-party dispute resolution process is not timely if the buyer suffers any prejudice resulting from any delay in giving the notification. If a qualified third-party dispute resolution process does not exist, or if the buyer is dissatisfied with that third-party decision, or if the manufacturer or its agent neglects to promptly fulfill the terms of the qualified third-party dispute resolution process decision after the decision is accepted by the buyer, the buyer may assert the presumption provided in subdivision (b) in an action to enforce the buyer's rights under subdivision (d) of Section 1793.2. The findings and decision of a qualified third-party dispute resolution process shall be admissible in evidence in the action without further foundation. Any period of limitation of actions under any federal or California laws with respect to any person shall be extended for a period equal to the number of days between the date a complaint is filed with a third-party dispute resolution process and the date of its decision or the date before which the manufacturer or its agent is required by the decision to fulfill its terms if the decision is accepted by the buyer, whichever occurs later.

(d) A qualified third-party dispute resolution process shall be one that does all of the following:

(1) Complies with the minimum requirements of the Federal Trade Commission for informal dispute settlement procedures as set forth in Part 703 of Title 16 of the Code of Federal Regulations, as those regulations read on January 1, 1987.

(2) Renders decisions that are binding on the manufacturer if the buyer elects to accept the decision.

(3) Prescribes a reasonable time, not to exceed 30 days after the decision is accepted by the buyer, within which the manufacturer or its agent must fulfill the terms of its decisions.

(4) Provides arbitrators who are assigned to decide disputes with copies of, and instruction in, the provisions of the Federal Trade Commission's regulations in Part 703 of Title 16 of the Code of Federal Regulations, as those regulations read on January 1, 1987, Division 2 (commencing with Section 2101) of the Commercial Code, and this chapter.

(5) Requires the manufacturer, when the process orders, under the terms of this chapter, either that the nonconforming motor vehicle be replaced if the buyer consents to this remedy or that restitution be made to the buyer, to replace the motor vehicle or make restitution in accordance with paragraph (2) of subdivision (d) of Section 1793.2.

(6) Provides, at the request of the arbitrator or a majority of the arbitration panel, for an inspection and written report on the condition of a nonconforming motor vehicle, at no cost to the buyer, by an automobile expert who is independent of the manufacturer.

(7) Takes into account, in rendering decisions, all legal and equitable factors, including, but not limited to, the written warranty, the rights and remedies conferred in regulations of the Federal Trade Commission contained in Part 703 of Title 16 of the Code of Federal Regulations as those regulations read on January 1, 1987, Division 2 (commencing with Section 2101) of the Commercial Code, this chapter, and any other equitable considerations appropriate under the circumstances. Nothing in this chapter requires that, to be certified as a qualified third-party dispute resolution process pursuant to this section, decisions of the process must consider or provide remedies in the form of awards of punitive damages or multiple damages, under subdivision (c) of Section 1794, or of attorney's fees under subdivision (d) of Section 1794, or of consequential damages other than as provided in subdivisions (a) and (b) of Section 1794, including, but not limited to, reasonable repair, towing, and rental car costs actually incurred by the buyer.

(8) Requires that no arbitrator deciding a dispute may be a party to the dispute and that no other person, including an employee, agent, or dealer for the manufacturer, may be allowed to participate substantively in the merits of any dispute with the arbitrator unless the buyer is allowed to participate also. Nothing in this subdivision prohibits any member of an arbitration board from deciding a dispute.

(9) Obtains and maintains certification by the Department of Consumer Affairs pursuant to Chapter 9 (commencing with Section 472) of Division 1 of the Business and Professions Code.

(e) For the purposes of subdivision (d) of Section 1793.2 and this section, the following terms have the following meanings:

(1) "Nonconformity" means a nonconformity that substantially impairs the use, value, or safety of the new motor vehicle to the buyer or lessee.

(2) "New motor vehicle" means a new motor vehicle that is used or bought for use primarily for personal, family, or household purposes. "New motor vehicle" also means a new motor vehicle that is bought or used for business and personal, family, or household purposes by a person, including a partnership, limited liability company, corporation, association, or any other legal entity, to which not more than five motor vehicles are registered in this state. "New motor vehicle" includes the chassis, chassis cab, and that portion of a motor home devoted to its propulsion, but does not include any portion designed, used, or maintained primarily for human habitation, a dealer-owned vehicle and a "demonstrator" or other motor vehicle sold with a manufacturer's new car warranty, but does not include a motorcycle or a motor vehicle that is not registered

under the Vehicle Code because it is to be operated or used exclusively off the highways. A"demonstrator" is a vehicle assigned by a dealer for the purpose of demonstrating qualities and characteristics common to vehicles of the same or similar model and type.

(3) "Motor home" means a vehicular unit, designed for human habitation for recreational or emergency occupancy, that is built on, or permanently attached to, a self-propelled motor vehicle chassis, chassis cab, or van, that becomes an integral part of the completed vehicle.

(f) (1) Except as provided in paragraph (2), no person shall sell, either at wholesale or retail, lease, or transfer a motor vehicle transferred by a buyer or lessee to a manufacturer pursuant to paragraph (2) of subdivision (d) of Section 1793.2 or a similar statute of any other state, unless the nature of the nonconformity experienced by the original buyer or lessee is clearly and conspicuously disclosed to the prospective buyer, lessee, or transferee, the nonconformity is corrected, and the manufacturer warrants to the new buyer, lessee, or transferee in writing for a period of one year that the motor vehicle is free of that nonconformity.

(2) Except for the requirement that the nature of the nonconformity be disclosed to the transferee, paragraph (1) does not apply to the transfer of a motor vehicle to an educational institution if the purpose of the transfer is to make the motor vehicle available for use in automotive repair courses.

SEC. 22. Section 1815 of the Civil Code is amended to read:

1815. An involuntary deposit is made:

(a) By the accidental leaving or placing of personal property in the possession of any person, without negligence on the part of its owner.

(b) In cases of fire, shipwreck, inundation, insurrection, riot, or like extraordinary emergencies, by the owner of personal property committing it, out of necessity, to the care of any person.

(c) By the delivery to, or picking up by, and the holding of, a stray live animal by any person or public or private entity.

SEC. 23. Section 3269 of the Civil Code is amended to read:

3269. For purposes of this title, the following definitions apply:

(a) "Year 2000 Problem" means any expected or actual computing, physical, enterprise, or distribution system complications that may occur in any computer system, computer program, software application, embedded systems, embedded chip calculations, or other computing application as a result of the year change from 1999 to 2000. These complications are often associated with the common programming practice of using a two-digit field to represent a year, resulting in erroneous date calculations, an ambiguous interpretation of the term "00," the failure to recognize the year 2000 as a leap year, the use of algorithms that use the year "99" or "00" as a flag for

another function, or the use of applications, software, or hardware that are date sensitive.

(b) "Information" means any assessment, projection, estimate, planning document, objective, timetable, test plan, test date, or test result related to the implementation or verification of Year 2000 Problem processing capabilities of a computer system, computer program, software application, embedded systems, embedded chip calculations, or other computing application and intended to solve a Year 2000 Problem.

(c) "Disclosure" and "discloses" mean any dissemination or provision of information without any expectation or right to remuneration or fee therefor.

(d) "Person" means any individual, corporation, partnership, business entity, joint venture, association, the State of California or any of its subdivisions, or any other organization, or any combination thereof.

SEC. 24. Section 631 of the Code of Civil Procedure is amended to read:

631. (a) Trial by jury may be waived by the several parties to an issue of fact in any of the following ways:

(1) By failing to appear at the trial.

(2) By written consent filed with the clerk or judge.

(3) By oral consent, in open court, entered in the minutes or docket.

(4) By failing to announce that a jury is required, at the time the cause is first set for trial, if it is set upon notice or stipulation, or within five days after notice of setting if it is set without notice or stipulation.

(5) By failing to deposit with the clerk, or judge, advance jury fees 25 days prior to the date set for trial, except in unlawful detainer actions where the fees shall be deposited at least five days prior to the date set for trial, or as provided by subdivision (b). The advance jury fee shall not exceed the amount necessary to pay the average mileage and fees of 20 trial jurors for one day in the court to which the jurors are summoned.

(6) By failing to deposit with the clerk or judge, promptly after the impanelment of the jury, a sum equal to the mileage or transportation (if allowed by law) of the jury accrued up to that time.

(7) By failing to deposit with the clerk or judge, at the beginning of the second and each succeeding day's session a sum equal to one day's fees of the jury, and the mileage or transportation, if any.

(b) In a superior court action, other than a limited civil case, if a jury is demanded by either party in the memorandum to set the cause for trial and the party, prior to trial, by announcement or by operation of law, waives a trial by jury, then all adverse parties shall have five days following the receipt of notice of the waiver to file and serve a demand for a trial by jury and to deposit any advance jury fees that are then due.

(c) When the party who has demanded trial by jury either (1) waives the trial upon or after the assignment for trial to a specific department of the court, or upon or after the commencement of the trial, or (2) fails to deposit the fees as provided in paragraph (6) of subdivision (a), trial by jury shall be waived by the other party by either failing promptly to demand trial by jury before the judge in whose department the waiver, other than for the failure to deposit the fees, was made, or by failing promptly to deposit the fees described in paragraph (6) of subdivision (a).

(d) The court may, in its discretion upon just terms, allow a trial by jury although there may have been a waiver of a trial by jury.

SEC. 25. Section 1167.3 of the Code of Civil Procedure is amended to read:

1167.3. In any action under this chapter, unless otherwise ordered by the court for good cause shown, the time allowed the defendant to answer the complaint, answer the complaint if amended, or amend the answer under paragraph (2), (3), (5), (6), or (7) of subdivision (a) of Section 586 shall not exceed five days.

SEC. 26. Section 25102 of the Corporations Code is amended to read:

25102. The following transactions are exempted from the provisions of Section 25110:

(a) Any offer (but not a sale) not involving any public offering and the execution and delivery of any agreement for the sale of securities pursuant to the offer if (1) the agreement contains substantially the following provision: "The sale of the securities that are the subject of this agreement has not been qualified with the Commissioner of Corporations of the State of California and the issuance of the securities or the payment or receipt of any part of the consideration therefor prior to the qualification is unlawful, unless the sale of securities is exempt from the qualification by Section 25100, 25102, or 25105 of the California Corporations Code. The rights of all parties to this agreement are expressly conditioned upon the qualification being obtained, unless the sale is so exempt"; and (2) no part of the purchase price is paid or received and none of the securities are issued until the sale of the securities is qualified under this law unless the sale of securities is exempt from the qualification by this section, Section 25100, or 25105.

(b) Any offer (but not a sale) of a security for which a registration statement has been filed under the Securities Act of 1933 but has not yet become effective, or for which an offering statement under Regulation A has been filed but has not yet been qualified, if no stop order or refusal order is in effect and no public proceeding or examination looking toward such an order is pending under Section 8 of the act and no order under Section 25140 or subdivision (a) of Section 25143 is in effect under this law.

(c) Any offer (but not a sale) and the execution and delivery of any agreement for the sale of securities pursuant to the offer as may

be permitted by the commissioner upon application. Any negotiating permit under this subdivision shall be conditioned to the effect that none of the securities may be issued and none of the consideration therefor may be received or accepted until the sale of the securities is qualified under this law.

(d) Any transaction or agreement between the issuer and an underwriter or among underwriters if the sale of the securities is qualified, or exempt from qualification, at the time of distribution thereof in this state, if any.

(e) Any offer or sale of any evidence of indebtedness, whether secured or unsecured, and any guarantee thereof, in a transaction not involving any public offering.

(f) Any offer or sale of any security in a transaction (other than an offer or sale to a pension or profit-sharing trust of the issuer) that meets each of the following criteria:

(1) Sales of the security are not made to more than 35 persons, including persons not in this state.

(2) All purchasers either have a preexisting personal or business relationship with the offeror or any of its partners, officers, directors or controlling persons, or managers (as appointed or elected by the members) if the offeror is a limited liability company, or by reason of their business or financial experience or the business or financial experience of their professional advisors who are unaffiliated with and who are not compensated by the issuer or any affiliate or selling agent of the issuer, directly or indirectly, could be reasonably assumed to have the capacity to protect their own interests in connection with the transaction.

(3) Each purchaser represents that the purchaser is purchasing for the purchaser's own account (or a trust account if the purchaser is a trustee) and not with a view to or for sale in connection with any distribution of the security.

(4) The offer and sale of the security is not accomplished by the publication of any advertisement. The number of purchasers referred to above is exclusive of any described in subdivision (i), any officer, director, or affiliate of the issuer, or manager (as appointed or elected by the members) if the issuer is a limited liability company, and any other purchaser who the commissioner designates by rule. For purposes of this section, a husband and wife (together with any custodian or trustee acting for the account of their minor children) are counted as one person and a partnership, corporation, or other organization that was not specifically formed for the purpose of purchasing the security offered in reliance upon this exemption, is counted as one person. The commissioner may by rule require the issuer to file a notice of transactions under this subdivision. However, the failure to file the notice or the failure to file the notice within the time specified by the rule of the commissioner shall not affect the availability of this exemption. An issuer who fails to file the notice as provided by rule of the commissioner shall, within 15 business days

after demand by the commissioner, file the notice and pay to the commissioner a fee equal to the fee payable had the transaction been qualified under Section 25110.

(g) Any offer or sale of conditional sale agreements, equipment trust certificates, or certificates of interest or participation therein or partial assignments thereof, covering the purchase of railroad rolling stock or equipment or the purchase of motor vehicles, aircraft, or parts thereof, in a transaction not involving any public offering.

(h) Any offer or sale of voting common stock by a corporation incorporated in any state if, immediately after the proposed sale and issuance, there will be only one class of stock of the corporation outstanding that is owned beneficially by no more than 35 persons, provided all of the following requirements have been met:

(1) The offer and sale of the stock is not accompanied by the publication of any advertisement, and no selling expenses have been given, paid, or incurred in connection therewith.

(2) The consideration to be received by the issuer for the stock to be issued consists of any of the following:

(A) Only assets (which may include cash) of an existing business enterprise transferred to the issuer upon its initial organization, of which all of the persons who are to receive the stock to be issued pursuant to this exemption were owners during, and the enterprise was operated for, a period of not less than one year immediately preceding the proposed issuance, and the ownership of the enterprise immediately prior to the proposed issuance was in the same proportions as the shares of stock are to be issued.

(B) Only cash or cancellation of indebtedness for money borrowed, or both, upon the initial organization of the issuer, provided all of the stock is issued for the same price per share.

(C) Only cash, provided the sale is approved in writing by each of the existing shareholders and the purchaser or purchasers are existing shareholders.

(D) In a case where after the proposed issuance there will be only one owner of the stock of the issuer, only any legal consideration.

(3) No promotional consideration has been given, paid, or incurred in connection with the issuance. Promotional consideration means any consideration paid directly or indirectly to a person who, acting alone or in conjunction with one or more other persons, takes the initiative in founding and organizing the business or enterprise of an issuer for services rendered in connection with the founding or organizing.

(4) A notice in a form prescribed by rule of the commissioner, signed by an active member of the State Bar of California, is filed with or mailed for filing to the commissioner not later than 10 business days after receipt of consideration for the securities by the issuer. That notice shall contain an opinion of the member of the State Bar of California that the exemption provided by this subdivision is available for the offer and sale of the securities. However, the failure

to file the notice as required by this subdivision and the rules of the commissioner shall not affect the availability of this exemption. An issuer who fails to file the notice within the time specified by this subdivision shall, within 15 business days after demand by the commissioner, file the notice and pay to the commissioner a fee equal to the fee payable had the transaction been qualified under Section 25110. The notice, except when filed on behalf of a California corporation, shall be accompanied by an irrevocable consent, in the form that the commissioner by rule prescribes, appointing the commissioner or his or her successor in office to be the issuer's attorney to receive service of any lawful process in any noncriminal suit, action, or proceeding against it or its successor that arises under this law or any rule or order hereunder after the consent has been filed, with the same force and validity as if served personally on the issuer. An issuer on whose behalf a consent has been filed in connection with a previous qualification or exemption from qualification under this law (or application for a permit under any prior law if the application or notice under this law states that the consent is still effective) need not file another. Service may be made by leaving a copy of the process in the office of the commissioner, but it is not effective unless (A) the plaintiff, who may be the commissioner in a suit, action, or proceeding instituted by him or her, forthwith sends notice of the service and a copy of the process by registered or certified mail to the defendant or respondent at its last address on file with the commissioner, and (B) the plaintiff's affidavit of compliance with this section is filed in the case on or before the return day of the process, if any, or within the further time as the court allows.

(5) Each purchaser represents that the purchaser is purchasing for the purchaser's own account, or a trust account if the purchaser is a trustee, and not with a view to or for sale in connection with any distribution of the stock.

For the purposes of this subdivision, all securities held by a husband and wife, whether or not jointly, shall be considered to be owned by one person, and all securities held by a corporation that has issued stock pursuant to this exemption shall be considered to be held by the shareholders to whom it has issued the stock.

All stock issued by a corporation pursuant to this subdivision as it existed prior to the effective date of the amendments to this section made during the 1996 portion of the 1995–96 Regular Session that required the issuer to have stamped or printed prominently on the face of the stock certificate a legend in a form prescribed by rule of the commissioner restricting transfer of the stock in a manner provided for by that rule shall not be subject to the transfer restriction legend requirement and, by operation of law, the corporation is authorized to remove that transfer restriction legend from the certificates of those shares of stock issued by the corporation pursuant to this subdivision as it existed prior to the effective date of the

amendments to this section made during the 1996 portion of the 1995–96 Regular Session.

(i) Any offer or sale (1) to a bank, savings and loan association, trust company, insurance company, investment company registered under the Investment Company Act of 1940, pension or profit-sharing trust (other than a pension or profit-sharing trust of the issuer, a self-employed individual retirement plan, or individual retirement account), or other institutional investor or governmental agency or instrumentality that the commissioner may designate by rule, whether the purchaser is acting for itself or as trustee, or (2) to any corporation with outstanding securities registered under Section 12 of the Securities Exchange Act of 1934 or any wholly owned subsidiary of the corporation that after the offer and sale will own directly or indirectly 100 percent of the outstanding capital stock of the issuer, provided the purchaser represents that it is purchasing for its own account (or for the trust account) for investment and not with a view to or for sale in connection with any distribution of the security.

(j) Any offer or sale of any certificate of interest or participation in an oil or gas title or lease (including subsurface gas storage and payments out of production) if either of the following apply:

(1) All of the purchasers meet one of the following requirements:

(A) Are and have been during the preceding two years engaged primarily in the business of drilling for, producing, or refining oil or gas (or whose corporate predecessor, in the case of a corporation, has been so engaged).

(B) Are persons described in clause (1) of subdivision (i).

(C) Have been found by the commissioner upon written application to be substantially engaged in the business of drilling for, producing, or refining oil or gas so as not to require the protection provided by this law (which finding shall be effective until rescinded).

(2) The security is concurrently hypothecated to a bank in the ordinary course of business to secure a loan made by the bank, provided that each purchaser represents that it is purchasing for its own account for investment and not with a view to or for sale in connection with any distribution of the security.

(k) Any offer or sale of any security under, or pursuant to, a plan of reorganization under Chapter 11 of the federal bankruptcy law that has been confirmed or is subject to confirmation by the decree or order of a court of competent jurisdiction.

(*l*) Any offer or sale of an option, warrant, put, call, or straddle, and any guarantee of any of these securities, by a person who is not the issuer of the security subject to the right, if the transaction, had it involved an offer or sale of the security subject to the right by the person, would not have violated Section 25110 or 25130.

(m) Any offer or sale of a stock to a pension, profit-sharing, stock bonus, or employee stock ownership plan, provided that (1) the plan

meets the requirements for qualification under Section 401 of the Internal Revenue Code, and (2) the employees are not required or permitted individually to make any contributions to the plan. The exemption provided by this subdivision shall not be affected by whether the stock is contributed to the plan, purchased from the issuer with contributions by the issuer or an affiliate of the issuer, or purchased from the issuer with funds borrowed from the issuer, an affiliate of the issuer, or any other lender.

(n) Any offer or sale of any security in a transaction, other than an offer or sale of a security in a rollup transaction, that meets all of the following criteria:

(1) The issuer is (A) a California corporation or foreign corporation that, at the time of the filing of the notice required under this subdivision, is subject to Section 2115, or (B) any other form of business entity, including without limitation a partnership or trust organized under the laws of this state. The exemption provided by this subdivision is not available to a "blind pool" issuer, as that term is defined by the commissioner, or to an investment company subject to the Investment Company Act of 1940.

(2) Sales of securities are made only to qualified purchasers or other persons the issuer reasonably believes, after reasonable inquiry, to be qualified purchasers. A corporation, partnership, or other organization specifically formed for the purpose of acquiring the securities offered by the issuer in reliance upon this exemption may be a qualified purchaser if each of the equity owners of the corporation, partnership, or other organization is a qualified purchaser. Qualified purchasers include the following:

(A) A person designated in Section 260.102.13 of Title 10 of the California Code of Regulations.

(B) A person designated in subdivision (i) or any rule of the commissioner adopted thereunder.

(C) A pension or profit-sharing trust of the issuer, a self-employed individual retirement plan, or an individual retirement account, if the investment decisions made on behalf of the trust, plan, or account are made solely by persons who are qualified purchasers.

(D) An organization described in Section 501(c)(3) of the Internal Revenue Code, corporation, Massachusetts or similar business trust, or partnership, each with total assets in excess of five million dollars ($5,000,000) according to its most recent audited financial statements.

(E) With respect to the offer and sale of one class of voting common stock of an issuer or of preferred stock of an issuer entitling the holder thereof to at least the same voting rights as the issuer's one class of voting common stock, provided that the issuer has only one-class voting common stock outstanding upon consummation of the offer and sale, a natural person who, either individually or jointly with the person's spouse, (i) has a minimum net worth of two hundred fifty thousand dollars ($250,000) and had, during the

immediately preceding tax year, gross income in excess of one hundred thousand dollars ($100,000) and reasonably expects gross income in excess of one hundred thousand dollars ($100,000) during the current tax year or (ii) has a minimum net worth of five hundred thousand dollars ($500,000). "Net worth" shall be determined exclusive of home, home furnishings, and automobiles. Other assets included in the computation of net worth may be valued at fair market value.

Each natural person specified above, by reason of his or her business or financial experience, or the business or financial experience of his or her professional advisor, who is unaffiliated with and who is not compensated, directly or indirectly, by the issuer or any affiliate or selling agent of the issuer, can be reasonably assumed to have the capacity to protect his or her interests in connection with the transaction. The amount of the investment of each natural person shall not exceed 10 percent of the net worth, as determined by this subparagraph, of that natural person.

(F) Any other purchaser designated as qualified by rule of the commissioner.

(3) Each purchaser represents that the purchaser is purchasing for the purchaser's own account (or trust account, if the purchaser is a trustee) and not with a view to or for sale in connection with a distribution of the security.

(4) Each natural person purchaser, including a corporation, partnership, or other organization specifically formed by natural persons for the purpose of acquiring the securities offered by the issuer, receives, at least five business days before securities are sold to, or a commitment to purchase is accepted from, the purchaser, a written offering disclosure statement that shall meet the disclosure requirements of Regulation D (17 C.F.R. 230.501 et seq.), and any other information as may be prescribed by rule of the commissioner, provided that the issuer shall not be obligated pursuant to this paragraph to provide this disclosure statement to a natural person qualified under Section 260.102.13 of Title 10 of the California Code of Regulations. The offer or sale of securities pursuant to a disclosure statement required by this paragraph that is in violation of Section 25401, or that fails to meet the disclosure requirements of Regulation D (17 C.F.R. 230.501 et seq.), shall not render unavailable to the issuer the claim of an exemption from Section 25110 afforded by this subdivision. This paragraph does not impose, directly or indirectly, any additional disclosure obligation with respect to any other exemption from qualification available under any other provision of this section.

(5) (A) A general announcement of proposed offering may be published by written document only, provided that the general announcement of proposed offering sets forth the following required information:

(i) The name of the issuer of the securities.

(ii) The full title of the security to be issued.

(iii) The anticipated suitability standards for prospective purchasers.

(iv) A statement that (I) no money or other consideration is being solicited or will be accepted, (II) an indication of interest made by a prospective purchaser involves no obligation or commitment of any kind, and, if the issuer is required by paragraph (4) to deliver a disclosure statement to prospective purchasers, (III) no sales will be made or commitment to purchase accepted until five business days after delivery of a disclosure statement and subscription information to the prospective purchaser in accordance with the requirements of this subdivision.

(v) Any other information required by rule of the commissioner.

(vi) The following legend: "For more complete information about (Name of Issuer) and (Full Title of Security), send for additional information from (Name and Address) by sending this coupon or calling (Telephone Number)."

(B) The general announcement of proposed offering referred to in subparagraph (A) may also set forth the following information:

(i) A brief description of the business of the issuer.

(ii) The geographic location of the issuer and its business.

(iii) The price of the security to be issued, or, if the price is not known, the method of its determination or the probable price range as specified by the issuer, and the aggregate offering price.

(C) The general announcement of proposed offering shall contain only the information that is set forth in this paragraph.

(D) Dissemination of the general announcement of proposed offering to persons who are not qualified purchasers, without more, shall not disqualify the issuer from claiming the exemption under this subdivision.

(6) No telephone solicitation shall be permitted until the issuer has determined that the prospective purchaser to be solicited is a qualified purchaser.

(7) The issuer files a notice of transaction under this subdivision both (A) concurrent with the publication of a general announcement of proposed offering or at the time of the initial offer of the securities, whichever occurs first, accompanied by a filing fee, and (B) within 10 business days following the close or abandonment of the offering, but in no case more than 210 days from the date of filing the first notice. The first notice of transaction under subparagraph (A) shall contain an undertaking, in a form acceptable to the commissioner, to deliver any disclosure statement required by paragraph (4) to be delivered to prospective purchasers, and any supplement thereto, to the commissioner within 10 days of the commissioner's request for the information. The exemption from qualification afforded by this subdivision is unavailable if an issuer fails to file the first notice required under subparagraph (A) or to pay the filing fee. The commissioner has the authority to assess an administrative penalty of

up to one thousand dollars ($1,000) against an issuer that fails to deliver the disclosure statement required to be delivered to the commissioner upon the commissioner's request within the time period set forth above. Neither the filing of the disclosure statement nor the failure by the commissioner to comment thereon precludes the commissioner from taking any action deemed necessary or appropriate under this division with respect to the offer and sale of the securities.

(o) An offer or sale of any security issued pursuant to a stock purchase plan or agreement, or issued pursuant to a stock option plan or agreement, where the security is exempt from registration under the Securities Act of 1933, as amended, pursuant to Rule 701 adopted pursuant to that act (17 C.F.R. 230.701), the provisions of which are hereby incorporated by reference into this section, provided that (1) the terms of any stock purchase plan or agreement shall comply with Sections 260.140.42, 260.140.45, and 260.140.46 of Title 10 of the California Code of Regulations, (2) the terms of any stock option plan or agreement shall comply with Sections 260.140.41, 260.140.45, and 260.140.46 of Title 10 of the California Code of Regulations, and (3) the issuer files a notice of transaction in accordance with rules adopted by the commissioner within 30 days after the initial issuance of any security under that plan, accompanied by a filing fee as prescribed by subdivision (y) of Section 25608.

(p) An offer or sale of nonredeemable securities to accredited investors (Section 28031) by a person licensed under the Capital Access Company Law (Division 3 (commencing with Section 28000) of Title 4). All nonredeemable securities shall be evidenced by certificates that shall have stamped or printed prominently on their face a legend in a form to be prescribed by rule or order of the commissioner restricting transfer of the securities in the manner as the rule or order provides.

SEC. 27. Section 28956 of the Corporations Code is amended to read:

28956. If any provision of this division , or the application thereof to any person or circumstance, is held invalid, the invalidity shall not affect other provisions or applications of this law that can be given effect without the invalid provision or application, and to this end the provisions of this division are declared to be severable.

SEC. 28. Section 8927 of the Education Code is amended to read:

8927. (a) The Legislature finds and declares that an evaluation of the Teenage Pregnancy Prevention Grant Program is both desirable and necessary and, accordingly, requires all of the following:

(1) No later than October 1, 2001, each local educational agency that receives a grant shall submit a report to the superintendent that includes:

(A) An assessment of the effectiveness of that local educational agency in achieving stated goals, including reducing teenage

birthrates, delaying sexual activity, and increasing high school completion rates.

(B) Problems encountered in the design and operation of the grant program plan, including identification of any federal, state, or local statute or regulation that impedes program implementation.

(C) Client and practitioner satisfaction.

(2) The superintendent shall contract for an independent evaluation of the effectiveness of funds awarded under this chapter in assisting local educational agencies in implementing the Teenage Pregnancy Prevention Grant Program. No later than April 1, 2002, the superintendent shall submit to the Governor and the Legislature the results of the evaluation, and a summary of the reports submitted to the superintendent pursuant to paragraph (1).

(A) The evaluation shall focus on youth education, health, and social measures, as appropriate, including, but not limited to, birthrates, delayed sexual activity, school attendance, academic performance, dropout rates, pupil grades, birth weights, self-esteem, child protective services referrals, family functioning, and school staff and administration participation.

(B) Additional independent evaluations may be conducted by the superintendent subject to additional funding being made available for purposes of this chapter in subsequent fiscal years.

(b) This section shall remain in effect only until January 1, 2003, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2003, deletes or extends that date.

SEC. 29. Section 42238.95 of the Education Code is amended to read:

42238.95. (a) The amount per unit of average daily attendance for pupils in special classes and centers that shall be apportioned to each county office of education shall be equal to the amount determined for the district of residence pursuant to Section 42238.9, increased by the quotient equal to the amount determined pursuant to paragraph (1) divided by the amount determined pursuant to paragraph (2). This subdivision only applies to average daily attendance served by employees of the county office of education.

(1) Determine the second principal apportionment average daily attendance for special education for the county office of education for the 1996–97 fiscal year, including attendance for excused absences, divided by the corresponding average daily attendance excluding attendance for excused absences pursuant to subdivision (b) of Section 46010 as it read on July 1, 1996, reported pursuant to Section 41601 for the 1996–97 fiscal year.

(2) Determine the second principal apportionment average daily attendance for the 1996–97 fiscal year, including attendance for excused absences, for all of the school districts within the county, excluding average daily attendance for county office special education and county community school programs and nonpublic nonsectarian schools, divided by the corresponding average daily

attendance, excluding attendance for excused absences determined pursuant to subdivision (b) of Section 46010 as it read on July 1, 1996, and reported pursuant to Section 41601 for the 1996–97 fiscal year.

(b) A county office of education shall provide the data required to perform the calculation specified in paragraph (1) of subdivision (a) to the Superintendent of Public Instruction in order to be eligible for the adjustment pursuant to subdivision (a).

SEC. 30. Section 44259.3 of the Education Code is amended to read:

44259.3. The commission shall review the minimum requirements set forth in Section 44259 for the preliminary and professional multiple subject teaching credential and shall recommend their revision as necessary, during the normal revision cycles, to ensure that teachers of the elementary grades receive training related to, and have knowledge of, developmentally appropriate teaching methods for pupils in kindergarten and grades 1 to 3, inclusive, who may be of the same grade level but of vastly different developmental levels. As part of its review, the commission shall ensure that the requirements link academic theory regarding child development to instructional methods designed for use in classrooms of young pupils of varying developmental levels. These instructional methods should be designed to ensure success and progress by all pupils and should especially help teachers ensure that children who enter school less prepared or with fewer skills than their classmates meet the expected performance standards for that grade by the end of the instructional year. At the conclusion of its review, the commission shall report to the Legislature on its recommended revisions, on or before January 1, 2001.

SEC. 31. Section 44403 of the Education Code is amended to read:

44403. The commission shall, on or before January 1, 2004, submit to the education policy committees of the Legislature, the Legislative Analyst, and the Department of Finance a summative report of the effects of this article. The report shall include recommendations regarding the continuation, modification, or termination of the program. Subject to an appropriation of sufficient funds to the commission for this purpose, the commission shall base its report on an evaluation of the California Mathematics Initiative for Teaching by an independent contractor selected in consultation with the office of the Legislative Analyst. If, in the judgment of the commission, available funds are insufficient to contract for an independent evaluation, the commission shall base its report on information received from school districts and county superintendents of schools pursuant to subdivision (e) of Section 44402.

SEC. 32. Section 44579.4 of the Education Code is amended to read:

44579.4. (a) For the 1998–99 school year, a school district may request the State Board of Education to provide a waiver of

instructional time requirements if both of the following conditions are met:

(1) The district provides evidence to the board that the waiver is necessary only because the repeal of the authority of school districts to provide staff development during instructional time results in the district being unable to reasonably meet the instructional time requirements.

(2) The school district had a school calendar, or a schoolsite plan adopted in accordance with law, either of which was approved by the governing board prior to August 19, 1998, or not more than 30 days after that date, that authorizes the use of instructional days for staff development.

(b) A school district that receives a waiver for the 1998–99 school year shall ensure that both of the following occur:

(1) The combined instructional time and staff development time provided by the district during the 1998–99 school year pursuant to the waiver meets or exceeds 180 days or the equivalent number of annual instructional minutes determined pursuant to Article 8 (commencing with Section 46200) of Chapter 2 of Part 26.

(2) The actual instructional time provided is at least 172 days or the equivalent number of annual instructional minutes determined pursuant to Article 8 (commencing with Section 46200) of Chapter 2 of Part 26.

(c) The maximum amount of instructional time that may be waived may not exceed the number of days the school district had previously approved as staff development days within the school calendar, or in a schoolsite plan adopted in accordance with law.

(d) A school district that receives a waiver for the 1998–99 school year under this section shall only be eligible to receive staff development funding under this article for each day of staff development offered under this article that replaces a staff development day previously authorized under Sections 44670.6, 48645.7, 52022, 52854, or 56242 and utilized during the 1997–98 school year and that was included in a school calendar, or schoolsite plan adopted in accordance with law, that was approved by the governing board prior to August 19, 1998, or not more than 30 days after that date. For purposes of this subdivision, a staff development day funded pursuant to the Staff Development Buy-Out Program in the 1997–98 school year shall be funded in the 1998-99 school year with no requirement that this day replace an additional staff development day that was previously authorized pursuant to Sections 44670.6, 48645.7, 52022, 52854, or 56242.

SEC. 33. Section 44731 of the Education Code is amended to read:

44731. A school district shall certify all of the following to the State Department of Education as a condition of each applicant school in the district being eligible to receive funding pursuant to this chapter:

(a) Each school maintaining any of grades 4 to 8, inclusive, that is applying for funding under this chapter has access, for instructional

purposes, to the Internet in its classrooms and has a sufficient number of up-to-date computers or other devices that provide Internet access in its classrooms for instructional use.

(b) The funds received pursuant to this chapter shall be expended by the eligible schools for the purpose of providing in-service training to their schoolsite administrators, appropriate instructional classified employees, and certificated employees who provide direct instructional services to pupils in grades 4 to 8, inclusive, in the use of education technology to support the daily instruction of pupils and the recordkeeping necessary to support that instruction.

(c) The funds received pursuant to this chapter shall be expended for in-service training programs in education technology that meet or exceed the proficiency standards developed by the Commission on Teacher Credentialing pursuant to Section 44259.

(d) Each applicant school has developed an action plan that provides for a program of in-service training in education technology for its schoolsite administrators, appropriate instructional classified employees, and all certificated employees who provide direct instructional services to pupils in grades 4 to 8, inclusive. In the action plan, the applicant school shall, to the extent feasible and appropriate, integrate training in educational technology with all of the following:

(1) Staff development days authorized pursuant to Section 44670.6 or 52854.

(2) Staff development funds available from all state and federal funding sources.

(3) Involvement of the parents and guardians of pupils enrolled in the school district.

(e) In-service training provided pursuant to this chapter shall be coordinated and integrated with any other in-service training, including staff development offered pursuant to Article 7.5 (commencing with Section 44579) of Chapter 3.

SEC. 34. Section 51201.5 of the Education Code is amended to read:

51201.5. (a) Commencing in the 1992–93 school year, school districts shall ensure that all pupils in grades 7 to 12, inclusive, or the equivalent thereof, except as otherwise provided in subdivision (c), receive AIDS prevention instruction from adequately trained instructors in appropriate courses. Each pupil shall receive the instruction at least once in junior high or middle school and once in high school. For purposes of this subdivision, "school district" includes county boards of education, county superintendents of schools, and the State Schools for the Handicapped.

(b) The required AIDS prevention instruction shall accurately reflect the latest information and recommendations from the United States Surgeon General, federal Centers for Disease Control, and the National Academy of Sciences, and shall include the following:

(1) Information on the nature of AIDS and its effects on the human body.

(2) Information on how the human immunodeficiency virus (HIV) is and is not transmitted, including information on activities that present the highest risk of HIV infection.

(3) Discussion of methods to reduce the risk of HIV infection. This instruction shall emphasize that sexual abstinence, monogamy, the avoidance of multiple sexual partners, and abstinence from intravenous drug use are the most effective means for AIDS prevention, but shall also include statistics based upon the latest medical information citing the failure and success rates of condoms and other contraceptives in preventing sexually transmitted HIV infection and information on other methods that may reduce the risk of HIV transmission from intravenous drug use. Nothing in this section shall be construed to supersede Section 51553.

(4) Discussion of the public health issues associated with AIDS.

(5) Information on local resources for HIV testing and medical care.

(6) Development of refusal skills to assist pupils in overcoming peer pressure and using effective decisionmaking skills to avoid high-risk activities.

(7) Discussion about societal views on AIDS, including stereotypes and myths regarding persons with AIDS. This instruction shall emphasize compassion for persons suffering from debilitating handicaps and terminal diseases, such as AIDS.

(c) AIDS prevention instruction may not be conducted in a manner that advocates drug use, a particular sexual practice, or sexual activities. AIDS prevention instruction shall be consistent with Section 51553.

(d) At the beginning of each school year or, for a pupil who enrolls in a school after the beginning of the school year, at the time of that pupil's enrollment, the governing board of each school district, each county board of education, and each county superintendent of schools, as applicable, shall provide the parent or guardian of each pupil in grades 7 to 12, inclusive, or the equivalent thereof, with written notice explaining the purpose of the AIDS prevention instruction and information stating the parent's or guardian's right to request a copy of this section and Section 51553, related to AIDS prevention instruction. The governing board of each school district, each county board of education, and each county superintendent of schools, as applicable, shall keep on file copies of this section and Section 51553. The Superintendent of Public Instruction shall provide the parent or guardian of each pupil in grades 7 to 12, inclusive, or the equivalent thereof, in the State Schools for the Handicapped with written notice explaining the purpose of the AIDS prevention instruction.

(1) The notice shall specify that any parent or guardian may request that his or her child or ward not receive instruction in AIDS

prevention. No pupil shall attend the AIDS prevention instruction if a written request that he or she not attend has been received by the school. For the governing boards of school districts, this notification shall accompany the reporting of rights and responsibilities required by Section 48980.

(2) If authorized by the school district governing board, a school district may require parental consent prior to providing instruction on AIDS prevention to any minor pupil.

(3) At any time that an outside organization or guest speaker is scheduled to deliver AIDS prevention instruction, or anytime an assembly is held to deliver AIDS prevention instruction, notification shall be sent to the pupils' parents or legal guardians through regular United States mail, or any other method that the school district, county board of education, or county superintendent of schools, as applicable, commonly uses to communicate individually in writing to all parents or guardians, at the beginning of the school year or, with respect to a pupil who enrolls in a school after the beginning of the school year, at the time of that pupil's enrollment. If arrangements for this instruction are made after these occurrences, notice shall be mailed, or provided by the alternative method of notification otherwise commonly used, no fewer than 10, and no more than 15, days before the instruction is delivered. Notification sent pursuant to this paragraph shall include the date of the instruction, the name of the organization or affiliation of each guest speaker, and information stating the parent's or guardian's right to request a copy of this section and Section 51553, related to AIDS prevention instruction. The governing board of each school district, each county board of education, and each county superintendent of schools, as applicable, shall keep on file copies of this section and Section 51553.

(e) All school districts shall ensure all of the following:

(1) That instructional materials related to this instruction are available.

(2) That these instructional materials are appropriate for use with pupils of various ages and learning abilities.

(3) That these instructional materials may be used effectively with pupils from a variety of ethnic, cultural, and linguistic backgrounds, and pupils with special needs.

(f) A pupil shall not be subject to disciplinary action, academic penalty, or other sanction if the pupil's parent or guardian declines to permit the pupil to receive the instruction described in subdivision (a) and the pupil does not receive the instruction.

(g) While the instruction described in subdivision (a) is being delivered, an alternative educational activity shall be made available to pupils whose parents or guardians have requested that they not receive the instruction described in subdivision (a).

SEC. 35. Section 51554 of the Education Code is amended to read:

51554. (a) Unless a pupil's parent or guardian has been sent written notification through regular United States mail, or any other

method that the school district, county board of education, or county superintendent of schools, as applicable, commonly uses to communicate individually in writing to all parents or guardians, at the beginning of the school year or, with respect to a pupil who enrolls in a school after the beginning of the school year, at the time of that pupil's enrollment, a pupil shall not receive instruction on sexually transmitted diseases, AIDS, human sexuality, or family life that is delivered by an outside organization or guest speakers brought in specifically to provide that instruction, whether the guest speakers are brought in to lecture, distribute information, show a videotape, act out, conduct an activity involving pupil participation, or provide audio material on these subjects. Notification sent pursuant to this section shall include the date of the instruction, the name of the organization or affiliation of each guest speaker, and information stating the parent's or guardian's right to request a copy of Sections 51201.5 and 51553, related to AIDS prevention instruction. The governing board of each school district, each county board of education, and each county superintendent of schools, as applicable, shall keep on file copies of this section and Section 51553. If arrangements for this instruction are made after the written notice required by this section is sent, notice of instruction to be delivered by outside organizations or guest speakers shall be mailed, or provided by the alternative method of notification otherwise commonly used, no fewer than 10, and no more than 15, days before the instruction is delivered. For purposes of this subdivision, "instruction" includes instruction delivered in an individual classroom, before combined classes, or in assemblies.

(b) In the case of instruction that involves presentations on sexually transmitted diseases, AIDS, human sexuality, or family life delivered in an assembly, a pupil shall not receive that instruction if a teacher employed by the school district or administrator employed by the school district delivers that instruction unless the pupil's parent or guardian is notified through regular United States mail, or any other method that the school district, county board of education, or county superintendent of schools, as applicable, commonly uses to communicate individually in writing to all parents or guardians, about the instruction at the beginning of the school year or, with respect to a pupil who enrolls in a school after the beginning of the school year, at the time of that pupil's enrollment. If arrangements for this instruction are made after these occurrences, notice shall be provided no fewer than 10, and no more than 15, days before the instruction is delivered. For purposes of this subdivision, "instruction" includes oral presentations, visual presentations, and activities.

(c) A pupil shall not be subject to a disciplinary action, academic penalty, or other sanction if the pupil's parent or guardian declines to permit the pupil to receive the instruction described in subdivision (a) or (b) and the pupil does not receive the instruction.

(d) During the period of time instruction described in subdivision (a) or (b) is being delivered, an alternative educational activity shall be made available to pupils whose parents or guardians have requested that they not receive the instruction described in subdivision (a) or (b).

SEC. 36. Section 51555 of the Education Code is amended to read:

51555. Before a pupil who is enrolled in kindergarten or any of grades 1 to 6, inclusive, receives instruction on sexually transmitted diseases, AIDS, human sexuality, or family life, the governing board of each school district, each county board of education, and each county superintendent of schools, as applicable, shall provide the parent or guardian of each pupil with written notice explaining that the instruction will be given and information stating the parent's or guardian's right to request a copy of Sections 51201.5 and 51553, related to AIDS prevention instruction. The governing board of each school district, each county board of education, and each county superintendent of schools, as applicable, shall keep on file copies of this section and Section 51553. Sending the required notice through the regular United States mail, or by any other method that the school district, county board of education, or county superintendent of schools, as applicable, commonly uses to communicate individually in writing to all parents or guardians, meets the notification requirement of this paragraph.

SEC. 37. Section 51871 of the Education Code is amended to read:

51871. (a) The California Technology Assistance Project shall be established by the State Department of Education to administer a regionalized network of technical assistance to schools and school districts on the implementation of education technology as set forth in policies of the State Board of Education. The California Technology Assistance Project shall be composed of regional consortia that will work collaboratively with school districts and county offices of education in order to meet locally defined technology-based needs, as identified in the certified technology plans for their client school districts, including, but not necessarily limited to, all of the following areas:

(1) Staff development.

(2) Learning resources.

(3) Hardware.

(4) Telecommunications infrastructure.

(5) Technical assistance to school districts in developing a support system to operate and maintain an education technology infrastructure, including improving pupil recordkeeping and tracking related to pupil instruction.

(6) Coordination with other federal, state, and local programs.

(7) Funding.

(b) The State Board of Education shall award grants to fund a school district or county office of education in each region of the California Technology Assistance Project to act as the lead agency to

administer the services of that region. The term of a grant awarded pursuant to this section may not exceed three years. Grant funding may be awarded and received for subsequent terms of three years as provided in this section. The lead agency shall be chosen through a process based on all of the following:

(1) Knowledge of technology.

(2) Technology planning and technical assistance.

(3) A proven record of success in providing staff development in technology and curriculum integration.

(4) A demonstrated ability to work collaboratively with school districts, county offices of education, and businesses in the region.

(5) The ability to deliver services specified in this article to all school districts and county offices of education in its region.

(6) The degree of support for the application by school districts and county offices of education in the region.

(7) Review of the annual report of the services provided by the lead agency submitted to the State Board of Education and school districts and county offices of education within the California Technology Assistance Project region. School districts and county offices of education within a California Technology Assistance Project region shall have the opportunity to comment on the report.

(c) To receive funding for the second and third year of a grant awarded pursuant to subdivision (b), a lead agency shall submit an annual report to the State Board of Education for approval that describes the services provided, the persons served, and the funds expended for those services in the prior year. School districts and county offices of education within the California Technology Assistance Project region shall have an opportunity to comment on the report. The State Department of Education shall release grant funding for a second or third year only after the annual report has been approved by the State Board of Education.

(d) Funding to support the regional education technology services provided by the California Technology Assistance Project shall be provided through the annual Budget Act. Funding of the regional lead agencies shall be approved by the State Board of Education based on adopted guidelines.

SEC. 38. Section 52122 of the Education Code is amended to read:

52122. (a) Except as otherwise provided by Section 52123, any school district that maintains any kindergarten or any of grades 1 to 3, inclusive, may apply to the Superintendent of Public Instruction for an apportionment to implement a class size reduction program in that school district in kindergarten and any of the grades designated in this chapter.

(b) An application submitted pursuant to this chapter shall identify both of the following:

(1) Each class that will participate in the Class Size Reduction Program.

(2) For each class that will participate in the Class Size Reduction Program, whether that class will operate under Option One or Option Two:

(A) (i) Option One: A school district shall provide a reduced class size for all pupils in each classroom for the full regular schoolday in each grade level for which funding is claimed. For the purposes of this chapter, "full regular schoolday" means a substantial majority of the instructional minutes per day, but shall permit limited periods of time during which pupils are brought together for a particular phase of education in groups that are larger than 20 pupils per certificated teacher. It is the intent of the Legislature that those limited periods of time be kept to a minimum and that instruction in reading and mathematics not be delivered during those limited periods of time. For the purposes of this subparagraph, "class" is defined in the same manner as provided in the regulations adopted by the Superintendent of Public Instruction prior to July 1, 1996, pursuant to Sections 41376 and 41378 (subdivision (a) of Section 15103 of Title 5 of the California Code of Regulations).

(ii) The purpose of the Class Size Reduction Program is to ensure that children in public school in kindergarten and grades 1 to 3, inclusive, receive instruction in classrooms where there are not more than 20 pupils. In order to qualify for funding pursuant to this chapter, each class in the Class Size Reduction Program shall be maintained with an annual average class size of not more than 20 pupils for the instructional time that qualifies the class for funding pursuant to this chapter. Nothing in this chapter shall be construed to prohibit the class size from exceeding 20 pupils on any particular day, provided that the average class size for the school year does not exceed 20.

(B) (i) Option Two: A school district shall provide a reduced class size for all pupils in each classroom for at least one-half of the instructional minutes offered per day in each grade level for which funding is claimed. School districts selecting this option shall primarily devote those instructional minutes to the subject areas of reading and mathematics. For the purposes of this subparagraph, "class" is defined in the same manner as provided in the regulations adopted by the Superintendent of Public Instruction prior to July 1, 1996, pursuant to Sections 41376 and 41378 (subdivision (a) of Section 15103 of Title 5 of the California Code of Regulations).

(ii) The purpose of the Class Size Reduction Program is to ensure that children in public school in kindergarten and grades 1 to 3, inclusive, receive instruction in classrooms where there are not more than 20 pupils. In order to qualify for funding pursuant to this chapter, each class in the Class Size Reduction Program shall be maintained with an annual average class size of not more than 20 pupils for the instructional time that qualifies the class for funding pursuant to this chapter. Nothing in this chapter shall be construed to prohibit the class size from exceeding 20 pupils on any particular

day, provided that the average class size for the school year does not exceed 20.

(c) A school district that intends to implement a Class Size Reduction Program for the 1996–97 school year shall submit an application for funds pursuant to this chapter to the Superintendent of Public Instruction not later than November 1, 1996. To receive the total amount of funding in the 1996–97 school year for which the school district is eligible pursuant to Section 52126, a school district shall implement the Class Size Reduction Program by February 16, 1997, within the meaning of paragraph (2) of subdivision (b).

(d) A school district that intends to implement or continue to implement a Class Size Reduction Program for the 1997–98 school year and any subsequent school year shall submit an application for funding pursuant to this chapter to the Superintendent of Public Instruction not later than 90 days after the annual Budget Act is chaptered, unless otherwise specified in regulations adopted by the State Board of Education.

(e) For the 1997–98 school year, a school district that is either implementing or expanding a class size reduction program pursuant to this chapter may receive funding pursuant to this chapter even if the new classes for which funding is sought are not implemented at the beginning of the 1997–98 school year, provided that, for each new class in the Class Size Reduction Program, all of the following criteria are met:

(1) The teacher for each new class is hired and placed on the school district's payroll by November 1, 1997.

(2) Each teacher for a new class has begun to receive the training required by this chapter on or before February 16, 1998.

(3) All other requirements of this chapter are satisfied by February 16, 1998, and continue to be satisfied for the remainder of the 1997–98 school year.

(f) For the 1997–98 school year, the number of new classes in the Class Size Reduction Program is the number of classes satisfying the requirements of this chapter minus the number of classes funded in the Class Size Reduction Program pursuant to this chapter in the 1996–97 school year.

(g) Any school district that chooses to reduce class size through the use of an early-late instructional program is ineligible to also use Section 46205, relating to the computation of instructional time for purposes of the Incentive for Longer Instructional Day and Year, in any grade level for which class size reduction funding is received pursuant to this chapter; provided, however, that any school district that operated under Section 46205 prior to July 1, 1996, may receive class size reduction funding pursuant to Option One in any grade level for which class size reduction funding would otherwise be received pursuant to Option One.

SEC. 39. Section 54745 of the Education Code is amended to read:

54745. (a) In the administration of the Cal-SAFE program, the following provisions shall apply:

(1) Participation by a school district or county superintendent of schools in the Cal-SAFE program is voluntary.

(2) The governing board of a school district or county superintendent of schools may individually, or jointly as a consortium of governing boards of school districts or county superintendents of schools, or both, submit an application to the State Department of Education in the manner, form, and date specified by the department to establish and maintain a Cal-SAFE program.

(3) A school district or county superintendent of schools, alone or as a member of a consortium of school districts or county superintendents of schools, or both, approved to implement the Cal-SAFE program shall be funded as one program to be operated at one or multiple sites depending upon the need within the service area.

(4) Notwithstanding any other provision of law, a school district or county superintendent of schools operating a School Age Parent and Infant Development Program pursuant to Article 17 (commencing with Section 8390) of Chapter 2 of Part 6, a Pregnant Minors Program pursuant to Chapter 6 (commencing with Section 8900) of Part 6 and Section 2551.3, or a Pregnant and Lactating Students Program pursuant to Sections 49553 and 49559, as those provisions existed prior to the operative date of the act that adds this article, or any combination thereof, that chooses to participate in the Cal-SAFE program shall have priority for Cal-SAFE program funding for an amount up to the dollar amount provided under those provisions in the fiscal year prior to participation in the Cal-SAFE program, provided that an application is submitted and approved.

(5) If a school district or county superintendent of schools operating a School Age Parent and Infant Development Program, a Pregnant Minors Program, or a Pregnant and Lactating Students Program, or any combination thereof, chooses not to participate in the Cal-SAFE program, the funding it would have received for the operation of those programs shall be redirected to the Cal-SAFE program and the school district or county superintendent of schools may apply in a subsequent school year to operate a Cal-SAFE program.

(6) A school district or county superintendent of schools that terminates its Cal-SAFE program may reapply to establish a Cal-SAFE program.

(7) In order to continue implementation of the Cal-SAFE program beyond the initial three years of funding, each funded agency shall be reviewed by the department to determine progress towards achieving the goals set forth in Section 54742. Thereafter, funded agencies shall be reviewed and reauthorized every five years based upon a process determined by the department to continue implementation of a Cal-SAFE program.

(b) All of the following requirements shall apply to an application for the Cal-SAFE program:

(1) The governing board of a participating local education agency shall adopt a policy or resolution declaring its commitment to provide a comprehensive, continuous, community-linked program for pregnant and parenting pupils and their children that reflects the cultural and linguistic diversity of the community.

(2) The local education agency shall provide assurance for participation in the development of the County Service Coordination Plan as described in Section 54744.

(3) A school district or county superintendent of schools shall agree to participate in the data collection and evaluation of the Cal-SAFE program.

(c) To implement a Cal-SAFE program, the funded school district, county superintendent of schools, or consortium of school districts or county superintendents of schools, or both, shall meet all of the following criteria:

(1) Be in compliance with Title IX of the Education Amendments of 1972 Regulations.

(2) Ensure that enrolled pupils retain their right to participate in the regular school or educational alternative programs. School placement and instructional strategies shall be based upon the needs and styles of learning of the individual pupils. The classroom setting shall be the preferred instructional strategy unless an alternative is necessary to meet the needs of the individual parent, child, or both.

(3) Enroll pupils into the Cal-SAFE program on an open entry and open exit basis.

(4) Provide a quality education program to pupils in a supportive and accommodating learning environment with appropriate classroom strategies to ensure school access and academic credit for all work completed.

(5) Provide a parenting education and life skills class to enrolled pupils.

(6) Make maximum utilization of available programs and facilities to serve pregnant and parenting pupils and their children.

(7) Provide a quality child care and development program for the children of enrolled teen parents located on or near the schoolsite.

(8) Make maximum utilization of its local school food service program.

(9) Provide special school nutrition supplements, as defined by subdivision (b) of Section 49553, to pregnant and lactating pupils.

(10) Enter into formal partnership agreements, as necessary, with community-based organizations and other governmental agencies to assist pupils in accessing support services.

(11) Provide staff development and community outreach in order to establish a positive learning environment and school policies supportive of pregnant and parenting pupils' academic achievement and to promote the healthy development of their children.

(12) Maintain an annual program budget and expenditure report to document that funds are expended pursuant to Section 54749.

(13) Assess no fees to enrolled pupils or their families for services provided through the Cal-SAFE program.

(14) Establish and maintain a data base in the manner and form prescribed by the State Department of Education for purposes of program evaluation.

SEC. 40. Section 54748 of the Education Code is amended to read:

54748. The duties of the State Department of Education include all of the following:

(a) Provision of technical assistance, focused upon transition into the Cal-SAFE program, to school districts and county superintendents of schools currently operating a School Age Parent and Infant Development Program, a Pregnant Minors Program, or a Pregnant and Lactating Students Program, or any combination thereof.

(b) Provision of technical assistance to school districts and county superintendents of schools that do not currently operate a School Age Parent and Infant Development Program, a Pregnant Minors Program, or a Pregnant and Lactating Students Program as defined by subdivision (a) of Section 54745.

(c) Identification and sharing of information on best practices across program sites.

(d) Development of benchmarks to determine to what degree pupils and children enrolled in the Cal-SAFE program attain the program goals.

(e) Consultation with local education agency representatives and others, as appropriate, to develop strategies for implementation of the Cal-SAFE program.

(f) Determination of areas in the state where there are pupils who are most in need or pupils who are least likely to access services on their own if there are not enough resources to serve all eligible pupils.

(g) Development of an application process and approval of local education agencies to implement a Cal-SAFE program.

(h) Development of operating guidelines for implementing an effective Cal-SAFE program.

(i) Development of guidelines for fiscal reporting.

(j) Coordination with other state agencies that administer teen pregnancy prevention and intervention programs.

(k) Development of procedures to conduct program evaluation and monitoring, as appropriate.

(*l*) Commencing March 1, 2004, and every five years thereafter, preparation and submission of a report to the Joint Legislative Budget Committee and appropriate policy and fiscal committees of the Legislature. The report shall include data, analysis of data, and an evaluation of the Cal-SAFE program.

SEC. 41. Section 54761.3 of the Education Code is amended to read:

54761.3. Notwithstanding any other provision of law, a school district that chose to designate home-to-school transportation as the program to which a supplemental grant was to be added, thereby increasing its home-to-school transportation allowance, may, for the 1996–97 fiscal year, transfer into another categorical education program account set forth in clause (i) of subparagraph (B) of paragraph (1) of subdivision (a) of Section 54761 the amount by which the school district's home-to-school transportation allowance for the 1996–97 fiscal year exceeded its approved home-to-school transportation costs for the 1995–96 fiscal year. The amount transferred pursuant to this section may not exceed the amount of supplemental grant funding that was added to the home-to-school transportation allowance of the school district. In a manner prescribed by the Superintendent of Public Instruction, eligible school districts shall request, no later than February 1, 1999, that the Superintendent of Public Instruction initiate the transfer. The request shall designate the program or programs to which the supplemental grant funding is to be transferred. The Superintendent of Public Instruction shall adjust program allocations as requested.

SEC. 42. Section 60603 of the Education Code is amended to read:

60603. As used in this chapter:

(a) "Achievement test" means any standardized test that measures the level of performance that a pupil has achieved in the core curriculum areas.

(b) "Assessment of applied academic skills" means a form of assessment that requires pupils to demonstrate their knowledge of, and ability to apply, academic knowledge and skills in order to solve problems and communicate. It may include, but is not limited to, writing an essay response to a question, conducting an experiment, or constructing a diagram or model. An assessment of applied academic skills may not include assessments of personal behavioral standards or skills, including, but not limited to, honesty, sociability, ethics, or self-esteem.

(c) "Basic academic skills" means those skills in the subject areas of reading, spelling, written expression, and mathematics that provide the necessary foundation for mastery of more complex intellectual abilities, including the synthesis and application of knowledge.

(d) "Content standards" means the specific academic knowledge, skills, and abilities that all public schools in this state are expected to teach and all pupils expected to learn in each of the core curriculum areas, at each grade level tested.

(e) "Core curriculum areas" means the areas of reading, writing, mathematics, history-social science, and science.

(f) "Direct writing assessment" means an assessment of applied academic skills that requires pupils to use written expression to demonstrate writing skills, including writing mechanics, grammar, punctuation, and spelling.

(g) "End of course exam" means a comprehensive and challenging assessment of pupil achievement in a particular subject area or discipline such as the Golden State Exams.

(h) "Performance standards" are standards that define various levels of competence at each grade level in each of the curriculum areas for which content standards are established. Performance standards gauge the degree to which a pupil has met the content standards and the degree to which a school or school district has met the content standards.

(i) "Publisher" means a commercial publisher or any other public or private entity, other than the State Department of Education, which is able to provide tests or test items that meet the requirements of this chapter.

(j) "Statewide pupil assessment program" means the systematic achievement testing of pupils in grades 2 to 11, inclusive, pursuant to the standardized testing and reporting program under Article 4 (commencing with Section 60640) and the assessment of basic academic skills and applied academic skills, administered to pupils in grade levels specified in subdivision (c) of Section 60605, required by this chapter in all schools within each school district by means of tests designated by the State Board of Education.

SEC. 43. Section 60640 of the Education Code is amended to read:

60640. (a) There is hereby established the Standardized Testing and Reporting Program, to be known as the STAR Program.

(b) Commencing in the 1997–98 fiscal year and each fiscal year thereafter, and from the funds available for that purpose, each school district, charter school, and county office of education shall administer to each of its pupils in grades 2 to 11, inclusive, before May 15, the achievement test designated by the State Board of Education pursuant to Section 60642.

(c) The publisher and the school district shall provide two makeup days for the testing of previously absent pupils no later than May 25.

(d) The governing board of the school district may administer achievement tests in kindergarten, and grade 1 or 12, or both, as it deems appropriate.

(e) Individuals with exceptional needs who have an explicit provision in their individualized education program that exempts them from the testing requirement of subdivision (b) shall be so exempt.

(f) At the school district's option, pupils of limited English proficiency who are enrolled in any of grades 2 to 11, inclusive, may take a second achievement test in their primary language. Primary language tests administered pursuant to this subdivision and subdivision (g) shall be subject to the requirements of subdivisions (b), (c), (d), and (e) of Section 60641. These primary language tests shall produce individual pupil scores that are valid and reliable. Notwithstanding any other provision of law, the State Board of Education shall designate for use, as part of this program, a single

primary language test in each language for which such a test is available for grades 2 to 11, inclusive, no later than November 14, 1998, pursuant to the process used for designation of the assessment chosen in the 1997–98 fiscal year, as specified in Section 60642 and 60643, as applicable.

(g) In addition to the test required by subdivision (b), pupils of limited English proficiency who are enrolled in any of grades 2 to 11, inclusive, shall be required to take a test in their primary language if such a test is available, if less than 12 months has elapsed after their initial enrollment in any public school in the state.

(h) The Superintendent of Public Instruction shall apportion funds to enable school districts to meet the requirements of subdivisions (b), (f), and (g). The State Board of Education shall establish the amount of funding to be apportioned. The amount to be apportioned shall be up to eight dollars ($8) per test administered to a pupil in grades 2 to 11, inclusive.

(i) For the purposes of making the computations required by Section 8 of Article XVI of the California Constitution, the appropriation for the apportionments made pursuant to subdivision (g) shall be deemed to be "General Fund revenues appropriated for school districts," as defined in subdivision (c) of Section 41202, for the applicable fiscal year, and included within the "total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B," as defined in subdivision (e) of Section 41202, for that fiscal year.

(j) As a condition to receiving an apportionment pursuant to subdivision (h), a school district shall report to the superintendent all of the following:

(1) The number of pupils enrolled in the school district in grades 2 to 11, inclusive.

(2) The number of pupils to whom an achievement test was administered in grades 2 to 11, inclusive, in the school district.

(3) The number of pupils in paragraph (1) who were exempted from the test pursuant to subdivision (e) of Section 60640.

(4) The number of pupils in paragraph (1) who were exempted from the test at the request of their parents or guardians.

SEC. 44. Section 69621 of the Education Code is amended to read:

69621. For purposes of this article, the following definitions apply:

(a) "Child Development Permit" means a permit issued by the Commission on Teacher Credentialing that authorizes an individual to teach, instruct, or supervise in a licensed child care and development program.

(b) "Licensed children's center" means a public school district-based, nonprofit community-based, or private proprietary program licensed by the State Department of Social Services under the health and safety requirements of Title 22 of the California Code of Regulations or administered by the State Department of Education under Title 5 of the California Code of Regulations.

Licensed children's centers include federally subsidized, state-subsidized, and nonsubsidized child care and development programs serving children part day or full day.

SEC. 45. Section 89010 of the Education Code is amended to read:

89010. (a) Notwithstanding Article 1 (commencing with Section 11000) of Chapter 1 of Part 1 of, Article 2 (commencing with Section 14660) of Chapter 2 of Part 5.5 of, and Part 11 (commencing with Section 15850) of, Division 3 of Title 2 of the Government Code, or any other provision of law to the contrary, the trustees may sell improvements located on the land at the California State University, Monterey Bay campus that was transferred to the trustees from the United States of America and used for housing purposes, in circumstances in which the underlying ownership in the land remains with the trustees. The trustees may exercise this authority without the prior approval of any other state department or agency.

(b) Moneys received by the trustees from the sale of improvements authorized in this section shall be deposited in local trust accounts. Moneys so deposited may be invested in accordance with state law and, notwithstanding Section 13340 of the Government Code, are continuously appropriated without regard to fiscal years for the purposes of building, maintaining, and funding a campus of the California State University at Monterey Bay through expenditures for improvements to the campus, funding of scholarships, and other academic purposes of the campus.

SEC. 46. Section 10262 of the Elections Code is amended to read:

10262. The governing body of the city shall meet at its usual place of meeting on the second Tuesday after the election to canvass the returns and to install the newly elected officers. The body shall declare elected the persons for whom the highest number of votes were cast for each office. Upon the completion of the canvass and before installing the new officers, the body shall pass a resolution reciting the fact of the election and the other matters that are enumerated in Section 10264.

SEC. 47. Section 15112 of the Elections Code is amended to read:

15112. When elections are consolidated pursuant to Division 10 (commencing with Section 10000), and only one form of ballot is used at the consolidated election, the ballots cast by absent voters shall be counted only in connection with elections to which absent voter privileges have been extended by law.

Whenever the period of time within which absent voters' ballots shall be received by the elections official in order to be counted, as provided for any election by this code or any other law of this state, is different from that period of time provided for another election, and the elections are consolidated and only one form of ballot used for both elections, all absent voters' ballots issued for the consolidated election may be counted for both elections if received by the elections official within whichever period of time is longer.

SEC. 48. Section 15151 of the Elections Code is amended to read:

15151. (a) The elections official shall transmit the semifinal official results to the Secretary of State in the manner and according to the schedule prescribed by the Secretary of State prior to each election, for the following:

(1) All candidates voted for statewide office.

(2) All candidates voted for the following offices:

(A) Member of the Assembly.

(B) Member of the Senate.

(C) Member of the United States House of Representatives.

(D) Member of the State Board of Equalization.

(E) Justice of the Court of Appeal.

(3) All persons voted for at the presidential primary or for electors of President and Vice President of the United States.

(4) Statewide ballot measures.

(b) The elections official shall transmit the results to the Secretary of State at intervals no greater than two hours, following commencement of the semifinal official canvass.

SEC. 49. Section 4252 of the Family Code is amended to read:

4252. (a) One or more child support commissioners shall be appointed by the superior court to perform the duties specified in Section 4251. The child support commissioners' first priority always shall be to hear Title IV-D child support cases. The child support commissioners shall specialize in hearing child support cases, and their primary responsibility shall be to hear Title IV-D child support cases. Child support commissioner positions shall not be subject to the limitation on other commissioner positions imposed upon the counties by Article 13 (commencing with Section 70140) of Chapter 5 of Title 8 of the Government Code. The number of child support commissioner positions allotted to each superior court shall be determined by the Judicial Council in accordance with caseload standards developed pursuant to paragraph (3) of subdivision (b), subject to appropriations in the annual Budget Act.

(b) The Judicial Council shall do all of the following:

(1) Establish minimum qualifications for child support commissioners.

(2) Establish minimum educational and training requirements for child support commissioners and other court personnel that are assigned to Title IV-D child support cases. Training programs shall include both federal and state laws concerning child support and related issues.

(3) Establish caseload, case processing, and staffing standards for child support commissioners on or before April 1, 1997, which shall set forth the maximum number of cases that each child support commissioner can process. These standards shall be reviewed and, if appropriate, revised by the Judicial Council every two years.

(4) Adopt uniform rules of court and forms for use in Title IV-D child support cases.

(5) Offer technical assistance to counties regarding issues relating to implementation and operation of the child support commissioner system, including assistance related to funding, staffing, and the sharing of resources between counties.

(6) Establish procedures for the distribution of funding to the courts for child support commissioners, family law facilitators pursuant to Division 14 (commencing with Section 10000), and related allowable costs.

(7) Adopt rules that define the exceptional circumstances in which judges may hear Title IV-D child support matters as provided in subdivision (a) of Section 4251.

(8) Convene a workgroup, including representatives of the State Department of Social Services, county district attorneys, child support commissioners, child support advocates, family law facilitators, attorneys engaging in the private practice of family law, custodial and noncustodial parents' organizations, and staff of the Assembly and Senate Judiciary Committees, to advise the Judicial Council in establishing criteria to evaluate the success and identify any failures of the child support commissioner system. The workgroup shall also provide advice on how to establish successful outcomes for the child support commissioner system created pursuant to this article. The Judicial Council shall conduct an evaluation and report the results of the evaluation and its recommendations to the Legislature no later than February 1, 2000. At a minimum, the evaluation shall examine the ability of the child support commissioner system to achieve the goals set forth in Section 4250. The report shall include a fiscal impact statement estimating the costs of implementing the recommendations.

(9) Undertake other actions as appropriate to ensure the successful implementation and operation of child support commissioners in the counties.

SEC. 50. Section 4351 of the Family Code is amended to read:

4351. (a) In any proceeding where the court has entered an order pursuant to Section 4350, the court may also refer the matter of enforcement of the spousal support order to the district attorney. The district attorney may bring those enforcement proceedings as the district attorney, in the district attorney's discretion, determines to be appropriate.

(b) Notwithstanding subdivision (a), in any case in which the district attorney is required to appear on behalf of a welfare recipient in a proceeding to enforce an order requiring payment of child support, the district attorney shall also enforce any order requiring payment to the welfare recipient of spousal support that is in arrears.

(c) Nothing in this section shall be construed to prohibit the district attorney from bringing an action or initiating process to enforce or punish the failure to obey an order for spousal support under any provision of law that empowers the district attorney to

bring an action or initiate a process, whether or not there has been a referral by the court pursuant to this chapter.

(d) Any notice from the district attorney requesting a meeting with the support obligor for any purpose authorized under this part shall contain a statement advising the support obligor of his or her right to have an attorney present at the meeting.

SEC. 51. Section 4901 of the Family Code is amended to read:

4901. The following definitions apply to this chapter:

(a) "Child" means an individual, whether over or under the age of majority, who is, or is alleged to be, owed a duty of support by the individual's parent or who is, or is alleged to be, the beneficiary of a support order directed to the parent.

(b) "Child support order" means a support order for a child, including a child who has attained the age of majority under the law of the issuing state.

(c) "Duty of support" means an obligation imposed or imposable by law to provide support for a child, spouse, or former spouse, including an unsatisfied obligation to provide support.

(d) "Home state" means the state in which a child lived with a parent or a person acting as parent for at least six consecutive months immediately preceding the time of filing of a petition or comparable pleading for support and, if a child is less than six months old, the state in which the child lived from birth with any of them. A period of temporary absence of any of them is counted as part of the six-month or other period.

(e) "Income" includes earnings or other periodic entitlements to money from any source and any other property subject to withholding for support under the laws of this state.

(f) "Income-withholding order" means an earnings assignment order for support, as defined in Section 5208, or any other order or other legal process directed to an obligor's employer, or other debtor, to withhold from the income of the obligor an amount owed for support.

(g) "Initiating state" means a state from which a proceeding is forwarded, or in which a proceeding is filed for forwarding, to a responding state under this chapter or a law or procedure substantially similar to this chapter, the Uniform Reciprocal Enforcement of Support Act, or the Revised Uniform Reciprocal Enforcement of Support Act.

(h) "Initiating tribunal" means the authorized tribunal in an initiating state.

(i) "Issuing state" means the state in which a tribunal issues a support order or renders a judgment determining parentage.

(j) "Issuing tribunal" means the tribunal that issues a support order or renders a judgment determining parentage.

(k) "Law" includes decisional and statutory law and rules and regulations having the force of law.

(*l*) "Obligee" means any of the following:

(1) An individual to whom a duty of support is, or is alleged to be, owed or in whose favor a support order has been issued or a judgment determining parentage has been rendered.

(2) A state or political subdivision to which the rights under a duty of support or support order have been assigned or which has independent claims based on its provision of financial assistance to an individual obligee.

(3) An individual seeking a judgment determining parentage of the individual's child.

(m) "Obligor" means an individual, or the estate of a decedent, who satisfies any of the following criteria:

(1) He or she owes or is alleged to owe a duty of support.

(2) He or she is alleged, but has not been adjudicated to be, a parent of a child.

(3) He or she is liable under a support order.

(n) "Register" means to file a support order or judgment determining parentage in the superior court in any county in which enforcement of the order is sought.

(o) "Registering tribunal" means a tribunal in which a support order is registered.

(p) "Responding state" means a state in which a proceeding is filed or to which a proceeding is forwarded for filing from an initiating state under this chapter or a law or procedure substantially similar to this chapter, the Uniform Reciprocal Enforcement of Support Act, or the Revised Uniform Reciprocal Enforcement of Support Act.

(q) "Responding tribunal" means the authorized tribunal in a responding state.

(r) "Spousal support order" means a support order for a spouse or former spouse of the obligor.

(s) "State" means a state of the United States, the District of Columbia, Puerto Rico, the United States Virgin Islands, or any territory or insular possession subject to the jurisdiction of the United States. The term "state" also includes both of the following:

(1) An Indian tribe.

(2) A foreign jurisdiction that has enacted a law or established procedures for issuance and enforcement of support orders which are substantially similar to the procedures under this chapter, the Uniform Reciprocal Enforcement of Support Act, or the Revised Uniform Reciprocal Enforcement of Support Act.

(t) "Support enforcement agency" means a public official or agency authorized to seek any of the following:

(1) Enforcement of support orders or laws relating to the duty of support.

(2) Establishment or modification of child support.

(3) Determination of parentage.

(4) Location of obligors or their assets.

(u) "Support order" means a judgment, decree, or order, whether temporary, final, or subject to modification, for the benefit of a child, spouse, or former spouse, that provides for monetary support, health care, arrearages, or reimbursement, and may include related costs and fees, interest, income withholding, attorney's fees, or other relief.

(v) "Tribunal" means a court, administrative agency, or quasi-judicial entity authorized to establish, enforce, or modify support orders or to determine parentage.

SEC. 52. Section 6380 of the Family Code is amended to read:

6380. (a) Each county, with the approval of the Department of Justice, shall, by July 1, 1996, develop a procedure, using existing systems, for the electronic transmission of data, as described in subdivision (b), to the Department of Justice. The data shall be electronically transmitted through the California Law Enforcement Telecommunications System (CLETS) of the Department of Justice by law enforcement personnel, or with the approval of the Department of Justice, court personnel, or another appropriate agency capable of maintaining and preserving the integrity of both the CLETS and the Domestic Violence Protective Order Registry, as described in subdivision (e). Data entry is required to be entered only once under the requirements of this section, unless the order is served at a later time. A portion of all fees payable to the Department of Justice under subdivision (a) of Section 1203.097 of the Penal Code for the entry of the information required under this section, based upon the proportion of the costs incurred by the local agency and those incurred by the Department of Justice, shall be transferred to the local agency actually providing the data. All data with respect to criminal court protective orders issued under subdivision (g) of Section 136.2 of the Penal Code shall be transmitted by the court or its designee within one business day to law enforcement personnel by either one of the following methods:

(1) Transmitting a physical copy of the order to a local law enforcement agency authorized by the Department of Justice to enter orders into CLETS.

(2) With the approval of the Department of Justice, entering the order into CLETS directly.

(b) Upon the issuance of a protective order to which this division applies pursuant to Section 6221, or the issuance of a temporary restraining order or injunction relating to harassment or domestic violence pursuant to Section 527.6 or 527.8 of the Code of Civil Procedure, or the issuance of a criminal court protective order under subdivision (g) of Section 136.2 of the Penal Code, or the issuance of a juvenile court restraining order related to domestic violence pursuant to Section 213.5, 304, or 362.4 of the Welfare and Institutions Code, or upon registration with the court clerk of a domestic violence protective order issued by the court of another state, tribe, or territory, and including any of the foregoing orders issued in connection with an order for modification of a custody or visitation

order issued pursuant to a dissolution, legal separation, nullity, or paternity proceeding, the Department of Justice shall be immediately notified of the contents of the order and the following information:

(1) The name, race, date of birth, and other personal descriptive information of the respondent as required by a form prescribed by the Department of Justice.

(2) The names of the protected persons.

(3) The date of issuance of the order.

(4) The duration or expiration date of the order.

(5) The terms and conditions of the protective order, including stay-away, no-contact, residency exclusion, custody, and visitation provisions of the order.

(6) The department or division number and the address of the court.

(7) Whether or not the order was served upon the respondent.

(8) The terms and conditions of any restrictions on the ownership or possession of firearms.

All available information shall be included; however, the inability to provide all categories of information shall not delay the entry of the information available.

(c) The information conveyed to the Department of Justice shall also indicate whether the respondent was present in court to be informed of the contents of the court order. The respondent's presence in court shall provide proof of service of notice of the terms of the protective order. The respondent's failure to appear shall also be included in the information provided to the Department of Justice.

(d) Immediately upon receipt of proof of service the clerk of the court, and immediately after service any law enforcement officer who served the protective order, shall notify the Department of Justice, by electronic transmission, of the service of the protective order, including the name of the person who served the order and, if that person is a law enforcement officer, the law enforcement agency.

(e) The Department of Justice shall maintain a Domestic Violence Protective Order Registry and shall make available to court clerks and law enforcement personnel, through computer access, all information regarding the protective and restraining orders and injunctions described in subdivision (b), whether or not served upon the respondent.

(f) If a court issues a modification, extension, or termination of a protective order, the transmitting agency for the county shall immediately notify the Department of Justice, by electronic transmission, of the terms of the modification, extension, or termination.

(g) The Judicial Council shall assist local courts charged with the responsibility for issuing protective orders by developing

informational packets describing the general procedures for obtaining a domestic violence restraining order and indicating the appropriate Judicial Council forms, and shall include a design, that local courts shall complete, that describes local court procedures and maps to enable applicants to locate filing windows and appropriate courts. The court clerk shall provide a fee waiver form to all applicants for domestic violence protective orders. The court clerk shall provide all Judicial Council forms required by this chapter to applicants free of charge. The informational packet shall also contain a statement that the protective order is enforceable in any state, territory, or reservation, and general information about agencies in other jurisdictions that may be contacted regarding enforcement of an order issued by a court of this state.

(h) For the purposes of this part, "electronic transmission" includes computer access through the California Law Enforcement Telecommunications System (CLETS).

SEC. 53. Section 7572 of the Family Code is amended to read:

7572. (a) The State Department of Social Services, in consultation with the State Department of Health Services, the California Association of Hospitals and Health Systems, and other affected health provider organizations, shall work cooperatively to develop written materials to assist providers and parents in complying with this chapter.

(b) The written materials for parents shall be attached to the form specified in Section 7574, shall be provided to unmarried parents, and shall contain the following information:

(1) That a signed voluntary declaration of paternity that is filed with the State Department of Social Services legally establishes paternity.

(2) The legal rights and obligations of both parents and the child that result from the establishment of paternity.

(3) An alleged father's constitutional rights to have the issue of paternity decided by a court; to receive notice of any hearing on the issue of paternity; to have an opportunity to present his case to the court, including his right to present and cross-examine witnesses; to have an attorney represent him; and to have an attorney appointed to represent him if he cannot afford one in a paternity action filed by the district attorney.

(4) That by signing the voluntary declaration of paternity, the father is voluntarily waiving his constitutional rights.

(c) Parents shall also be given oral notice of the rights and responsibilities specified in subdivision (b). Oral notice may be accomplished through the use of audio or videotape programs developed by the State Department of Social Services to the extent permitted by federal law.

(d) The State Department of Social Services shall, free of charge, make available to hospitals, clinics, and other places of birth any and all informational and training materials for the program under this

chapter, as well as the paternity declaration form. The State Department of Social Services shall make training available to every participating hospital, clinic, local registrar of births and deaths, and other place of birth no later than June 30, 1999.

(e) The State Department of Social Services may adopt regulations, including emergency regulations, necessary to implement this chapter.

SEC. 54. Section 7575 of the Family Code is amended to read:

7575. (a) Either parent may rescind the voluntary declaration of paternity by filing a rescission form with the State Department of Social Services within 60 days after the date of execution of the declaration by the attesting father or attesting mother, whichever signature is later, unless a court order for custody, visitation, or child support has been entered in an action in which the signatory seeking to rescind was a party. The State Department of Social Services shall develop a form to be used by parents to rescind the declaration of paternity and instructions on how to complete and file the rescission with the State Department of Social Services. The form shall include a declaration under penalty of perjury completed by the person filing the rescission form that certifies that a copy of the rescission form was sent by any form of mail requiring a return receipt to the other person who signed the voluntary declaration of paternity. A copy of the return receipt shall be attached to the rescission form when filed with the State Department of Social Services. The form and instructions shall be written in simple, easy to understand language and shall be made available at the local family support office and the office of local registrar of births and deaths.

(b) (1) Notwithstanding Section 7573, if the court finds that the conclusions of all of the experts based upon the results of the genetic tests performed pursuant to Chapter 2 (commencing with Section 7550) are that the man who signed the voluntary declaration is not the father of the child, the court may set aside the voluntary declaration of paternity.

(2) The notice of motion for genetic tests under this section may be filed not later than two years after the date of the child's birth by either the mother or the man who signed the voluntary declaration as the child's father in an action to determine the existence or nonexistence of the father and child relationship pursuant to Section 7630 or in any action to establish an order for child custody, visitation, or child support based upon the voluntary declaration of paternity.

(3) The notice of motion for genetic tests pursuant to this section shall be supported by a declaration under oath submitted by the moving party stating the factual basis for putting the issue of paternity before the court.

(c) (1) Nothing in this chapter shall be construed to prejudice or bar the rights of either parent to file an action or motion to set aside the voluntary declaration of paternity on any of the grounds described in, and within the time limits specified in, Section 473 of

the Code of Civil Procedure and Chapter 10 (commencing with Section 2120) of Part 1 of Division 6. If the action or motion to set aside the voluntary declaration of paternity is based upon an act of fraud or perjury, the act must have induced the defrauded parent to sign the voluntary declaration of paternity. If the action or motion to set aside a judgment is required to be filed within a specified time period under Section 473 of the Code of Civil Procedure or Section 2122, the period within which the action or motion to set aside the voluntary declaration of paternity must be filed shall commence on the date that the court makes a finding of paternity based upon the voluntary declaration of paternity in an action for custody, visitation, or child support.

(2) The parent seeking to set aside the voluntary declaration of paternity shall have the burden of proof.

(3) Any order for custody, visitation, or child support shall remain in effect until the court determines that the voluntary declaration of paternity should be set aside, subject to the court's power to modify the orders as otherwise provided by law.

(4) Nothing in this section is intended to restrict a court from acting as a court of equity.

(5) If the voluntary declaration of paternity is set aside pursuant to paragraph (1), the court shall order that the mother, child, and alleged father submit to genetic tests pursuant to Chapter 2 (commencing with Section 7550). If the court finds that the conclusions of all the experts, as disclosed by the evidence based upon the genetic tests, are that the person who executed the voluntary declaration of paternity is not the father of the child, the question of paternity shall be resolved accordingly. If the person who executed the declaration as the father of the child is not excluded as a possible father, the question of paternity shall be resolved as otherwise provided by law. If the person who executed the declaration of paternity is ultimately determined to be the father of the child, any child support that accrued under an order based upon the voluntary declaration of paternity shall remain due and owing.

(6) The Judicial Council shall develop the forms and procedures necessary to effectuate this subdivision.

SEC. 55. Section 6420 of the Fish and Game Code is amended to read:

6420. The Legislature finds and declares all of the following:

(a) Declines in various southern California marine species of fish have adversely affected the sport and commercial fishing industry.

(b) Efforts to enhance these species through the placement of artificial reefs need to be investigated.

(c) A program of artificial reef research and development, including reef design, placement, and monitoring, is in the public interest and can best be accomplished under the administration of the department with the cooperation and assistance of the University of California, the California State University, other established,

appropriate academic institutions, and other organizations with demonstrated expertise in the field.

(d) A state artificial reef research and construction program under the administration of the department is necessary to coordinate ongoing studies and construction of artificial reefs in waters of the state.

SEC. 56. Section 7151 of the Fish and Game Code is amended to read:

7151. (a) Upon application to the department, the following persons, if they have not been convicted of any violation of this code, shall be issued, free of any charge or fee, a sportfishing license, which is valid for the calendar year of issue or, if issued after the beginning of the year, for the remainder thereof, and which authorizes the licensee to take any fish, reptile, or amphibian anywhere in this state for purposes other than profit:

(1) A blind person upon presentation of proof of blindness. "Blind person" means a person with central visual acuity of 20/200 or less in the better eye, with the aid of the best possible correcting glasses, or central visual acuity better than 20/200 if the widest diameter of the remaining visual field is no greater than 20 degrees. Proof of blindness shall be by certification from a qualified licensed optometrist or ophthalmologist or by presentation of a license issued pursuant to this paragraph in the preceding license year.

(2) Every resident Native American who, in the discretion of the department, is financially unable to pay the fee required for the license.

(3) Upon certification by the person in charge of a state hospital, a person who is a ward of the state and who is a patient in, and resides in, the state hospital.

(4) Upon certification by the person in charge of a regional center for the developmentally disabled, a developmentally disabled person receiving services from the regional center.

(5) A person who is a resident of the state and who is so severely physically disabled as to be permanently unable to move from place to place without the aid of a wheelchair, walker, forearm crutches, or a comparable mobility-related device. Proof of the disability shall be by certification from a licensed physician and surgeon or, beginning January 1, 1997, by presentation of a license issued pursuant to this paragraph for the preceding year.

(b) Upon application to the department, the department may issue, free of any charge or fee, a sportfishing permit to groups of mentally or physically handicapped persons under the care of a certified federal, state, county, city, or private licensed care center that is a community care facility as defined in subdivision (a) of Section 1502 of the Health and Safety Code, to organizations exempt from taxation under Section 501(c)(3) of the federal Internal Revenue Code, or to schools or school districts. Any organization that applies for a group fishing permit shall provide evidence that it is a

legitimate private licensed care center, tax-exempt organization, school, or school district. The permit shall be issued to the person in charge of the group and shall be in his or her possession when the group is fishing. Employees of private licensed care centers, tax-exempt organizations, schools, or school districts are exempt from Section 7145 only while assisting physically or mentally disabled persons fishing under the authority of a valid permit issued pursuant to this section. The permit shall include the location where the activity will take place, the date or dates of the activity, and the maximum number of people in the group. The permitholder shall notify the local department office before fishing and indicate where, when, and how long the group will fish.

(c) On January 15 of each year, the department shall determine the number of free sportfishing licenses issued under subdivisions (a) and (b) to blind persons, indigent resident Native Americans, wards of the state, developmentally disabled persons, and physically disabled persons.

(d) There shall be appropriated from the General Fund a sum equal to two dollars ($2) per free sportfishing license issued under subdivisions (a) and (b), as determined by the department pursuant to subdivision (c). That sum may be appropriated annually in the Budget Act for transfer to the Fish and Game Preservation Fund and appropriated in the Budget Act from the Fish and Game Preservation Fund to the department for the purposes of this part.

SEC. 57. Section 221 of the Food and Agricultural Code is amended to read:

221. The "Department of Food and Agriculture Fund," which is a special fund, is continued in existence. Any money that is directed by law to be paid into the fund shall be paid into it and, unless otherwise specifically provided, shall be expended solely for the enforcement of the law under which the money was derived. The expenditure from the fund for the enforcement of any law shall not, unless otherwise specifically provided, exceed the amount of money that is credited to the fund pursuant to the law.

Notwithstanding Section 13340 of the Government Code, all money deposited in the fund under the provisions enumerated below is hereby continuously appropriated to the department without regard to fiscal years for expenditure in carrying out the purposes for which the money was deposited and for making the refunds authorized by Section 302.

All money deposited in the fund under the provisions enumerated below is hereby exempted from Sections 13320 to 13324, inclusive, of the Government Code:

(a) Article 7 (commencing with Section 5821) and Article 7.5 (commencing with Section 5850) of Chapter 8 of Part 1 of Division 4, Chapter 1 (commencing with Section 6701) of Part 3 of Division 4, and Chapter 5 (commencing with Section 53301) of Division 18.

(b) Article 5 (commencing with Section 6001) of Chapter 9 of Part 1 of Division 4.

(c) Article 4.5 (commencing with Section 6971) and Article 5 (commencing with Section 6981) of Chapter 2 of Part 3 of Division 4.

(d) Chapter 4 (commencing with Section 14200), Chapter 5 (commencing with Section 14501), and Chapter 6 (commencing with Section 14901) of Division 7.

(e) Part 1 (commencing with Section 16301) and Part 2 (commencing with Section 17401) of Division 9.

(f) Sections 19225, 19227, 19312, and 19315.

(g) Division 10 (commencing with Section 20001).

(h) Division 11 (commencing with Section 23001).

(i) Part 4 (commencing with Section 27501) of Division 12.

(j) Division 16 (commencing with Section 40501).

(k) Chapter 9 (commencing with Section 44971) of Division 17.

(*l*) Chapter 1 (commencing with Section 52001) of Division 18.

(m) Chapter 2 (commencing with Section 52251) of Division 18.

(n) Chapter 3 (commencing with Section 52651) of Division 18.

(o) Chapter 4 (commencing with Section 52851) of Division 18.

(p) Chapter 6 (commencing with Section 55401), Chapter 7 (commencing with Section 56101), and Chapter 7.5 (commencing with Section 56701) of Division 20.

(q) Section 58582.

(r) Chapter 1 (commencing with Section 61301), Chapter 2 (commencing with Section 61801), and Chapter 3 (commencing with Section 62700) of Part 3 of Division 21.

(s) Chapter 5.5 (commencing with Section 12531) of Division 5 of the Business and Professions Code.

(t) Chapter 7 (commencing with Section 12700) of Division 5 of the Business and Professions Code.

(u) Chapter 14 (commencing with Section 13400) and Chapter 15 (commencing with Section 13700) of Division 5 of the Business and Professions Code.

SEC. 58. Section 5852 of the Food and Agricultural Code is amended to read:

5852. (a) The department may provide, upon request, nonregulatory accreditation, analytical, certification, diagnostic, inspection, quality assurance, testing, and other nonregulatory services relating to nursery stock, plants, seed, or other plant pests and diseases on a charge-for-service basis or may accredit private persons or business entities to perform those services.

(b) To ensure that the activities performed by private persons or business entities are valid and reliable, the department shall adopt regulations to establish accreditation criteria to govern its accreditation, monitoring or auditing, and revocation of accreditation activities. Any regulations adopted by the department pursuant to this subdivision shall be consistent with applicable

federal law. The department may adopt by reference any pertinent federal laws or regulations pertaining to the accreditation of persons or business entities for the performance of work required to certify compliance with the quarantine, quality, and other import requirements established by other states or foreign countries. No private, nongovernmental entities that perform diagnostic or field inspections for the issuance of federal phytosanitary certificates shall be accredited until federal rules are adopted that permit and regulate those activities.

(c) To retain accreditation, those persons or business entities providing services described in subdivision (a) shall agree to be monitored or assessed and evaluated on a periodic basis by means of proficiency testing or sample checking.

(d) It is unlawful for any person or business entity that is not accredited by the department to make any representation regarding accreditation by the department. Any person or business entity that makes that representation, without valid departmental accreditation, may be enjoined from doing so by any court of competent jurisdiction upon suit by the department.

(e) To assure validity and reliability, the department may specify, by order, the location or locations where the services described in subdivision (a) will be provided.

(f) The department may establish, by regulation, a schedule of charges to cover the department's costs for specific services it provides. Charges for the accreditation and monitoring of laboratories located outside the state shall include the expenses for all required travel and per diem and may include application, basic, initial, renewal, and other charges that the department deems necessary to cover its costs for accreditation and monitoring or auditing for compliance. Funds collected through cost-recovery charges are dedicated to, and may only be used for, carrying out the activities and functions specified in this article.

(g) Notwithstanding any other provision of this code regarding the provision of the services described in subdivision (a), orders issued by the department and regulations establishing charges adopted by the secretary pursuant to this section shall not be subject to review, approval, or disapproval by the Office of Administrative Law.

(h) Nothing in this section shall be construed to interfere with or supersede any existing inspection, quality assurance, or certification program conducted by an agricultural trade or commodity organization, and this section shall not be construed to require those programs to be certified or accredited by the department.

SEC. 59. Section 14651 of the Food and Agricultural Code is amended to read:

14651. (a) Unless otherwise specified in this chapter, any violation of this chapter, or the regulations adopted pursuant to this chapter, is a misdemeanor , punishable by a fine of not more than five

hundred dollars ($500) for the first violation and not less than five hundred dollars ($500) for each subsequent violation.

(b) The director may, after hearing, refuse to issue or renew, or may suspend or revoke, a license or registration for any violation of this chapter or any regulation that is adopted pursuant to this chapter.

(c) Upon calling a hearing, the director shall hand deliver or mail a notice of the hearing to the licensee or registrant specifying the time and place of the hearing at least 10 days prior to the hearing. The hearing officer may do any of the following:

(1) Administer oaths and take testimony.

(2) Issue subpoenas requiring the attendance of the licensee, registrant, or witnesses, together with books, records, memoranda, papers, and all other documents that may be pertinent to the case.

(3) Compel from the licensee or registrant and any witness the disclosure of all facts known to him or her regarding the case. In no instance shall any employee of Agricultural Commodities and Regulatory Services serve as the hearing officer in any hearing conducted pursuant to this section.

(d) Any person who is denied a license, whose license is not renewed, or whose license is suspended or revoked pursuant to this section may appeal to the director.

SEC. 60. Section 20797 of the Food and Agricultural Code is amended to read:

20797. Any person who loses his or her right to use a brand as a result of the determination of the chief pursuant to this article may appeal to the secretary within 15 days. The secretary may affirm, reverse, or modify the determination of the chief.

SEC. 61. Section 31753 of the Food and Agricultural Code is amended to read:

31753. Any rabbit, guinea pig, hamster, pot-bellied pig, bird, lizard, snake, turtle, or tortoise that is legally allowed as personal property and that is impounded in a public or private shelter shall be held for the same period of time, under the same requirements of care, and with the same opportunities for redemption and adoption by new owners or nonprofit, as defined in Section 501(c)(3) of the Internal Revenue Code, animal rescue or adoption organizations as provided for cats and dogs. Section 17006 shall also apply to these animals. In addition to any required spay or neuter deposit, the pound or shelter, at its discretion, may assess a fee, not to exceed the standard adoption fee, for animals released to nonprofit animal rescue or adoption organizations pursuant to this section.

SEC. 62. Section 3517.65 of the Government Code is amended to read:

3517.65. (a) Notwithstanding Section 3517.6, this section shall apply only to state employees in State Bargaining Unit 19.

(b) If the provisions of Section 70031 of the Education Code, or subdivision (i) of Section 3513, or Section 14876, 18714, 19080.5, 19100,

19143, 19261, 19576.1, 19582.3, 19175.5, 19818.16, 19819.1, 19820, 19822, 19824, 19826, 19827, 19828, 19829, 19830, 19831, 19832, 19833, 19834, 19835, 19836, 19837, 19838, 19839, 19840, 19841, 19842, 19843, 19844, 19845, 19846, 19847, 19848, 19849, 19849.1, 19849.4, 19850.1, 19850.2, 19850.3, 19850.4, 19850.5, 19850.6, 19851, 19853, 19854, 19856, 19856.1, 19858.1, 19858.2, 19859, 19860, 19861, 19862, 19862.1, 19863, 19863.1, 19864, 19866, 19869, 19870, 19871, 19871.1, 19872, 19873, 19874, 19875, 19876, 19877, 19877.1, 19878, 19879, 19880, 19880.1, 19881, 19882, 19883, 19884, 19885, 19887, 19887.1, 19887.2, 19888, 19990, 19991, 19991.1, 19991.2, 19991.3, 19991.4, 19991.5, 19991.6, 19991.7, 19992, 19992.1, 19992.2, 19992.3, 19992.4, 19993, 19994.1, 19994.2, 19994.3, 19994.4, 19995, 19995.1, 19995.2, 19995.3, 19996.1, 19996.2, 19998, 19998.1, 20796, 21600, 21602, 21604, 21605, 22825, or 22825.1 are in conflict with the provisions of a memorandum of understanding, the memorandum of understanding shall be controlling without further legislative action.

(c) If the provisions of Section 19997.2, 19997.9, 19997.10, 19997.12, 19997.14, 19997.43, 19997.48, 19997.51, or 19997.53 are in conflict with the provisions of a memorandum of understanding, the terms of the memorandum of understanding shall be controlling unless the State Personnel Board finds those terms to be inconsistent with merit employment principles as provided for by Article VII of the California Constitution. If this finding is made, the provisions of the Government Code shall prevail until those affected sections of the memorandum of understanding are renegotiated to resolve the inconsistency. If any provision of the memorandum of understanding requires the expenditure of funds, those provisions of the memorandum of understanding shall not become effective unless approved by the Legislature in the annual Budget Act. If any provision of the memorandum of understanding requires legislative action to permit its implementation by amendment of any section not cited in this subdivision, those provisions of the memorandum of understanding shall not become effective unless approved by the Legislature.

SEC. 63. Section 4560 of the Government Code is amended to read:

4560. (a) The Legislature finds and declares that there is a substantial need to provide adequate child care facilities for state employees.

(b) When the state constructs, acquires, or receives as a gift any office building that can accommodate 700 or more state employees, or when additions, alterations, or repairs are made to any existing state-owned office building that can accommodate 700 or more state employees, and the additions, alterations, or repairs both change and affect the use of 25 percent of the net square feet area of the building and include the addition to, alteration of, or repair of the first floor, adequate space shall be designated within the building to meet the child care needs of those employees, if a review of those employees slated to occupy the new or renovated building shows sufficient need

for child care services for 30 or more children. The review shall be conducted by the Department of General Services and the Child Development Programs Advisory Committee established pursuant to Section 8286 of the Education Code.

(c) The Director of General Services may secure space in any adequate facility for the same purposes if funds for the offsite facilities are made available and the director determines that any of the following conditions exist:

(1) All other physical requirements controlling the development of the child care facilities within the office building cannot be utilized.

(2) It is more cost-efficient for the state to provide for equivalent child care facilities within a reasonable distance of the place of employment.

(3) Locating the child care center within a reasonable distance offsite would provide an enhanced facility for the children or would mitigate security concerns.

(d) Existing state office buildings, at the discretion of the Director of General Services, may be retrofitted to accommodate a child care facility. State funds required for the retrofitting shall be subject to regular budgetary procedures and approvals.

(e) Space designed within a state-owned office building for the child care facility shall comply with the prevailing local and state safety building codes for child care facilities.

(f) The indoor area shall not exceed 2,100 square feet, nor be less than that required to accommodate 30 children, excluding space for restrooms, kitchen facilities, storage areas, and teacher offices. Outdoor play area space shall correspond with the indoor play area as described in Title 22 of the California Code of Regulations.

(g) Utilization of the space shall be subject to terms and conditions set forth by the Director of General Services. The terms shall include payment of rent, proof of financial responsibility, and maintenance of space. The space shall be made available to employees who wish to establish child care facilities at a rate to be established by the Director of General Services based upon the actual cost to the state, the average cost of state-owned space in the area, or the statewide average cost of state-owned space, whichever is less. If, however, the director determines that a lower rent must be charged to ensure the viability of a child care facility, the director may charge a lower rate.

(h) (1) The department or departments occupying the building shall notify the employee-occupants in writing of the availability of space to be used for a child care facility no earlier than 180 days prior to the projected date of occupancy of a new building or space provided as the result of additions, alterations, or repairs to an existing state-owned building, and the additions, alterations, or repairs that both change and affect the use of 25 percent of the net square feet area of the building and include the addition to, alteration of, or repair of the first floor. If, within 30 days after full occupancy

of a new office building or 30 days after the completion of additions, alterations, or repairs to an existing state-owned office building, the employee-occupants so desiring have not filed an application with the Secretary of State as a nonprofit corporation for the purpose of organizing a child care center, deposited two months' rent in a commercial or savings account, and entered into a contract with the Department of General Services, the space may be used for any other purpose, as long as no permanent alteration of the space occurs. Other purposes may include, but are not limited to, conference rooms, storage areas, or offices. The space for child care shall be held for the employee-occupants' nonprofit corporation only as long as they pay the monthly rent and meet the terms set forth in the contract. Payment of rent shall commence 30 days after full occupancy of a new office building or 30 days after completion of additions, alterations, or repairs, as specified in this section.

(2) If, at a later date, the employee-occupants so desiring (A) file an application with the Secretary of State as a nonprofit corporation for the purpose of organizing a child care facility, (B) deposit two months' rent in a commercial or savings account, and (C) notify the Director of General Services of those actions, then the space shall be reconverted for child care purposes within 180 days of the notice.

(i) Children from families in which at least one parent or guardian is a state employee shall be given priority admission over other children to the child care facility.

(j) When a child care center within a state-owned office building has been operative for five years, the Director of General Services shall assess the child care needs of the state employees using the center and the office space needs of the building within which the center is located. If the assessment demonstrates a greater need for office space than for child care, the Director of General Services may close the child care center. Ninety days' written notice of the closure shall be given to the director or head teacher of the center.

(k) This section does not apply to buildings that provide care or 24-hour residential care for patients, inmates, or wards of the state, such as state hospitals and correctional facilities.

SEC. 64. Section 6253 of the Government Code is amended to read:

6253. (a) Public records are open to inspection at all times during the office hours of the state or local agency and every person has a right to inspect any public record, except as hereafter provided. Any reasonably segregable portion of a record shall be available for inspection by any person requesting the record after deletion of the portions that are exempted by law.

(b) Except with respect to public records exempt from disclosure by express provisions of law, each state or local agency, upon a request for a copy of records that reasonably describes an identifiable record or records, shall make the records promptly available to any person upon payment of fees covering direct costs of duplication, or

a statutory fee if applicable. Upon request, an exact copy shall be provided unless impracticable to do so. Computer data shall be provided in a form determined by the agency.

(c) Each agency, upon a request for a copy of records, shall, within 10 days from receipt of the request, determine whether the request, in whole or in part, seeks copies of disclosable public records in the possession of the agency and shall promptly notify the person making the request of the determination and the reasons therefor. In unusual circumstances, the time limit prescribed in this section may be extended by written notice by the head of the agency or his or her designee to the person making the request, setting forth the reasons for the extension and the date on which a determination is expected to be dispatched. No notice shall specify a date that would result in an extension for more than 14 days. As used in this section, "unusual circumstances" means the following, but only to the extent reasonably necessary to the proper processing of the particular request:

(1) The need to search for and collect the requested records from field facilities or other establishments that are separate from the office processing the request.

(2) The need to search for, collect, and appropriately examine a voluminous amount of separate and distinct records that are demanded in a single request.

(3) The need for consultation, which shall be conducted with all practicable speed, with another agency having substantial interest in the determination of the request or among two or more components of the agency having substantial subject matter interest therein.

(d) Nothing in this chapter shall be construed to permit an agency to obstruct the inspection or copying of public records. Any notification of denial of any request for records shall set forth the names and titles or positions of each person responsible for the denial.

(e) Except as otherwise prohibited by law, a state or local agency may adopt requirements for itself that allow for faster, more efficient, or greater access to records than prescribed by the minimum standards set forth in this chapter.

SEC. 65. Section 6505.5 of the Government Code is amended to read:

6505.5. If a separate agency or entity is created by the agreement, the agreement shall designate the treasurer of one of the contracting parties, or in lieu thereof, the county treasurer of a county in which one of the contracting parties is situated, or a certified public accountant to be the depositary and have custody of all the money of the agency or entity, from whatever source.

The treasurer or certified public accountant so designated shall do all of the following:

(a) Receive and receipt for all money of the agency or entity and place it in the treasury of the treasurer so designated to the credit of the agency or entity.

(b) Be responsible, upon his or her official bond, for the safekeeping and disbursement of all agency or entity money so held by him or her.

(c) Pay, when due, out of money of the agency or entity held by him or her, all sums payable on outstanding bonds and coupons of the agency or entity.

(d) Pay any other sums due from the agency or entity from agency or entity money, or any portion thereof, only upon warrants of the public officer performing the functions of auditor or controller who has been designated by the agreement.

(e) Verify and report in writing on the first day of July, October, January, and April of each year to the agency or entity and to the contracting parties to the agreement the amount of money he or she holds for the agency or entity, the amount of receipts since his or her last report, and the amount paid out since his or her last report.

The officer performing the functions of auditor or controller shall be of the same public agency as the treasurer designated as depositary pursuant to this section. However, where a certified public accountant has been designated as treasurer of the entity, the auditor of one of the contracting parties or of a county in which one of the contracting parties is located shall be designated as auditor of the entity. The auditor shall draw warrants to pay demands against the agency or entity when the demands have been approved by any person authorized to so approve in the agreement creating the agency or entity.

The governing body of the same public entity as the treasurer and auditor specified pursuant to this section shall determine charges to be made against the agency or entity for the services of the treasurer and auditor. However, where a certified public accountant has been designated as treasurer, the governing body of the same public entity as the auditor specified pursuant to this section shall determine charges to be made against the agency or entity for the services of the auditor.

SEC. 66. Section 7073 of the Government Code is amended to read:

7073. (a) Except as provided in subdivision (e), any city, county, or city and county with an eligible area within its jurisdiction may complete a preliminary application for designation as an enterprise zone. The applying entity shall establish definitive boundaries for the proposed enterprise zone and the targeted employment area.

(b) (1) In designating enterprise zones, the agency shall select from the applications submitted those proposed enterprise zones that, upon a comparison of all of the applications submitted, indicate that they propose the most effective, innovative, and comprehensive regulatory, tax, program, and other incentives in attracting private sector investment in the zone proposed.

(2) For purposes of this subdivision, regulatory incentives include, but are not limited to, all of the following:

(A) The suspension or relaxation of locally originated or modified building codes, zoning laws, general development plans, or rent controls.

(B) The elimination or reduction of fees for applications, permits, and local government services.

(C) The establishment of a streamlined permit process.

(3) For purposes of this subdivision, tax incentives include, but are not limited to, the elimination or reduction of construction taxes or business license taxes.

(4) For the purposes of this subdivision, program and other incentives may include, but are not limited to, all of the following:

(A) The provision or expansion of infrastructure.

(B) The targeting of federal block grant moneys, including small cities, education, and health and welfare block grants.

(C) The targeting of economic development grants and loan moneys, including grant and loan moneys provided by the federal Urban Development Action Grant program and the federal Economic Development Administration.

(D) The targeting of state and federal job disadvantaged and vocational education grant moneys, including moneys provided by the federal Job Training Partnership Act of 1982 (P.L. 97-300).

(E) The targeting of federal or state transportation grant moneys.

(F) The targeting of federal or state low-income housing and rental assistance moneys.

(G) The use of tax allocation bonds, special assessment bonds, bonds under the Mello-Roos Community Facilities Act of 1982 (Chapter 2.5 (commencing with Section 53311) of Part 1 of Division 2 of Title 5), industrial development bonds, revenue bonds, private activity bonds, housing bonds, bonds issued pursuant to the Marks-Ross Local Bond Pooling Act of 1985 (Article 4 (commencing with Section 6584) of Chapter 5), certificates of participation, hospital bonds, redevelopment bonds, school bonds, and all special provisions provided for under federal tax law for enterprise community or empowerment zone bonds.

(5) In the process of designating new enterprise zones, the agency shall take into consideration the location of existing zones and make every effort to locate new zones in a manner that will not adversely affect any existing zones.

(6) In designating new enterprise zones, the agency shall include in its criteria the fact that jurisdictions have been declared disaster areas by the President of the United States within the last seven years.

(c) In evaluating applications for designation, the agency shall ensure that applications are not disqualified solely because of technical deficiencies, and shall provide applicants with an opportunity to correct the deficiencies. Applications shall be disqualified if the deficiencies are not corrected within two weeks.

(d) (1) Except as provided in paragraph (2), or upon dedesignation pursuant to subdivision (c) of Section 7076.1 or Section

7076.2, a designation made by the agency shall be binding for a period of 15 years from the date of the original designation.

(2) The designation period for any zone designated pursuant to either Section 7073 or 7085 prior to 1990 may total 20 years, subject to possible dedesignation pursuant to subdivision (c) of Section 7076.1 or Section 7076.2, if the following requirements are met:

(A) The zone receives a superior or passing audit pursuant to subdivision (c) of Section 7076.1.

(B) The local jurisdictions comprising the zone submit an updated economic development plan to the agency justifying the need for an additional five years by defining goals and objectives that still need to be achieved and indicating what actions are to be taken to achieve these goals and objectives.

(e) (1) Notwithstanding any other provision of law, any area designated as an enterprise zone pursuant to Chapter 12.8 (commencing with Section 7070) as it read prior to January 1, 1997, or as a targeted economic development area, neighborhood economic development area, or program area pursuant to Chapter 12.9 (commencing with Section 7080) as it read prior to January 1, 1997, or any program area or part of a program area deemed designated as an enterprise zone pursuant to Section 7085.5 as it read prior to January 1, 1997, shall be deemed to be designated as an enterprise zone pursuant to this chapter. The effective date of designation of the enterprise zone shall be that of the original designation of the enterprise zone pursuant to Chapter 12.8 (commencing with Section 7070) as it read prior to January 1, 1997, or of the program area pursuant to Chapter 12.9 (commencing with Section 7080) as it read prior to January 1, 1997, and in no event shall the total designation period exceed 15 years, except as provided in paragraph (2) of subdivision (d).

(2) Notwithstanding any other provision of law, any enterprise zone authorized, but not designated, pursuant to Chapter 12.8 (commencing with Section 7070) as it read prior to January 1, 1997, shall be allowed to complete the application process started pursuant to that chapter, and to receive final designation as an enterprise zone pursuant to this chapter.

(3) Notwithstanding any other provision of law, any expansion of a designated enterprise zone or program area authorized pursuant to Chapter 12.8 (commencing with Section 7070) as it read prior to January 1, 1997, or Chapter 12.9 (commencing with Section 7080) as it read prior to January 1, 1997, shall be deemed to be authorized as an expansion for a designated enterprise zone pursuant to this chapter.

(4) This chapter shall not be construed to require a new application for designation by an enterprise zone designated pursuant to Chapter 12.8 (commencing with Section 7070) as it read prior to January 1, 1997, or a targeted economic development area, neighborhood economic development area, or program area

designated pursuant to Chapter 12.9 (commencing with Section 7080) as it read prior to January 1, 1997.

(f) No more than 39 enterprise zones shall be designated at any one time pursuant to this chapter, including those deemed designated pursuant to subdivision (e). Upon the expiration or termination of a designation, the agency is authorized to designate another enterprise zone to maintain a total of 39 enterprise zones.

SEC. 67. Section 7260 of the Government Code is amended to read:

7260. As used in this chapter:

(a) "Public entity" includes the state, the Regents of the University of California, a county, city, city and county, district, public authority, public agency, and any other political subdivision or public corporation in the state or any entity acting on behalf of these agencies when acquiring real property, or any interest therein, in any city or county for public use, and any person who has the authority to acquire property by eminent domain under state law.

(b) "Person" means any individual, partnership, corporation, limited liability company, or association.

(c) (1) "Displaced person" means both of the following:

(A) Any person who moves from real property, or who moves his or her personal property from real property, either:

(i) As a direct result of a written notice of intent to acquire, or the acquisition of, the real property, in whole or in part, for a program or project undertaken by a public entity or by any person having an agreement with, or acting on behalf of, a public entity.

(ii) As a direct result of the rehabilitation, demolition, or other displacing activity, as the public entity may prescribe under a program or project undertaken by a public entity, of real property on which the person is a residential tenant or conducts a business or farm operation, if the public entity determines that the displacement is permanent. For purposes of this subparagraph, "residential tenant" includes any occupant of a residential hotel unit, as defined in subdivision (b) of Section 50669 of the Health and Safety Code, and any occupant of employee housing, as defined in Section 17008 of the Health and Safety Code, but does not include any person who has been determined to be in unlawful occupancy of the displacement dwelling.

(B) Solely for the purposes of Sections 7261 and 7262, any person who moves from real property, or moves his or her personal property from real property, either:

(i) As a direct result of a written notice of intent to acquire, or the acquisition of, other real property, in whole or in part, on which the person conducts a business or farm operation for a program or project undertaken by a public entity.

(ii) As a direct result of the rehabilitation, demolition, or other displacing activity as the public entity may prescribe under a program or project undertaken by a public entity, of other real

property on which the person conducts a business or farm operation, in any case in which the public entity determines that the displacement is permanent.

(2) This subdivision shall be construed so that persons displaced as a result of public action receive relocation benefits in cases where they are displaced as a result of an owner participation agreement or an acquisition carried out by a private person for, or in connection with, a public use where the public entity is otherwise empowered to acquire the property to carry out the public use.

Except for persons or families of low and moderate income, as defined in Section 50093 of the Health and Safety Code, who are occupants of housing that was made available to them on a permanent basis by a public agency and who are required to move from the housing, a "displaced person" shall not include any of the following:

(A) Any person who has been determined to be in unlawful occupancy of the displacement dwellings.

(B) Any person whose right of possession at the time of moving arose after the date of the public entity's acquisition of the real property.

(C) Any person who has occupied the real property for the purpose of obtaining assistance under this chapter.

(D) In any case in which the public entity acquires property for a program or project (other than a person who was an occupant of the property at the time it was acquired), any person who occupies the property for a period subject to termination when the property is needed for the program or project.

(d) "Business" means any lawful activity, except a farm operation, conducted for any of the following:

(1) Primarily for the purchase, sale, lease, or rental of personal and real property, and for the manufacture, processing, or marketing of products, commodities, or any other personal property.

(2) Primarily for the sale of services to the public.

(3) Primarily by a nonprofit organization.

(4) Solely for the purpose of Section 7262 for assisting in the purchase, sale, resale, manufacture, processing, or marketing of products, commodities, personal property, or services by the erection and maintenance of an outdoor advertising display, whether or not the display is located on the premises on which any of the above activities are conducted.

(e) "Farm operation" means any activity conducted solely or primarily for the production of one or more agricultural products or commodities, including timber, for sale or home use, and customarily producing these products or commodities in sufficient quantity to be capable of contributing materially to the operator's support.

(f) "Affected property" means any real property that actually declines in fair market value because of acquisition by a public entity

for public use of other real property and a change in the use of the real property acquired by the public entity.

(g) "Public use" means a use for which real property may be acquired by eminent domain.

(h) "Mortgage" means classes of liens that are commonly given to secure advances on, or the unpaid purchase price of, real property, together with the credit instruments, if any, secured thereby.

(i) "Comparable replacement dwelling" means any dwelling that is all of the following:

(1) Decent, safe, and sanitary.

(2) Adequate in size to accommodate the occupants.

(3) In the case of a displaced person who is a renter, within the financial means of the displaced person. A comparable replacement dwelling is within the financial means of a displaced person if the monthly rental cost of the dwelling, including estimated average monthly utility costs, minus any replacement housing payment available to the person, does not exceed 30 percent of the person's average monthly income, unless the displaced person meets one or more of the following conditions, in which case the payment of the monthly rental cost of the comparable replacement dwelling, including estimated average monthly utility costs, minus any replacement housing payment available to the person, shall not exceed 25 percent of the person's average monthly income:

(A) Prior to January 1, 1998, the displaced person received a notice to vacate from a public entity, or from a person having an agreement with a public entity.

(B) The displaced person resides on property that was acquired by a public entity, or by a person having an agreement with a public entity, prior to January 1, 1998.

(C) Prior to January 1, 1998, a public entity, or a person having an agreement with a public entity, initiated negotiations to acquire the property on which the displaced person resides.

(D) Prior to January 1, 1998, a public entity, or a person having an agreement with a public entity, entered into an agreement to acquire the property on which the displaced person resides.

(E) Prior to January 1, 1998, a public entity, or a person having an agreement with a public entity, gave written notice of intent to acquire the property on which the displaced person resides.

(F) The displaced person is covered by, or resides in an area or project covered by, a final relocation plan that was adopted by the legislative body prior to January 1, 1998, pursuant to this chapter and the regulations adopted pursuant to this chapter.

(G) The displaced person is covered by, or resides in an area or project covered by, a proposed relocation plan that was required to have been submitted prior to January 1, 1998, to the Department of Housing and Community Development or to a local relocation committee, or for which notice was required to have been provided

to occupants of the property prior to January 1, 1998, pursuant to this chapter and the regulations adopted pursuant to this chapter.

(H) The displaced person is covered by, or resides in an area or project covered by, a proposed relocation plan that was submitted prior to January 1, 1998, to the Department of Housing and Community Development or to a local relocation committee, or for which notice was provided to the public or to occupants of the property prior to January 1, 1998, pursuant to this chapter and the regulations adopted pursuant to this chapter, and the person is eventually displaced by the project covered in the proposed relocation plan.

(I) The displaced person resides on property for which a contract for acquisition, rehabilitation, demolition, construction, or other displacing activity was entered into by a public entity, or by a person having an agreement with a public entity, prior to January 1998.

(J) The displaced person resides on property where an owner participation agreement, or other agreement between a public entity and a private party that will result in the acquisition, rehabilitation, demolition, or development of the property or other displacement, was entered into prior to January 1, 1998, and the displaced person resides in the property at the time of the agreement, provides information to the public entity, or person having an agreement with the public entity showing that he or she did reside in the property at the time of the agreement and is eventually displaced by the project covered in the agreement.

(4) Comparable with respect to the number of rooms, habitable space, and type and quality of construction. Comparability under this paragraph shall not require strict adherence to a detailed, feature-by-feature comparison. While a comparable replacement dwelling need not possess every feature of the displacement dwelling, the principal features shall be present.

(5) In an area not subject to unreasonable adverse environmental conditions.

(6) In a location generally not less desirable than the location of the displaced person's dwelling with respect to public utilities, facilities, services, and the displaced person's place of employment.

(j) "Displacing agency" means any public entity or person carrying out a program or project which causes a person to be a displaced person for a public project.

(k) "Appraisal" means a written statement independently and impartially prepared by a qualified appraiser setting forth an opinion of defined value of an adequately described property as of a specific date, supported by the presentation and analysis of relevant market information.

(*l*) "Small business" means a business as defined in Part 24 of Title 49 of the Code of Federal Regulations.

(m) "Lead agency" means the Department of Housing and Community Development.

SEC. 68. Section 7262.5 of the Government Code is amended to read:

7262.5. Notwithstanding Section 7265.3 or any other provision of law, tenants residing in any rental project who are displaced from the project for a period of one year or less as part of a rehabilitation of that project, that is funded in whole or in part by a public entity, shall not be eligible for permanent housing assistance benefits pursuant to Sections 7264 and 7264.5 if all of the following criteria are satisfied:

(a) The project is a "qualified affordable housing preservation project," which means any complex of two or more units whose owners enter into a recorded regulatory agreement, having a term for the useful life of the project, with any entity for the provision of project rehabilitation financing. For this purpose, the regulatory agreement shall require of the owner and all successors and assigns of the owner, as long as the regulatory agreement is in effect, that at least 49 percent of the tenants in the project have, at the time of the recordation of the regulatory agreement, incomes not in excess of 60 percent of the area median income, adjusted by household size, as determined by the appropriate agency of the state. In addition, a project is a qualified affordable housing preservation project only if the beneficiary of the regulatory agreement elects this designation by so indicating on the regulatory agreement.

(b) The resident is offered the right to return to his or her original unit, or a comparable unit in the same complex if his or her original unit is not otherwise available due to the rehabilitation, with rent for the first 12 months subsequent to that return being the lower of the following: up to 5 percent higher than the rent at the time of displacement; or up to 30 percent of household income.

(c) The estimated time of displacement is reasonable, and the temporary unit is not unreasonably impacted by the effects of the construction, taking into consideration the ages and physical conditions of the members of the displaced household.

(d) All other financial benefits and services otherwise required under this chapter are provided to the residents temporarily displaced from their units, including relocation to a comparable replacement unit. Residents shall be temporarily relocated to a unit within the same complex, or to a unit located reasonably near the complex if that unit is in a location generally not less desirable than the location of the displaced person's dwelling with respect to public utilities, services, and the displaced person's place of employment.

SEC. 69. Section 9359.01 of the Government Code is amended to read:

9359.01. (a) Notwithstanding any other provision of this part, the benefits payable to any person who becomes a member for the first time on or after January 1, 1990, shall be subject to the limitations set forth in Section 415 of the Internal Revenue Code.

(b) Notwithstanding any other law, the benefits payable to any person who became a member prior to January 1, 1990, shall be

subject to the greater of the following limitations as provided in Section 415(b)(10) of the Internal Revenue Code:

(1) The limitations set forth in Section 415 of the Internal Revenue Code.

(2) The accrued benefit of a member under this system (determined without regard to any amendment to the system made after October 14, 1987).

SEC. 70. Section 12652 of the Government Code is amended to read:

12652. (a) (1) The Attorney General shall diligently investigate violations under Section 12651 involving state funds. If the Attorney General finds that a person has violated or is violating Section 12651, the Attorney General may bring a civil action under this section against that person.

(2) If the Attorney General brings a civil action under this subdivision on a claim involving political subdivision funds as well as state funds, the Attorney General shall, on the same date that the complaint is filed in this action, serve by mail with "return receipt requested" a copy of the complaint on the appropriate prosecuting authority.

(3) The prosecuting authority shall have the right to intervene in an action brought by the Attorney General under this subdivision within 60 days after receipt of the complaint pursuant to paragraph (2). The court may permit intervention thereafter upon a showing that all of the requirements of Section 387 of the Code of Civil Procedure have been met.

(b) (1) The prosecuting authority of a political subdivision shall diligently investigate violations under Section 12651 involving political subdivision funds. If the prosecuting authority finds that a person has violated or is violating Section 12651, the prosecuting authority may bring a civil action under this section against that person.

(2) If the prosecuting authority brings a civil action under this section on a claim involving state funds as well as political subdivision funds, the prosecuting authority shall, on the same date that the complaint is filed in this action, serve a copy of the complaint on the Attorney General.

(3) Within 60 days after receiving the complaint pursuant to paragraph (2), the Attorney General shall do either of the following:

(A) Notify the court that it intends to proceed with the action, in which case the Attorney General shall assume primary responsibility for conducting the action and the prosecuting authority shall have the right to continue as a party.

(B) Notify the court that it declines to proceed with the action, in which case the prosecuting authority shall have the right to conduct the action.

(c) (1) A person may bring a civil action for a violation of this article for the person and either for the State of California in the

name of the state, if any state funds are involved, or for a political subdivision in the name of the political subdivision, if political subdivision funds are exclusively involved. The person bringing the action shall be referred to as the qui tam plaintiff. Once filed, the action may be dismissed only with the written consent of the court, taking into account the best interests of the parties involved and the public purposes behind this act.

(2) A complaint filed by a private person under this subdivision shall be filed in superior court in camera and may remain under seal for up to 60 days. No service shall be made on the defendant until after the complaint is unsealed.

(3) On the same day as the complaint is filed pursuant to paragraph (2), the qui tam plaintiff shall serve by mail with "return receipt requested" the Attorney General with a copy of the complaint and a written disclosure of substantially all material evidence and information the person possesses.

(4) Within 60 days after receiving a complaint and written disclosure of material evidence and information alleging violations that involve state funds but not political subdivision funds, the Attorney General may elect to intervene and proceed with the action.

(5) The Attorney General may, for good cause shown, move the court for extensions of the time during which the complaint remains under seal pursuant to paragraph (2). The motion may be supported by affidavits or other submissions in camera.

(6) Before the expiration of the 60-day period or any extensions obtained under paragraph (5), the Attorney General shall do either of the following:

(A) Notify the court that it intends to proceed with the action, in which case the action shall be conducted by the Attorney General and the seal shall be lifted.

(B) Notify the court that it declines to proceed with the action, in which case the seal shall be lifted and the qui tam plaintiff shall have the right to conduct the action.

(7) (A) Within 15 days after receiving a complaint alleging violations that exclusively involve political subdivision funds, the Attorney General shall forward copies of the complaint and written disclosure of material evidence and information to the appropriate prosecuting authority for disposition, and shall notify the qui tam plaintiff of the transfer.

(B) Within 45 days after the Attorney General forwards the complaint and written disclosure pursuant to subparagraph (A), the prosecuting authority may elect to intervene and proceed with the action.

(C) The prosecuting authority may, for good cause shown, move for extensions of the time during which the complaint remains under seal. The motion may be supported by affidavits or other submissions in camera.

(D) Before the expiration of the 45-day period or any extensions obtained under subparagraph (C), the prosecuting authority shall do either of the following:

(i) Notify the court that it intends to proceed with the action, in which case the action shall be conducted by the prosecuting authority and the seal shall be lifted.

(ii) Notify the court that it declines to proceed with the action, in which case the seal shall be lifted and the qui tam plaintiff shall have the right to conduct the action.

(8) (A) Within 15 days after receiving a complaint alleging violations that involve both state and political subdivision funds, the Attorney General shall forward copies of the complaint and written disclosure to the appropriate prosecuting authority, and shall coordinate its review and investigation with those of the prosecuting authority.

(B) Within 60 days after receiving a complaint and written disclosure of material evidence and information alleging violations that involve both state and political subdivision funds, the Attorney General or the prosecuting authority, or both, may elect to intervene and proceed with the action.

(C) The Attorney General or the prosecuting authority, or both, may, for good cause shown, move the court for extensions of the time during which the complaint remains under seal under paragraph (2). The motion may be supported by affidavits or other submissions in camera.

(D) Before the expiration of the 60-day period or any extensions obtained under subparagraph (C), the Attorney General shall do one of the following:

(i) Notify the court that it intends to proceed with the action, in which case the action shall be conducted by the Attorney General and the seal shall be lifted.

(ii) Notify the court that it declines to proceed with the action but that the prosecuting authority of the political subdivision involved intends to proceed with the action, in which case the seal shall be lifted and the action shall be conducted by the prosecuting authority.

(iii) Notify the court that both it and the prosecuting authority decline to proceed with the action, in which case the seal shall be lifted and the qui tam plaintiff shall have the right to conduct the action.

(E) If the Attorney General proceeds with the action pursuant to clause (i) of subparagraph (D), the prosecuting authority of the political subdivision shall be permitted to intervene in the action within 60 days after the Attorney General notifies the court of its intentions. The court may authorize intervention thereafter upon a showing that all the requirements of Section 387 of the Code of Civil Procedure have been met.

(9) The defendant shall not be required to respond to any complaint filed under this section until 30 days after the complaint

is unsealed and served upon the defendant pursuant to Section 583.210 of the Code of Civil Procedure.

(10) When a person brings an action under this subdivision, no other person may bring a related action based on the facts underlying the pending action.

(d) (1) No court shall have jurisdiction over an action brought under subdivision (c) against a Member of the State Senate or Assembly, a member of the state judiciary, an elected official in the executive branch of the state, or a member of the governing body of any political subdivision if the action is based on evidence or information known to the state or political subdivision when the action was brought.

(2) A person may not bring an action under subdivision (c) that is based upon allegations or transactions that are the subject of a civil suit or an administrative civil money penalty proceeding in which the state or political subdivision is already a party.

(3) (A) No court shall have jurisdiction over an action under this article based upon the public disclosure of allegations or transactions in a criminal, civil, or administrative hearing, in an investigation, report, hearing, or audit conducted by or at the request of the Senate, Assembly, auditor, or governing body of a political subdivision, or by the news media, unless the action is brought by the Attorney General or the prosecuting authority of a political subdivision, or the person bringing the action is an original source of the information.

(B) For purposes of subparagraph (A), "original source" means an individual who has direct and independent knowledge of the information on which the allegations are based, who voluntarily provided the information to the state or political subdivision before filing an action based on that information, and whose information provided the basis or catalyst for the investigation, hearing, audit, or report that led to the public disclosure as described in subparagraph (A).

(4) No court shall have jurisdiction over an action brought under subdivision (c) based upon information discovered by a present or former employee of the state or a political subdivision during the course of his or her employment unless that employee first, in good faith, exhausted existing internal procedures for reporting and seeking recovery of the falsely claimed sums through official channels and unless the state or political subdivision failed to act on the information provided within a reasonable period of time.

(e) (1) If the state or political subdivision proceeds with the action, it shall have the primary responsibility for prosecuting the action. The qui tam plaintiff shall have the right to continue as a full party to the action.

(2) (A) The state or political subdivision may seek to dismiss the action for good cause notwithstanding the objections of the qui tam plaintiff if the qui tam plaintiff has been notified by the state or political subdivision of the filing of the motion and the court has

provided the qui tam plaintiff with an opportunity to oppose the motion and present evidence at a hearing.

(B) The state or political subdivision may settle the action with the defendant notwithstanding the objections of the qui tam plaintiff if the court determines, after a hearing providing the qui tam plaintiff an opportunity to present evidence, that the proposed settlement is fair, adequate, and reasonable under all of the circumstances.

(f) (1) If the state or political subdivision elects not to proceed, the qui tam plaintiff shall have the same right to conduct the action as the Attorney General or prosecuting authority would have had if it had chosen to proceed under subdivision (c). If the state or political subdivision so requests, and at its expense, the state or political subdivision shall be served with copies of all pleadings filed in the action and supplied with copies of all deposition transcripts.

(2) (A) Upon timely application, the court shall permit the state or political subdivision to intervene in an action with which it had initially declined to proceed if the interest of the state or political subdivision in recovery of the property or funds involved is not being adequately represented by the qui tam plaintiff.

(B) If the state or political subdivision is allowed to intervene under paragraph (A), the qui tam plaintiff shall retain principal responsibility for the action and the recovery of the parties shall be determined as if the state or political subdivision had elected not to proceed.

(g) (1) (A) If the Attorney General initiates an action pursuant to subdivision (a) or assumes control of an action initiated by a prosecuting authority pursuant to subparagraph (A) of paragraph (3) of subdivision (b), the office of the Attorney General shall receive a fixed 33 percent of the proceeds of the action or settlement of the claim, which shall be used to support its ongoing investigation and prosecution of false claims.

(B) If a prosecuting authority initiates and conducts an action pursuant to subdivision (b), the office of the prosecuting authority shall receive a fixed 33 percent of the proceeds of the action or settlement of the claim, which shall be used to support its ongoing investigation and prosecution of false claims.

(C) If a prosecuting authority intervenes in an action initiated by the Attorney General pursuant to paragraph (3) of subdivision (a) or remains a party to an action assumed by the Attorney General pursuant to subparagraph (A) of paragraph (3) of subdivision (b), the court may award the office of the prosecuting authority a portion of the Attorney General's fixed 33 percent of the recovery under subparagraph (A), taking into account the prosecuting authority's role in investigating and conducting the action.

(2) If the state or political subdivision proceeds with an action brought by a qui tam plaintiff under subdivision (c), the qui tam plaintiff shall, subject to paragraphs (4) and (5), receive at least 15 percent but not more than 33 percent of the proceeds of the action

or settlement of the claim, depending upon the extent to which the qui tam plaintiff substantially contributed to the prosecution of the action. When it conducts the action, the Attorney General's office or the office of the prosecuting authority of the political subdivision shall receive a fixed 33 percent of the proceeds of the action or settlement of the claim, which shall be used to support its ongoing investigation and prosecution of false claims made against the state or political subdivision. When both the Attorney General and a prosecuting authority are involved in a qui tam action pursuant to subparagraph (C) of paragraph (6) of subdivision (c), the court at its discretion may award the prosecuting authority a portion of the Attorney General's fixed 33 percent of the recovery, taking into account the prosecuting authority's contribution to investigating and conducting the action.

(3) If the state or political subdivision does not proceed with an action under subdivision (c), the qui tam plaintiff shall, subject to paragraphs (4) and (5), receive an amount that the court decides is reasonable for collecting the civil penalty and damages on behalf of the government. The amount shall be not less than 25 percent and not more than 50 percent of the proceeds of the action or settlement and shall be paid out of these proceeds.

(4) If the action is one provided for under paragraph (4) of subdivision (d), the present or former employee of the state or political subdivision is not entitled to any minimum guaranteed recovery from the proceeds. The court, however, may award the qui tam plaintiff those sums from the proceeds as it considers appropriate, but in no case more than 33 percent of the proceeds if the state or political subdivision goes forth with the action or 50 percent if the state or political subdivision declines to go forth, taking into account the significance of the information, the role of the qui tam plaintiff in advancing the case to litigation, and the scope of, and response to, the employee's attempts to report and gain recovery of the falsely claimed funds through official channels.

(5) If the action is one that the court finds to be based primarily on information from a present or former employee who actively participated in the fraudulent activity, the employee is not entitled to any minimum guaranteed recovery from the proceeds. The court, however, may award the qui tam plaintiff any sums from the proceeds that it considers appropriate, but in no case more than 33 percent of the proceeds if the state or political subdivision goes forth with the action or 50 percent if the state or political subdivision declines to go forth, taking into account the significance of the information, the role of the qui tam plaintiff in advancing the case to litigation, the scope of the present or past employee's involvement in the fraudulent activity, the employee's attempts to avoid or resist the activity, and all other circumstances surrounding the activity.

(6) The portion of the recovery not distributed pursuant to paragraphs (1) to (5), inclusive, shall revert to the state if the

underlying false claims involved state funds exclusively and to the political subdivision if the underlying false claims involved political subdivision funds exclusively. If the violation involved both state and political subdivision funds, the court shall make an apportionment between the state and political subdivision based on their relative share of the funds falsely claimed.

(7) For purposes of this section, "proceeds" include civil penalties as well as double or treble damages as provided in Section 12651.

(8) If the state, political subdivision, or the qui tam plaintiff prevails in or settles any action under subdivision (c), the qui tam plaintiff shall receive an amount for reasonable expenses that the court finds to have been necessarily incurred, plus reasonable costs and attorney's fees. All expenses, costs, and fees shall be awarded against the defendant and under no circumstances shall they be the responsibility of the state or political subdivision.

(9) If the state, a political subdivision, or the qui tam plaintiff proceeds with the action, the court may award to the defendant its reasonable attorney's fees and expenses against the party that proceeded with the action if the defendant prevails in the action and the court finds that the claim was clearly frivolous, clearly vexatious, or brought solely for purposes of harassment.

(h) The court may stay an act of discovery of the person initiating the action for a period of not more than 60 days if the Attorney General or local prosecuting authority show that the act of discovery would interfere with an investigation or a prosecution of a criminal or civil matter arising out of the same facts, regardless of whether the Attorney General or local prosecuting authority proceeds with the action. This showing shall be conducted in camera. The court may extend the 60-day period upon a further showing in camera that the Attorney General or local prosecuting authority has pursued the criminal or civil investigation or proceedings with reasonable diligence and any proposed discovery in the civil action will interfere with the ongoing criminal or civil investigation or proceedings.

(i) Upon a showing by the Attorney General or local prosecuting authority that unrestricted participation during the course of the litigation by the person initiating the action would interfere with or unduly delay the Attorney General's or local prosecuting authority's prosecution of the case, or would be repetitious, irrelevant, or for purposes of harassment, the court may, in its discretion, impose limitations on the person's participation, including the following:

(1) Limiting the number of witnesses the person may call.

(2) Limiting the length of the testimony of the witnesses.

(3) Limiting the person's cross-examination of witnesses.

(4) Otherwise limiting the participation by the person in the litigation.

(j) The False Claims Act Fund is hereby created in the State Treasury. Proceeds from the action or settlement of the claim by the Attorney General pursuant to this article shall be deposited into this

fund. Moneys in this fund, upon appropriation by the Legislature, shall be used by the Attorney General to support the ongoing investigation and prosecution of false claims in furtherance of this article.

SEC. 71. Section 13965.2 of the Government Code is amended to read:

13965.2. Whenever an application for assistance has been approved, and the board determines that an independent evaluation pursuant to paragraph (5) of subdivision (a) of Section 13965 is appropriate, the victim or derivative victim shall be notified of the name of the provider who is to perform the evaluation within 30 days of that determination.

SEC. 72. Section 14838.5 of the Government Code is amended to read:

14838.5. (a) Notwithstanding the advertising and bidding requirements of Chapter 6 (commencing with Section 14825) and Section 10302 of the Public Contract Code, a state agency may award a contract for the acquisition of goods, services, or information technology that has an estimated value of greater than two thousand five hundred dollars ($2,500), but less than fifty thousand dollars ($50,000), to a small business, as long as the agency obtains price quotations from two or more small businesses.

(b) In carrying out subdivision (a), state agencies shall consider a responsive offer timely received from a responsible small business.

(c) If the estimated cost to the state is less than two thousand five hundred dollars ($2,500) and for the acquisition of goods, services, or information technology, or a greater amount as administratively established by the director, a state agency shall obtain at least two price quotations from responsible suppliers whenever there is reason to believe a response from a single source is not a fair and reasonable price.

SEC. 73. Section 18523.3 of the Government Code is amended to read:

18523.3. (a) Notwithstanding Section 18523, this section shall apply only to state employees in State Bargaining Unit 19.

(b) "Class" means a group of positions sufficiently similar with respect to duties and responsibilities that the same title may reasonably and fairly be used to designate each position allocated to the class, that substantially the same tests of fitness may be used, that substantially the same minimum qualifications may be required, and that the same schedule of compensation may be made to apply with equity.

(c) The board may also establish "broadband" classes for which the same general title may be used to designate each position allocated to the class and that may include more than one level or more than one specialty area within the same general field of work. In addition to the minimum qualifications for each broadband class, other job-related qualifications may be required for particular

positions within the class. When the board establishes a broadband class, these levels and specialty areas shall be described in the class specification, and the board shall specify any instances in which these levels and speciality areas are to be treated as separate classes for purposes of applying other provisions of law.

SEC. 74. Section 19141.3 of the Government Code is amended to read:

19141.3. (a) Notwithstanding Section 19141, this section shall apply only to state employees in State Bargaining Unit 19.

(b) This section applies only to a permanent employee, or an employee who previously had permanent status and who, since that permanent status, has had no break in the continuity of his or her state service due to a permanent separation. As used in this section, "former position" is defined as in Section 18522, or, if the appointing power to which reinstatement is to be made and the employee agree, a vacant position in any department, commission, or state agency for which he or she is qualified at substantially the same level.

(c) Within the periods of time specified below, an employee who vacates a civil service position to accept an appointment to an exempt position shall be reinstated to his or her former position upon termination either by the employee or appointing power of the exempt appointment, provided that he or she (1) accepted the appointment without a break in the continuity of state service and (2) requests in writing reinstatement by the appointing power of his or her former position within 10 working days after the effective date of the termination.

(d) The reinstatement may be requested by the employee only within the following periods of time:

(1) At any time after the effective date of the exempt appointment if the employee was appointed under one of the following:

(A) Subdivision (a), (b), (c), (d), (e), (f), (g), or (m) of Section 4 of Article VII of the California Constitution.

(B) Section 2.1 of Article IX of the California Constitution.

(C) Section 22 of Article XX of the California Constitution.

(D) To an exempt position under the same appointing power as the former position even though a shorter period of time may be otherwise specified for that appointment.

(2) Within six months after the effective date of the exempt appointment if appointed under subdivision (h), (i), (k), or (*l*) of Section 4 of Article VII of the California Constitution.

(3) Within four years after the effective date of an exempt appointment if appointed under any other authority.

(e) An employee who vacates his or her civil service position to accept an assignment as a member, inmate, or patient helper under subdivision (j) of Section 4 of Article VII of the California Constitution shall not have a right to reinstatement.

(f) An employee who is serving under an exempt appointment retains a right of reinstatement when he or she accepts an extension of that exempt appointment or accepts a new exempt appointment, provided that the extension or new appointment is made within the specified reinstatement time limit and there is no break in the continuity of state service. The reinstatement right is retained for the period applicable to the extended or new exempt appointment as if that appointment had been made on the date of the initial exempt appointment.

(g) When an employee exercises his or her right of reinstatement and returns to his or her former position, the service while under an exempt appointment shall be deemed to be time served in the former position for the purpose of determining his or her eligibility for merit salary increases.

(h) If the termination of an exempt appointment is for a reason contained in Section 19997 and the employee does not have a right to reinstatement, he or she shall have his or her name placed on the departmental and general reemployment lists for the class of his or her former position.

SEC. 75. Section 19175.6 of the Government Code is amended to read:

19175.6. (a) Notwithstanding Section 19175, this section applies only to state employees in State Bargaining Unit 19.

(b) The board at the written request of a rejected probationer, filed within 15 calendar days of the effective date of rejection, shall only review allegations that the rejection was made for reasons of discrimination as defined for the purposes of subdivision (a) of Section 19702, fraud, or political patronage. If the board determines that the rejected probationer has stated a prima facie case of discrimination, fraud, or political patronage, the board may investigate the case with or without a hearing, and do any one of the following:

(1) Affirm the action of the appointing power.

(2) Modify the action of the appointing power.

(3) Restore the name of the rejected probationer to the employment list for certification to any position within the class, provided that his or her name shall not be certified to the agency by which he or she was rejected except with the concurrence of the appointing power thereof.

(4) Restore the rejected probationer to the position from which he or she was rejected, only if the board determines that there is substantial evidence to support that the rejection was made for reasons of discrimination as defined for the purposes of subdivision (a) of Section 19702, fraud, or political patronage. At the investigation or hearing the rejected probationer shall have the burden of proof; subject to rebuttal by him or her, it shall be presumed that the rejection was free from discrimination, fraud, and political

patronage, and that the statement of reasons therefor in the notice of rejection is true.

SEC. 76. Section 19576.5 of the Government Code is amended to read:

19576.5. Notwithstanding Section 19576, this section applies only to state employees in State Bargaining Unit 8.

(a) Minor discipline is a suspension without pay for five days or less or up to a 5-percent reduction in pay for five months or less. Whenever an answer is filed by an employee who is subject to minor discipline, and the memorandum of understanding for state employees in State Bargaining Unit 8 has expired, the state employer shall follow the minor discipline appeal procedures contained in the expired memorandum of understanding for state employees in State Bargaining Unit 8 until a successor agreement is negotiated between the Department of Personnel Administration and the exclusive representative. However, if an employee receives one of the cited actions in more than three instances in any 12-month period, he or she shall, upon each additional action within the same 12-month period, be afforded a hearing before the State Personnel Board if he or she files an answer to the action.

(b) The State Personnel Board shall not have the authority stated in subdivision (a) with regard to written or oral reprimands. Reprimands shall not be grievable or appealable by the receiving employee by any means. Rejections on probation shall not be grievable or appealable by the receiving employee by any means except as provided in Section 19175.1.

(c) The appointing power shall not impose any discipline in a manner that is inconsistent with "salary basis test" against an employee employed in an executive, administrative, or professional capacity and whose duties exempt him or her from the wage and hour provisions of the federal Fair Labor Standards Act as set forth pursuant to Section 13(a)(1) of the Fair Labor Standards Act of 1938, as amended (29 U.S.C. Sec. 213(a)(1)), and in Part 54 of Title 29 of the Code of Federal Regulations, as defined and delimited on the effective date of this section, and as those provisions may be amended in the future by the Administrator of the Wage and Hour Division of the United States Department of Labor.

(d) Disciplinary action taken pursuant to this section shall not be subject to any of the following provisions: Sections 19180, 19574.1, 19574.2, 19575, 19575.5, 19579, 19580, 19581, 19581.5, 19582, 19583, and 19587, and State Personnel Board Rules 51.1 to 51.9, inclusive, 52, and 52.1 to 52.5, inclusive.

(e) Notwithstanding any other law or rule, if any provision of this section is in conflict with any provision of the memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if provisions of a memorandum of understanding require the expenditure of funds, those provisions

shall not become effective unless approved by the Legislature in the annual Budget Act.

(f) If the State Personnel Board establishes regulations to implement this section, the regulations shall be consistent with the expired memorandum of understanding for state employees in State Bargaining Unit 8 and the Ralph C. Dills Act (Part 10.3 (commencing with Section 3512) of Division 4 of Title 1).

SEC. 77. Section 19582.3 of the Government Code is amended to read:

19582.3. (a) Notwithstanding Section 19582, this section applies only to state employees in State Bargaining Unit 19.

(b) The board's review of decisions of minor discipline, as defined by a memorandum of understanding or by Section 19576.4, shall be limited to either adopting the penalty of the proposed decision or revoking the disciplinary action in its entirety.

(c) The board's review of decisions of discipline, including minor discipline, shall not impose any discipline against an employee that would jeopardize the employee's status under the federal Fair Labor Standards Act, as set forth pursuant to Section 13(a)(1) of the Fair Labor Standards Act of 1938, as amended (29 U.S.C. Sec. 213(a)(1)) and in Part 54 of Title 29 of the Code of Federal Regulations, as defined and delimited on the effective date of this section and as those provisions may be amended in the future.

(d) If any provision of this section is in conflict with any provision of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if any provision of a memorandum of understanding requires the expenditure of funds, the provision shall not become effective unless approved by the Legislature in the annual Budget Act.

SEC. 78. Section 20068.2 of the Government Code is amended to read:

20068.2. (a) Notwithstanding Section 20068, this section applies only to state employees in State Bargaining Unit 19.

(b) "State safety service" means service rendered as a state safety member only while receiving compensation for that service, except as provided in Article 4 (commencing with Section 20990) of Chapter 11. It also includes service rendered in an employment in which persons have since become state safety members and service rendered prior to April 1, 1973, and falling within the definition of warden, forestry, and law enforcement service under this chapter prior to April 1, 1973. "State safety service" pursuant to this subdivision does not include service as an investigator prior to April 1, 1973, within the Department of Justice by persons who, prior to April 1, 1973, were classified as miscellaneous members.

(c) "State safety service," with respect to a member who becomes a state safety member pursuant to Section 20405, also includes service prior to the date on which he or she becomes a state safety member

as an officer or employee of the Board of Prison Terms, Department of Corrections, Prison Industry Authority, or the Department of the Youth Authority.

(d) "State safety service," with respect to a member who becomes a state safety member pursuant to Sections 20409 and 20410, also includes service in a class specified in those sections or service pursuant to subdivision (a) prior to September 27, 1982.

(e) "State safety service," with respect to a member who becomes a state safety member pursuant to Sections 20414 and 20415, shall also include service prior to September 22, 1982, as an officer or employee of the Department of Parks and Recreation or the Military Department.

(f) "State safety service" does not include service in classes specified in Section 20407 prior to January 1, 1989.

(g) "State safety service" does not include service in classes specified in Section 20408 prior to January 1, 1990.

(h) "State safety service," with respect to a member who becomes a state safety member pursuant to subdivision (b) of Section 20405.3, shall also include service rendered in an employment in which persons have since become state safety members, as determined by the Department of Personnel Administration pursuant to that section.

SEC. 79. Section 20677 of the Government Code is amended to read:

20677. (a) (1) The normal rate of contribution for a state miscellaneous member whose service is not included in the federal system shall be 6 percent of the compensation in excess of three hundred seventeen dollars ($317) per month paid that member for service rendered on and after July 1, 1976. The normal rate of contribution for a school member or a local miscellaneous member shall be 7 percent of the compensation paid that member for service rendered on and after June 21, 1971.

(2) The normal rate of contribution for a state miscellaneous or industrial member who has elected to be subject to Section 21353.5 and whose service is not included in the federal system shall be 6 percent of the member's compensation.

(3) The normal rate of contribution, as established under this subdivision for a member whose service is included in the federal system, and whose service retirement allowance is reduced under Section 21353, 21353.5, or 21354 because of that inclusion, shall be reduced by one-third as applied to compensation not exceeding four hundred dollars ($400) per month for service after the date of execution of the agreement, including service in the federal system and prior to termination of the agreement, with respect to the coverage group to which he or she belongs.

(b) (1) The normal rate of contribution for a state miscellaneous member whose service has been included in the federal system shall be 5 percent of compensation in excess of five hundred thirteen

dollars ($513) per month paid that member for service rendered on and after July 1, 1976.

(2) The normal rate of contribution for a state miscellaneous or industrial member who has elected to be subject to Section 21353.5 and whose service has been included in the federal system shall be 5 percent of compensation, subject to the reduction specified in paragraph (3) of subdivision (a).

(c) The normal rate of contribution for a state miscellaneous or industrial member who elects to become subject to Section 21076 or 21077 shall be zero percent, unless the member subsequently elects to become subject to Section 21353, as authorized by subdivision (c) of Section 21070 or Section 21353.5. A member who elects to become subject to Section 21353 shall contribute at the rate specified in paragraph (1) of subdivision (a) or paragraph (1) of subdivision (b), as determined by the member's status with the federal system, and the rate shall be applied from the first of the month following the date of the election. A member who makes the election shall also contribute for service prior to the date the contribution rate was applied, in the manner specified in Section 21073. A member who elected to become subject to Section 21353 solely for service rendered on or after the effective date of the election, as authorized by subdivision (c) of Section 21070 during the period between November 1, 1988, and October 31, 1989, is not required to make the contributions specified in Section 21073.

SEC. 80. Section 21028 of the Government Code is amended to read:

21028. "Public service" also means service in temporary, seasonal, limited term, on call, emergency, intermittent, substitute, or other irregular employment in which a person is excluded from membership.

SEC. 81. Section 22200 of the Government Code is amended to read:

22200. The board is hereby authorized on behalf of the state to administer and to maintain in full force and effect the agreement entered into between the state and the Federal Security Administrator on March 9, 1951, and all modifications thereof heretofore made.

SEC. 82. Section 22209 of the Government Code is amended to read:

22209. At the request of a public agency, or as otherwise permitted by the board, any class or classes of positions covered by a retirement system which may be excluded from coverage under the federal system pursuant to paragraph (3) or (5) of Section 218(c) of the Social Security Act, and to which the agreement does not already apply, may be excluded from the agreement at the time it is made applicable to such retirement system; except that such exclusion shall not include any services to which Section 218(c)(3)(B) of the Social Security Act is applicable.

SEC. 83. Section 22754.5 of the Government Code is amended to read:

22754.5. (a) Notwithstanding Section 22754, for state employees in State Bargaining Unit 8 or 16 and members of State Bargaining Unit 8 or 16 who retire on or after the effective date of this section and who meet the definition of annuitant, "eligible family member" means:

(1) The legal spouse in a marriage recognized by the state.

(2) A child under the age of 19 years who has never been married or who has obtained a legal annulment. This includes:

(A) The natural or adopted child, or stepchild, of the employee or annuitant.

(B) A child who is not the natural or adopted child, or stepchild, of the employee or annuitant and who is not receiving or eligible for coverage through another source and who meets either of the following conditions:

(i) The employee or annuitant has legal or joint custody of the child.

(ii) The child is a grandchild living in the household of the employee or annuitant, and the natural parent or parents are not living in the same household.

(3) A child over the age of 19 years but under the age of 23 years who has never been married or who has obtained a legal annulment and meets the criteria of subparagraph (A) or (B) of paragraph (2) may continue to be enrolled if the child is one of the following:

(A) Enrolled on an ongoing basis as a college student for at least nine semester college units or equivalent quarter units.

(B) Enrolled on an ongoing basis in an adult continuation school curriculum that would result in a high school diploma or its equivalent. An employee or annuitant whose child continues to be enrolled under this paragraph must provide the employer or benefit carrier, upon request, with an annual certification of schooling or enrollment.

(4) A child under the age of 19 years who has never been married or who has obtained a legal annulment may continue to be enrolled after attaining the age of 19 years if he or she is incapable of self-support because of physical disability or mental incapacity and he or she is dependent on the employee or annuitant for support and care. A disabled child may continue to be enrolled after attaining the age of 19 years only if he or she was enrolled as disabled at the time of the employee's initial enrollment or became disabled while enrolled as an eligible family member prior to attaining the age of 19 years. The employee or annuitant must provide satisfactory evidence of the disability within 60 days after the disabled child attains the age of 19 years. Necessary documentation, as prescribed by the employer, must be completed, processed, and approved by the Public Employees' Retirement System. An annual certification of continued disability may be required.

(b) At the time of enrollment or audit, an employee or annuitant will be required to provide proof of eligibility for all enrolled family members that may include any of the following:

(1) A valid marriage certificate.

(2) A birth certificate.

(3) A certification of disability.

(4) Legal custody documents.

(5) A copy of the employee's or annuitant's signed state income tax return.

SEC. 84. Section 54953 of the Government Code, as added by Section 2 of Chapter 399 of the Statutes of 1988, is repealed.

SEC. 85. Section 54975 of the Government Code is amended to read:

54975. The board of supervisors shall include in the Local Appointments List prepared pursuant to Section 54972 all appointments of public members and alternate public members made to the local agency formation commission pursuant to Sections 56325, 56329, 56330, 56331, and 56333.

Whenever an unscheduled vacancy occurs in a local agency formation commission, the board of supervisors shall cause a special vacancy notice to be posted as provided in Section 54974. Final appointment to fill the vacancy may not be made by the appointing body for at least 10 working days after the posting of the notice.

SEC. 86. The heading of Article 5 (commencing with Section 63043) of Chapter 2 of Division 1 of Title 6.7 of the Government Code is amended to read:

Article 5. Financing Economic Development Facilities

SEC. 87. The heading of Chapter 6 (commencing with Section 66400) of Division 1 of Title 7 of the Government Code is amended and renumbered to read:

CHAPTER 10. HIGHWAY INTERCHANGE DISTRICTS

SEC. 88. Section 66400 of the Government Code is amended and renumbered to read:

66100. The Legislature finds and declares that , because substantial public moneys will be expended on the development of the West Side Freeway portion of Interstate Route 5, including the development of recreational and scenic observation sites in relatively undeveloped areas, and because new commercial and other development tends to locate at freeway interchanges in these areas, and this development may be detrimental to both traffic capacity and safety and to the preservation of the scenic characteristics along the freeway route, it is therefore necessary, in the interests of the public health, safety, and welfare, and to safeguard community economic development along the route of the freeway, to establish controls

over the kinds, intensity, and design of land use and development that are permitted to occur at those interchanges along the freeway route from its intersection with the San Joaquin River to the junction of the route with State Highway Route 99 in the vicinity of Wheeler Ridge.

SEC. 89. Section 66401 of the Government Code is amended and renumbered to read:

66101. To preserve the effective traffic capacity and safety of the West Side Freeway, to maintain and enhance the present character of the landscape abutting the freeway, and to ensure compatible land use and development at and near interchanges along the route, the kind, intensity, and design of land use and development occurring at the freeway interchanges on the portion of the West Side Freeway designated in Section 66100 shall be regulated within highway interchange districts, which districts shall be established by each local jurisdiction traversed by the West Side Freeway in which is located any of the interchanges identified in this chapter.

SEC. 90. Section 66402 of the Government Code is amended and renumbered to read:

66102. The boundaries of each district shall be designated by the local jurisdiction within which each interchange is located and shall include the territory that the local jurisdiction deems to be affected by each interchange, but in no case shall the area consist of less than a circle of one-mile radius from the point of intersection of the centerline of the West Side Freeway with the centerline of any highway, street, or road intersecting at an interchange.

SEC. 91. Section 66403 of the Government Code is amended and renumbered to read:

66103. Each local jurisdiction shall prepare for each highway interchange district a general land use plan and appropriate zoning ordinances by January 1, 1964. It shall be recognized that this state has a continuing interest in adequate enforcement of these plans and ordinances due to construction by this state of the West Side Freeway.

SEC. 92. Section 1206 of the Health and Safety Code is amended to read:

1206. This chapter does not apply to the following:

(a) Except with respect to the option provided with regard to surgical clinics in paragraph (1) of subdivision (b) of Section 1204 and, further, with respect to specialty clinics specified in paragraph (2) of subdivision (b) of Section 1204, any place or establishment owned or leased and operated as a clinic or office by one or more licensed health care practitioners and used as an office for the practice of their profession, within the scope of their license, regardless of the name used publicly to identify the place or establishment.

(b) Any clinic directly conducted, maintained, or operated by the United States or by any of its departments, officers, or agencies, and

any primary care clinic specified in subdivision (a) of Section 1204 that is directly conducted, maintained, or operated by this state or by any of its political subdivisions or districts, or by any city. Nothing in this subdivision precludes the state department from adopting regulations that utilize clinic licensing standards as eligibility criteria for participation in programs funded wholly or partially under Title XVIII or XIX of the federal Social Security Act.

(c) Any clinic conducted, maintained, or operated by a federally recognized Indian tribe or tribal organization, as defined in Section 450 or 1601 of Title 25 of the United States Code, and which is located on land recognized as tribal land by the federal government.

(d) Clinics conducted, operated, or maintained as outpatient departments of hospitals.

(e) Any facility licensed as a health facility under Chapter 2 (commencing with Section 1250).

(f) Any freestanding clinical or pathological laboratory licensed under Chapter 3 (commencing with Section 1200) of Division 2 of the Business and Professions Code.

(g) A clinic operated by, or affiliated with, any institution of learning that teaches a recognized healing art and is approved by the state board or commission vested with responsibility for regulation of the practice of that healing art.

(h) A clinic that is operated by a primary care community or free clinic and that is operated on separate premises from the licensed clinic and is only open for limited services of no more than 20 hours a week. An intermittent clinic as described in this paragraph shall, however, meet all other requirements of law, including administrative regulations and requirements, pertaining to fire and life safety.

(i) The offices of physicians in group practice who provide a preponderance of their services to members of a comprehensive group practice prepayment health care service plan subject to Chapter 2.2 (commencing with Section 1340) .

(j) Student health centers operated by public institutions of higher education.

(k) Nonprofit speech and hearing centers, as defined in Section 1201.5. Any nonprofit speech and hearing clinic desiring an exemption under this subdivision shall make application therefor to the director, who shall grant the exception to any facility meeting the criteria of Section 1201.5. Notwithstanding the licensure exemption contained in this subdivision, a nonprofit speech and hearing center shall be deemed to be an organized outpatient clinic for purposes of qualifying for reimbursement as a rehabilitation center under the Medi-Cal Act (Chapter 7 (commencing with Section 14000) of Part 3 of Division 9 of the Welfare and Institutions Code).

(*l*) A clinic operated by a nonprofit corporation exempt from federal income taxation under paragraph (3) of subsection (c) of Section 501 of the Internal Revenue Code of 1954, as amended, or a

statutory successor thereof, that conducts medical research and health education and provides health care to its patients through a group of 40 or more physicians and surgeons, who are independent contractors representing not less than 10 board-certified specialties, and not less than two-thirds of whom practice on a full-time basis at the clinic.

(m) Any clinic, limited to in vivo diagnostic services by magnetic resonance imaging functions or radiological services under the direct and immediate supervision of a physician and surgeon who is licensed to practice in California. This shall not be construed to permit cardiac catheterization or any treatment modality in these clinics.

(n) A clinic operated by an employer or jointly by two or more employers for their employees only, or by a group of employees, or jointly by employees and employers, without profit to the operators thereof or to any other person, for the prevention and treatment of accidental injuries to, and the care of the health of, the employees comprising the group.

(o) A community mental health center as defined in Section 5601.5 of the Welfare and Institutions Code.

(p) (1) A clinic operated by a nonprofit corporation exempt from federal income taxation under paragraph (3) of subsection (c) of Section 501 of the Internal Revenue Code of 1954, as amended, or a statutory successor thereof, as an entity organized and operated exclusively for scientific and charitable purposes and that satisfies all of the following requirements:

(A) Commenced conducting medical research on or before January 1, 1982, and continues to conduct medical research.

(B) Conducted research in, among other areas, prostatic cancer, cardiovascular disease, electronic neural prosthetic devices, biological effects and medical uses of lasers, and human magnetic resonance imaging and spectroscopy.

(C) Sponsored publication of at least 200 medical research articles in peer-reviewed publications.

(D) Received grants and contracts from the National Institutes of Health.

(E) Held and licensed patents on medical technology.

(F) Received charitable contributions and bequests totaling at least five million dollars ($5,000,000).

(G) Provides health care services to patients only:

(i) In conjunction with research being conducted on procedures or applications not approved or only partially approved for payment (I) under the Medicare program pursuant to Section 1359y(a)(1)(A) of Title 42 of the United States Code, or (II) by a health care service plan registered under Chapter 2.2 (commencing with Section 1340) or a disability insurer regulated under Chapter 1 (commencing with Section 10110) of Part 2 of Division 2 of the Insurance Code; provided that services may be provided by the clinic for an additional period of up to three years following the approvals, but only to the extent

necessary to maintain clinical expertise in the procedure or application for purposes of actively providing training in the procedure or application for physicians and surgeons unrelated to the clinic.

(ii) Through physicians and surgeons who, in the aggregate, devote no more than 30 percent of their professional time for the entity operating the clinic, on an annual basis, to direct patient care activities for which charges for professional services are paid.

(H) Makes available to the public the general results of its research activities on at least an annual basis, subject to good faith protection of proprietary rights in its intellectual property.

(I) Is a freestanding clinic, whose operations under this subdivision are not conducted in conjunction with any affiliated or associated health clinic or facility defined under this division, except a clinic exempt from licensure under subdivision (m). For purposes of this subparagraph, a freestanding clinic is defined as "affiliated" only if it directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, a clinic or health facility defined under this division, except a clinic exempt from licensure under subdivision (m). For purposes of this subparagraph, a freestanding clinic is defined as "associated" only if more than 20 percent of the directors or trustees of the clinic are also the directors or trustees of any individual clinic or health facility defined under this division, except a clinic exempt from licensure under subdivision (m). Any activity by a clinic under this subdivision in connection with an affiliated or associated entity shall fully comply with the requirements of this subdivision. This subparagraph shall not apply to agreements between a clinic and any entity for purposes of coordinating medical research.

(2) This subdivision shall become inoperative on January 1, 2003. Prior to extending or deleting that inoperative date, the Legislature shall receive a report from each clinic meeting the criteria of this subdivision and any other interested party concerning the operation of the clinic's activities. The report shall include, but not be limited to, an evaluation of how the clinic impacted competition in the relevant health care market, and a detailed description of the clinic's research results and the level of acceptance by the payer community of the procedures performed at the clinic. The report shall also include a description of procedures performed both in clinics governed by this subdivision and those performed in other settings.

SEC. 93. Section 1261.5 of the Health and Safety Code is amended to read:

1261.5. (a) The number of oral dosage form or suppository form drugs provided by a pharmacy to a health facility licensed pursuant to subdivision (c) or (d), or both (c) and (d), of Section 1250 for storage in a secured emergency supplies container, pursuant to Section 4035 of the Business and Professions Code, shall be limited to 24. The State Department of Health Services may limit the number

of doses of each drug available to not more than four doses of any separate drug dosage form in each emergency supply.

(b) Any limitations established pursuant to subdivision (a) on the number and quantity of oral dosage or suppository form drugs provided by a pharmacy to a health facility licensed pursuant to subdivision (c), (d), or both (c) and (d), of Section 1250 for storage in a secured emergency supplies container shall not apply to an automated drug delivery system, as defined in Section 1261.6, when a pharmacist controls access to the drugs. This subdivision shall become operative on July 1, 1999.

SEC. 94. Section 1261.6 of the Health and Safety Code is amended to read:

1261.6. (a) For purposes of this section and Section 1261.5, an "automated drug delivery system" means a mechanical system that performs operations or activities, other than compounding or administration, relative to the storage, dispensing, or distribution of drugs. An automated drug delivery system shall collect, control, and maintain all transaction information to accurately track the movement of drugs into and out of the system for security, accuracy, and accountability.

(b) Transaction information shall be made readily available in a written format for review and inspection by individuals authorized by law. These records shall be maintained in the facility for a minimum of three years.

(c) Individualized and specific access to automated drug delivery systems shall be limited to facility and contract personnel authorized by law to administer drugs.

(d) (1) The facility and the pharmacy shall develop and implement written policies and procedures to ensure safety, accuracy, accountability, security, patient confidentiality, and maintenance of the quality, potency, and purity of stored drugs. Policies and procedures shall define access to the automated drug delivery system and limits to access to equipment and drugs.

(2) All policies and procedures shall be maintained at the location where the automated drug delivery system is being used.

(e) Drugs removed from the automated drug delivery system shall be limited to the following:

(1) A new drug order given by a prescriber for a patient of the facility for administration prior to the next scheduled delivery from the pharmacy, or 72 hours, whichever is less. The drugs shall be retrieved only upon authorization by a pharmacist and after the pharmacist has reviewed the prescriber's order and the patient's profile for potential contraindications and adverse drug reactions.

(2) Drugs that a prescriber has ordered for a patient on an as-needed basis, if the utilization and retrieval of those drugs are subject to ongoing review by a pharmacist.

(3) Drugs designed by the patient care policy committee or pharmaceutical service committee of the facility as emergency drugs

or acute onset drugs. These drugs may be retrieved from an automated drug delivery system pursuant to the order of a prescriber for emergency or immediate administration to a patient of the facility. Within 48 hours after retrieval under this paragraph, the case shall be reviewed by a pharmacist.

(f) The stocking of an automated drug delivery system shall be performed by a pharmacist. If the automated drug delivery system utilizes removable pockets or drawers, or similar technology, the stocking system may be done outside of the facility and be delivered to the facility if all of the following conditions are met:

(1) The task of placing drugs into the removable pockets or drawers is performed by a pharmacist or by an intern pharmacist or a pharmacy technician working under the direct supervision of a pharmacist.

(2) The removable pockets or drawers are transported between the pharmacy and the facility in a secure tamper-evident container.

(3) The facility, in conjunction with the pharmacy, has developed policies and procedures to ensure that the pockets or drawers are properly placed into the automated drug delivery system.

(g) Review of the drugs contained within, and the operation and maintenance of, the automated drug delivery system shall be done in accordance with law and shall be the responsibility of the pharmacy. The review shall be conducted on a monthly basis by a pharmacist and shall include a physical inspection of the drugs in the automated drug delivery system, an inspection of the automated drug delivery system machine for cleanliness, and a review of all transaction records in order to verify the security and accountability of the system.

(h) Drugs dispensed from an automated drug delivery system that meets the requirements of this section shall not be subject to the labeling requirements of Section 4076 of the Business and Professions Code or Section 111480 of this code if the drugs to be placed into the automated drug delivery system are in unit dose packaging or unit of use and if the information required by Section 4076 of the Business and Professions Code and Section 111480 of this code is readily available at the time of drug administration.

(i) This section shall become operative on July 1, 1999.

SEC. 95. Section 1300 of the Health and Safety Code is amended to read:

1300. (a) Any licensee or holder of a special permit may, with the approval of the state department, surrender his or her license or special permit for suspension or cancellation by the state department. Any license or special permit suspended or canceled pursuant to this section may be reinstated by the state department on receipt of an application showing compliance with the requirements of Section 1265.

(b) Before approving a downgrade or closure of emergency services pursuant to subdivision (a), the state department shall

receive a copy of the impact evaluation of the county to determine impacts, including, but not limited to, an impact evaluation of the downgrade or closure upon the community, including community access to emergency care, and how that downgrade or closure will affect emergency services provided by other entities. Development of the impact evaluation shall incorporate at least one public hearing. The county in which the proposed downgrade or closure will occur shall ensure the completion of the impact evaluation, and shall notify the state department of results of an impact evaluation within three days of the completion of that evaluation. The county may designate the local emergency medical services agency as the appropriate agency to conduct the impact evaluation. The impact evaluation and hearing shall be completed within 60 days of the county receiving notification of intent to downgrade or close emergency services. The county or designated local emergency medical services agency shall ensure that all hospital and prehospital health care providers in the geographic area impacted by the service closure or change are consulted with, and that local emergency service agencies and planning or zoning authorities are notified, prior to completing an impact evaluation as required by this section. This subdivision shall be implemented on and after the date that the county in which the proposed downgrade or closure will occur, or its designated local emergency medical services agency, has developed a policy specifying the criteria it will consider in conducting an impact evaluation, as required by subdivision (c).

(c) The Emergency Medical Services Authority shall develop guidelines for development of impact evaluation policies. On or before June 30, 1999, each county or its designated local emergency medical services agency shall develop a policy specifying the criteria it will consider in conducting an impact evaluation pursuant to subdivision (b). Each county or its designated local emergency medical services agency shall submit its impact evaluation policy to the state department and the Emergency Medical Services Authority within three days of completion of the policy. The Emergency Medical Services Authority shall provide technical assistance upon request to a county or its designated local emergency medical services agency.

SEC. 96. Section 1351.2 of the Health and Safety Code is amended to read:

1351.2. (a) If a health care service plan licensed under the laws of Mexico elects to operate a health care service plan in this state, the plan shall apply for licensure as a health care service plan under this chapter by filing an application for licensure in the form prescribed by the department and verified by an authorized representative of the applicant. The plan shall be subject to the provisions of this chapter, and the rules adopted by the commissioner thereunder, as determined by the commissioner to be applicable. The application shall be accompanied by the fee prescribed by subdivision (a) of

Section 1356 and shall demonstrate compliance with the following requirements:

(1) The plan is operating lawfully under the laws of Mexico.

(2) The plan offers and sells in this state only employer-sponsored group plan contracts exclusively for the benefit of citizens of Mexico legally employed in this state, and for the benefit of their dependents regardless of nationality, that pay for, reimburse the cost of, or arrange for the provision or delivery of health care services that are to be provided or delivered wholly in Mexico, except for the provision or delivery of those health care services set forth in paragraph (4).

(3) Solicitation of plan contracts in this state is made only through insurance brokers and agents licensed in this state or a third-party administrator licensed in this state, each of which is authorized by the plan to offer and sell plan group contracts.

(4) Group contracts provide, through a contract of insurance between the plan and an insurer admitted in this state, for the reimbursement of emergency and urgent care services provided out of area as required by subdivision (h) of Section 1345.

(5) All advertising, solicitation material, disclosure statements, evidences of coverage, and contracts are in compliance with the appropriate provisions of this chapter and the rules or orders of the commissioner. The commissioner shall require that each of these documents contain a legend in 10-point type, in both English and Spanish, declaring that the health care service plan contract provided by the plan may be limited as to benefits, rights, and remedies under state and federal law.

(6) All funds received by the plan from a subscriber are deposited in an account of a bank organized under the laws of this state or in an account of a national bank located in this state.

(7) The plan maintains a tangible net equity as required by this chapter and the rules of the commissioner, as calculated under United States generally accepted accounting principles, in the amount of at least one million dollars ($1,000,000). In lieu of an amount in excess of the minimum tangible net equity of one million dollars ($1,000,000), the plan may demonstrate a reasonable acceptable alternative reimbursement arrangement that the commissioner may in his or her discretion accept. The plan shall also maintain a fidelity bond and a surety bond as required by Section 1376 and the rules of the commissioner.

(8) The plan agrees to make all of its books and records, including the books and records of health care providers in Mexico, available to the commissioner in the form and at the time and place requested by the commissioner. Books and records shall be made available to the commissioner no later than 24 hours from the date of the request.

(9) The plan files a consent to service of process with the commissioner and agrees to be subject to the laws of this state and the United States in any investigation, examination, dispute, or other matter arising from the advertising, solicitation, or offer and sale of

a plan contract, or the management or provision of health care services in this state or throughout the United States. The plan shall agree to notify the commissioner, immediately and in no case later than one business day, if it is subject to any investigation, examination, or administrative or legal action relating to the plan or the operations of the plan initiated by the government of Mexico or the government of any state of Mexico against the plan or any officer, director, security holder, or contractor owning 10 percent or more of the securities of the plan. The plan shall agree that in the event of conflict of laws in any action arising out of the license, the laws of California and the United States shall apply.

(10) The plan agrees that disputes arising from the group contracts involving group contract holders and providers of health care services in the United States shall be subject to the jurisdiction of the courts of this state and the United States.

(b) The plan shall pay the application processing fee and other fees and assessments specified in Section 1356. When consistent with the intent and purpose of this chapter and in the public interest, the commissioner, by order, may designate provisions of this chapter and rules adopted thereunder that need not be applied to a health care service plan licensed under the laws of Mexico.

SEC. 97. Section 1357.09 of the Health and Safety Code is amended to read:

1357.09. No plan shall be required to offer a health care service plan contract or accept applications for such a contract pursuant to this article in the case of any of the following:

(a) A small employer, where the small employer is not physically located in a plan's approved service areas, or where an eligible employee and dependents who are to be covered by the plan contract do not work or reside within a plan's approved service areas.

(b) A specific service area or portion of a service area where a plan reasonably anticipates and demonstrates to the satisfaction of the commissioner that it will not have sufficient health care delivery resources to assure that health care services will be available and accessible to the eligible employee and dependents of the employee because of its obligations to existing enrollees.

(1) A plan that cannot offer a health care service plan contract to small employers because it is lacking in sufficient health care delivery resources within a service area or a portion of a service area may not offer a contract in the area in which the plan is not offering coverage to small employers to new employer groups with more than 50 eligible employees until the plan notifies the commissioner that it has the ability to deliver services to small employer groups, and certifies to the commissioner that from the date of the notice it will enroll all small employer groups requesting coverage in that area from the plan unless the plan has met the requirements of subdivision (d).

(2) Nothing in this article shall be construed to limit the commissioner's authority to develop and implement a plan of

rehabilitation for a health care service plan whose financial viability or organizational and administrative capacity have become impaired.

(c) A small employer or an eligible employee as defined under paragraph (2) of subdivision (b) of Section 1357 who, within 12 months of application for coverage, disenrolled from a plan contract offered by the plan.

(d) A case in which the commissioner approves the plan's certification that the number of eligible employees and dependents enrolled under contracts issued during the current calendar year equals or exceeds (1) in the case of a plan that administers any self-funded health coverage arrangements in California, 10 percent of the total enrollment of the plan in California as of December 31 of the preceding year, or (2) in the case of a plan that does not administer any self-funded health coverage arrangements in California, 8 percent of the total enrollment of the plan in California as of December 31 of the preceding year. If that certification is approved, the plan may not offer any health care service plan contract to any small employers during the remainder of the current year.

(1) If a health care service plan treats an affiliate or subsidiary as a separate carrier for the purpose of this article because one health care service plan is qualified under the federal Health Maintenance Organization Act and does not offer coverage to small employers, while the affiliate or subsidiary offers a plan contract that is not qualified under the federal Health Maintenance Organization Act and offers plan contracts to small employers, the health care service plan offering coverage to small employers shall enroll new eligible employees and dependents, equal to the applicable percentage of the total enrollment of both the health care service plan qualified under the federal Health Maintenance Organization Act and its affiliate or subsidiary.

(2) The certified statement filed pursuant to this subdivision shall state the following:

(A) Whether the plan administers any self-funded health coverage arrangements in California.

(B) The plan's total enrollment as of December 31 of the preceding year.

(C) The number of eligible employees and dependents enrolled under contracts issued to small employer groups during the current calendar year.

The commissioner shall, within 45 days, approve or disapprove the certified statement. If the certified statement is disapproved, the plan shall continue to issue coverage as required by Section 1357.03 and be subject to disciplinary action as prescribed by Article 7 (commencing with Section 1386).

(e) A health care service plan that, as of December 31 of the prior year, had a total enrollment of fewer than 100,000 and 50 percent or

more of the plan's total enrollment have premiums paid by the Medi-Cal program.

(f) A social health maintenance organization, as described in subdivision (a) of Section 2355 of the federal Deficit Reduction Act of 1984 (Public Law 97-369), that, as of December 31 of the prior year, had a total enrollment of fewer than 100,000 and has 50 percent or more of the organization's total enrollment premiums paid by the Medi-Cal program or Medicare programs, or by a combination of Medi-Cal and Medicare. In no event shall this exemption be based upon enrollment in Medicare supplement contracts, as described in Article 3.5 (commencing with Section 1358).

SEC. 98. Section 1357.50 of the Health and Safety Code is amended to read:

1357.50. For purposes of this article:

(a) "Health benefit plan" means any individual or group insurance policy or health care service plan contract that provides medical, hospital, and surgical benefits. The term does not include accident only, credit, disability income, coverage of Medicare services pursuant to contracts with the United States government, Medicare supplement, long-term care insurance, dental, vision, coverage issued as a supplement to liability insurance, insurance arising out of a workers' compensation or similar law, automobile medical payment insurance, or insurance under which benefits are payable with or without regard to fault and that is statutorily required to be contained in any liability insurance policy or equivalent self-insurance.

(b) "Late enrollee" means an eligible employee or dependent who has declined health coverage under a health benefit plan offered through employment or sponsored by an employer at the time of the initial enrollment period provided under the terms of the health benefit plan, and who subsequently requests enrollment in a health benefit plan of that employer, provided that the initial enrollment period shall be at least 30 days. However, an eligible employee or dependent shall not be considered a late enrollee if any of the following is applicable:

(1) The individual meets all of the following requirements:

(A) The individual was covered under another employer health benefit plan or no-share-of-cost Medi-Cal coverage at the time the individual was eligible to enroll.

(B) The individual certified, at the time of the initial enrollment that coverage under another employer health benefit plan or no-share-of-cost Medi-Cal coverage was the reason for declining enrollment, provided that, if the individual was covered under another employer health benefit plan, the individual was given the opportunity to make the certification required by this subdivision and was notified that failure to do so could result in later treatment as a late enrollee.

(C) The individual has lost or will lose coverage under another employer health benefit plan as a result of termination of employment of the individual or of a person through whom the individual was covered as a dependent, change in employment status of the individual or of a person through whom the individual was covered as a dependent, termination of the other plan's coverage, cessation of an employer's contribution toward an employee or dependent's coverage, death of a person through whom the individual was covered as a dependent, legal separation, divorce, or loss of no-share-of-cost Medi-Cal coverage.

(D) The individual requests enrollment within 30 days after termination of coverage, or cessation of employer contribution toward coverage provided under another employer health benefit plan.

(2) The individual is employed by an employer that offers multiple health benefit plans and the individual elects a different plan during an open enrollment period.

(3) A court has ordered that coverage be provided for a spouse or minor child under a covered employee's health benefit plan. The health benefit plan shall enroll a dependent child within 30 days after receipt of a court order or request from the district attorney, either parent or the person having custody of the child as defined in Section 3751.5 of the Family Code, the employer, or the group administrator. In the case of children who are eligible for medicaid, the State Department of Health Services may also make the request.

(4) The plan cannot produce a written statement from the employer stating that, prior to declining coverage, the individual or the person through whom the individual was eligible to be covered as a dependent was provided with, and signed acknowledgment of, explicit written notice in bold type specifying that failure to elect coverage during the initial enrollment period permits the plan to impose, at the time of the individual's later decision to elect coverage, an exclusion from coverage for a period of 12 months as well as a six-month preexisting condition exclusion, unless the individual meets the criteria specified in paragraph (1), (2), or (3).

(5) The individual is an employee or dependent who meets the criteria described in paragraph (1) and was under a COBRA continuation provision, and the coverage under that provision has been exhausted. For purposes of this section, the definition of "COBRA" set forth in subdivision (e) of Section 1373.621 shall apply.

(6) The individual is a dependent of an enrolled eligible employee who has lost or will lose his or her no-share-of-cost Medi-Cal coverage and requests enrollment within 30 days of notification of this loss of coverage.

(c) "Preexisting condition provision" means a contract provision that excludes coverage for charges or expenses incurred during a specified period following the enrollee's effective date of coverage, as to a condition for which medical advice, diagnosis, care, or

treatment was recommended or received during a specified period immediately preceding the effective date of coverage.

(d) "Creditable coverage" means:

(1) Any individual or group policy, contract, or program that is written or administered by a disability insurance company, nonprofit hospital service plan, health care service plan, fraternal benefits society, self-insured employer plan, or any other entity, in this state or elsewhere, and that arranges or provides medical, hospital, and surgical coverage not designed to supplement other private or governmental plans. The term includes continuation or conversion coverage but does not include accident only, credit, coverage for onsite medical clinics, disability income, Medicare supplement, long-term care insurance, dental, vision, coverage issued as a supplement to liability insurance, insurance arising out of a workers' compensation or similar law, automobile medical payment insurance, or insurance under which benefits are payable with or without regard to fault and that is statutorily required to be contained in any liability insurance policy or equivalent self-insurance.

(2) The federal Medicare program pursuant to Title XVIII of the Social Security Act.

(3) The medicaid program pursuant to Title XIX of the Social Security Act.

(4) Any other publicly sponsored program, provided in this state or elsewhere, of medical, hospital, and surgical care.

(5) Chapter 55 (commencing with Section 1071) of Title 10 of the United States Code (Civilian Health and Medical Program of the Uniformed Services (CHAMPUS)).

(6) A medical care program of the Indian Health Service or of a tribal organization.

(7) A state health benefits risk pool.

(8) A health plan offered under Chapter 89 (commencing with Section 8901) of Title 5 of the United States Code (Federal Employees Health Benefits Program (FEHBP)).

(9) A public health plan as defined in federal regulations authorized by Section 2701(c)(1)(I) of the Public Health Service Act, as amended by Public Law 104-191 (Health Insurance Portability and Accountability Act of 1996).

(10) A health benefit plan under Section 5(e) of the Peace Corps Act (22 U.S.C. Sec. 2504(e)).

(11) Any other creditable coverage as defined by subsection (c) of Section 2701 of Title XXVII of the federal Public Health Services Act (42 U.S.C. Sec. 300gg(c)).

(e) "Waivered condition" means a contract provision that excludes coverage for charges or expenses incurred during a specified period of time for one or more specific, identified, medical conditions.

(f) "Affiliation period" means a period that, under the terms of the health benefit plan, must expire before health care services under the plan become effective.

SEC. 99. Section 1357.51 of the Health and Safety Code is amended to read:

1357.51. (a) No plan contract that covers three or more enrollees shall exclude coverage for any individual on the basis of a preexisting condition provision for a period greater than six months following the individual's effective date of coverage. Preexisting condition provisions contained in plan contracts may relate only to conditions for which medical advice, diagnosis, care, or treatment, including use of prescription drugs, was recommended or received from a licensed health practitioner during the six months immediately preceding the effective date of coverage.

(b) No plan contract that covers one or two individuals shall exclude coverage on the basis of a preexisting condition provision for a period greater than 12 months following the individual's effective date of coverage, nor shall the plan limit or exclude coverage for a specific enrollee by type of illness, treatment, medical condition, or accident, except for satisfaction of a preexisting condition clause pursuant to this article. Preexisting condition provisions contained in plan contracts may relate only to conditions for which medical advice, diagnosis, care, or treatment, including use of prescription drugs, was recommended or received from a licensed health practitioner during the 12 months immediately preceding the effective date of coverage.

(c) A plan that does not utilize a preexisting condition provision may impose a waiting or affiliation period not to exceed 60 days, before the coverage issued subject to this article shall become effective. During the waiting or affiliation period, the plan is not required to provide health care services and no premium shall be charged to the subscriber or enrollee.

(d) A plan that does not utilize a preexisting condition provision in plan contracts that cover one or two individuals may impose a contract provision excluding coverage for waivered conditions. No plan may exclude coverage on the basis of a waivered condition for a period greater than 12 months following the individual's effective date of coverage. A waivered condition provision contained in plan contracts may relate only to conditions for which medical advice, diagnosis, care, or treatment, including use of prescription drugs, was recommended or received from a licensed health practitioner during the 12 months immediately preceding the effective date of coverage.

(e) In determining whether a preexisting condition provision, a waivered condition provision, or a waiting or affiliation period applies to any enrollee, a plan shall credit the time the enrollee was covered under creditable coverage, provided that the enrollee becomes eligible for coverage under the succeeding plan contract within 62 days of termination of prior coverage, exclusive of any

waiting or affiliation period, and applies for coverage under the succeeding plan within the applicable enrollment period. A plan shall also credit any time that an eligible employee must wait before enrolling in the plan, including any postenrollment or employer-imposed waiting or affiliation period.

However, if a person's employment has ended, the availability of health coverage offered through employment or sponsored by an employer has terminated, or an employer's contribution toward health coverage has terminated, a plan shall credit the time the person was covered under creditable coverage if the person becomes eligible for health coverage offered through employment or sponsored by an employer within 180 days, exclusive of any waiting or affiliation period, and applies for coverage under the succeeding plan contract within the applicable enrollment period.

(f) No plan shall exclude late enrollees from coverage for more than 12 months from the date of the late enrollee's application for coverage. No plan shall require any premium or other periodic charge to be paid by or on behalf of a late enrollee during the period of exclusion from coverage permitted by this subdivision.

(g) A health care service plan issuing group coverage may not impose a preexisting condition exclusion upon the following:

(1) A newborn individual, who, as of the last day of the 30-day period beginning with the date of birth, has applied for coverage through the employer-sponsored plan.

(2) A child who is adopted or placed for adoption before attaining 18 years of age and who, as of the last day of the 30-day period beginning with the date of adoption or placement for adoption, is covered under creditable coverage and applies for coverage through the employer-sponsored plan. This provision shall not apply if, for 63 continuous days, the child is not covered under any creditable coverage.

(3) A condition relating to benefits for pregnancy or maternity care.

(h) An individual's period of creditable coverage shall be certified pursuant to subsection (e) of Section 2701 of Title XXVII of the federal Public Health Services Act (42 U.S.C. Sec. 300gg(e)).

SEC. 100. Section 1367.24 of the Health and Safety Code is amended to read:

1367.24. (a) Every health care service plan that provides prescription drug benefits shall maintain an expeditious process by which prescribing providers may obtain authorization for a medically necessary nonformulary prescription drug. On or before July 1, 1999, every health care service plan that provides prescription drug benefits shall file with the department a description of its process, including timelines, for responding to authorization requests for nonformulary drugs. Any changes to this process shall be filed with the department pursuant to Section 1352. Each plan shall provide a written description of its most current process, including

timelines, to its prescribing providers. For purposes of this section, a prescribing provider shall include a provider authorized to write a prescription, pursuant to subdivision (a) of Section 4040 of the Business and Professions Code, to treat a medical condition of an enrollee.

(b) Any plan that disapproves a request made pursuant to subdivision (a) by a prescribing provider to obtain authorization for a nonformulary drug shall provide the reasons for the disapproval in a notice provided to the enrollee. The notice shall indicate that the enrollee may file a grievance with the plan if the enrollee objects to the disapproval, including any alternative drug or treatment offered by the plan. The notice shall comply with subdivision (b) of Section 1368.02.

(c) The process described in subdivision (a) by which prescribing providers may obtain authorization for medically necessary nonformulary drugs shall not apply to a nonformulary drug that has been prescribed for an enrollee in conformance with the provisions of Section 1367.22.

(d) The process described in subdivision (a) by which enrollees may obtain medically necessary nonformulary drugs, including specified timelines for responding to prescribing provider authorization requests, shall be described in evidence of coverage and disclosure forms, as required by subdivision (a) of Section 1363, issued on or after July 1, 1999.

(e) Every health care service plan that provides prescription drug benefits shall maintain, as part of its books and records under Section 1381, all of the following information, which shall be made available to the commissioner upon request:

(1) The complete drug formulary or formularies of the plan, if the plan maintains a formulary, including a list of the prescription drugs on the formulary of the plan by major therapeutic category with an indication of whether any drugs are preferred over other drugs.

(2) Records developed by the pharmacy and therapeutic committee of the plan, or by others responsible for developing, modifying, and overseeing formularies, including medical groups, individual practice associations, and contracting pharmaceutical benefit management companies, used to guide the drugs prescribed for the enrollees of the plan, that fully describe the reasoning behind formulary decisions.

(3) Any plan arrangements with prescribing providers, medical groups, individual practice associations, pharmacists, contracting pharmaceutical benefit management companies, or other entities that are associated with activities of the plan to encourage formulary compliance or otherwise manage prescription drug benefits.

(f) If a plan provides prescription drug benefits, the department shall, as part of its periodic onsite medical survey of each plan undertaken pursuant to Section 1380, review the performance of the plan in providing those benefits, including, but not limited to, a

review of the procedures and information maintained pursuant to this section, and describe the performance of the plan as part of its report issued pursuant to Section 1380.

(g) The commissioner shall not publicly disclose any information reviewed pursuant to this section that is determined by the commissioner to be confidential pursuant to state law.

(h) Nothing in this section shall be construed to restrict or impair the application of any other provision of this chapter, including, but not limited to, Section 1367, which includes among its requirements that a health care service plan furnish services in a manner providing continuity of care and demonstrate that medical decisions are rendered by qualified medical providers unhindered by fiscal and administrative management.

SEC. 101. Section 1442.5 of the Health and Safety Code is amended to read:

1442.5. (a) Prior to (1) closing , (2) eliminating or reducing the level of medical services provided by, or (3) the leasing, selling, or transfer of management of, a county facility, the board shall provide public notice, including notice posted at the entrance to all county health care facilities, of public hearings to be held by the board prior to its decision to proceed. The notice shall be posted not less than 14 days prior to the public hearings. The notice shall contain a list of the proposed reductions or changes, by facility and service. The notice shall include the amount and type of each proposed change, the expected savings, and the number of persons affected.

(b) Notwithstanding the board's closing of, the elimination of or reduction in the level of services provided by, or the leasing, selling, or transfer of management of, a county facility subsequent to January 1, 1975, the county shall fulfill its duty to provide care to all indigent people, either directly through county facilities or indirectly through alternative means.

(1) Where the county duty is fulfilled by a contractual arrangement with a private facility or individual, the facility or individual shall assume the county's full obligation to provide care to those who cannot afford it, and make their services available to Medi-Cal and Medicare recipients.

(2) Where the county duty is fulfilled by alternative means, the facility or individual providing services shall be in compliance with Sections 441.18 and 1277.

(3) The board shall designate an agency to provide a 24-hour information service that can give eligible people immediate information on the available services and access to them, and an agency to receive and respond to complaints from people eligible for services under this chapter. The designated agency may be the agency that operates the facility. This subdivision applies only in instances in which there is (1) a closing of, (2) an elimination or reduction in the level of services provided by, or (3) the leasing, selling, or transfer of, a county facility.

(4) The board shall arrange for all facilities or individuals contracting to provide services to indigent people to be listed in the local telephone directory under county listings, and shall specify therein that the facilities or individuals fulfill the obligations of county facilities.

(5) Section 25371 of the Government Code does not relieve the county of the obligation to comply with this section.

SEC. 102. Section 1502.6 of the Health and Safety Code is amended to read:

1502.6. The department shall deny a private adoption agency a license, or revoke an existing private adoption agency license, unless the applicant or licensee demonstrates that it currently and continuously employs either an executive director or a supervisor who has had at least five years of full-time social work employment in the field of child welfare as described in Chapter 5 (commencing with Section 16500) of Part 4 of Division 9 of the Welfare and Institutions Code or Division 13 (commencing with Section 8500) of the Family Code, two years of which shall have been spent performing adoption social work services in either the department or a licensed California adoption agency.

SEC. 103. Section 1522 of the Health and Safety Code is amended to read:

1522. The Legislature recognizes the need to generate timely and accurate positive fingerprint identification of applicants as a condition of issuing licenses, permits, or certificates of approval for persons to operate or provide direct care services in a community care facility, foster family home, or certified family home. Therefore, the Legislature supports the use of fingerprint live-scan technology, as identified in the long-range plan of the Department of Justice for fully automating the processing of fingerprints and other data by the year 1999, otherwise known as the California Crime Information Intelligence System (CAL-CII), to be used for applicant fingerprints. It is the intent of the Legislature in enacting this section to require the fingerprints of those individuals whose contact with community care clients may pose a risk to the clients' health and safety.

(a) Before issuing a license or special permit to any person or persons to operate or manage a community care facility, the State Department of Social Services shall secure from an appropriate law enforcement agency a criminal record to determine whether the applicant or any other person specified in subdivision (b) has ever been convicted of a crime other than a minor traffic violation or arrested for any crime specified in Section 290 of the Penal Code, for violating Section 245 or 273.5, subdivision (b) of Section 273a or, prior to January 1, 1994, paragraph (2) of Section 273a of the Penal Code, or for any crime for which the department cannot grant an exemption if the person was convicted and the person has not been exonerated. That criminal history information shall include the full criminal record of any of those persons, and subsequent arrest

information pursuant to Section 11105.2 of the Penal Code. No fee shall be charged by the Department of Justice or the State Department of Social Services for the fingerprinting of an applicant for a license or special permit to operate a facility providing nonmedical board, room, and care for six or fewer children or for obtaining a criminal record of the applicant pursuant to this section. The following shall apply to the criminal record information:

(1) If the State Department of Social Services finds that the applicant, or any other person specified in subdivision (b), has been convicted of a crime other than a minor traffic violation, the application shall be denied, unless the director grants an exemption pursuant to subdivision (g).

(2) If the State Department of Social Services finds that the applicant, or any other person specified in subdivision (b), is awaiting trial for a crime other than a minor traffic violation, the State Department of Social Services shall cease processing the application until the conclusion of the trial.

(3) If no criminal record information has been recorded, the Department of Justice shall provide the applicant and the State Department of Social Services with a statement of that fact.

(4) If the State Department of Social Services finds after licensure that the licensee, or any other person specified in paragraph (2) of subdivision (b), has been convicted of a crime other than a minor traffic violation, the license may be revoked, unless the director grants an exemption pursuant to subdivision (g).

(b) In addition to the applicant, this section shall be applicable to criminal convictions of the following persons:

(1) Adults responsible for administration or direct supervision of staff.

(2) Any person, other than a client, residing in the facility.

(3) Any person who provides client assistance in dressing, grooming, bathing, or personal hygiene. Any nurse assistant or home health aide meeting the requirements of Section 1338.5 or 1736.6, respectively, who is not employed, retained, or contracted by the licensee, and who has been certified or recertified on or after July 1, 1998, shall be deemed to meet the criminal record clearance requirements of this section. A certified nurse assistant and certified home health aide who will be providing client assistance and who falls under this exception shall provide one copy of his or her certification, prior to providing care, to the adult community care facility. The facility shall maintain the copy of the certification on file as long as care is being provided by the certified nurse assistant or certified home health aide at the facility. Nothing in this paragraph restricts the right of the department to exclude a certified nurse assistant or certified home health aide from a licensed community care facility pursuant to Section 1558.

(4) Any staff person or employee who has frequent and routine contact with the clients. In determining who has frequent contact,

any volunteer who is in the facility shall be exempt unless the volunteer is used to replace or supplement staff in providing direct care and supervision of clients. In determining who has routine contact, staff and employees under direct onsite supervision and who are not providing direct care and supervision or who have only occasional or intermittent contact with clients shall be exempt.

(5) If the applicant is a firm, partnership, association, or corporation, the chief executive officer or other person serving in like capacity.

(6) Additional officers of the governing body of the applicant, or other persons with a financial interest in the applicant, as determined necessary by the department by regulation. The criteria used in the development of these regulations shall be based on the person's capability to exercise substantial influence over the operation of the facility.

(c) (1) Subsequent to initial licensure, any person specified in subdivision (b) and not exempted from fingerprinting shall, as a condition to employment, residence, or presence in a community care facility, be fingerprinted and sign a declaration under penalty of perjury regarding any prior criminal convictions. The licensee shall submit these fingerprints to the Department of Justice not later than four calendar days following employment, residence, or initial presence in the community care facility. These fingerprints shall be on a card provided by the State Department of Social Services for the purpose of obtaining a permanent set of fingerprints. Fingerprints not submitted to the Department of Justice, as required in this section, shall result in the citation of a deficiency and the fingerprints shall then be submitted to the State Department of Social Services for processing. Upon request of the licensee, who shall enclose a self-addressed stamped postcard for this purpose, the Department of Justice shall verify receipt of the fingerprints.

(2) Within 30 calendar days of the receipt of the fingerprints, the Department of Justice shall notify the State Department of Social Services of the criminal record information, as provided for in subdivision (a). If no criminal record information has been recorded, the Department of Justice shall provide the licensee and the State Department of Social Services with a statement of that fact within 15 calendar days of receipt of the fingerprints. If new fingerprints are required for processing, the Department of Justice shall, within 15 calendar days from the date of receipt of the fingerprints, notify the licensee that the fingerprints were illegible.

(3) Except for persons specified in paragraph (2) of subdivision (b), the licensee shall endeavor to ascertain the previous employment history of persons required to be fingerprinted under this subdivision. If it is determined by the State Department of Social Services, on the basis of the fingerprints submitted to the Department of Justice, that the person has been convicted of, or is awaiting trial for, a sex offense against a minor, or has been convicted

for an offense specified in Section 243.4, 273a, or 273d or subdivision (a) or (b) of Section 368 of the Penal Code, or a felony, the State Department of Social Services shall notify the licensee of its obligation to act immediately to terminate the person's employment, remove the person from the community care facility, or bar the person from entering the community care facility. The State Department of Social Services may subsequently grant an exemption pursuant to subdivision (g). If the conviction or arrest was for another crime, except a minor traffic violation, the licensee shall, upon notification by the State Department of Social Services, act immediately to either (1) terminate the person's employment, remove the person from the community care facility, or bar the person from entering the community care facility or (2) seek an exemption pursuant to subdivision (g). The State Department of Social Services shall determine whether the person will be allowed to remain in the facility until a decision on the exemption is rendered. A licensee's failure to comply with the department's prohibition of employment, contact with clients, or presence in the facility as required by this paragraph shall be grounds for disciplining the licensee pursuant to Section 1550.

(4) The department may issue an exemption on its own motion pursuant to subdivision (g) if the person's criminal history indicates that the person is of good character based on the age, seriousness, and frequency of the conviction or convictions. The department, in consultation with interested parties, shall develop regulations to establish the criteria to grant an exemption pursuant to this paragraph.

(5) Concurrently with notifying the licensee pursuant to paragraph (3), the department shall notify the affected individual of his or her right to seek an exemption pursuant to subdivision (g). The individual may seek an exemption only if the licensee terminates the person's employment or removes the person from the facility after receiving notice from the department pursuant to paragraph (3).

(d) (1) Before issuing a license, special permit, or certificate of approval to any person or persons to operate or manage a foster family home or certified family home as described in Section 1506, the State Department of Social Services or other approving authority shall secure from an appropriate law enforcement agency a criminal record to determine whether the applicant or any person specified in subdivision (b) has ever been convicted of a crime other than a minor traffic violation or arrested for any crime specified in Section 290 of the Penal Code or arrested for violating Section 245 or 273.5, subdivision (b) of Section 273a or, prior to January 1, 1994, paragraph (2) of Section 273a of the Penal Code, or for any crime for which the department cannot grant an exemption if the person was convicted and has not been exonerated. That criminal history information shall include the full criminal record, if any, of those persons. No fee shall be charged by the Department of Justice or the State Department of

Social Services for the fingerprinting of an applicant for a license, special permit, or certificate of approval described in this subdivision. The record, if any, shall be taken into consideration when evaluating a prospective applicant. The following shall apply to the criminal record information:

(A) If the applicant or other persons specified in subdivision (b) have convictions that would make the applicant's home unfit as a foster family home or a certified family home, the license, special permit, or certificate of approval shall be denied.

(B) If the State Department of Social Services finds that the applicant, or any person specified in subdivision (b) is awaiting trial for a crime other than a minor traffic violation, the State Department of Social Services or other approving authority shall cease processing the application until the conclusion of the trial.

(C) For the purposes of this subdivision, a criminal record clearance provided under Section 8712 of the Family Code may be used by the department or other approving agency.

(2) Any person specified in this subdivision shall, as a part of the application, be fingerprinted and sign a declaration under penalty of perjury regarding any prior criminal convictions or arrests for any crime against a child, spousal or cohabitant abuse, or any crime for which the department cannot grant an exemption if the person was convicted and shall submit these fingerprints to the licensing agency or other approving authority.

(3) The foster family agency shall obtain fingerprints from certified home applicants and from persons specified in subdivision (b) and shall submit them directly to the Department of Justice. Within five working days of the receipt of the criminal record or information regarding criminal convictions from the Department of Justice, the department shall notify the applicant of any criminal arrests or convictions. If no arrests or convictions are recorded, the Department of Justice shall provide the foster family agency with a statement of that fact concurrent with providing the information to the State Department of Social Services.

(4) If the State Department of Social Services finds that the applicant, or any other person specified in subdivision (b), has been convicted of a crime other than a minor traffic violation, the application shall be denied, unless the director grants an exemption pursuant to subdivision (g).

(5) If the State Department of Social Services finds after licensure or the granting of the certificate of approval that the licensee, certified foster parent, or any other person specified in paragraph (2) of subdivision (b), has been convicted of a crime other than a minor traffic violation, the license or certificate of approval may be revoked by the department or the foster family agency, whichever is applicable, unless the director grants an exemption pursuant to subdivision (g). A licensee's failure to comply with the department's prohibition of employment, contact with clients, or presence in the

facility as required by paragraph (3) of subdivision (c) shall be grounds for disciplining the licensee pursuant to Section 1550.

(e) The State Department of Social Services shall not use a record of arrest to deny, revoke, or terminate any application, license, employment, or residence unless the department investigates the incident and secures evidence, whether or not related to the incident of arrest, that is admissible in an administrative hearing to establish conduct by the person that may pose a risk to the health and safety of any person who is or may become a client. The State Department of Social Services is authorized to obtain any arrest or conviction records or reports from any law enforcement agency as necessary to the performance of its duties to inspect, license, and investigate community care facilities and individuals associated with a community care facility.

(f) For purposes of this section or any other provision of this chapter, a conviction means a plea or verdict of guilty or a conviction following a plea of nolo contendere. Any action that the State Department of Social Services is permitted to take following the establishment of a conviction may be taken when the time for appeal has elapsed, or when the judgment of conviction has been affirmed on appeal, or when an order granting probation is made suspending the imposition of sentence, notwithstanding a subsequent order pursuant to Sections 1203.4 and 1203.4a of the Penal Code permitting the person to withdraw his or her plea of guilty and to enter a plea of not guilty, or setting aside the verdict of guilty, or dismissing the accusation, information, or indictment. For purposes of this section or any other provision of this chapter, the record of a conviction, or a copy thereof certified by the clerk of the court or by a judge of the court in which the conviction occurred, shall be conclusive evidence of the conviction. For purposes of this section or any other provision of this chapter, the arrest disposition report certified by the Department of Justice, or documents admissible in a criminal action pursuant to Section 969b of the Penal Code, shall be prima facie evidence of the conviction, notwithstanding any other provision of law prohibiting the admission of these documents in a civil or administrative action.

(g) (1) After review of the record, the director may grant an exemption from disqualification for a license or special permit as specified in paragraphs (1) and (4) of subdivision (a), or for a license, special permit, or certificate of approval as specified in paragraphs (4) and (5) of subdivision (d), or for employment, residence, or presence in a community care facility as specified in paragraphs (3), (4), and (5) of subdivision (c), if the director has substantial and convincing evidence to support a reasonable belief that the applicant and the person convicted of the crime, if other than the applicant, are of such good character as to justify issuance of the license or special permit or granting an exemption for purposes of subdivision (c). Except as otherwise provided in this subdivision, no exemption shall

be granted pursuant to this subdivision if the conviction was for an offense specified in Section 220, 243.4, or 264.1, subdivision (a) of Section 273a or, prior to January 1, 1994, paragraph (1) of Section 273a, Section 273d, 288, or 289, subdivision (a) of Section 290, or subdivision (a) or (b) of Section 368 of the Penal Code, or was a conviction of another crime against an individual specified in subdivision (c) of Section 667.5 of the Penal Code. The director may grant an exemption if the employee or prospective employee, who was convicted of a crime against an individual prescribed in paragraph (1), (2), (7), or (8) of subdivision (c) of Section 667.5 of the Penal Code, has been rehabilitated as provided in Section 4852.03 of the Penal Code, has maintained the conduct required in Section 4852.05 of the Penal Code for at least 10 years, and has the recommendation of the district attorney representing the employee's county of residence, or if the employee or prospective employee has received a certificate of rehabilitation pursuant to Chapter 3.5 (commencing with Section 4852.01) of Title 6 of Part 3 of the Penal Code.

(2) The department shall not prohibit a person from being employed or having contact with clients in a facility on the basis of a denied criminal record exemption request or arrest information unless the department complies with the requirements of Section 1558.

(h) (1) For purposes of compliance with this section, the department may permit an individual to transfer a current criminal records clearance, as defined in subdivision (a), from one facility to another, as long as the criminal record clearance has been processed through a state licensing district office, and is being transferred to another state licensing district office.

(2) The State Department of Social Services shall hold criminal record clearances in its active files for a minimum of two years after an employee is no longer employed at a licensed facility in order for the criminal record clearance to be transferred.

(i) The full criminal record obtained for purposes of this section may be used by the department or by a licensed adoption agency as a clearance required for adoption purposes.

(j) If a licensee or facility is required by law to deny employment or to terminate employment of any employee based on written notification from the state department that the employee has a prior criminal conviction or is determined unsuitable for employment under Section 1558, the licensee or facility shall not incur civil liability or unemployment insurance liability as a result of that denial or termination.

(k) (1) In order to expedite the current criminal record clearance and fingerprint process of the Department of Justice pursuant to subdivisions (a) and (c), the Department of Justice shall complete work on all of its current backlog of criminal records

clearances for community care facilities licensed by the State Department of Social Services by July 1, 1995.

(2) Effective January 1, 1995, the Department of Justice shall complete all new requests for criminal record clearances for community care facilities within 30 days of receipt.

(3) The Department of Justice shall coordinate with the State Department of Social Services to establish and implement an automated live-scan processing system for fingerprints in two district offices of the Community Care Licensing Division of the State Department of Social Services by July 1, 1995. These live-scan processing units shall be connected to the main system at the Department of Justice by July 1, 1996, and shall become part of that department's pilot project in accordance with its long-range plan. The State Department of Social Services may charge a fee not to exceed five dollars ($5) or the actual cost of processing a set of live-scan fingerprints.

(4) The Department of Justice shall provide a report to the Assembly Human Services Committee and to the Senate Health and Human Services Committee by July 15, 1995, regarding the completion of backlogged criminal record clearance requests pursuant to paragraph (1) and the progress on implementing the automated live-scan processing system in the two district offices pursuant to paragraph (3). The Department of Justice shall provide a report to the Assembly Human Services Committee and to the Senate Health and Human Services Committee by April 15, 1996, regarding the progress of the implementation of the statewide CAL-CII system, the number of requests for criminal clearances received pursuant to this section during the previous year, the number of criminal record clearances requested and completed pursuant to this section within a 17-day "expedite" period or within the 30-day period required by paragraph (2), and the number of requests and reasons for delays beyond the 30-day period.

SEC. 104. Section 1746 of the Health and Safety Code is amended to read:

1746. For the purposes of this chapter, the following definitions apply:

(a) "Bereavement services" means those services available to the surviving family members for a period of at least one year after the death of the patient, including an assessment of the needs of the bereaved family and the development of a care plan that meets these needs, both prior to and following the death of the patient.

(b) "Hospice" means a specialized form of interdisciplinary health care that is designed to provide palliative care, alleviate the physical, emotional, social, and spiritual discomforts of an individual who is experiencing the last phases of life due to the existence of a terminal disease, and provide supportive care to the primary care giver and the family of the hospice patient, and that meets all of the following criteria:

(1) Considers the patient and the patient's family, in addition to the patient, as the unit of care.

(2) Utilizes an interdisciplinary team to assess the physical, medical, psychological, social, and spiritual needs of the patient and the patient's family.

(3) Requires the interdisciplinary team to develop an overall plan of care and to provide coordinated care that emphasizes supportive services, including, but not limited to, home care, pain control, and limited inpatient services. Limited inpatient services are intended to ensure both continuity of care and appropriateness of services for those patients who cannot be managed at home because of acute complications or the temporary absence of a capable primary care giver.

(4) Provides for the palliative medical treatment of pain and other symptoms associated with a terminal disease, but does not provide for efforts to cure the disease.

(5) Provides for bereavement services following death to assist the family in coping with social and emotional needs associated with the death of the patient.

(6) Actively utilizes volunteers in the delivery of hospice services.

(7) To the extent appropriate, based on the medical needs of the patient, provides services in the patient's home or primary place of residence.

(c) "Inpatient care arrangements" means arranging for those short inpatient stays that may become necessary to manage acute symptoms or because of the temporary absence, or need for respite, of a capable primary care giver. The hospice shall arrange for these stays, ensuring both continuity of care and the appropriateness of services.

(d) "Medical direction" means those services provided by a licensed physician and surgeon who is charged with the responsibility of acting as a consultant to the interdisciplinary team, a consultant to the patient's attending physician and surgeon, as requested, with regard to pain and symptom management, and a liaison with physicians and surgeons in the community.

(e) "An interdisciplinary team" means the hospice care team that includes, but is not limited to, the patient and patient's family, a physician and surgeon, a registered nurse, a social worker, a volunteer, and a spiritual care giver. The team shall be coordinated by a registered nurse and shall be under medical direction. The team shall meet regularly to develop and maintain an appropriate plan of care.

(f) "Plan of care" means a written plan developed by the attending physician and surgeon, the medical director or physician and surgeon designee, and the interdisciplinary team that addresses the needs of a patient and family admitted to the hospice program. The hospice shall retain overall responsibility for the development and maintenance of the plan of care and quality of services delivered.

(g) "Skilled nursing services" means nursing services provided by or under the supervision of a registered nurse under a plan of care developed by the interdisciplinary team and the patient's physician and surgeon to a patient and his or her family that pertain to the palliative, supportive services required by patients with a terminal illness. Skilled nursing services include, but are not limited to, patient assessment, evaluation and case management of the medical nursing needs of the patient, the performance of prescribed medical treatment for pain and symptom control, the provision of emotional support to both the patient and his or her family, and the instruction of care givers in providing personal care to the patient. Skilled nursing services shall provide for the continuity of services for the patient and his or her family. Skilled nursing services shall be available on a 24-hour on-call basis.

(h) "Social service/counseling services" means those counseling and spiritual care services that assist the patient and his or her family to minimize stresses and problems that arise from social, economic, psychological, or spiritual needs by utilizing appropriate community resources, and maximize positive aspects and opportunities for growth.

(i) "Terminal disease" or "terminal illness" means a medical condition resulting in a prognosis of life of one year or less, if the disease follows its natural course.

(j) "Volunteer services" means those services provided by trained hospice volunteers who have agreed to provide service under the direction of a hospice staff member who has been designated by the hospice to provide direction to hospice volunteers. Hospice volunteers may be used to provide support and companionship to the patient and his or her family during the remaining days of the patient's life and to the surviving family following the patient's death.

(k) "Multiple location" means a location or site from which a hospice makes available basic hospice services within the service area of the parent agency. A multiple location shares administration, supervision, policies and procedures, and services with the parent agency in a manner that renders it unnecessary for the site to independently meet the licensing requirements.

(*l*) "Home health aide" has the same meaning as set forth in subdivision (c) of Section 1727.

(m) "Home health aide services" means those services described in subdivision (d) of Section 1727 that provide for the personal care of the terminally ill patient and the performance of related tasks in the patient's home in accordance with the plan of care in order to increase the level of comfort and to maintain personal hygiene and a safe, healthy environment for the patient.

(n) "Parent agency" means the part of the hospice that is licensed pursuant to this chapter and that develops and maintains administrative controls of multiple locations. All services provided by

the multiple location and parent agency are the responsibility of the parent agency.

SEC. 105. Section 1771.9 of the Health and Safety Code is amended to read:

1771.9. (a) (1) The Legislature finds and declares all of the following:

(A) The residents of continuing care retirement communities have a unique and valuable perspective on the operations of and services provided in the community in which they live.

(B) Resident input into decisions made by the provider is an important factor in creating an environment of cooperation, reducing conflict, and ensuring timely response to and resolution of issues that may arise.

(C) Continuing care retirement communities are strengthened when residents know that their views are heard and respected.

(2) The Legislature encourages continuing care retirement communities to exceed the minimum resident participation requirements established by this section by, among other things, the following:

(A) Encouraging residents to form a resident council, and assisting the residents, resident council, and resident association to keep informed about the operation of the community.

(B) Encouraging residents of a community or their elected representatives to select residents to participate as board members of the provider.

(C) Quickly and fairly resolving any dispute, claim, or grievance arising between a resident and the community.

(b) The governing body of a provider, or the designated representative of the provider, shall hold, at a minimum, semiannual meetings with the residents of the continuing care retirement community, or a committee of residents, for the purpose of the free discussion of subjects including, but not limited to, income, expenditures, and financial trends and issues as they apply to the community and proposed changes in policies, programs, and services. Nothing in this section precludes a provider from taking action or making a decision at any time, without regard to the meetings required under this subdivision.

(c) At least 30 days prior to the implementation of any increase in the monthly care fee, the designated representative of the provider shall convene a meeting, to which all residents shall be invited, for the purpose of discussing the reasons for the increase, the basis for determining the amount of the increase, and the data used for calculating the increase. This meeting may coincide with the semiannual meetings provided for in subdivision (b).

(d) Residents shall be provided at least 14 days' advance notice of each meeting provided for in subdivisions (b) and (c). The notice of, and the agenda for, the meeting shall be posted in a conspicuous place in the community at least 14 days prior to the meeting. The

agenda and accompanying materials shall be available to residents of the community upon request.

(e) (1) The governing body of a provider that is not part of a multifacility organization with more than one continuing care retirement community in the state shall accept at least one resident of the continuing care retirement community it operates to participate as a nonvoting resident representative to the provider's governing body.

(2) In a multifacility organization having more than one continuing care retirement community in the state, the governing body of the multifacility organization shall elect either (A) to have at least one nonvoting resident representative to the provider's governing body for each California-based continuing care retirement community that the provider operates or (B) to have a resident-elected committee composed of representatives of the residents of each California-based continuing care retirement community that the provider operates select or nominate at least one nonvoting resident representative to the provider's governing body for every three California-based continuing care retirement communities, or fraction thereof, that the provider operates.

(f) (1) In order to encourage innovative and alternative models of resident involvement, a resident selected pursuant to subdivision (e) to participate as a resident representative to the provider's governing body may, at the option of the resident council or association, be selected in any one of the following ways:

(A) By a majority vote of the resident council or resident association of a provider or by a majority vote of a resident-elected committee of residents of a multifacility organization.

(B) If no resident council or resident association exists, any resident may organize a meeting of the majority of the residents of the community to select or nominate residents to represent them before the governing body.

(C) Any other method designated by the resident council or resident association.

(2) The residents' council, association, or organizing resident, or in the case of a multifacility organization, the resident-elected committee of residents, shall give residents of the community at least 30 days' advance notice of the meeting to select a resident representative and shall post the notice in a conspicuous place at the community.

(g) Except as provided in subdivision (h), the resident representative shall receive the same notice of board meetings, board packets, minutes, and other materials as members and shall be permitted to attend, speak, and participate in all meetings of the board.

(h) Notwithstanding subdivision (g), the governing body may exclude resident representatives from its executive sessions and from receiving board materials to be discussed during executive sessions.

However, resident representatives shall be included in executive sessions and shall receive all board materials to be discussed during executive sessions related to discussions of the annual budgets, increases in monthly care fees, indebtedness, and expansion of new and existing facilities.

(i) The provider shall pay all reasonable travel costs for the resident representative.

(j) The provider shall disclose to prospective tenants, in writing, the extent of resident involvement with the board.

(k) This section does not prohibit a provider from exceeding the minimum resident participation requirements of this section by, for example, having more resident meetings or more resident representatives to the board than required or by having one or more residents on the provider's governing body who are selected with the active involvement of residents.

(*l*) On or before January 1, 2001, the Continuing Care Contracts Committee of the department established pursuant to Section 1777 shall evaluate and report to the Legislature on the implementation of this section.

SEC. 106. Section 1797.191 of the Health and Safety Code is amended to read:

1797.191. (a) The authority shall establish minimum standards for the training in pediatric first aid, pediatric cardiopulmonary resuscitation (CPR), and preventive health practices required by Section 1596.866.

(b) (1) The authority shall establish a process for the ongoing review and approval of training programs in pediatric first aid, pediatric CPR, and preventive health practices as specified in paragraph (2) of subdivision (a) of Section 1596.866 to ensure that those programs meet the minimum standards established pursuant to subdivision (a). The authority shall charge fees equal to its costs incurred for the pediatric first aid and pediatric CPR training standards program and for the ongoing review and approval of these programs.

(2) The authority shall establish, in consultation with experts in pediatric first aid, pediatric CPR, and preventive health practices, a process to ensure the quality of the training programs, including, but not limited to, a method for assessing the appropriateness of the courses and the qualifications of the instructors.

(c) (1) The authority may charge a fee equal to its costs incurred for the preventive health practices program and for the initial review and approval and renewal of approval of the program.

(2) If the authority chooses to establish a fee process based on the use of course completion cards for the preventive health practices program, the cost shall not exceed seven dollars ($7) per card for each training participant until January 1, 2001, at which time the authority may evaluate its administrative costs. After evaluation of the costs, the authority may establish a new fee scale for the cards so

that revenue does not exceed the costs of the ongoing review and approval of the preventive health practices training.

(d) For the purposes of this section, "training programs" means programs that apply for approval by the authority to provide the training in pediatric first aid, pediatric CPR, or preventive health practices as specified in paragraph (2) of subdivision (a) of Section 1596.866. Training programs include all affiliated programs that also provide any of the authority-approved training required by this division. "Affiliated programs" means programs that are overseen by persons or organizations that have an authority-approved training program in pediatric first aid, pediatric CPR, or preventive health practices. Affiliated programs also include programs that have purchased an authority-approved training program in pediatric first aid, pediatric CPR, or preventive health practices. Training programs and their affiliated programs shall comply with this division and with the regulations adopted by the authority pertaining to training programs in pediatric first aid, pediatric CPR, or preventive health practices.

(e) The director of the authority may, in accordance with regulations adopted by the authority, deny, suspend, or revoke any approval issued under this division or may place any approved program on probation, upon the finding by the director of the authority of an imminent threat to the public health and safety as evidenced by the occurrence of any of the actions listed in subdivision (f).

(f) Any of the following actions shall be considered evidence of a threat to the public health and safety, and may result in the denial, suspension, probation, or revocation of a program's approval or application for approval pursuant to this division.

(1) Fraud.

(2) Incompetence.

(3) The commission of any fraudulent, dishonest, or corrupt act that is substantially related to the qualifications, functions, and duties of training program directors and instructors.

(4) Conviction of any crime that is substantially related to the qualifications, functions, and duties of training program directors and instructors. The record of conviction or a certified copy of the record shall be conclusive evidence of the conviction.

(5) Violating or attempting to violate, directly or indirectly, or assisting in or abetting the violation of, or conspiring to violate, this division or the regulations promulgated by the authority pertaining to the review and approval of training programs in pediatric first aid, pediatric CPR, and preventive health practices as specified in paragraph (2) of subdivision (a) of Section 1596.866.

(g) In order to ensure that adequate qualified training programs are available to provide training in the preventive health practices course to all persons who are required to have that training, the authority may, after approval of the Commission on Emergency

Medical Services pursuant to Section 1799.50, establish temporary standards for training programs for use until permanent standards are adopted pursuant to Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

(h) Persons who, prior to the date on which the amendments to this section enacted in 1998 become operative, have completed a course or courses in preventive health practices as specified in subparagraph (C) of paragraph (2) of subdivision (a) of Section 1596.866, and have a certificate of completion card for a course or courses in preventive health practices, or certified copies of transcripts that identify the number of hours and the specific course or courses taken for training in preventive health practices shall be deemed to have met the requirement for training in preventive health practices.

SEC. 107. Section 18020 of the Health and Safety Code is amended to read:

18020. (a) Except as provided in Section 18027.3, and except as provided by the National Manufactured Housing Construction and Safety Standards Act of 1974 (42 U.S.C. Sec. 5401 et seq.), as it applies to the manufacture of new manufactured housing, the department shall enforce this part and the rules and regulations adopted pursuant to this part.

(b) The department may, at the department's sole option, enforce Chapter 4 (commencing with Section 18025) and the rules and regulations adopted pursuant to Chapter 4 through department-approved third-party entities. The department shall adopt regulations for the approval of third-party entities, including, but not limited to, all of the following criteria:

(1) Freedom from any conflict of interest.

(2) Qualifications of personnel.

(3) Frequency of inspections or monitorings of manufacturer quality control.

(4) Involvement in collusive or fraudulent actions related to the performance of activities required by Section 18013.2.

(5) Any other conditions of operation that the department may reasonably require.

(c) The department may require rotation of third-party entities performing inspection services for any manufacturing facility within the state to prevent the third-party entity from either performing inspections within the same facility for more than 365 calendar days or performing inspections for any facility when the third-party entity performed inspection services within the previous 365 calendar days.

(d) The department shall monitor the performance of third-party entities approved pursuant to subdivision (b) and shall require periodic reports in writing containing information that the department may reasonably require to determine compliance with the conditions of the department's approval.

(1) When the department receives information about an alleged inadequacy in the performance of a third-party entity, including any involvement in collusive or fraudulent actions related to the performance of activities required by Section 18013.2, it shall consider the information in its monitoring efforts and make a determination about the validity of the alleged inadequacy in a timely manner.

(2) When the department determines, either through its monitoring efforts or through information provided by any other person, that an approved third-party entity has failed to perform according to the conditions of approval, the department may withdraw approval by forwarding written notice to the approved third-party entity by registered mail to its address of record, briefly summarizing the cause for the department's decision.

(3) A third-party entity, upon having its approval withdrawn by the department, may request a hearing before the director of the department. The request for hearing shall be in writing and either delivered or postmarked prior to midnight on the 10th calendar day from the date of the department's notice.

(4) The department, upon timely receipt of a written request for hearing, shall, within 30 calendar days, schedule a hearing before the director or his or her agent. All hearings pursuant to this subdivision shall be held in the department's Sacramento offices and the decision of the director shall be final.

(5) A third-party entity whose approval has been withdrawn by the department shall not be permitted to reapply for the department's approval pursuant to subdivision (b) for a period of one year from the date that the approval was withdrawn by the department.

(6) A third-party entity whose approval has been withdrawn more than once by the department shall not be permitted to reapply for department approval pursuant to subdivision (b) for a period of not less than one year from the date that the department's approval was last withdrawn.

(7) No third-party entity shall perform the activities required by Section 18013.2 unless it has the approval of the department.

(e) (1) Upon finding a violation of subdivision (b) on the part of a third-party entity, the director shall issue citations and levy administrative fines. Each citation and fine assessment shall be in writing and describe the particulars for the citation. The citation and fine assessment shall be issued not later than six months after discovery of the violation.

(2) The fine for a first violation shall be at least five hundred dollars ($500) and shall not exceed one thousand dollars ($1,000). The fine for a second violation shall be at least two thousand dollars ($2,000) and shall not exceed four thousand dollars ($4,000). The fine for a third violation shall be at least five thousand dollars ($5,000), and shall not exceed ten thousand dollars ($10,000). The fines shall be

assessed for each day the violation occurs. If a third-party entity has been cited more than three times during a 365-day period, the approval to conduct inspections on behalf of the department shall be suspended for a minimum of one year.

(3) The third-party entity may request an administrative hearing on the citation or fine. If the party fails to request a hearing within 30 days and does not pay the fine, the approval to perform inspections shall be automatically revoked, until the time that the department finds that the circumstances that led to the citation have been corrected and the fines have been paid.

(4) Upon review of the findings from the administrative hearing, the director may modify, rescind, or uphold the citation and fine assessment. The decision of the director shall be served by regular mail.

(5) The fines shall be paid into the Housing and Community Development Fund, which is hereby created in the State Treasury, and shall be used, when appropriated by the Legislature, to offset the department's costs to administer this part.

(f) The remedies provided in this part to any aggrieved party are not exclusive and shall not preclude the applicability of any other provision of law.

SEC. 108. Section 18025.5 of the Health and Safety Code is amended to read:

18025.5. (a) Pursuant to the National Manufactured Housing Construction and Safety Standards Act of 1974 (42 U.S.C. Sec. 5401 et seq.), the department may assume responsibility for the enforcement of manufactured home and mobilehome construction and safety standards relating to any issue with respect to which a federal standard has been established. The department may adopt regulations to ensure acceptance by the Secretary of Housing and Urban Development of California's plan for the administration and enforcement of federal manufactured home and mobilehome safety and construction standards.

(b) The department may conduct inspections and investigations that it determines may be necessary to secure enforcement of this part and regulations adopted pursuant to this part.

(c) Subdivision (b) shall not apply to the enforcement of Section 18027.3 unless the department determines that there is a compelling reason to exercise oversight in the inspection of recreational vehicles or park trailers at a factory, in which case the department may investigate the inspection, or conduct a department inspection, on recreational vehicles or park trailers at a factory and utilize any means necessary to collect a fee from the manufacturer for the cost of the department investigation or inspection.

(d) For the purposes of enforcement of this part and the related regulations, persons duly designated by the director of the department, upon presenting appropriate credentials to the owner, operator, or agent in charge, may do both of the following:

(1) Enter, at reasonable times and without advance notice, any factory, warehouse, sales lot, or establishment in which manufactured homes, mobilehomes, commercial coaches, or special purpose commercial coaches are manufactured, stored, held for sale, sold, or offered for sale, rent, or lease.

(2) Inspect, at reasonable times and within reasonable limits and in a reasonable manner, any factory, warehouse, sales lot, or establishment, and inspect the books, papers, records, and documents to ensure compliance with this part.

SEC. 109. Section 25989.1 of the Health and Safety Code is amended to read:

25989.1. (a) Any traveling circus or carnival that performs in this state shall do both of the following:

(1) Notify each entity that provides animal control services for a city, county, or city and county in which the traveling circus or carnival intends to perform of its intent to perform within that jurisdiction. Notice shall be given at least 14 days prior to the first performance in that city, county, or city and county.

(2) Provide each entity that provides animal control services for a city, county, or city and county in which the traveling circus or carnival intends to perform with a schedule of its performances in California.

(b) For the purposes of this chapter, "traveling circus or carnival" does not include any fair regulated under Chapter 4 (commencing with Section 19400) of Division 8 of the Business and Professions Code, or any rodeo, horse, or school event.

(c) Any violation of subdivision (a) shall be punishable by a fine of not less than five hundred dollars ($500) and not more than two thousand dollars ($2,000) for a first violation, and not less than one thousand five hundred dollars ($1,500) and not more than five thousand dollars ($5,000) for any subsequent violation.

SEC. 110. Section 33298 of the Health and Safety Code is repealed.

SEC. 111. Section 33392 of the Health and Safety Code is amended to read:

33392. Notwithstanding any other provision of this part, an agency with the approval of the legislative body of the community may acquire, by negotiation or other means, real property in a project area at any time after formulation of the preliminary plan for the area by the planning commission, and prior to the adoption of the redevelopment plan by the legislative body of the community, provided, however, that an agency may not exercise the power of eminent domain in connection with that acquisition prior to adoption of the redevelopment plan.

SEC. 112. Section 33492.22 of the Health and Safety Code is amended to read:

33492.22. (a) Notwithstanding the time limit in subdivision (b) of Section 33492.18, the Planning Commission and the

Redevelopment Commission of the City and County of San Francisco shall certify an environmental impact report for the Hunter's Point Shipyard Redevelopment Plan within 30 months after the effective date of the ordinance adopting the redevelopment plan.

(b) The following provisions shall apply to the approval of projects that implement a redevelopment plan authorized by this article:

(1) For 18 months after the effective date of the ordinance adopting the redevelopment plan, or until the certification of an environmental impact report for the redevelopment plan if the report is certified during that 18-month period, subdivision (c) of Section 33492.18 shall apply.

(2) If an environmental impact report for the redevelopment plan is not certified within 18 months after the effective date of the ordinance adopting the plan, then during the succeeding 12 months or until the certification of an environmental impact report if the report is certified during that 12-month period, no project, as defined in Section 21065 of the Public Resources Code, that implements the redevelopment plan shall be approved by the agency or the community unless any of the following occurs:

(A) The agency or the community has approved a negative declaration or certified an environmental impact report, or has certified a subsequent or supplemental environmental impact report, for the project before the expiration of the 18-month period provided in Section 33492.18.

(B) The agency or the community has certified a subsequent or supplemental environmental impact report for the project where the environmental impact report for the project was certified before the expiration of the 18-month period provided in Section 33492.18.

(C) The agency or the community complies with Chapter 4.5 (commencing with Section 21156) of Division 13 of the Public Resources Code for subsequent projects described in a master environmental impact report as being within the scope of the report, and that master environmental impact report was certified before the expiration of the 18-month period provided in Section 33492.18.

(D) The project is categorically exempt pursuant to Article 19 (commencing with Section 15300) of Chapter 3 of Division 6 of Title 14 of the California Code of Regulations.

SEC. 113. Section 44015 of the Health and Safety Code is amended to read:

44015. (a) A licensed smog check station shall not issue a certificate of compliance, except as authorized by this chapter, to any vehicle that meets the following criteria:

(1) A vehicle that has been tampered with.

(2) A vehicle that, prior to repairs, has been initially identified by the smog check station as a gross polluter. Certification of a gross polluting vehicle shall be conducted by a designated test-only facility, or a test-and-repair station that is both licensed and certified pursuant to Sections 44014 and 44014.2 and is participating in the pilot

program pursuant to subparagraph (B) of paragraph (2) of subdivision (g) of Section 44014.5.

(3) A vehicle described in subdivision (c).

(b) If a vehicle meets the requirements of Section 44012, a smog check station licensed to issue certificates shall issue a certificate of compliance or a certificate of noncompliance.

(c) (1) A repair cost waiver shall be issued, upon request of the vehicle owner, by an entity authorized to perform referee functions for a vehicle that has been properly tested but does not meet the applicable emission standards when it is determined that no adjustment or repair can be made that will reduce emissions from the inspected motor vehicle without exceeding the applicable repair cost limit established under Section 44017 and that every defect specified by paragraph (2) of subdivision (a) of Section 43204, and by paragraphs (2) and (3) of subdivision (a) of Section 43205, has been corrected. A repair cost waiver issued pursuant to this paragraph shall be accepted in lieu of a certificate of compliance for the purposes of compliance with Section 4000.3 of the Vehicle Code. No repair cost waiver shall exceed two years' duration. No repair cost waiver shall be issued until the vehicle owner has expended an amount equal to the applicable repair cost limit specified in Section 44017.

(2) An economic hardship extension shall be issued, upon request of a qualified low-income motor vehicle owner, by an entity authorized to perform referee functions, for a motor vehicle that has been properly tested but does not meet the applicable emission standards when it is determined that no adjustment or repair can be made that will reduce emissions from the inspected motor vehicle without exceeding the applicable repair cost limit, as established pursuant to Section 44017.1, that every defect specified in paragraph (2) of subdivision (a) of Section 43204, and in paragraphs (2) and (3) of subdivision (a) of Section 43205, has been corrected, that the low-income vehicle owner would suffer an economic hardship if the extension is not issued, and that all appropriate emissions-related repairs up to the amount of the applicable repair cost limit in Section 44017.1 have been performed.

(d) No repair cost waiver or economic hardship extension shall be issued under any of the following circumstances:

(1) If a motor vehicle was issued a repair cost waiver or economic hardship extension in the previous biennial inspection of that vehicle. A repair cost waiver or economic hardship extension may be issued to a motor vehicle owner only once for a particular motor vehicle belonging to that owner. However, a repair cost waiver or economic hardship extension may be issued for a motor vehicle that participated in a previous waiver or extension program prior to January 1, 1998, as determined by the department. For waivers or extensions issued in the program operative on or after January 1, 1998,

a waiver or extension may be issued for a motor vehicle only once per owner.

(2) Upon initial registration of all of the following: a direct import motor vehicle, a motor vehicle previously registered outside this state, a dismantled motor vehicle pursuant to Section 11519 of the Vehicle Code, a motor vehicle that has had an engine change, an alternate fuel vehicle, and a specially constructed vehicle.

(e) Unless the certificate is issued to a licensed automobile dealer, a certificate of compliance or noncompliance shall be valid for 90 days. If the certificate is issued to a licensed automobile dealer, the certificate shall be valid for 180 days.

(f) A test may be made at any time within 90 days prior to the date otherwise required.

SEC. 114. Section 50518 of the Health and Safety Code is amended and renumbered to read:

50514.5. Notwithstanding the proviso to subitem (b) of Item 190 of the Budget Act of 1976, sixty thousand dollars ($60,000) of the amount appropriated by subitem (b) of Item 190 of the Budget Act of 1976 shall not be allocated and expended as provided therein and shall instead be allocated by the Department of Finance to the Department of Housing and Community Development for a loan to a community nonprofit organization for technical assistance in the development of an industrial park in the city of Calexico. The loan shall be repaid upon the terms and conditions prescribed by the Department of Finance.

SEC. 115. Section 111940 of the Health and Safety Code is amended to read:

111940. (a) If any person violates any provision of Chapter 4 (commencing with Section 111950), Chapter 5 (commencing with Section 112150), Chapter 6 (commencing with Section 112350), Chapter 7 (commencing with Section 112500), Chapter 8 (commencing with Section 112650), Chapter 10 (commencing with Section 113025), or Article 3 (commencing with Section 113250) of Chapter 11 of this part, or Chapter 4 (commencing with Section 108100) of Part 3, or any regulation adopted pursuant to these provisions, the department may assess a civil penalty against that person as provided by this section.

(b) The penalty may be in an amount not to exceed one thousand dollars ($1,000) per day. Each day that a violation continues shall be considered a separate violation.

(c) If, after examination of a possible violation and the facts surrounding that possible violation, the department concludes that a violation has occurred, the department may issue a complaint to the person charged with the violation. The complaint shall allege the acts or failures to act that constitute the basis for the violation and the amount of the penalty. The complaint shall be served by personal service or by certified mail and shall inform the person so served of the right to a hearing.

(d) Any person served with a complaint pursuant to subdivision (c) of this section may, within 20 days after service of the complaint, request a hearing by filing with the department a notice of defense. A notice of defense is deemed to have been filed within the 20-day period if it is postmarked within the 20-day period. If a hearing is requested by the person, it shall be conducted within 90 days after the receipt by the department of the notice of defense. If no notice of defense is filed within 20 days after service of the complaint, the department shall issue an order setting the penalty as proposed in the complaint unless the department and the person have entered into a settlement agreement, in which case the department shall issue an order setting the penalty in the amount specified in the settlement agreement. When the person has not filed a notice of defense or where the department and the person have entered into a settlement agreement, the order shall not be subject to review by any court or agency.

(e) Any hearing required under this section shall be conducted pursuant to the procedures specified in Section 100171, except to the extent they are inconsistent with the specific requirements of this section.

(f) Orders setting civil penalties under this section shall become effective and final upon issuance thereof, and payment shall be made within 30 days of issuance. A copy of the order shall be served by personal service or by certified mail upon the person served with the complaint.

(g) Within 30 days after service of a copy of a decision issued by the director after a hearing, any person so served may file with the superior court a petition for writ of mandate for review of the decision. Any person who fails to file the petition within this 30-day period may not challenge the reasonableness or validity of the decision or order of the director in any judicial proceeding brought to enforce the decision or order or for other remedies. Section 1094.5 of the Code of Civil Procedure shall govern any proceedings conducted pursuant to this subdivision. In all proceedings pursuant to this subdivision, the court shall uphold the decision of the director if the decision is based upon substantial evidence in the whole record. The filing of a petition for writ of mandate shall not stay any corrective action required pursuant to the Miscellaneous Food, Food Facility, and Hazardous Substances Act, as defined in subdivision (b) of Section 27, or the accrual of any penalties assessed pursuant to this section. This subdivision does not prohibit the court from granting any appropriate relief within its jurisdiction.

(h) The remedies under this section are in addition to, and do not supersede, or limit, any and all other remedies, civil or criminal.

SEC. 116. Section 120440 of the Health and Safety Code is amended to read:

120440. (a) For the purposes of this chapter, the following definitions shall apply:

(1) "Health care provider" means any person licensed pursuant to Division 2 (commencing with Section 500) of the Business and Professions Code or a clinic or health facility licensed pursuant to Division 2 (commencing with Section 1200).

(2) "Schools, child care facilities, and family child care homes" means those institutions referred to in subdivision (b) of Section 120335, regardless of whether they directly provide immunizations to patients or clients.

(3) "WIC service provider" means any public or private nonprofit agency contracting with the department to provide services under the California Special Supplemental Food Program for Women, Infants, and Children, as provided for in Article 2 (commencing with Section 123275) of Chapter 1 of Part 2 of Division 106.

(4) "Health care plan" means a health care service plan as defined in subdivision (f) of Section 1345 or an insurer as described in Sections 10123.5 and 10123.55 of the Insurance Code, regardless of whether the plan directly provides immunizations to patients or clients.

(b) Local health officers may operate immunization information systems pursuant to their authority under Section 120175, in conjunction with the Immunization Branch of the State Department of Health Services.

(c) Notwithstanding any other provision of law, unless a refusal to permit recordsharing is made pursuant to subdivision (e), health care providers may disclose the information set forth in paragraphs (1) to (9), inclusive, from the patient's medical record to local health departments operating countywide immunization information and reminder systems and the State Department of Health Services. Local health departments and the State Department of Health Services may disclose the information set forth in paragraphs (1) to (9), inclusive, to other local health departments and health care providers taking care of the patient, upon request for information pertaining to a specific person. Local health departments and the State Department of Health Services may disclose the information in paragraphs (1) to (6), inclusive, and paragraphs (8) and (9), to schools, child care facilities, and family child care homes to which the person is being admitted or in attendance, and WIC service providers providing services to the person and health care plans arranging for immunization services for the patient, upon request for information pertaining to a specific person. The following information shall be subject to this subdivision:

(1) The name of the patient and names of the patient's parents or guardians.

(2) Date of birth of the patient.

(3) Types and dates of immunizations received by the patient.

(4) Manufacturer and lot number for each immunization received.

(5) Adverse reaction to immunizations received.

(6) Other nonmedical information necessary to establish the patient's unique identity and record.

(7) Current address and telephone number of the patient and the patient's parents or guardians.

(8) Patient's gender.

(9) Patient's place of birth.

(d) (1) Health care providers, local health departments, and the State Department of Health Services shall maintain the confidentiality of information listed in subdivision (c) in the same manner as other medical record information with patient identification that they possess. These providers and departments are subject to civil action and criminal penalties for the wrongful disclosure of the information listed in subdivision (c), in accordance with existing law. They shall use the information listed in subdivision (c) only for the following purposes:

(A) To provide immunization services to the patient, including issuing reminder notifications to patients or their parents or guardians when immunizations are due.

(B) To provide or facilitate provision of third-party payer payments for immunizations.

(C) To compile and disseminate statistical information of immunization status on groups of patients or populations in California, without patient identifying information for these patients included in these groups or populations.

(2) Schools, child care facilities, family child care homes, WIC service providers, and health care plans shall maintain the confidentiality of information listed in subdivision (c) in the same manner as other client, patient, and pupil information that they possess. These institutions and providers are subject to civil action and criminal penalties for the wrongful disclosure of the information listed in subdivision (c), in accordance with existing law. They shall use the information listed in subdivision (c) only for those purposes provided in subparagraphs (A) to (C), inclusive, of paragraph (1) and as follows:

(A) In the case of schools, child care facilities, and family child care homes, to carry out their responsibilities regarding required immunization for attendance, as described in Chapter 1 (commencing with Section 120325).

(B) In the case of WIC service providers, to perform immunization status assessments of clients and to refer those clients found to be due or overdue for immunizations to health care providers.

(C) In the case of health care plans, to facilitate payments to health care providers, to assess the immunization status of their clients, and to tabulate statistical information on the immunization status of groups of patients, without including patient-identifying information in these tabulations.

(e) A patient or a patient's parent or guardian may refuse to permit recordsharing. The health care provider administering immunization shall inform the patient or the patient's parent or guardian of the following:

(1) The information listed in subdivision (c) may be shared with local health departments, and the State Department of Health Services. The health care provider shall provide the name and address of the department or departments with which the provider will share the information.

(2) Any of the information shared with local health departments and the State Department of Health Services shall be treated as confidential medical information and shall be used only to share with health care providers, schools, child care facilities, family child care homes, WIC service providers, and health care plans, upon request. These providers, agencies, and institutions shall, in turn, treat the shared information as confidential, and shall use it only as described in subdivision (d).

(3) The patient or patient's parent or guardian has the right to examine any immunization-related information shared in this manner and to correct any errors in it.

(4) The patient or the patient's parent or guardian may refuse to allow this information to be shared in the manner described, or to receive immunization reminder notifications at any time, or both.

(f) If the patient or patient's parent or guardian refuses to allow the information to be shared, pursuant to paragraph (4) of subdivision (e), the health care provider may not share this information in the manner described in subdivision (c).

(g) Upon request of the patient or the patient's parent or guardian, in writing or by other means acceptable to the recipient, a local health department or the State Department of Health Services that has received information about a person pursuant to subdivision (c) shall do all of the following:

(1) Provide the name and address of other persons or agencies with whom the recipient has shared the information.

(2) Stop sharing the information in its possession after the date of the receipt of the request.

(h) Upon notification, in writing or by other means acceptable to the recipient, of an error in the information, a local health department or the State Department of Health Services that has information about a person pursuant to subdivision (c) shall correct the error. If the recipient is aware of a disagreement about whether an error exists, information to that effect may be included.

(i) Section 120330 shall not apply to this section.

SEC. 117. Section 124980 of the Health and Safety Code is amended to read:

124980. (a) The director shall establish any regulations and standards for hereditary disorders programs as the director deems necessary to promote and protect the public health and safety, in

accordance with the principles established pursuant to this section. These principles shall include, but not be limited to, the following:

(1) The public, especially communities and groups particularly affected by programs on hereditary disorders, should be consulted before any regulations and standards are adopted by the department.

(2) The incidence, severity, and treatment costs of each hereditary disorder and its perceived burden by the affected community should be considered and , where appropriate, state and national experts in the medical, psychological, ethical, social, and economic effects or programs for the detection and management of hereditary disorders shall be consulted by the department.

(3) Information on the operation of all programs on hereditary disorders within the state, except for confidential information obtained from participants in the programs, shall be open and freely available to the public.

(4) Clinical testing procedures established for use in programs, facilities, and projects shall be accurate, provide maximum information, and the testing procedures selected shall produce results that are subject to minimum misinterpretation.

(5) No test or tests may be performed on any minor over the objection of the minor's parents or guardian, nor may any tests be performed unless the parent or guardian is fully informed of the purposes of testing for hereditary disorders and is given reasonable opportunity to object to the testing.

(6) No testing, except initial screening for PKU and other diseases that may be added to the newborn screening program, shall require mandatory participation, and no testing programs shall require restriction of childbearing, and participation in a testing program shall not be a prerequisite to eligibility for, or receipt of, any other service or assistance from, or to participate in, any other program, except where necessary to determine eligibility for further programs of diagnoses of or therapy for hereditary conditions.

(7) Counseling services for hereditary disorders shall be available through the program or a referral source for all persons determined to be or who believe themselves to be at risk for a hereditary disorder as a result of screening programs; the counseling shall be nondirective, emphasize informing the client, and shall not require restriction of childbearing.

(8) All participants in programs on hereditary disorders shall be protected from undue physical and mental harm, and except for initial screening for PKU and other diseases that may be added to newborn screening programs, shall be informed of the nature of risks involved in participation in the programs, and those determined to be affected with genetic disease shall be informed of the nature, and where possible the cost, of available therapies or maintenance programs, and shall be informed of the possible benefits and risks associated with these therapies and programs.

(9) All testing results and personal information generated from hereditary disorders programs shall be made available to an individual over 18 years of age, or to the individual's parent or guardian. If the individual is a minor or incompetent, all testing results that have positively determined the individual to either have, or be a carrier of, a hereditary disorder shall be given through a physician or other source of health care.

(10) All testing results and personal information from hereditary disorders programs obtained from any individual, or from specimens from any individual, shall be held confidential and be considered a confidential medical record except for information that the individual, parent, or guardian consents to be released, provided that the individual is first fully informed of the scope of the information requested to be released, of all of the risks, benefits, and purposes for the release, and of the identity of those to whom the information will be released or made available, except for statistical data compiled without reference to the identity of any individual, and except for research purposes, provided that pursuant to Subpart A (commencing with Section 46.101) of Part 46 of Title 45 of the Code of Federal Regulations entitled "Basic HHS Policy for Protection of Human Subjects," the research has first been reviewed and approved by an institutional review board that certifies the approval to the custodian of the information and further certifies that in its judgment the information is of such potentially substantial public health value that modification of the requirement for legally effective prior informed consent of the individual is ethically justifiable.

(11) An individual whose confidentiality has been breached as a result of any violation of the provisions of the Hereditary Disorders Act , as defined in subdivision (b) of Section 27, may recover compensatory damages and, in addition, may recover civil damages not to exceed ten thousand dollars ($10,000), reasonable attorney's fees, and the costs of litigation.

(b) The department shall recommend appropriate criteria and standards for licensing genetic counselors. In the process of developing the recommended criteria and standards, the department shall consult with a group of medical experts representing medical professional organizations including, but not limited to, the Medical Board of California, the California Medical Association, and organizations representing genetic counselors in California. The department shall report its recommendations to the Legislature by January 1, 2000.

SEC. 118. Section 129820 of the Health and Safety Code is amended to read:

129820. No contract for the construction or alteration of any hospital building, made or executed on or after January 1, 1983, by the governing board or authority of any hospital or other similar public board, body, or officer otherwise vested with authority to make or execute the contract, is valid, and no money shall be paid for any work

done under the contract or for any labor or materials furnished in constructing or altering the hospital building, unless all of the following requirements are satisfied:

(a) The plans and specifications comply with this chapter and the requirements contained in the California Building Standards Code.

(b) The written approval thereof has first been obtained from the office.

(c) The hospital building is to be accessible to, and usable by, persons with disabilities.

(d) The plans and specifications comply with the fire and panic safety requirements of the California Building Standards Code.

SEC. 119. Section 1063.6 of the Insurance Code is amended to read:

1063.6. All proceedings in which the insolvent insurer is a party or is obligated to defend a party in any court in the state shall, subject to waiver by the association in specific cases involving covered claims and subject to waiver by the commissioner as to matters that are not covered claims, be stayed for 60 days from the date that an order of liquidation or an order of receivership with a finding of insolvency has been entered by a superior court in this state or by a court in the state of domicile of the insurer, and an additional time thereafter as may be determined necessary by the court to permit proper defense or conduct of all pending causes of action by the association or the commissioner, as applicable. The stay as to matters to which the insolvent insurer is a party shall be superseded by and when an injunction or stay order is entered by the court in this state having jurisdiction of the liquidation or the ancillary liquidation.

The liquidator, receiver, or statutory successor of an insolvent member insurer shall permit reasonable access by the association to the insolvent insurer's records as is necessary for the association to carry out its duties with regard to covered claims. In addition, the liquidator, receiver, or statutory successor shall provide the association with copies of these records upon the reasonable request of the association and at the expense of the association.

SEC. 120. Section 1765.1 of the Insurance Code is amended to read:

1765.1. No surplus line broker shall place any coverage with a nonadmitted insurer unless the insurer is domiciled in the Republic of Mexico and the placement covers only liability arising out of the ownership, maintenance, or use of a motor vehicle, aircraft, or boat in the Republic of Mexico, or, at the time of placement, the nonadmitted insurer:

(a) (1) Has established its financial stability, reputation, and integrity, for the class of insurance the broker proposes to place, by satisfactory evidence submitted to the commissioner through a surplus line broker.

(2) Has capital and surplus as follows:

(A) Capital and surplus that together total at least fifteen million dollars ($15,000,000). "Capital" shall be as defined in Section 36. "Surplus" shall be defined as assets exceeding the sum of liabilities for losses reported, expenses, taxes, and all other indebtedness and reinsurance of outstanding risks as provided by law and paid-in capital in the case of an insurer issuing or having outstanding shares of capital stock. The type of assets to be used in calculating capital and surplus shall be as follows: at least fifteen million dollars ($15,000,000) shall be in the form of cash, or securities of the same character and quality as specified in Sections 1170 to 1182, inclusive, or in readily marketable securities listed on regulated United States national or principal regional securities exchanges. The remaining assets shall be in the form just described, or in the form of investments of substantially the same character and quality as described in Sections 1190 to 1202, inclusive. In calculating capital and surplus under this section, the term "same character and quality" shall permit, but not require, the commissioner to approve assets maintained in accordance with the laws of another state or country. The commissioner shall be guided by any limitations, restrictions, or other requirements of this code or the National Association of Insurance Commissioners' Accounting Practices and Procedures Manual in determining whether assets substantially similar to those described in Sections 1190 to 1202, inclusive, qualify. The commissioner shall retain the discretion to disapprove or disallow any asset that is not of a sound quality, or that he or she deems to create an unacceptable risk of loss to the insurer or to policyholders. Securities specifically valued by the National Association of Insurance Commissioners Securities Valuation Office shall be presumed readily marketable absent evidence to the contrary. Letters of credit will not qualify as assets in the calculation of surplus. If less than fifteen million dollars ($15,000,000), the commissioner has affirmatively found that the capital and surplus is adequate to protect California policyholders. The commissioner shall consider, on determining whether to make this finding, factors such as quality of management, the capital and surplus of any parent company, the underwriting profit and investment income trends, and the record of claims payment and claims handling practices of the nonadmitted insurer.

(B) In the case of an "Insurance Exchange" created and authorized under the laws of individual states, maintains capital and surplus of not less than fifty million dollars ($50,000,000) in the aggregate. "Capital" shall be defined as in Section 36. "Surplus" shall be defined as assets exceeding the sum of liabilities for losses reported, expenses, taxes, and all other indebtedness and reinsurance of outstanding risks as provided by law and paid-in capital in the case of an insurer issuing or having outstanding shares of capital stock. The type of assets to be used in calculating capital and surplus shall be as follows: at least fifteen million dollars ($15,000,000) shall be in the form of cash, or securities of the same character and quality as

specified in Sections 1170 to 1182, inclusive, or in readily marketable securities listed on regulated United States' national or principal regional securities exchanges. The remaining assets shall be in the form just described, or in the form of investments of substantially the same character and quality as described in Sections 1190 to 1202, inclusive. In calculating capital and surplus under this section, the term "same character and quality" shall permit, but not require, the commissioner to approve assets maintained in accordance with the laws of another state or country. The commissioner shall be guided by any limitations, restrictions, or other requirements of this code or the National Association of Insurance Commissioners' Accounting Practices and Procedures Manual in determining whether assets substantially similar to those described in Sections 1190 to 1202, inclusive, qualify. The commissioner shall retain the discretion to disapprove or disallow any asset that is not of a sound quality, or that he or she deems to create an unacceptable risk of loss to the insurer or to policyholders. Securities specifically valued by the National Association of Insurance Commissioners Securities Valuation Office shall be presumed readily marketable absent evidence to the contrary. Letters of credit will not qualify as assets in the calculation of surplus. In the case of an Insurance Exchange that maintains funds for the protection of all Insurance Exchange policyholders, each individual syndicate seeking to accept surplus line placements of risks resident, located, or to be performed in this state shall maintain minimum capital and surplus of not less than six million four hundred thousand dollars ($6,400,000). Each individual syndicate shall increase the capital and surplus required by this paragraph by one million dollars ($1,000,000) each year until it attains a capital and surplus of fifteen million dollars ($15,000,000). In the case of an Insurance Exchange that does not maintain funds for the protection of all Insurance Exchange policyholders, each individual syndicate seeking to accept surplus line placement of risks resident, located, or to be performed in this state shall meet the capital and surplus requirements of subparagraph (A).

(C) In the case of a syndicate that is part of a group consisting of incorporated individual insurers, or a combination of both incorporated and unincorporated insurers, that at all times maintains a trust fund of not less than one hundred million dollars ($100,000,000) in a qualified United States financial institution as security to the full amount thereof for the United States surplus line policyholders and beneficiaries of direct policies of the group, including all policyholders and beneficiaries of direct policies of the syndicate, and the full balance in the trust fund is available to satisfy the liabilities of each member of the group of those syndicates, incorporated individual insurers or other unincorporated insurers, without regard to their individual contributions to that trust fund, and the trust complies with the terms of and conditions specified in paragraph (1) of subdivision (b), the syndicate is excepted from the

capital and surplus requirements of subparagraph (A). The incorporated members of the group shall not be engaged in any business other than underwriting as a member of the group and shall be subject to the same level of solvency regulation and control by the group's domiciliary regulator as are the unincorporated members.

(b) (1) In addition, to be eligible as a surplus line insurer, an insurer not domiciled in one of the United States or its territories shall have in force in the United States an irrevocable trust account in a qualified United States financial institution, for the protection of United States policyholders, of not less than five million four hundred thousand dollars ($5,400,000) and consisting of cash, securities acceptable to the commissioner that are authorized pursuant to Sections 1170 to 1182, inclusive, readily marketable securities acceptable to the commissioner that are listed on a regulated United States national or principal regional security exchange, or clean and irrevocable letters of credit acceptable to the commissioner and issued by a qualified United States financial institution. The trust agreement shall be in a form acceptable to the commissioner. The funds in the trust account may be included in any calculation of capital and surplus, except letters of credit, which shall not be included in any calculation.

(2) In the case of a syndicate seeking eligibility under subparagraph (C) of paragraph (2) of subdivision (a) the syndicate shall, in addition to the requirements of that subparagraph, at a minimum, maintain in the United States a trust account in an amount satisfactory to the commissioner that is not less than the amount required by the domiciliary state of the syndicate's trust. The trust account shall comply with the terms and conditions specified in paragraph (1) of subdivision (b).

(3) In the case of a group of incorporated insurers under common administration that maintains a trust fund of not less than one hundred million dollars ($100,000,000) in a qualified United States financial institution for the payment of claims of its United States policyholders, their assigns, or successors in interest and that complies with the terms and conditions of paragraph (1) that has continuously transacted an insurance business outside the United States for at least three years, that is in good standing with its domiciliary regulator, whose individual insurer members maintain standards and financial conditions reasonably comparable to admitted insurers, that submits to this state's authority to examine its books and bears the expense of examination, and that has an aggregate policyholder surplus of ten billion dollars ($10,000,000,000), the group is excepted from the capital and surplus requirements of subdivision (a).

(c) Has caused to be provided to the commissioner the following documents:

(1) The financial documents as specified below, each showing the insurer's condition as of a date not more than 12 months prior to submission:

(A) A copy of an annual statement, prepared in the form prescribed by the NAIC. For an alien insurer, in lieu of an annual statement, a licensee may submit a form as set forth by regulation and as prepared by the insurer, and, if listed by the IID, a copy of the complete information as required in the application for listing by the IID.

(B) A copy of an audited financial report on the insurer's condition that meets the standards of subparagraph (D) for foreign insurers or subparagraph (E) for alien insurers.

(C) If the insurer is an alien:

(i) A certified copy of the trust agreement referenced in subdivision (b).

(ii) A verified copy of the most recent quarterly statement or list of the assets in the trust.

(D) Financial reports filed pursuant to this section by foreign insurers shall conform to the following standards:

(i) Financial documents shall be certified.

(ii) An audited financial report shall constitute a supplement to the insurer's annual statement, as required by the annual statement instructions issued by the NAIC.

(iii) An audited financial report shall be prepared by an independent certified public accountant or accounting firm in good standing with the American Institute of Certified Public Accountants and in all states where licensed to practice; and be prepared in conformity with statutory accounting practices prescribed, or otherwise permitted, by the insurance regulator of the insurer's domiciliary jurisdiction.

(iv) An audited financial report shall include information on the insurer's financial position as of the end of the most recent calendar year, and the results of its operations, cash-flows, and changes in capital and surplus for the year then ended.

(v) An audited financial report shall be prepared in a form and using language and groupings substantially the same as the relevant sections of the insurer's annual statement filed with its domiciliary jurisdiction, and presenting comparatively the amounts as of December 31 of the most recent calendar year and the amounts as of December 31 of the preceding year.

(E) Financial reports filed pursuant to this section by alien insurers shall conform to the following standards:

(i) Except as provided in clause (ii) of subparagraph (C), financial documents should be certified, if certification of a financial document is not available, the document shall be verified.

(ii) Financial documents should be expressed in United States dollars, but may be expressed in another currency, if the exchange

rate for the other currency as of the date of the document is also provided.

(iii) The responses provided pursuant to subparagraph (A) of paragraph (1) on the form submitted in lieu of an annual statement should follow the most recent ISI Guide to Alien Reporting Format, "Standard Definitions of Accounting Items." Responses that do not agree with a standard definition shall be fully explained in the form.

(iv) An audited financial report shall be prepared by an independent licensed auditor in the insurer's domiciliary jurisdiction or in any state.

(v) An audited financial report shall be prepared in accord with either (I) Generally Accepted Auditing Standards that prescribe Generally Accepted Accounting Principles, or (II) International Accounting Standards as published and revised from time to time by the International Auditing Guidelines published by the International Auditing Practice Committee of the International Federation of Accountants; and shall include financial statement notes and a summary of significant accounting practices.

(F) The commissioner may accept, in lieu of a document described above, any certified or verified financial or regulatory document, statement, or report if the commissioner finds that it possesses reliability and financial detail substantially equal to or greater than the document for which it is proposed to be a substitute.

(G) If one of the financial documents required to be submitted under subparagraphs (A) and (B) is dated within 12 months of submission, but the other document is not so dated, the licensee may use the outdated document if it is accompanied by a supplement. The supplement must meet the same requirements which apply to the supplemented document, and must update the outdated document to a date within the prescribed time period, preferably to the same date as the nonsupplemented document.

(2) A certified copy of the insurer's license issued by its domiciliary jurisdiction, plus a certification of good standing, certificate of compliance, or other equivalent certificate, from either that jurisdiction or, if the jurisdiction does not issue those certificates, from any state where it is licensed.

(3) Information on the insurer's agent in California for service of process, including the agent's full name and address. The agent's address must include a street address where the agent can be reached during normal business hours.

(4) The complete street address, mailing address, and telephone number of the insurer's principal place of business.

(5) A certified or verified explanation, report, or other statement, from the insurance regulatory office or official of the insurer's domiciliary jurisdiction, concerning the insurer's record regarding market conduct and consumer complaints; or, if that information cannot be obtained from that jurisdiction, then any other information

that the licensee can procure to demonstrate a good reputation for payment of claims and treatment of policyholders.

(6) A verified statement, from the insurer or licensee, on whether the insurer or any affiliated entity is currently known to be the subject of any order or proceeding regarding conservation, liquidation, or other receivership; or regarding revocation or suspension of a license to transact insurance in any jurisdiction; or otherwise seeking to stop the insurer from transacting insurance in any jurisdiction. The statement shall identify the proceeding by date, jurisdiction, and relief or sanction sought; and shall attach a copy of the relevant order.

(7) A certified copy of the most recent report of examination or an explanation if the report is not available.

(d) (1) Has provided any additional information or documentation required by the commissioner that is relevant to the financial stability, reputation, and integrity of the nonadmitted insurer. In making a determination concerning financial stability, reputation, and integrity of the nonadmitted insurer, the commissioner shall consider any analysis, findings, or conclusion made by the National Association of Insurance Commissioners (NAIC) in its review of the insurer for purposes of inclusion on or exclusion from the list of authorized nonadmitted insurers maintained by the NAIC. The commissioner may, but shall not be required to, rely on, adopt, or otherwise accept any analyses, findings, or conclusions of the NAIC, as the commissioner deems appropriate. In the case of a syndicate seeking eligibility under subparagraph (C) of paragraph (2) of subdivision (a), the commissioner may, but shall not be required to, rely on, adopt, or otherwise accept any analyses, findings, or conclusions of any state, as the commissioner deems appropriate, as long as that state, in its method of regulation and review, meets the requirements of paragraph (2).

(2) The regulatory body of the state shall regularly receive and review the following: (A) an audited financial statement of the syndicate, prepared by a certified or chartered public accountant; (B) an opinion of a qualified actuary with regard to the syndicate's aggregate reserves for payment of losses or claims and payment of expenses of adjustment or settlement of losses or claims; (C) a certification from the qualified United States financial institution that acts as the syndicate's trustee, respecting the existence and value of the syndicate's trust fund; and (D) information concerning the syndicate's or its manager's operating history, business plan, ownership and control, experience and ability, together with any other pertinent factors, and any information indicating that the syndicate or its manager make reasonably prompt payment of claims in this state or elsewhere. The regulatory body of the state shall have the authority, either by law or through the operation of a valid and enforceable agreement, to review the syndicate's assets and liabilities and audit the syndicate's trust account, and shall exercise that

authority with a frequency and in a manner satisfactory to the commissioner.

(e) Has established that:

(1) All documents required by subdivisions (c) and (d) have been filed. Each of the documents appear after review to be complete, clear, comprehensible, unambiguous, accurate, and consistent.

(2) The documents affirm that the insurer is not subject in any jurisdiction to an order or proceeding that:

(A) Seeks to stop it from transacting insurance.

(B) Relates to conservation, liquidation, or other receivership.

(C) Relates to revocation or suspension of its license.

(3) The documents affirm that the insurer has actively transacted insurance for the three years immediately preceding the filing made under this section, unless an exemption is granted. As used in this paragraph, "insurer" does not include a syndicate of underwriting entities. The commissioner may grant an exemption if the licensee has applied for exemption and demonstrates either of the following:

(A) The insurer meets the condition for any exception set forth in subdivision (a), (b), or (c) of Section 716.

(B) If the insurer has been actively transacting insurance for at least 12 months, and the licensee demonstrates that the exemption is warranted because the insurer's current financial strength, operating history, business plan, ownership and control, management experience, and ability, together with any other pertinent factors, make three years of active insurance transaction unnecessary to establish sufficient reputation.

(4) The documents confirm that the insurer holds a license to issue insurance policies (other than reinsurance) to residents of the jurisdiction that granted the license unless an exemption is granted. The commissioner may grant an exemption if the licensee has applied for an exemption and demonstrates that the exemption is warranted because the insurer proposes to issue in California only commercial coverage, and is wholly owned and actually controlled by substantial and knowledgeable business enterprises that are its policyholders and that effectively govern the insurer's destiny in furtherance of their own business objectives.

(5) The information filed pursuant to paragraph (5) of subdivision (c) or otherwise filed with or available to the commissioner, including reports received from California policyholders, shall indicate that the insurer makes reasonably prompt payment of claims in this state or elsewhere.

(6) The information available to the commissioner shall not indicate that the insurer offers in California a licensee products or rates that violate any provision of this code.

(f) Has been placed on the list of eligible surplus line insurers by the commissioner. The commissioner shall establish a list of all surplus line insurers that have met the requirements of subdivisions (a) to (e), inclusive, and shall publish a master list at least semiannually.

Any insurer receiving approval as an eligible surplus line insurer shall be added by addendum to the list at the time of approval, and shall be incorporated into the master list at the next date of publication. If an insurer appears on the most recent list, it shall be presumed that the insurer is an eligible surplus line insurer, unless the commissioner or his or her designee has mailed or causes to be mailed notice to all surplus line brokers that the commissioner has withdrawn the insurer's eligibility. Upon receipt of notice, the surplus line broker shall make no further placements with the insurer. Nothing in this subdivision shall limit the commissioner's discretion to withdraw an insurer's eligibility.

(g) (1) Except as provided by paragraph (2), whenever the commissioner has reasonable cause to believe, and determines after a public hearing, that any insurer on the list established pursuant to subdivision (f), (A) is in an unsound financial condition, (B) does not meet the eligibility requirements under subdivisions (a) to (e), inclusive, (C) has violated the laws of this state, or (D) without justification, or with a frequency so as to indicate a general business practice, delays the payment of just claims, the commissioner may issue an order removing the insurer from the list. Notice of hearing shall be served upon the insurer or its agent for service of process stating the time and place of the hearing and the conduct, condition, or ground upon which the commissioner would make his or her order. The hearing shall occur not less than 20 days, nor more than 30 days after notice is served upon the insurer or its agent for service of process.

(2) If the commissioner determines that an insurer's immediate removal from the list is necessary to protect the public or an insured or prospective insured of the insurer, or, in the case of an application by an insurer to be placed on the list which is being denied by the commissioner, the commissioner may issue an order pursuant to paragraph (1) without prior notice and hearing. At the time an order is served pursuant to this paragraph to an insurer on the list, the commissioner shall also issue and serve upon the insurer a statement of the reasons that immediate removal is necessary. Any order issued pursuant to this paragraph shall include a notice stating the time and place of a hearing on the order, which shall be not less than 20 days, nor more than 30 days after the notice is served.

(3) Notwithstanding paragraphs (1) and (2), if the commissioner is basing a decision to remove an insurer from the list, or deny an application to be placed on the list, on the failure of the insurer or applicant to comply with, meet or maintain any of the objective criteria established by this section, or by regulation adopted pursuant to this section, the commissioner may so specify this fact in the order, and no hearing shall be required to be held on the order.

(4) Notwithstanding paragraphs (1) and (2), the commissioner may, without prior notice or hearing, remove from the list established pursuant to subdivision (f) any insurer that has failed or refused to

timely provide documents required by this section, or any regulations adopted to implement this section. The commissioner shall notify all surplus line brokers of any removal made pursuant to this paragraph.

(h) In addition to any other statements or reports required by this chapter, the commissioner may also address to any licensee a written request for full and complete information respecting the financial stability, reputation and integrity of any nonadmitted insurer with whom the licensee has dealt or proposes to deal in the transaction of insurance business. The licensee so addressed shall promptly furnish in written or printed form so much of the information requested as he or she can produce together with a signed statement identifying the same and giving reasons for omissions, if any. After due examination of the information and accompanying statement, the commissioner may, if he or she believes it to be in the public interest, order the licensee in writing to place no further insurance business on property located or operations conducted within or on the lives of persons who are residents of this state with the nonadmitted insurer on behalf of any person. Any placement in the nonadmitted insurer made by a licensee after receipt of that order is a violation of this chapter. The commissioner may issue an order when documents submitted pursuant to subdivisions (c) and (d) do not meet the criteria of subdivisions (a) to (e), inclusive, or when the commissioner obtains documents on an insurer and the insurer does not meet the criteria of subdivisions (a) to (e), inclusive.

(i) The commissioner shall require, at least annually, the submission of records and statements as are reasonably necessary to ensure that the requirements of this section are maintained.

(j) The commissioner shall establish by regulation a schedule of fees to cover costs of administering and enforcing this chapter.

(k) (1) Insurance may be placed on a limited basis with insurers not on the list established pursuant to this section if all of the following conditions are met:

(A) The use of multiple insurers is necessary to obtain coverage for 100 percent of the risk.

(B) At least 80 percent of the risk is placed with admitted insurers or insurers that appear on the list of eligible nonadmitted insurers.

(C) The placing surplus line broker submits to the commissioner, or his or her designee, copies of all documentation relied upon by the surplus line broker to make the broker's determination that the financial stability, reputation, and integrity of the unlisted insurer or insurers, are adequate to safeguard the interest of the insured under the policy. This documentation, and any other documentation regarding the unlisted insurer requested by the commissioner, shall be submitted no more than 30 days after the insurance is placed with the unlisted insurer for the initial placement by that broker with the particular unlisted insurer, and annually thereafter for as long as the

broker continues to make placements with the unlisted insurer pursuant to this paragraph.

(D) The insured has aggregate annual premiums for all risks other than workers' compensation or health coverage totaling no less than one hundred thousand dollars ($100,000).

(2) Insurance may not be placed pursuant to paragraph (1) if any of the following applies:

(A) The unlisted insurer has for any reason been objected to by the commissioner pursuant to this section, removed from the list, or denied placement on the list.

(B) The insurance includes coverage for employer-sponsored medical, surgical, hospital, or other health or medical expense benefits payable to the employee by the insurer.

(C) The insurance is mandatory under the laws of the federal government, this state, or any political subdivision thereof, and includes any portion of limits of coverage mandated by those laws.

(D) The insured is a multiple employer welfare arrangement, as defined in Section 1002(40)(A) of Title 29 of the United States Code, or any other arrangement among two or more employers that are not under common ownership or control, which is established or maintained for the primary purpose of providing insurance benefits to the employees of two or more employers.

(E) Unlisted insurers represent a disproportionate portion of the lower layers of the coverage.

(3) Nothing in this section is intended to alter any duties of a surplus line broker pursuant to subdivision (b) of Section 1765 or other laws of this state to safeguard the interests of the insured under the policy in recommending or placing insurance with a nonadmitted insurer.

(4) Placements authorized by this subdivision are intended to provide sophisticated insurance purchasers with a means to obtain necessary commercial insurance coverage from nonadmitted insurers not listed by the commissioner in situations where it is not commercially possible to fully obtain that coverage from either admitted or listed insurers. This subdivision shall not be deemed to permit surplus line brokers to place with nonadmitted insurers common commercial or personal line coverages for insureds that can be placed with insurers that are admitted or listed pursuant to this section, whether the insured is an individual insured, or a group created primarily for the purpose of purchasing insurance.

(*l*) As used in this section:

(1) "Certified" means an originally signed or sealed statement, dated not more than 60 days before submission, made by a public official or other person, attached to a copy of a document, that attests that the copy is a true copy of the original, and that the original is in the custody of the person making the statement.

(2) "Domiciliary jurisdiction" means the state, nation, or subdivision thereof under the laws of which an insurer is incorporated or otherwise organized.

(3) "Domiciliary state of the syndicate's trust" means the state in which the syndicate's trust fund is principally maintained and administered for the benefit of the syndicate's policyholders in the United States.

(4) "IID" means the International Insurers Department.

(5) "Insurer" means (unless the context indicates otherwise) "nonadmitted" insurers that are either "foreign" or "alien" insurers, as those terms are defined in Sections 25, 27, and 1580, and syndicates whose members consist of individual incorporated insurers who are not engaged in any business other than underwriting as a member of the group and individual unincorporated insurers, provided all the members are subject to the same level of solvency regulation and control by the group's domiciliary regulator. The term "insurer" includes all nonadmitted insurers selling insurance to or through purchasing groups as defined in the Liability Risk Retention Act of 1986 (15 U.S.C. Sec. 3901 et seq.) and the California Risk Retention Act of 1990 (Chapter 1.5 (commencing with Section 125) of Part 1 of Division 1), except insurers that are risk retention groups as defined by those acts.

(6) "ISI" means Insurance Solvency International.

(7) "Licensee" means a surplus line broker as defined in Section 47.

(8) "NAIC" means the National Association of Insurance Commissioners or its successor organization.

(9) "NAIIO" means the Nonadmitted Alien Insurer Information Office of the NAIC or its successor office.

(10) "State" means any state of the United States, the District of Columbia, a commonwealth, or a territory.

(11) "Verified" means a document or copy accompanied by an originally signed statement, dated not more than 60 days before submission, from a responsible executive or official who has authority to provide the statement and knowledge whereof he or she speaks, attesting either under oath before a notary public, or under penalty of perjury under California law, that the assertions made in the document are true.

(m) With respect to a nonadmitted insurer that is listed as an authorized surplus line insurer as of December 31, 1994, pursuant to Sections 2174.1 to 2174.14, inclusive, of Title 10 of the California Code of Regulations, this section shall not be effective until the subsequent expiration of the listing of that insurer. Nothing in the bill that amended this section during the 1994 portion of the 1993–94 Regular Session is intended to repeal or imply that there is not authority to adopt, or to have adopted, or to continue in force, any regulation, or part thereof, with respect to surplus line insurance that is not clearly inconsistent with it.

SEC. 121. Section 10095 of the Insurance Code is amended to read:

10095. (a) Within 30 days following the effective date of this chapter, the association shall submit to the commissioner, for his or her review, a proposed plan of operation, consistent with the provisions of this chapter, creating an association consisting of all insurers licensed to write and engaged in writing in this state, on a direct basis, basic property insurance or any component thereof in homeowners or other dwelling multiperil policies. Every insurer so described shall be a member of the association and shall remain a member as a condition of its authority to transact those kinds of insurance in this state.

(b) The proposed plan shall authorize the association to assume and cede reinsurance on risks written by insurers in conformity with the program.

(c) Under the plan, each insurer shall participate in the writings, expenses, profits and losses of the association in the proportion that its premiums written during the second preceding calendar year bear to the aggregate premiums written by all insurers in the program, excluding that portion of the premiums written attributable to the operation of the association. Premiums written on a policy of basic residential earthquake insurance issued by the California Earthquake Authority pursuant to Section 10089.6 shall be attributed to the insurer that writes the underlying policy of residential property insurance.

(d) The plan shall provide for administration by a governing committee under rules to be adopted by it with the approval of the commissioner. Voting on administrative questions of the association and facility shall be weighted in accordance with each insurer's premiums written during the second preceding calendar year as disclosed in the reports filed by the insurer with the commissioner.

(e) The plan shall provide for a plan to encourage persons to secure basic property insurance through normal channels from an admitted insurer or a licensed surplus line broker by informing those persons what steps they must take in order to secure the insurance through normal channels.

(f) The plan shall be subject to the approval of the commissioner and shall go into effect upon the tentative approval of the commissioner. The commissioner may, at any time, withdraw his or her tentative approval or he or she may, at any time after he or she has given his or her final approval, revoke that approval if he or she feels it is necessary to carry out the purposes of the chapter. The withdrawal or revocation of that approval shall not affect the validity of any policies executed prior to the date of the withdrawal. If the commissioner disapproves or withdraws or revokes his or her approval to all or any part of the plan of operation, the association shall, within 30 days, submit for review an appropriately revised plan or part thereof, and, if the association fails to do so, or if the revised

plan so filed is unacceptable, the commissioner shall promulgate a plan of operation or part thereof as he or she may deem necessary to carry out the purpose of this chapter.

(g) The association may, on its own initiative or at the request of the commissioner, amend the plan of operation, subject to approval by the commissioner, who shall have supervision of the inspection bureau, the facility and the association. The commissioner or any person designated by him or her, shall have the power of visitation of and examination into the operation and free access to all the books, records, files, papers, and documents that relate to operation of the facility and association, and may summon, qualify, and examine as witnesses all persons having knowledge of those operations, including officers, agents, or employees thereof.

(h) Every insurer member of the plan shall provide to applicants who are denied coverage the statewide toll-free "800" number for the plan established pursuant to Section 10095.5 for the purpose of obtaining information and assistance in obtaining basic property insurance.

SEC. 122. Section 10116.5 of the Insurance Code is amended to read:

10116.5. (a) Every policy of disability insurance that is issued, amended, delivered, or renewed in this state on or after January 1, 1999, that provides hospital, medical, or surgical expense coverage under an employer-sponsored group plan for an employer subject to COBRA, as defined in subdivision (e), or an employer group for which the disability insurer is required to offer Cal-COBRA coverage, as defined in subdivision (f), including a carrier providing replacement coverage under Section 10128.3, shall further offer the former employee the opportunity to continue benefits as required under subdivision (b), and shall further offer the former spouse of an employee or former employee the opportunity to continue benefits as required under subdivision (c).

(b) (1) If a former employee worked for the employer for at least five years prior to the date of termination of employment and is 60 years of age or older on the date employment ends is entitled to and so elects to continue benefits under COBRA or Cal-COBRA for himself or herself and for any spouse, the employee or spouse may further continue benefits beyond the date coverage under COBRA or Cal-COBRA ends, as set forth in paragraph (2). Except as otherwise specified in this section, continuation coverage shall be under the same benefit terms and conditions as if the continuation coverage under COBRA or Cal-COBRA had remained in force. For the employee or spouse, continuation coverage following the end of COBRA or Cal-COBRA is subject to payment of premiums to the insurer. Individuals ineligible for COBRA or Cal-COBRA or who are eligible but have not elected or exhausted continuation coverage under federal COBRA or Cal-COBRA are not entitled to continuation coverage under this section. Premiums for continuation

coverage under this section shall be billed by, and remitted to, the insurer in accordance with subdivision (d). Failure to pay the requisite premiums may result in termination of the continuation coverage in accordance with the applicable provisions in the insurer's group contract with the former employer.

(2) The former employer shall notify the former employee or spouse or both, or the former spouse of the employee or former employee, of the availability of the continuation benefits under this section in accordance with Section 2800.2 of the Labor Code. To continue health care coverage pursuant to this section, the individual shall elect to do so by notifying the insurer in writing within 30 calendar days prior to the date continuation coverage under COBRA or Cal-COBRA is scheduled to end. Every disability insurer shall provide to the employer replacing a group benefit plan policy issued by the insurer, or to the employer's agent or broker representative, within 15 days of any written request, information in possession of the insurer reasonably required to administer the requirements of Section 2800.2 of the Labor Code.

(3) The continuation coverage shall end automatically on the earlier of (A) the date the individual reaches age 65, (B) the date the individual is covered under any group health plan not maintained by the employer or any other insurer or health care service plan, regardless of whether that coverage is less valuable, (C) the date the individual becomes entitled to Medicare under Title XVIII of the Social Security Act, (D) for a spouse, five years from the date on which continuation coverage under COBRA or Cal-COBRA was scheduled to end for the spouse, or (E) the date on which the former employer terminates its group contract with the insurer and ceases to provide coverage for any active employees through that insurer, in which case the insurer shall notify the former employee or spouse, or both, of the right to a conversion policy.

(c) (1) If a former spouse of an employee or former employee was covered as a qualified beneficiary under COBRA or Cal-COBRA, the former spouse may further continue benefits beyond the date coverage under COBRA or Cal-COBRA ends, as set forth in paragraph (2) of subdivision (b). Except as otherwise specified in this section, continuation coverage shall be under the same benefit terms and conditions as if the continuation coverage under COBRA or Cal-COBRA had remained in force. Continuation coverage following the end of COBRA or Cal-COBRA is subject to payment of premiums to the insurer. Premiums for continuation coverage under this section shall be billed by, and remitted to, the insurer in accordance with subdivision (d). Failure to pay the requisite premiums may result in termination of the continuation coverage in accordance with the applicable provisions in the insurer's group contract with the employer or former employer.

(2) The continuation coverage for the former spouse shall end automatically on the earlier of (A) the date the individual reaches 65

years of age, (B) the date the individual is covered under any group health plan not maintained by the employer or any other health care service plan or insurer, regardless of whether that coverage is less valuable, (C) the date the individual becomes entitled to Medicare under Title XVIII of the Social Security Act, (D) five years from the date on which continuation coverage under COBRA or Cal-COBRA was scheduled to end for the former spouse, or (E) the date on which the employer or former employer terminates its group contract with the insurer and ceases to provide coverage for any active employees through that insurer, in which case the insurer shall notify the former spouse of the right to a conversion policy.

(d) (1) If the premium charged to the employer for a specific employee or dependent eligible under this section is adjusted for the age of the specific employee, or eligible dependent, on other than a composite basis, the rate for continuation coverage under this section shall not exceed 102 percent of the premium charged by the insurer to the employer for an employee of the same age as the former employee electing continuation coverage in the case of an individual who was eligible for COBRA, and 110 percent in the case of an individual who was eligible for Cal-COBRA. If the coverage continued is that of a former spouse, the premium charged shall not exceed 102 percent of the premium charged by the plan to the employer for an employee of the same age as the former spouse selecting continuation coverage in the case of an individual who was eligible for COBRA, and 110 percent in the case of an individual who was eligible for Cal-COBRA.

(2) If the premium charged to the employer for a specific employee or dependent eligible under this section is not adjusted for age of the specific employee, or eligible dependent, then the rate for continuation coverage under this section shall not exceed 213 percent of the applicable current group rate. For purposes of this section, the "applicable current group rate" means the total premiums charged by the insurer for coverage for the group, divided by the relevant number of covered persons.

(3) However, in computing the premiums charged to the specific employer group, the insurer shall not include consideration of the specific medical care expenditures for beneficiaries receiving continuation coverage pursuant to this section.

(e) For purposes of this section, "COBRA" means Section 4980B of Title 26 , Section 1161 and following of Title 29 , and Section 300bb of Title 42 of the United States Code, as added by the Consolidated Omnibus Budget Reconciliation Act of 1985 (P.L. 99-272), and as amended.

(f) For purposes of this section, "Cal-COBRA" means the continuation coverage that must be offered pursuant to Article 1.7 (commencing with Section 10128.50), or Article 4.5 (commencing with Section 1366.20) of Chapter 2.2 of Division 2 of the Health and Safety Code.

(g) For the purposes of this section, "former spouse" means either an individual who is divorced from an employee or former employee or an individual who was married to an employee or former employee at the time of the death of the employee or former employee.

(h) Every group benefit plan evidence of coverage that is issued, amended, or renewed after January 1, 1999, shall contain a description of the provisions and eligibility requirements for the continuation coverage offered pursuant to this section.

(i) This section shall take effect on January 1, 1999.

SEC. 123. Section 10194.8 of the Insurance Code is amended to read:

10194.8. (a) No Medicare supplement insurer shall deny or condition the issuance or effectiveness of Medicare supplement coverage, nor discriminate in the pricing of coverage, because of health status, claims experience, receipt of health care or medical condition of an applicant in the case of an application for a policy or certificate that is submitted prior to or during the six-month period beginning with the first day of the first month in which an individual is both 65 years of age or older and is enrolled for benefits under Medicare Part B. This section shall not be construed as preventing the exclusion of benefits for preexisting conditions as defined in paragraph (1) of subdivision (a) of Section 10195, except as provided for in paragraph (1) of subdivision (b).

(b) (1) In determining whether an exclusion of benefits for a preexisting condition may be applied to any person during the open enrollment period provided in this section, a Medicare supplement insurer shall credit the time the person was covered under creditable coverage, provided that the individual becomes eligible for coverage under the Medicare supplement policy:

(A) Within 180 days of the termination of any creditable coverage if the creditable coverage is offered through employment or sponsored by an employer and if the Medicare supplement insurance is offered through succeeding employment or sponsored by a succeeding employer, and is not in violation of the Medicare Secondary Payer provision of Section 1862(b) of the Social Security Act (42 U.S.C. Sec. 1395y(b)).

(B) In cases not covered by paragraph (1), within 30 days of the termination of any other qualifying prior coverage.

(2) For purposes of this section, "creditable coverage" means any of the following:

(A) Any individual or group policy, contract, or program that is written or administered by a disability insurer, health care service plan, fraternal benefits society, self-insured employer plan, or any other entity, in this state or elsewhere, and that arranges or provides medical, hospital, and surgical coverage not designed to supplement other private or governmental plans. The term includes continuation or conversion coverage but does not include accident only, credit,

coverage for onsite medical clinics, disability income, Medicare supplement, long-term care insurance, dental coverage, vision coverage, coverage issued as a supplement to liability insurance, insurance arising out of a workers' compensation or similar law, automobile medical payment insurance, or insurance under which benefits are payable with or without regard to fault and that is statutorily required to be contained in any liability insurance policy or equivalent self-insurance.

(B) The federal Medicare program pursuant to Title XVIII of the Social Security Act.

(C) The medicaid program pursuant to Title XIX of the Social Security Act.

(D) Any other publicly sponsored program, provided in this state or elsewhere, of medical, hospital, and surgical care.

(E) Chapter 55 (commencing with Section 1071) of Title 10 of the United States Code (Civilian Health and Medical Program of the Uniformed Services (CHAMPUS)).

(F) A medical care program of the Indian Health Service or of a tribal organization.

(G) A state health benefits risk pool.

(H) A health plan offered under Chapter 89 (commencing with Section 8901) of Title 5 of the United States Code (Federal Employees Health Benefits Program (FEHBP)).

(I) A public health plan as defined in federal regulations authorized by Section 2701(c)(1)(I) of the Public Health Service Act, as amended by Public Law 104-191, the Health Insurance Portability and Accountability Act of 1996.

(J) A health benefit plan under Section 5(e) of the Peace Corps Act (22 U.S.C. Sec. 2504(e)).

(K) Any other creditable coverage as defined by subsection (c) of Section 2701 of Title XXVII of the federal Public Health Services Act (42 U.S.C. Sec. 300gg(c)).

(c) An individual enrolled in Medicare Part B by reason of disability will be entitled to open enrollment described in this section for six months after he or she reaches age 65. Every insurer shall make available to every applicant qualified for open enrollment all policies and certificates offered by that insurer at the time of application. Insurers shall not discourage sales during the open enrollment period by any means, including the altering of the commission structure.

(d) An individual who is 65 years of age or older and enrolled in Medicare Part B is entitled to open enrollment described in this section for six months following:

(1) Receipt of a notice of termination or, if no notice is received, the effective date of termination, from any employer-sponsored health plan including an employer-sponsored retiree health plan. For purposes of this section, "employer-sponsored retiree health plan" includes any coverage for medical expenses that is directly or

indirectly sponsored or established by an employer for employees or retirees, their spouses, dependents, or other included insureds.

(2) Termination of health care services for a military retiree or the retiree's Medicare-eligible spouse or dependent as a result of a military base closure.

(e) An individual who is 65 years of age or older and enrolled in Medicare Part B is entitled to open enrollment described in this section if the individual was covered under a policy, certificate, or contract providing Medicare supplement coverage but that coverage terminated because the individual established residence at a location not served by the plan.

(f) An individual shall be entitled to an annual open enrollment period lasting 30 days or more, commencing with the individual's birthday, during which time that person may purchase any Medicare supplement coverage, with the exception of a Medicare Select policy, that offers benefits equal to or lesser than those provided by the previous coverage. During this open enrollment period, no Medicare supplement insurer that falls under this provision shall deny or condition the issuance or effectiveness of Medicare supplement coverage, nor discriminate in the pricing of coverage, because of health status, claims experience, receipt of health care, or medical condition of the individual if, at the time of the open enrollment period, the individual is covered under another Medicare supplement policy or contract. A Medicare supplement insurer shall notify a policyholder of his or her rights under this subdivision at least 30 and no more than 60 days before the beginning of the open enrollment period.

SEC. 124. Section 10232.8 of the Insurance Code is amended to read:

10232.8. (a) In every long-term care policy or certificate that is not intended to be a federally qualified long-term care insurance contract and provides home care benefits, the threshold establishing eligibility for home care benefits shall be at least as permissive as a provision that the insured will qualify if either one of two criteria are met:

(1) Impairment in two out of seven activities of daily living.

(2) Impairment of cognitive ability.

The policy or certificate may provide for lesser but not greater eligibility criteria. The commissioner, at his or her discretion, may approve other criteria or combinations of criteria to be substituted, if the insurer demonstrates that the interest of the insured is better served.

"Activities of daily living" in every policy or certificate that is not intended to be a federally qualified long-term care insurance contract and provides home care benefits shall include eating, bathing, dressing, ambulating, transferring, toileting, and continence; "impairment" means that the insured needs human assistance, or needs continual substantial supervision; and

"impairment of cognitive ability" means deterioration or loss of intellectual capacity due to organic mental disease, including Alzheimer's disease or related illnesses, that requires continual supervision to protect oneself or others.

(b) In every long-term care policy approved or certificate issued after the effective date of the act adding this section, that is intended to be a federally qualified long-term care insurance contract as described in subdivision (a) of Section 10232.1, the threshold establishing eligibility for home care benefits shall provide that a chronically ill insured will qualify if either one of two criteria are met or if a third criterion, as provided by this subdivision, is met:

(1) Impairment in two out of six activities of daily living.

(2) Impairment of cognitive ability.

Other criteria shall be used in establishing eligibility for benefits if federal law or regulations allow other types of disability to be used applicable to eligibility for benefits under a long-term care insurance policy. If federal law or regulations allow other types of disability to be used, the commissioner shall promulgate emergency regulations to add those other criteria as a third threshold to establish eligibility for benefits. Insurers shall submit policies for approval within 60 days of the effective date of the regulations. With respect to policies previously approved, the department is authorized to review only the changes made to the policy. All new policies approved and certificates issued after the effective date of the regulation shall include the third criterion. No policy shall be sold that does not include the third criterion after one year beyond the effective date of the regulations. An insured meeting this third criterion shall be eligible for benefits regardless of whether the individual meets the impairment requirements in paragraph (1) or (2) regarding activities of daily living and cognitive ability.

(c) A licensed health care practitioner, independent of the insurer, shall certify that the insured meets the definition of "chronically ill individual" as defined under Public Law 104-191. If a health care practitioner makes a determination, pursuant to this section, that an insured does not meet the definition of "chronically ill individual," the insurer shall notify the insured that the insured shall be entitled to a second assessment by a licensed health care practitioner, upon request, who shall personally examine the insured. The requirement for a second assessment shall not apply if the initial assessment was performed by a practitioner who otherwise meets the requirements of this section and who personally examined the insured. The assessments conducted pursuant to this section shall be performed promptly with the certification completed as quickly as possible to ensure that an insured's benefits are not delayed. The written certification shall be renewed every 12 months. A licensed health care practitioner shall develop a written plan of care after personally examining the insured. The costs to have a licensed health care practitioner certify that an insured meets, or continues to meet,

the definition of "chronically ill individual," or to prepare written plans of care shall not count against the lifetime maximum of the policy or certificate. In order to be considered "independent of the insurer," a licensed health care practitioner shall not be an employee of the insurer and shall not be compensated in any manner that is linked to the outcome of the certification. It is the intent of this subdivision that the practitioner's assessments be unhindered by financial considerations. This subdivision shall apply only to a policy or certificate intended to be a federally qualified long-term care insurance contract.

(d) "Activities of daily living" in every policy or certificate intended to be a federally qualified long-term care insurance contract as provided by Public Law 104-191 shall include eating, bathing, dressing, transferring, toileting, and continence; "impairment in activities of daily living" means the insured needs "substantial assistance" either in the form of "hands-on assistance" or "standby assistance," due to a loss of functional capacity to perform the activity; "impairment of cognitive ability" means the insured needs substantial supervision due to severe cognitive impairment; "licensed health care practitioner" means a physician, registered nurse, licensed social worker, or other individual whom the United States Secretary of the Treasury may prescribe by regulation; and "plan of care" means a written description of the insured's needs and a specification of the type, frequency, and providers of all formal and informal long-term care services required by the insured, and the cost, if any.

(e) Until the time that these definitions may be superseded by federal law or regulation, the terms "substantial assistance," "hands-on assistance," "standby assistance," "severe cognitive impairment," and "substantial supervision" shall be defined according to the safe-harbor definitions contained in Internal Revenue Service Notice 97-31, issued May 6, 1997.

(f) The definitions of "activities of daily living" to be used in policies and certificates that are intended to be federally qualified long-term care insurance shall be the following until the time that these definitions may be superseded by federal law or regulations:

(1) Eating, which shall mean feeding oneself by getting food in the body from a receptacle (such as a plate, cup, or table) or by a feeding tube or intravenously.

(2) Bathing, which shall mean washing oneself by sponge bath or in either a tub or shower, including the act of getting into or out of a tub or shower.

(3) Continence, which shall mean the ability to maintain control of bowel and bladder function; or when unable to maintain control of bowel or bladder function, the ability to perform associated personal hygiene (including caring for a catheter or colostomy bag).

(4) Dressing, which shall mean putting on and taking off all items of clothing and any necessary braces, fasteners, or artificial limbs.

(5) Toileting, which shall mean getting to and from the toilet, getting on or off the toilet, and performing associated personal hygiene.

(6) Transferring, which shall mean the ability to move into or out of bed, a chair or wheelchair.

The commissioner may approve the use of definitions of "activities of daily living" that differ from the verbatim definitions of this subdivision if these definitions would result in more policy or certificate holders qualifying for long-term care benefits than would occur by the use of the verbatim definitions of this subdivision. In addition, the following definitions may be used without the approval of the commissioner: (1) the verbatim definitions of eating, bathing, dressing, toileting, transferring, and continence in subdivision (g); or (2) the verbatim definitions of eating, bathing, dressing, toileting, and continence in this subdivision and a substitute, verbatim definition of "transferring" as follows: "transferring," which shall mean the ability to move into and out of a bed, a chair, or wheelchair, or ability to walk or move around inside or outside the home, regardless of the use of a cane, crutches, or braces.

The definitions to be used in policies and certificates for impairment in activities of daily living, "impairment in cognitive ability," and any third eligibility criterion adopted by regulation pursuant to subdivision (b) shall be the verbatim definitions of these benefit eligibility triggers allowed by federal regulations. In addition to the verbatim definitions, the commissioner may approve additional descriptive language to be added to the definitions, if the additional language is (1) warranted based on federal or state laws, federal or state regulations, or other relevant federal decision, and (2) strictly limited to that language which is necessary to ensure that the definitions required by this section are not misleading to the insured.

(g) The definitions of "activities of daily living" to be used verbatim in policies and certificates that are not intended to qualify for favorable tax treatment under Public Law 104-191 shall be the following:

(1) Eating, which shall mean reaching for, picking up, and grasping a utensil and cup; getting food on a utensil, and bringing food, utensil, and cup to mouth; manipulating food on plate; and cleaning face and hands as necessary following meals.

(2) Bathing, which shall mean cleaning the body using a tub, shower, or sponge bath, including getting a basin of water, managing faucets, getting in and out of tub or shower, and reaching head and body parts for soaping, rinsing, and drying.

(3) Dressing, which shall mean putting on, taking off, fastening, and unfastening garments and undergarments and special devices such as back or leg braces, corsets, elastic stockings or garments, and artificial limbs or splints.

(4) Toileting, which shall mean getting on and off a toilet or commode and emptying a commode, managing clothing and wiping and cleaning the body after toileting, and using and emptying a bedpan and urinal.

(5) Transferring, which shall mean moving from one sitting or lying position to another sitting or lying position; for example, from bed to or from a wheelchair or sofa, coming to a standing position, or repositioning to promote circulation and prevent skin breakdown.

(6) Continence, which shall mean the ability to control bowel and bladder as well as use ostomy or catheter receptacles, and apply diapers and disposable barrier pads.

(7) Ambulating, which shall mean walking or moving around inside or outside the home regardless of the use of a cane, crutches, or braces.

SEC. 125. Section 10273.4 of the Insurance Code is amended to read:

10273.4. All disability insurers writing, issuing, or administering group health benefit plans shall make all of these health benefit plans renewable with respect to the policyholder, contractholder, or employer except in case of the following:

(a) Nonpayment of the required premiums by the policyholder, contractholder, or employer.

(b) Fraud or other intentional misrepresentation by the policyholder, contractholder, or employer.

(c) Noncompliance with a material health benefit plan contract provision.

(d) The insurer ceases to provide or arrange for the provision of health care services for new group health benefit plans in this state, provided that the following conditions are satisfied:

(1) Notice of the decision to cease writing, issuing, or administering new or existing group health benefit plans in this state is provided to the commissioner and to either the policyholder, contractholder, or employer at least 180 days prior to discontinuation of that coverage.

(2) Group health benefit plans shall not be canceled for 180 days after the date of the notice required under paragraph (1) and for that business of a plan that remains in force, any disability insurer that ceases to write, issue, or administer new group health benefit plans shall continue to be governed by this section with respect to business conducted under this section.

(3) Except as provided under subdivision (h) of Section 10705, or unless the commissioner had made a determination pursuant to Section 10712, a disability insurer that ceases to write, issue, or administer new group health benefit plans in this state after the effective date of this section shall be prohibited from writing, issuing, or administering new group health benefit plans to employers in this state for a period of five years from the date of notice to the commissioner.

(e) The disability insurer withdraws a group health benefit plan from the market; provided, that the plan notifies all affected contractholders, policyholders, or employers and the commissioner at least 90 days prior to the discontinuation of the health benefit plans, and that the insurer makes available to the contractholder, policyholder, or employer all health benefit plans that it makes available to new employer business without regard to the claims experience of health-related factors of insureds or individuals who may become eligible for the coverage.

(f) For the purposes of this section, "health benefit plan" shall have the same meaning as in subdivision (a) of Section 10198.6 and Section 10198.61.

(g) For the purposes of this section, "eligible employee" shall have the same meaning as in Section 10700, except that it applies to all health benefit plans issued to employer groups of two or more employees.

SEC. 126. Section 10700 of the Insurance Code is amended to read:

10700. As used in this chapter:

(a) "Agent or broker" means a person or entity licensed under Chapter 5 (commencing with Section 1621) of Part 2 of Division 1.

(b) "Benefit plan design" means a specific health coverage product issued by a carrier to small employers, to trustees of associations that include small employers, or to individuals if the coverage is offered through employment or sponsored by an employer. It includes services covered and the levels of copayment and deductibles, and it may include the professional providers who are to provide those services and the sites where those services are to be provided. A benefit plan design may also be an integrated system for the financing and delivery of quality health care services which has significant incentives for the covered individuals to use the system.

(c) "Board" means the Major Risk Medical Insurance Board.

(d) "Carrier" means any disability insurance company or any other entity that writes, issues, or administers health benefit plans that cover the employees of small employers, regardless of the situs of the contract or master policyholder. For the purposes of Article 3 (commencing with Section 10719) and Article 4 (commencing with Section 10730), "carrier" also includes health care service plans.

(e) "Dependent" means the spouse or child of an eligible employee, subject to applicable terms of the health benefit plan covering the employee, and includes dependents of guaranteed association members if the association elects to include dependents under its health coverage at the same time it determines its membership composition pursuant to subdivision (z).

(f) "Eligible employee" means either of the following:

(1) Any permanent employee who is actively engaged on a full-time basis in the conduct of the business of the small employer

with a normal workweek of at least 30 hours, in the small employer's regular place of business, who has met any statutorily authorized applicable waiting period requirements. The term includes sole proprietors or partners of a partnership, if they are actively engaged on a full-time basis in the small employer's business, and they are included as employees under a health benefit plan of a small employer, but does not include employees who work on a part-time, temporary, or substitute basis. It includes any eligible employee as defined in this paragraph who obtains coverage through a guaranteed association. Employees of employers purchasing through a guaranteed association shall be deemed to be eligible employees if they would otherwise meet the definition except for the number of persons employed by the employer. A permanent employee who works at least 20 hours but not more than 29 hours is deemed to be an eligible employee if all four of the following apply:

(A) The employee otherwise meets the definition of an eligible employee except for the number of hours worked.

(B) The employer offers the employee health coverage under a health benefit plan.

(C) All similarly situated individuals are offered coverage under the health benefit plan.

(D) The employee must have worked at least 20 hours per normal workweek for at least 50 percent of the weeks in the previous calendar quarter. The insurer may request any necessary information to document the hours and time period in question, including, but not limited to, payroll records and employee wage and tax filings.

(2) Any member of a guaranteed association as defined in subdivision (z).

(g) "Enrollee" means an eligible employee or dependent who receives health coverage through the program from a participating carrier.

(h) "Financially impaired" means a carrier that, on or after the effective date of this chapter, is not insolvent and is either:

(1) Deemed by the commissioner to be potentially unable to fulfill its contractual obligations.

(2) Placed under an order of rehabilitation or conservation by a court of competent jurisdiction.

(i) "Fund" means the California Small Group Reinsurance Fund.

(j) "Health benefit plan" means a policy or contract written or administered by a carrier that arranges or provides health care benefits for the covered eligible employees of a small employer and their dependents. The term does not include accident only, credit, disability income, coverage of Medicare services pursuant to contracts with the United States government, Medicare supplement, long-term care insurance, dental, vision, coverage issued as a supplement to liability insurance, automobile medical payment insurance, or insurance under which benefits are payable with or

without regard to fault and that is statutorily required to be contained in any liability insurance policy or equivalent self-insurance.

(k) "In force business" means an existing health benefit plan issued by the carrier to a small employer.

(*l*) "Late enrollee" means the following:

(1) An eligible employee or dependent who has declined health coverage under a health benefit plan offered by a small employer at the time of the initial enrollment period provided under the terms of the health benefit plan, and who subsequently requests enrollment in a health benefit plan of that small employer, provided that the initial enrollment period shall be a period of at least 30 days.

(2) Any member of an association that is a guaranteed association as well as any other person eligible to purchase through the guaranteed association when that person has failed to purchase coverage during the initial enrollment period provided under the terms of the guaranteed association's health benefit plan and who subsequently requests enrollment in the plan, provided that the initial enrollment period shall be a period of at least 30 days. However, an eligible employee, another person eligible for coverage through a guaranteed association pursuant to subdivision (z), or dependent shall not be considered a late enrollee if the following conditions are met:

(A) The individual meets all of the following criteria:

(i) The individual was covered under another employer health benefit plan or no share-of-cost Medi-Cal coverage at the time the individual was eligible to enroll

(ii) The individual was certified at the time of the initial enrollment that coverage under another employer health benefit plan or no share-of-cost Medi-Cal coverage was the reason for declining enrollment, provided that, if the individual was covered under another employer health plan, the individual was given the opportunity to make the certification required by this subdivision and was notified that failure to do so could result in later treatment as a late enrollee

(iii) The individual has lost or will lose coverage under another employer health benefit plan as a result of termination of employment of the individual or of a person through whom the individual was covered as a dependent, change in employment status of the individual, or of a person through whom the individual was covered as a dependent, the termination of the other plan's coverage, cessation of an employer's contribution toward an employee or dependent's coverage, death of the person through whom the individual was covered as a dependent, legal separation, divorce, or loss of no share-of-cost Medi-Cal coverage

(iv) The individual requests enrollment within 30 days after termination of coverage or employer contribution toward coverage provided under another employer health benefit plan

(B) The individual is employed by an employer who offers multiple health benefit plans and the individual elects a different plan during an open enrollment period

(C) A court has ordered that coverage be provided for a spouse or minor child under a covered employee's health benefit plan

(D) In the case of an eligible employee as defined in paragraph (1) of subdivision (f):

(i) The carrier cannot produce a written statement from the employer stating that the individual or the person through whom an individual was eligible to be covered as a dependent, prior to declining coverage, was provided with, and signed acknowledgment of, an explicit written notice in boldface type specifying that failure to elect coverage during the initial enrollment period permits the carrier to impose, at the time of the individual's later decision to elect coverage, an exclusion from coverage for a period of 12 months as well as a six-month preexisting condition exclusion unless the individual meets the criteria specified in subparagraph (A), (B), or (C).

(ii) The employee is a guaranteed association member and the plan cannot produce a written statement from the guaranteed association stating that the association sent a written notice in boldface type to all potentially eligible association members at their last known address prior to the initial enrollment period informing members that failure to elect coverage during the initial enrollment period permits the plan to impose, at the time of the member's later decision to elect coverage, an exclusion from coverage for a period of 12 months as well as a six-month preexisting condition exclusion unless the member can demonstrate that he or she meets the requirements of clauses (i), (ii), or (iii) of subparagraph (A) or subparagraph (B) or (C).

(E) In the case of an employer or person who is not a member of an association, was eligible to purchase coverage through a guaranteed association, and did not do so, and would not be eligible to purchase guaranteed coverage unless purchased through a guaranteed association, the employer or person can demonstrate that he or she meets the requirements of clauses (i), (ii), or (iii) of subparagraph (A) or subparagraph (B) or (C), or that he or she recently had a change in status that would make him or her eligible and that application for coverage was made within 30 days of the change

(F) The individual is an employee or dependent who meets the criteria described in subparagraph (A) and was under a COBRA continuation provision and the coverage under that provision has been exhausted. For purposes of this section, the definition of "COBRA" set forth in subdivision (e) of Section 1373.621 of the Health and Safety Code shall apply

(G) The individual is a dependent of an enrolled eligible employee who has lost or will lose his or her no-share-of-cost Medi-Cal

coverage and requests enrollment within 30 days after notification of this loss of coverage.

(m) "New business" means a health benefit plan issued to a small employer that is not the carrier's in force business.

(n) "Participating carrier" means a carrier that has entered into a contract with the program to provide health benefits coverage under this part.

(o) "Plan of operation" means the plan of operation of the fund, including articles, bylaws, and operating rules adopted by the fund pursuant to Article 3 (commencing with Section 10719).

(p) "Program" means the Health Insurance Plan of California.

(q) "Preexisting condition provision" means a policy provision that excludes coverage for charges or expenses incurred during a specified period following the insured's effective date of coverage, as to a condition for which medical advice, diagnosis, care, or treatment was recommended or received during a specified period immediately preceding the effective date of coverage.

(r) "Creditable coverage" means:

(1) Any individual or group policy, contract, or program that is written or administered by a disability insurer, health care service plan, fraternal benefits society, self-insured employer plan, or any other entity, in this state or elsewhere, and that arranges or provides medical, hospital, and surgical coverage not designed to supplement other private or governmental plans. The term includes continuation or conversion coverage but does not include accident only, credit, coverage for onsite medical clinics, disability income, Medicare supplement, long-term care, dental, vision, coverage issued as a supplement to liability insurance, insurance arising out of a workers' compensation or similar law, automobile medical payment insurance, or insurance under which benefits are payable with or without regard to fault and that is statutorily required to be contained in any liability insurance policy or equivalent self-insurance.

(2) The federal Medicare program pursuant to Title XVIII of the Social Security Act.

(3) The medicaid program pursuant to Title XIX of the Social Security Act.

(4) Any other publicly sponsored program, provided in this state or elsewhere, of medical, hospital, and surgical care.

(5) Chapter 55 (commencing with Section 1071) of Title 10 of the United States Code (Civilian Health and Medical Program of the Uniformed Services (CHAMPUS)).

(6) A medical care program of the Indian Health Service or of a tribal organization.

(7) A state health benefits risk pool.

(8) A health plan offered under Chapter 89 (commencing with Section 8901) of Title 5 of the United States Code (Federal Employees Health Benefits Program (FEHBP)).

(9) A public health plan as defined in federal regulations authorized by Section 2701(c)(1)(I) of the Public Health Service Act, as amended by Public Law 104-191, the Health Insurance Portability and Accountability Act of 1996.

(10) A health benefit plan under Section 5(e) of the Peace Corps Act (22 U.S.C. Sec. 2504(e)).

(11) Any other creditable coverage as defined by subsection (c) of Section 2701 of Title XXVII of the federal Public Health Services Act (42 U.S.C. Sec. 300gg(c)).

(s) "Rating period" means the period for which premium rates established by a carrier are in effect and shall be no less than six months.

(t) "Risk adjusted employee risk rate" means the rate determined for an eligible employee of a small employer in a particular risk category after applying the risk adjustment factor.

(u) "Risk adjustment factor" means the percent adjustment to be applied equally to each standard employee risk rate for a particular small employer, based upon any expected deviations from standard claims. This factor may not be more than 120 percent or less than 80 percent until July 1, 1996. Effective July 1, 1996, this factor may not be more than 110 percent or less than 90 percent.

(v) "Risk category" means the following characteristics of an eligible employee: age, geographic region, and family size of the employee, plus the benefit plan design selected by the small employer.

(1) No more than the following age categories may be used in determining premium rates:

Under 30
30–39
40–49
50–54
55–59
60–64
65 and over

However, for the 65-and-over age category, separate premium rates may be specified depending upon whether coverage under the health benefit plan will be primary or secondary to benefits provided by the federal Medicare program pursuant to Title XVIII of the federal Social Security Act.

(2) Small employer carriers shall base rates to small employers using no more than the following family size categories:

(A) Single.
(B) Married couple.
(C) One adult and child or children.
(D) Married couple and child or children.

(3) (A) In determining rates for small employers, a carrier that operates statewide shall use no more than nine geographic regions in the state, shall have no region smaller than an area in which the

first three digits of all its ZIP Codes are in common within a county, and shall divide no county into more than two regions. Carriers shall be deemed to be operating statewide if their coverage area includes 90 percent or more of the state's population. Geographic regions established pursuant to this section shall, as a group, cover the entire state, and the area encompassed in a geographic region shall be separate and distinct from areas encompassed in other geographic regions. Geographic regions may be noncontiguous.

(B) In determining rates for small employers, a carrier that does not operate statewide shall use no more than the number of geographic regions in the state than is determined by the following formula: the population, as determined in the last federal census, of all counties that are included in their entirety in a carrier's service area divided by the total population of the state, as determined in the last federal census, multiplied by 9. The resulting number shall be rounded to the nearest whole integer. No region may be smaller than an area in which the first three digits of all its ZIP Codes are in common within a county and no county may be divided into more than two regions. The area encompassed in a geographic region shall be separate and distinct from areas encompassed in other geographic regions. Geographic regions may be noncontiguous. No carrier shall have less than one geographic area.

(w) "Small employer" means either of the following:

(1) Any person, proprietary or nonprofit firm, corporation, partnership, public agency, or association that is actively engaged in business or service that, on at least 50 percent of its working days during the preceding calendar quarter, or preceding calendar year, employed at least 2, but not more than 50, eligible employees, the majority of whom were employed within this state, that was not formed primarily for purposes of buying health insurance and in which a bona fide employer-employee relationship exists. In determining whether to apply the calendar quarter or calendar year test, the insurer shall use the test that ensures eligibility if only one test would establish eligibility. However, for purposes of subdivisions (b) and (h) of Section 10705, the definition shall include employers with at least three eligible employees until July 1, 1997, and two eligible employees thereafter. In determining the number of eligible employees, companies that are affiliated companies and that are eligible to file a combined income tax return for purposes of state taxation shall be considered one employer. Subsequent to the issuance of a health benefit plan to a small employer pursuant to this chapter, and for the purpose of determining eligibility, the size of a small employer shall be determined annually. Except as otherwise specifically provided, provisions of this chapter that apply to a small employer shall continue to apply until the health benefit plan anniversary following the date the employer no longer meets the requirements of this definition. It includes any small employer as defined in this paragraph who purchases coverage through a

guaranteed association, and any employer purchasing coverage for employees through a guaranteed association.

(2) Any guaranteed association, as defined in subdivision (y), that purchases health coverage for members of the association.

(x) "Standard employee risk rate" means the rate applicable to an eligible employee in a particular risk category in a small employer group.

(y) "Guaranteed association" means a nonprofit organization consisting of a group of individuals or employers who associate based solely on participation in a specified profession or industry, accepting for membership any individual or employer meeting its membership criteria that (1) includes one or more small employers as defined in paragraph (1) of subdivision (w), (2) does not condition membership directly or indirectly on the health or claims history of any person, (3) uses membership dues solely for and in consideration of the membership and membership benefits, except that the amount of the dues shall not depend on whether the member applies for or purchases insurance offered by the association, (4) is organized and maintained in good faith for purposes unrelated to insurance, (5) has been in active existence on January 1, 1992, and for at least five years prior to that date, (6) has been offering health insurance to its members for at least five years prior to January 1, 1992, (7) has a constitution and bylaws, or other analogous governing documents that provide for election of the governing board of the association by its members, (8) offers any benefit plan design that is purchased to all individual members and employer members in this state, (9) includes any member choosing to enroll in the benefit plan design offered to the association, provided that the member has agreed to make the required premium payments, and (10) covers at least 1,000 persons with the carrier with which it contracts. The requirement of 1,000 persons may be met if component chapters of a statewide association contracting separately with the same carrier cover at least 1,000 persons in the aggregate.

This subdivision applies regardless of whether a master policy by an admitted insurer is delivered directly to the association or a trust formed for or sponsored by an association to administer benefits for association members.

For purposes of this subdivision, an association formed by a merger of two or more associations after January 1, 1992, and otherwise meeting the criteria of this subdivision shall be deemed to have been in active existence on January 1, 1992, if its predecessor organizations had been in active existence on January 1, 1992, and for at least five years prior to that date and otherwise met the criteria of this subdivision.

(z) "Members of a guaranteed association" means any individual or employer meeting the association's membership criteria if that person is a member of the association and chooses to purchase health coverage through the association. At the association's discretion, it

may also include employees of association members, association staff, retired members, retired employees of members, and surviving spouses and dependents of deceased members. However, if an association chooses to include those persons as members of the guaranteed association, the association must so elect in advance of purchasing coverage from a plan. Health plans may require an association to adhere to the membership composition it selects for up to 12 months.

(aa) "Affiliation period" means a period that, under the terms of the health benefit plan, must expire before health care services under the plan become effective.

SEC. 127. Section 10841 of the Insurance Code is amended to read:

10841. (a) A purchasing alliance shall comply with all requirements pertaining to the underwriting, rating and renewal practices for small employers, pursuant to subdivisions (a) and (b) of Section 1357.12 of , and subdivision (f) of Section 1357.03 of, the Health and Safety Code, and subdivisions (a) and (b) of Section 10714.

(b) A purchasing alliance shall comply with all requirements pertaining to the marketing practices for small employers who participate in the purchasing alliance, pursuant to subdivision (d) of Section 1357.03 of the Health and Safety Code and subdivisions (f) and (j) of Section 10705.

(c) A purchasing alliance shall comply with all requirements pertaining to the participation requirements for small employers who participate in the purchasing alliance, pursuant to subdivision (b) of Section 1357.03 of the Health and Safety Code and Section 10706. A carrier participating in a purchasing alliance shall be deemed to be in compliance with this requirement.

SEC. 128. Section 12963.96 of the Insurance Code is amended and renumbered to read:

12693.96. (a) There is hereby created in the State Treasury the Healthy Families Fund, which is, notwithstanding Section 13340 of the Government Code, continuously appropriated to the board for the purposes specified in this part.

(b) The board shall authorize the expenditure, from the fund, of any state funds, federal funds, or family contributions deposited into the fund. The board may authorize the State Department of Health Services to transfer funds appropriated to the department for the program to the Healthy Families Fund, and to also deposit those funds in, and to disburse those funds from, the Healthy Families Fund.

(c) Notwithstanding any other provision of law, this part shall be implemented only if, and to the extent that, as provided under Title XXI of the Social Security Act, federal financial participation is available and state plan approval is obtained.

(d) Nothing in this part is intended to establish an entitlement for individual coverage.

SEC. 129. Section 12963.97 of the Insurance Code is amended and renumbered to read:

12693.97. The State Department of Health Services and the board may explore and utilize any options available under federal law to allow the use of charitable funding as a match for federal funds for use in the provision of coverage by private and public not-for-profit organizations consistent with the provisions of this part.

SEC. 130. Section 138.4 of the Labor Code is amended to read:

138.4. The administrative director shall, with respect to injuries involving loss of time:

(a) Prescribe reasonable rules and regulations for the serving on the employee of notices dealing with the payment, nonpayment or delay in payment of temporary disability, permanent disability, and death benefits and the provision of vocational rehabilitation services, with copies to the administrative director. A pamphlet published or approved by the administrative director, meeting the criteria specified in subdivision (a) of Section 139.6, shall be included with the first notice of payment or notice of delay in payment served on each injured employee.

(b) Prescribe reasonable rules and regulations for providing the employee notice of any change in the amount or type of benefits being provided, the termination of benefits, and an accounting of the benefits paid, with copies to the administrative director.

(c) Prescribe reasonable rules and regulations for serving on the employee notice of rejection of any liability for compensation and the remedies available to the employee, and the employee's right to seek information and advice from an information and assistance officer or an attorney.

SEC. 131. Section 201.5 of the Labor Code is amended to read:

201.5. An employer who lays off an employee engaged in the production of motion pictures, whose unusual or uncertain terms of employment require special computation in order to ascertain the amount due, shall be deemed to have made immediate payment of wages within the meaning of Section 201 if the wages of the employee are paid by the next regular payday, as prescribed by Section 204, following the layoff. For purposes of this section, "layoff" means the termination of employment of an employee where the employee retains eligibility for reemployment with the employer. For purposes of this section, "discharge" means the unconditional termination of employment of an employee. However, if an employee is discharged, payment of wages shall be made within 24 hours after discharge, excluding Saturdays, Sundays, and holidays. For purposes of this section, a payment required by this section may be mailed and the date of mailing is the date of payment.

The Legislature finds and determines that special provision must be made for the payment of wages on layoff and discharge of persons

engaged in the production of motion pictures because their employment at various locations is often far removed from the employer's principal administrative offices and the unusual hours of their employment in this industry is often geared to the completion of a portion of a picture, which time of completion may have no relation to normal working hours.

SEC. 132. Section 1771.5 of the Labor Code is amended to read:

1771.5. (a) Notwithstanding Section 1771, an awarding body shall not require the payment of the general prevailing rate of per diem wages or the general prevailing rate of per diem wages for holiday and overtime work for any public works project of twenty-five thousand dollars ($25,000) or less when the project is for construction work, or for any public works project of fifteen thousand dollars ($15,000) or less when the project is for alteration, demolition, repair, or maintenance work, if the awarding body elects to initiate and enforce a labor compliance program pursuant to subdivision (b) for every public works project under the authority of the awarding body.

(b) For the purposes of this section, a labor compliance program shall include, but not be limited to, the following requirements:

(1) All bid invitations and public works contracts shall contain appropriate language concerning the requirements of this chapter.

(2) A prejob conference shall be conducted with the contractor and subcontractors to discuss federal and state labor law requirements applicable to the contract.

(3) Project contractors and subcontractors shall maintain and furnish, at a designated time, a certified copy of each weekly payroll containing a statement of compliance signed under penalty of perjury.

(4) The awarding body shall review, and, if appropriate, audit payroll records to verify compliance with this chapter.

(5) The awarding body shall withhold contract payments when payroll records are delinquent or inadequate.

(6) The awarding body shall withhold contract payments equal to the amount of underpayment and applicable penalties when, after investigation, it is established that underpayment has occurred.

SEC. 133. Section 3716.2 of the Labor Code is amended to read:

3716.2. Notwithstanding the precise elements of an award of compensation benefits, and notwithstanding the claim and demand for payment being made therefor to the director, the director, as administrator of the Uninsured Employers Fund, shall pay the claimant only such benefits allowed, recognizing proper liens thereon, that would have accrued against an employer properly insured for workers' compensation liability. The Uninsured Employers Fund shall not be liable for any penalties or for the payment of interest on any awards. However, in civil suits by the director to enforce payment of an award, including procedures pursuant to Section 3717, the total amount of the award, including

interest, other penalties, and attorney's fees granted by the award, shall be sought. Recovery by the director, in a civil suit or by other means, of awarded benefits in excess of amounts paid to the claimant by the Uninsured Employers Fund shall be paid over to the injured employee or his representative, as the case may be.

SEC. 134. Section 4707 of the Labor Code is amended to read:

4707. (a) Except as provided in subdivision (b), no benefits, except reasonable expenses of burial not exceeding one thousand dollars ($1,000), shall be awarded under this division on account of the death of an employee who is an active member of the Public Employees' Retirement System unless it is determined that a special death benefit, as defined in the Public Employees' Retirement Law, or the benefit provided in lieu of the special death benefit in Sections 21547 and 21548 of the Government Code, will not be paid by the Public Employees' Retirement System to the surviving spouse or children under 18 years of age, of the deceased, on account of the death, but if the total death allowance paid to the surviving spouse and children is less than the benefit otherwise payable under this division the surviving spouse and children are entitled, under this division, to the difference.

The amendments to this section during the 1977–78 Regular Session shall be applied retroactively to July 1, 1976.

(b) The limitation prescribed by subdivision (a) shall not apply to local safety members, or patrol members, as defined in Section 20390 of the Government Code, of the Public Employees' Retirement System.

SEC. 135. Section 5433 of the Labor Code is amended to read:

5433. (a) Any advertisement or other device designed to produce leads based on a response from a person to file a workers' compensation claim or to engage or consult counsel or a medical care provider or clinic shall disclose that an agent may contact the individual if that is the fact. In addition, an individual who makes contact with a person as a result of acquiring that individual's name from a lead generating device shall disclose that fact in the initial contact with that person.

(b) No person shall solicit persons to file a workers' compensation claim or to engage or consult counsel or a medical care provider or clinic to consider a workers' compensation claim through the use of a true or fictitious name which is deceptive or misleading with regard to the status, character, or proprietary or representative capacity of the entity or person, or to the true purpose of the advertisement.

(c) For purposes of this section, an advertisement includes a solicitation in any newspaper, magazine, circular, form letter, or open publication, published, distributed, or circulated in this state, or on any billboard, card, label, transit advertisement, or other written advertising medium, and includes envelopes, stationery, business cards, or other material designed to encourage the filing of a workers' compensation claim.

(d) Advertisements shall not employ words, initials, letters, symbols, or other devices which are so similar to those used by governmental agencies, a nonprofit or charitable institution, or other entity that they could have the capacity or tendency to mislead the public. Examples of misleading materials include, but are not limited to, those that imply any of the following:

(1) The advertisement is in some way provided by or is endorsed by a governmental agency or charitable institution.

(2) The advertiser is the same as, is connected with, or is endorsed by a governmental agency or charitable institution.

(e) Advertisements may not use the name of a state or political subdivision thereof in an advertising solicitation.

(f) Advertisements may not use any name, service mark, slogan, symbol, or any device in any manner which implies that the advertiser, or any person or entity associated with the advertiser, or that any agency who may call upon the person in response to the advertisement, is connected with a governmental agency.

(g) Advertisements may not imply that the reader, listener, or viewer may lose a right or privilege or benefits under federal, state, or local law if he or she fails to respond to the advertisement.

SEC. 136. Section 136.2 of the Penal Code is amended to read:

136.2. Upon a good cause belief that harm to, or intimidation or dissuasion of, a victim or witness has occurred or is reasonably likely to occur, any court with jurisdiction over a criminal matter may issue orders including, but not limited to, the following:

(a) Any order issued pursuant to Section 6320 of the Family Code.

(b) An order that a defendant shall not violate any provision of Section 136.1.

(c) An order that a person before the court other than a defendant, including, but not limited to, a subpoenaed witness or other person entering the courtroom of the court, shall not violate any provisions of Section 136.1.

(d) An order that any person described in this section shall have no communication whatsoever with any specified witness or any victim, except through an attorney under any reasonable restrictions that the court may impose.

(e) An order calling for a hearing to determine if an order as described in subdivisions (a) to (d), inclusive, should be issued.

(f) An order that a particular law enforcement agency within the jurisdiction of the court provide protection for a victim or a witness, or both, or for immediate family members of a victim or a witness who reside in the same household as the victim or witness or within reasonable proximity of the victim's or witness' household, as determined by the court. The order shall not be made without the consent of the law enforcement agency except for limited and specified periods of time and upon an express finding by the court of a clear and present danger of harm to the victim or witness or immediate family members of the victim or witness.

For purposes of this subdivision, "immediate family members" include the spouse, children, or parents of the victim or witness.

(g) Any order protecting victims of violent crime from contact, with the intent to annoy, harass, threaten, or commit acts of violence, by the defendant. The court or its designee shall transmit orders made under this subdivision to law enforcement personnel within one business day of the issuance of the order, pursuant to subdivision (a) of Section 6380 of the Family Code.

Any person violating any order made pursuant to subdivisions (a) to (g), inclusive, may be punished for any substantive offense described in Section 136.1, or for a contempt of the court making the order. A finding of contempt shall not be a bar to prosecution for a violation of Section 136.1. However, any person so held in contempt shall be entitled to credit for any punishment imposed therein against any sentence imposed upon conviction of an offense described in Section 136.1. Any conviction or acquittal for any substantive offense under Section 136.1 shall be a bar to a subsequent punishment for contempt arising out of the same act.

(h) (1) In all cases where the defendant is charged with a crime of domestic violence, as defined in Section 13700, the court shall consider issuing the above-described orders on its own motion. All interested parties shall receive a copy of those orders. In order to facilitate this, the court's records of all criminal cases involving domestic violence shall be marked to clearly alert the court to this issue.

(2) In those cases in which a complaint, information, or indictment charging a crime of domestic violence, as defined in Section 13700, has been issued, a restraining order or protective order against the defendant issued by the criminal court in that case has precedence over any other outstanding court order against the defendant.

(i) The Judicial Council shall adopt forms for orders under this section.

SEC. 137. Section 148.10 of the Penal Code is amended to read:

148.10. (a) Every person who willfully resists a peace officer in the discharge or attempt to discharge any duty of his or her office or employment and whose willful resistance proximately causes death or serious bodily injury to a peace officer shall be punished by imprisonment in the state prison for two, three, or four years, or by a fine of not less than one thousand dollars ($1,000) or more than ten thousand dollars ($10,000), or by both that fine and imprisonment, or by imprisonment in a county jail for not more than one year, or by a fine of not more than one thousand dollars ($1,000), or by both that fine and imprisonment.

(b) For purposes of subdivision (a), the following facts shall be found by the trier of fact:

(1) That the peace officer's action was reasonable based on the facts or circumstances confronting the officer at the time.

(2) That the detention and arrest was lawful and there existed probable cause or reasonable cause to detain.

(3) That the person who willfully resisted any peace officer knew or reasonably should have known that the other person was a peace officer engaged in the performance of his or her duties.

(c) This section does not apply to conduct that occurs during labor picketing, demonstrations, or disturbing the peace.

(d) For purposes of this section, "serious bodily injury" is defined in paragraph (4) of subdivision (f) of Section 243.

SEC. 138. Section 290 of the Penal Code is amended to read:

290. (a) (1) (A) Every person described in paragraph (2), for the rest of his or her life while residing in, or, if he or she has no residence while located within, California, shall be required to register, within five working days of coming into, or changing his or her residence in, or location within, any city, county, or city and county, or campus in which he or she temporarily resides, or in which he or she is located if he or she has no residence, as follows:

(i) With the chief of police of the city in which either he or she is residing, or within which he or she is located if he or she has no residence.

(ii) In an unincorporated area or city that has no police department, with the sheriff of the county if he or she is residing, or within which he or she is located if he or she has no residence.

(iii) In addition to clause (i) or (ii), with the chief of police of a campus of the University of California, the California State University, or community college at which he or she is residing, or within which he or she is located, including within any of the facilities of the campus, if he or she has no residence.

(B) If the person who is registering has no residence address, he or she shall update his or her registration no less than once every 90 days in addition to the requirement in subparagraph (A), on a form as may be required by the Department of Justice, with the entity or entities described in subparagraph (A) in whose jurisdiction he or she is located at the time he or she is updating the registration.

(C) Beginning on his or her first birthday following registration or change of address, the person shall be required to register annually, within five working days of his or her birthday, to update his or her registration with the entities described in subparagraph (A), including verifying his or her name and address, or temporary location, on a form as may be required by the Department of Justice.

(D) In addition, every person who is a sexually violent predator, as defined in Section 6600 of the Welfare and Institutions Code, shall, after his or her release from custody, verify his or her address no less than once every 90 days in a manner established by the Department of Justice.

(E) No entity shall require a person to pay a fee to register or update his or her registration pursuant to this section. The registering agency shall submit registrations, including annual updates or

changes of address, directly into the Department of Justice Violent Crime Information Network (VCIN).

(2) The following persons shall be required to register pursuant to paragraph (1):

(A) Any person who, since July 1, 1944, has been, or hereafter is, convicted in any court in this state or in any federal or military court of a violation of Section 207 or 209 committed with intent to violate Section 261, 286, 288, 288a, or 289, Section 220, except assault to commit mayhem, Section 243.4, paragraph (1), (2), (3), (4), or (6) of subdivision (a) of Section 261, or paragraph (1) of subdivision (a) of Section 262 involving the use of force or violence for which the person is sentenced to the state prison, Section 264.1, 266, 266c, subdivision (b) of Section 266h, subdivision (b) of Section 266i, 266j, 267, 269, 285, 286, 288, 288a, 288.5, or 289, subdivision (b), (c), or (d) of Section 311.2, Section 311.3, 311.4, 311.10, 311.11, or 647.6, former Section 647a, subdivision (c) of Section 653f, subdivision 1 or 2 of Section 314, any offense involving lewd or lascivious conduct under Section 272, or any felony violation of Section 288.2; or any person who since that date has been, or hereafter is, convicted of the attempt to commit any of the above-mentioned offenses.

(B) Any person who, since July 1, 1944, has been, or hereafter is, released, discharged, or paroled from a penal institution where he or she was confined because of the commission or attempted commission of one of the offenses described in subparagraph (A).

(C) Any person who, since July 1, 1944, has been, or hereafter is, determined to be a mentally disordered sex offender under Article 1 (commencing with Section 6300) of Chapter 2 of Part 2 of Division 6 of the Welfare and Institutions Code or any person who has been found guilty in the guilt phase of a trial for an offense for which registration is required by this section but who has been found not guilty by reason of insanity in the sanity phase of the trial.

(D) Any person who, since July 1, 1944, has been, or hereafter is, convicted in any other court, including any state, federal, or military court, of any offense which, if committed or attempted in this state, would have been punishable as one or more of the offenses described in subparagraph (A) or any person ordered by any other court, including any state, federal, or military court, to register as a sex offender for any offense, if the court found at the time of conviction or sentencing that the person committed the offense as a result of sexual compulsion or for purposes of sexual gratification.

(E) Any person ordered by any court to register pursuant to this section for any offense not included specifically in this section if the court finds at the time of conviction or sentencing that the person committed the offense as a result of sexual compulsion or for purposes of sexual gratification. The court shall state on the record the reasons for its findings and the reasons for requiring registration.

(F) (i) Notwithstanding any other subdivision, a person who was convicted before January 1, 1976, under subdivision (a) of Section 286

or Section 288a shall not be required to register pursuant to this section for that conviction if the conviction was for conduct between consenting adults that was decriminalized by Chapter 71 of the Statutes of 1975 or Chapter 1139 of the Statutes of 1976. The Department of Justice shall remove that person from the Sex Offender Registry, and the person is discharged from his or her duty to register pursuant to the following procedure:

(I) The person submits to the Department of Justice official documentary evidence, including court records or police reports, that demonstrates that the person's conviction pursuant to either of those sections was for conduct between consenting adults that was decriminalized; or

(II) The person submits to the department a declaration stating that the person's conviction pursuant to either of those sections was for consensual conduct between adults that has been decriminalized. The declaration shall be confidential and not a public record, and shall include the person's name, address, telephone number, date of birth, and a summary of the circumstances leading to the conviction, including the date of the conviction and county of the occurrence.

(III) The department shall determine whether the person's conviction was for conduct between consensual adults that has been decriminalized. If the conviction was for consensual conduct between adults that has been decriminalized, and the person has no other offenses for which he or she is required to register pursuant to this section, the department shall, within 60 days of receipt of those documents, notify the person that he or she is relieved of the duty to register, and shall notify the local law enforcement agency with which the person is registered that he or she has been relieved of the duty to register. The local law enforcement agency shall remove the person's registration from its files within 30 days of receipt of notification. If the documentary or other evidence submitted is insufficient to establish the person's claim, the department shall, within 60 days of receipt of those documents, notify the person that his or her claim cannot be established, and that the person shall continue to register pursuant to this section. The department shall provide, upon the person's request, any information relied upon by the department in making its determination that the person shall continue to register pursuant to this section. Any person whose claim has been denied by the department pursuant to this clause may petition the court to appeal the department's denial of the person's claim.

(ii) On or before July 1, 1998, the department shall make a report to the Legislature concerning the status of persons who may come under the provisions of this subparagraph, including the number of persons who were convicted before January 1, 1976, under subdivision (a) of Section 286 or Section 288a and are required to register under this section, the average age of these persons, the number of these persons who have any subsequent convictions for a

registerable sex offense, and the number of these persons who have sought successfully or unsuccessfully to be relieved of their duty to register under this section.

(b) (1) Any person who is released, discharged, or paroled from a jail, state or federal prison, school, road camp, or other institution where he or she was confined because of the commission or attempted commission of one of the offenses specified in subdivision (a) or is released from a state hospital to which he or she was committed as a mentally disordered sex offender under Article 1 (commencing with Section 6300) of Chapter 2 of Part 2 of Division 6 of the Welfare and Institutions Code, shall, prior to discharge, parole, or release, be informed of his or her duty to register under this section by the official in charge of the place of confinement or hospital, and the official shall require the person to read and sign any form that may be required by the Department of Justice, stating that the duty of the person to register under this section has been explained to the person. The official in charge of the place of confinement or hospital shall obtain the address where the person expects to reside upon his or her discharge, parole, or release and shall report the address to the Department of Justice.

(2) The official in charge of the place of confinement or hospital shall give one copy of the form to the person and shall send one copy to the Department of Justice and one copy to the appropriate law enforcement agency or agencies having jurisdiction over the place the person expects to reside upon discharge, parole, or release. If the conviction that makes the person subject to this section is a felony conviction, the official in charge shall, not later than 45 days prior to the scheduled release of the person, send one copy to the appropriate law enforcement agency or agencies having local jurisdiction where the person expects to reside upon discharge, parole, or release; one copy to the prosecuting agency that prosecuted the person; and one copy to the Department of Justice. The official in charge of the place of confinement shall retain one copy.

(c) Any person who is convicted in this state of the commission or attempted commission of any of the offenses specified in subdivision (a) and who is released on probation, granted conditional release without supervised probation, or discharged upon payment of a fine shall, prior to release or discharge, be informed of the duty to register under this section by the probation department, and a probation officer shall require the person to read and sign any form that may be required by the Department of Justice, stating that the duty of the person to register under this section has been explained to him or her. The probation officer shall obtain the address where the person expects to reside upon release or discharge and shall report within three days the address to the Department of Justice. The probation officer shall give one copy of the form to the person, send one copy to the Department of Justice, and forward one copy to the appropriate law enforcement agency or agencies having local

jurisdiction where the person expects to reside upon his or her discharge, parole, or release.

(d) (1) Any person who, on or after January 1, 1986, is discharged or paroled from the Department of the Youth Authority to the custody of which he or she was committed after having been adjudicated a ward of the juvenile court pursuant to Section 602 of the Welfare and Institutions Code because of the commission or attempted commission of any offense described in paragraph (3) shall be subject to registration under the procedures of this section.

(2) Any person who is discharged or paroled from a facility in another state that is equivalent to the Department of the Youth Authority, to the custody of which he or she was committed because of an offense which, if committed or attempted in this state, would have been punishable as one or more of the offenses described in paragraph (3), shall be subject to registration under the procedures of this section.

(3) Any person described in this subdivision who committed an offense in violation of any of the following provisions shall be required to register pursuant to this section:

(A) Assault with intent to commit rape, sodomy, oral copulation, or any violation of Section 264.1, 288, or 289 under Section 220.

(B) Any offense defined in paragraph (1), (2), (3), (4), or (6) of subdivision (a) of Section 261, Section 264.1, 266c, or 267, paragraph (1) of subdivision (b) of, or subdivision (c) or (d) of, Section 286, Section 288 or 288.5, paragraph (1) of subdivision (b) of, or subdivision (c) or (d) of, Section 288a, subdivision (a) of Section 289, or Section 647.6.

(C) A violation of Section 207 or 209 committed with the intent to violate Section 261, 286, 288, 288a, or 289.

(4) Prior to discharge or parole from the Department of the Youth Authority, any person who is subject to registration under this subdivision shall be informed of the duty to register under the procedures set forth in this section. Department of the Youth Authority officials shall transmit the required forms and information to the Department of Justice.

(5) All records specifically relating to the registration in the custody of the Department of Justice, law enforcement agencies, and other agencies or public officials shall be destroyed when the person who is required to register has his or her records sealed under the procedures set forth in Section 781 of the Welfare and Institutions Code. This subdivision shall not be construed as requiring the destruction of other criminal offender or juvenile records relating to the case that are maintained by the Department of Justice, law enforcement agencies, the juvenile court, or other agencies and public officials unless ordered by a court under Section 781 of the Welfare and Institutions Code.

(e) (1) On or after January 1, 1998, upon incarceration, placement, or commitment, or prior to release on probation, any

person who is required to register under this section shall preregister. The preregistering official shall be the admitting officer at the place of incarceration, placement, or commitment, or the probation officer if the person is to be released on probation. The preregistration shall consist of all of the following:

(A) A preregistration statement in writing, signed by the person, giving information that may be required by the Department of Justice.

(B) The fingerprints and photograph of the person.

(2) Any person who is preregistered pursuant to this subdivision is required to be preregistered only once.

(3) A person described in paragraph (2) of subdivision (a) shall register, or reregister if the person has previously registered, upon release from incarceration, placement, or commitment, pursuant to paragraph (1) of subdivision (a). The registration shall consist of all of the following:

(A) A statement in writing signed by the person, giving information as may be required by the Department of Justice.

(B) The fingerprints and photograph of the person.

(C) The license plate number of any vehicle owned by, regularly driven by, or registered in the name of, the person.

(D) Notice to the person that, in addition to the requirements of subdivision (f), he or she may have a duty to register in any other state where he or she may relocate.

(E) Copies of adequate proof of residence, which shall be limited to a California driver's license, California identification card, recent rent or utility receipt, printed personalized checks or other recent banking documents showing that person's name and address, or any other information that the registering official believes is reliable. If the person has no residence and no reasonable expectation of obtaining a residence in the foreseeable future, the person shall so advise the registering official and shall sign a statement provided by the registering official stating that fact. Upon presentation of proof of residence to the registering official or a signed statement that the person has no residence, the person shall be allowed to register. If the person claims that he or she has a residence but does not have any proof of residence, he or she shall be allowed to register but shall furnish proof of residence within 30 days of the day he or she is allowed to register. If a registrant fails to furnish proof of residence within this 30-day period, he or she shall be guilty of a misdemeanor.

(4) Within three days thereafter, the preregistering official or the registering law enforcement agency or agencies shall forward the statement, fingerprints, photograph, and vehicle license plate number, if any, to the Department of Justice.

(f) (1) If any person who is required to register pursuant to this section changes his or her residence address or location, whether within the jurisdiction in which he or she is currently registered or to a new jurisdiction inside or outside the state, the person shall

inform, in writing within five working days, the law enforcement agency or agencies with which he or she last registered of the new address or location. The law enforcement agency or agencies shall, within three days after receipt of this information, forward a copy of the change of address or location information to the Department of Justice. The Department of Justice shall forward appropriate registration data to the law enforcement agency or agencies having local jurisdiction of the new place of residence or location.

(2) If the person's new address is in a Department of the Youth Authority facility or a state prison or state mental institution, an official of the place of incarceration, placement, or commitment shall, within 90 days of receipt of the person, forward the registrant's change of address information to the Department of Justice. The agency need not provide a physical address for the registrant but shall indicate that he or she is serving a period of incarceration or commitment in a facility under the agency's jurisdiction. This paragraph shall apply to persons received in a Department of the Youth Authority facility or a state prison or state mental institution on or after January 1, 1999. The Department of Justice shall forward the change of address information to the agency with which the person last registered.

(3) If any person who is required to register pursuant to this section changes his or her name, the person shall inform, in person, the law enforcement agency or agencies with which he or she is currently registered within five working days. The law enforcement agency or agencies shall forward a copy of this information to the Department of Justice within three days of its receipt.

(g) (1) Any person who is required to register under this section based on a misdemeanor conviction who willfully violates any requirement of this section is guilty of a misdemeanor punishable by imprisonment in a county jail not exceeding one year.

(2) Except as provided in paragraph (5), any person who is required to register under this section based on a felony conviction who willfully violates any requirement of this section or who has a prior conviction for the offense of failing to register under this section and who subsequently and willfully violates any requirement of this section is guilty of a felony and shall be punished by imprisonment in the state prison for 16 months, or two or three years.

If probation is granted or if the imposition or execution of sentence is suspended, it shall be a condition of the probation or suspension that the person serve at least 90 days in a county jail. The penalty described in this paragraph shall apply whether or not the person has been released on parole or has been discharged from parole.

(3) Any person determined to be a mentally disordered sex offender or who has been found guilty in the guilt phase of trial for an offense for which registration is required under this section, but who has been found not guilty by reason of insanity in the sanity phase of the trial, who willfully violates any requirement of this

section is guilty of a misdemeanor and shall be punished by imprisonment in a county jail not exceeding one year. For any second or subsequent willful violation of any requirement of this section, the person is guilty of a felony and shall be punished by imprisonment in the state prison for 16 months, or two or three years.

(4) If, after discharge from parole, the person is convicted of a felony as specified in this subdivision, he or she shall be required to complete parole of at least one year, in addition to any other punishment imposed under this subdivision. A person convicted of a felony as specified in this subdivision may be granted probation only in the unusual case where the interests of justice would best be served. When probation is granted under this paragraph, the court shall specify on the record and shall enter into the minutes the circumstances indicating that the interests of justice would best be served by the disposition.

(5) Any person who, as a sexually violent predator, as defined in Section 6600 of the Welfare and Institutions Code, fails to verify his or her registration every 90 days as required pursuant to subparagraph (D) of paragraph (1) of subdivision (a), shall be punished by imprisonment in the state prison, or in a county jail, not exceeding one year.

(6) Except as otherwise provided in paragraph (5), and in addition to any other penalty imposed under this subdivision, any person who is required pursuant to subparagraph (B) of paragraph (1) of subdivision (a) to update his or her registration every 90 days and willfully fails to update his or her registration is guilty of a misdemeanor and shall be punished by imprisonment in a county jail not exceeding six months. Any subsequent violation of this requirement that persons described in subparagraph (B) of paragraph (1) of subdivision (a) shall update their registration every 90 days is also a misdemeanor and shall be punished by imprisonment in a county jail not exceeding six months.

(7) Any person who is required to register under this section who willfully violates any requirement of this section is guilty of a continuing offense.

(h) Whenever any person is released on parole or probation and is required to register under this section but fails to do so within the time prescribed, the parole authority, the Youthful Offender Parole Board, or the court, as the case may be, shall order the parole or probation of the person revoked. For purposes of this subdivision, "parole authority" has the same meaning as described in Section 3000.

(i) Except as provided in subdivisions (m) and (n) and Section 290.4, the statements, photographs, and fingerprints required by this section shall not be open to inspection by the public or by any person other than a regularly employed peace officer or other law enforcement officer.

(j) In any case in which a person who would be required to register pursuant to this section for a felony conviction is to be temporarily sent outside the institution where he or she is confined on any assignment within a city or county including firefighting, disaster control, or of whatever nature the assignment may be, the local law enforcement agency having jurisdiction over the place or places where the assignment shall occur shall be notified within a reasonable time prior to removal from the institution. This subdivision shall not apply to any person who is temporarily released under guard from the institution where he or she is confined.

(k) As used in this section, "mentally disordered sex offender" includes any person who has been determined to be a sexual psychopath or a mentally disordered sex offender under any provision which, on or before January 1, 1976, was contained in Division 6 (commencing with Section 6000) of the Welfare and Institutions Code.

(*l*) (1) Every person who, prior to January 1, 1997, is required to register under this section, shall be notified whenever he or she next reregisters of the reduction of the registration period from 14 to 5 working days. This notice shall be provided in writing by the registering agency or agencies. Failure to receive this notification shall be a defense against the penalties prescribed by subdivision (g) if the person did register within 14 days.

(2) Every person who, as a sexually violent predator, as defined in Section 6600 of the Welfare and Institutions Code, is required to verify his or her registration every 90 days, shall be notified wherever he or she next registers of his or her increased registration obligations. This notice shall be provided in writing by the registering agency or agencies. Failure to receive this notice shall be a defense against the penalties prescribed by paragraph (5) of subdivision (g).

(m) (1) When a peace officer reasonably suspects, based on information that has come to his or her attention through information provided by any peace officer or member of the public, that a child or other person may be at risk from a sex offender convicted of a crime listed in paragraph (1) of subdivision (a) of Section 290.4, a law enforcement agency may, notwithstanding any other provision of law, provide any of the information specified in paragraph (4) of this subdivision about that registered sex offender that the agency deems relevant and necessary to protect the public, to the following persons, agencies, or organizations the offender is likely to encounter, including, but not limited to, the following:

(A) Public and private educational institutions, day care establishments, and establishments and organizations that primarily serve individuals likely to be victimized by the offender.

(B) Other community members at risk.

(2) The law enforcement agency may authorize persons and entities who receive the information pursuant to paragraph (1) to

disclose information to additional persons only if the agency does the following:

(A) Determines that all conditions set forth in paragraph (1) have been satisfied regarding disclosure to the additional persons.

(B) Identifies the appropriate scope of further disclosure.

(3) Persons notified pursuant to paragraph (1) may disclose the information provided by the law enforcement agency in the manner and to the extent authorized by the law enforcement agency.

(4) The information that may be disclosed pursuant to this section includes the following:

(A) The offender's full name.

(B) The offender's known aliases.

(C) The offender's gender.

(D) The offender's race.

(E) The offender's physical description.

(F) The offender's photograph.

(G) The offender's date of birth.

(H) Crimes resulting in registration under this section.

(I) The offender's address, which must be verified prior to publication.

(J) Description and license plate number of offender's vehicles or vehicles the offender is known to drive.

(K) Type of victim targeted by the offender.

(L) Relevant parole or probation conditions, such as one prohibiting contact with children.

(M) Dates of crimes resulting in classification under this section.

(N) Date of release from confinement.

However, information disclosed pursuant to this subdivision shall not include information that would identify the victim.

(5) If a law enforcement agency discloses information pursuant to this subdivision, it shall include, with the disclosure, a statement that the purpose of the release of the information is to allow members of the public to protect themselves and their children from sex offenders.

(6) For purposes of this section, "likely to encounter" means both of the following:

(A) That the agencies, organizations, or other community members are in a location or in close proximity to a location where the offender lives or is employed, or that the offender visits or is likely to visit on a regular basis.

(B) The types of interaction that ordinarily occur at that location and other circumstances indicate that contact with the offender is reasonably probable.

(7) For purposes of this section, "reasonably suspects" means that it is objectively reasonable for a peace officer to entertain a suspicion, based upon facts that could cause a reasonable person in a like position, drawing when appropriate on his or her training and experience, to suspect that a child or other person is at risk.

(8) For purposes of this section, "at risk" means that a person is, or may be exposed to, a risk of becoming a victim of a sex offense committed by the offender.

(9) A law enforcement agency may continue to disclose information about an offender under this subdivision for as long as the offender is included in Section 290.4.

(n) In addition to the procedures set forth elsewhere in this section, a designated law enforcement entity may advise the public of the presence of high-risk sex offenders in its community pursuant to this subdivision.

(1) For purposes of this subdivision:

(A) A high-risk sex offender is a person who has been convicted of an offense specified in paragraph (1) of subdivision (a) of Section 290.4 and meets any of the following criteria:

(i) Has been convicted of three or more violent sex offenses, at least two of which were brought and tried separately.

(ii) Has been convicted of two violent sex offenses and one or more violent nonsex offenses, at least two of which were brought and tried separately.

(iii) Has been convicted of one violent sex offense and two or more violent nonsex offenses, at least two of which were brought and tried separately.

(iv) Has been convicted of either two violent sex offenses or one violent sex offense and one violent nonsex offense, at least two of which were brought and tried separately, and has been arrested on separate occasions for three or more violent sex offenses, violent nonsex offenses, or associated offenses.

(v) Has been adjudicated a sexually violent predator pursuant to Article 4 (commencing with Section 6600) of Chapter 2 of Part 2 of Division 6 of the Welfare and Institutions Code.

(B) A violent sex offense means any offense defined in Section 220, except attempt to commit mayhem, 261, 264.1, 286, 288, 288a, 288.5, 289, or 647.6, or infliction of great bodily injury during the commission of a sex offense, as provided in Section 12022.8.

(C) A violent nonsex offense means any offense defined in Section 187, subdivision (a) of Section 192, or Section 203, 206, 207, or 236, provided that the offense is a felony, subdivision (a) of Section 273a, Section 273d or 451, or attempted murder, as defined in Sections 187 and 664.

(D) An associated offense means any offense defined in Section 243.4, provided that the offense is a felony, Section 311.1, 311.2, 311.3, 311.4, 311.5, 311.6, 311.7, or 314, Section 459, provided the offense is of the first degree, Section 597 or 646.9, subdivision (d), (h), or (i) of Section 647, Section 653m, or infliction of great bodily injury during the commission of a felony, as defined in Section 12022.7.

(E) For purposes of subparagraphs (B) to (D), inclusive, an arrest or conviction for the statutory predecessor of any of the enumerated offenses, or an arrest or conviction in any other jurisdiction for any

offense that, if committed or attempted in this state, would have been punishable as one or more of the offenses described in those subparagraphs, is to be considered in determining whether an offender is a high-risk sex offender.

(F) For purposes of subparagraphs (B) to (D), inclusive, an arrest as a juvenile or an adjudication as a ward of the juvenile court within the meaning of Section 602 of the Welfare and Institutions Code for any of the offenses described in those subparagraphs is to be considered in determining whether an offender is a high-risk sex offender.

(G) Notwithstanding subparagraphs (A) to (D), inclusive, an offender shall not be considered to be a high-risk sex offender if either of the following apply:

(i) The offender's most recent conviction or arrest for an offense described in subparagraphs (B) to (D), inclusive, occurred more than five years prior to the high-risk assessment by the Department of Justice, excluding periods of confinement.

(ii) The offender notifies the Department of Justice, on a form approved by the department and available at any sheriff's office, that he or she has not been convicted in the preceding 15 years, excluding periods of confinement, of an offense for which registration is required under paragraph (2) of subdivision (a), and the department is able, upon exercise of reasonable diligence, to verify the information provided in paragraph (2).

(H) "Confinement" means confinement in a jail, prison, school, road camp, or other penal institution, confinement in a state hospital to which the offender was committed as a mentally disordered sex offender under Article 1 (commencing with Section 6300) of Chapter 2 of Part 2 of Division 6 of the Welfare and Institutions Code, or confinement in a facility designated by the Director of Mental Health to which the offender was committed as a sexually violent predator under Article 4 (commencing with Section 6600) of Chapter 2 of Part 2 of Division 6 of the Welfare and Institutions Code.

(I) "Designated law enforcement entity" means any of the following: a municipal police department, sheriff's department, district attorney's office, county probation department, Department of Justice, Department of Corrections, Department of the Youth Authority, Department of the California Highway Patrol, or the police department of any campus of the University of California, the California State University, or any community college.

(2) The Department of Justice shall continually search the records provided to it pursuant to subdivision (b) and identify, on the basis of those records, high-risk sex offenders. Four times each year, the department shall provide to each chief of police and sheriff in the state, and to any other designated law enforcement entity upon request, the following information regarding each identified high-risk sexual offender: full name, known aliases, gender, race,

physical description, photograph, date of birth, and crimes resulting in classification under this section.

(3) The Department of Justice and any designated law enforcement entity to which notice has been given pursuant to paragraph (2) may cause to be made public, by whatever means the agency deems necessary to ensure the public safety, based upon information available to the agency concerning a specific person, including, but not limited to, the information described in paragraph (2); the offender's address, which shall be verified prior to publication; description and license plate number of the offender's vehicles or vehicles the offender is known to drive; type of victim targeted by the offender; relevant parole or probation conditions, such as one prohibiting contact with children; dates of crimes resulting in classification under this section; and date of release from confinement; but excluding information that would identify the victim.

(4) Notwithstanding any other provision of law, any person described in paragraph (2) of subdivision (p) who receives information from a designated law enforcement entity pursuant to paragraph (3) of subdivision (n) may disclose that information in the manner and to the extent authorized by the law enforcement entity.

(o) Agencies disseminating information to the public pursuant to Section 290.4 shall maintain records of those persons requesting to view the CD-ROM or other electronic media for a minimum of five years. Agencies disseminating information to the public pursuant to subdivision (n) shall maintain records of the means and dates of dissemination for a minimum of five years.

(p) (1) Any law enforcement agency and employees of any law enforcement agency shall be immune from liability for good faith conduct under this section. For the purposes of this section, "law enforcement agency" means the Attorney General of California, every district attorney, and every state or local agency expressly authorized by statute to investigate or prosecute law violators.

(2) Any public or private educational institution, day care facility, or any child care custodian described in Section 11165.7, or any employee of a public or private educational institution or day care facility which in good faith disseminates information as authorized pursuant to paragraph (3) of subdivision (m) or paragraph (4) of subdivision (n) that is provided by a law enforcement agency or an employee of a law enforcement agency shall be immune from civil liability.

(q) Any person who uses information disclosed pursuant to this section to commit a felony shall be punished, in addition and consecutive to any other punishment, by a five-year term of imprisonment in the state prison. Any person who uses information disclosed pursuant to this section to commit a misdemeanor shall be subject to, in addition to any other penalty or fine imposed, a fine of

not less than five hundred dollars ($500) and not more than one thousand dollars ($1,000).

(r) The registration and public notification provisions of this section are applicable to every person described in this section, without regard to when his or her crimes were committed or his or her duty to register pursuant to this section arose, and to every offense described in this section, regardless of when it was committed.

SEC. 139. Section 298 of the Penal Code is amended to read:

298. (a) The Director of Corrections, or the Chief Administrative Officer of the detention facility, jail, or other facility at which the blood specimens, saliva samples, and thumb and palm print impressions were collected shall cause these specimens, samples, and print impressions to be forwarded promptly to the Department of Justice. The specimens, samples, and print impressions shall be collected by a person using a Department of Justice approved collection kit and in accordance with the requirements and procedures set forth in subdivision (b).

(b) (1) The Department of Justice shall provide all blood specimen vials, mailing tubes, labels, and instructions for the collection of the blood specimens, saliva samples, and thumbprints. The specimens, samples, and thumbprints shall thereafter be forwarded to the DNA Laboratory of the Department of Justice for analysis of DNA and other forensic identification markers.

Additionally, the Department of Justice shall provide all full palm print cards, mailing envelopes, and instructions for the collection of full palm prints. The full palm prints, on a form prescribed by the Department of Justice, shall thereafter be forwarded to the Department of Justice for maintenance in a file for identification purposes.

(2) The withdrawal of blood shall be performed in a medically approved manner. Only health care providers trained and certified to draw blood may withdraw the blood specimens for purposes of this section.

(3) Right thumbprints and a full palm print impression of each hand shall be taken on forms prescribed by the Department of Justice. The palm print forms shall be forwarded to and maintained by the Bureau of Criminal Identification and Information of the Department of Justice. Right thumbprints also shall be taken at the time of the withdrawal of blood and shall be placed on the forms and the blood vial label. The blood vial and thumbprint forms shall be forwarded to and maintained by the DNA Laboratory of the Department of Justice.

(4) The DNA Laboratory of the Department of Justice is responsible for establishing procedures for entering data bank and data base information.

(c) (1) Persons authorized to draw blood under this chapter for the data bank or data base shall not be civilly or criminally liable

either for withdrawing blood when done in accordance with medically accepted procedures, or for obtaining saliva samples or thumb or palm print impressions when performed in accordance with standard professional practices.

(2) There is no civil or criminal cause of action against any law enforcement agency or the Department of Justice, or any employee thereof, for a mistake in placing an entry in a data bank or a data base.

SEC. 140. Section 299 of the Penal Code is amended to read:

299. (a) A person whose DNA profile has been included in the data bank pursuant to this chapter shall have his or her information and materials expunged from the data bank when the underlying conviction or disposition serving as the basis for including the DNA profile has been reversed and the case dismissed, the defendant has been found factually innocent of the underlying offense pursuant to Section 851.8, the defendant has been found not guilty, or the defendant has been acquitted of the underlying offense. The court issuing the reversal, dismissal, or acquittal shall order the expungement and shall send a copy of that order to the Department of Justice DNA Laboratory Director. Upon receipt of the court order, the Department of Justice shall expunge all identifiable information in the data bank and any criminal identification records pertaining to the person.

(b) (1) A person whose DNA profile has been included in a data bank pursuant to this chapter may make a written request to expunge information and materials from the data bank. The person requesting the data bank entry to be expunged must send a copy of his or her request to the trial court that entered the conviction or rendered disposition in the case, to the DNA Laboratory of the Department of Justice, and to the prosecuting attorney of the county in which he or she was convicted, with proof of service on all parties. The court has the discretion to grant or deny the request for expungement. The denial of a request for expungement is a nonappealable order and shall not be reviewed by petition for writ.

(2) Except as provided below, the Department of Justice shall expunge all identifiable information in the data bank and any criminal identification records pertaining to the person upon receipt of a court order that verifies the applicant has made the necessary showing at a noticed hearing, and that includes all of the following:

(A) The written request for expungement pursuant to this section.

(B) A certified copy of the court order reversing and dismissing the conviction, or a letter from the district attorney certifying that the defendant has been found factually innocent, the defendant has been found not guilty, the defendant has been acquitted of the underlying offense, or the underlying conviction has been reversed and the case dismissed.

(C) Proof of written notice to the prosecuting attorney and the Department of Justice that expungement has been requested.

(D) A court order verifying that no retrial or appeal of the case is pending, that it has been at least 180 days since the defendant notified the prosecuting attorney and the Department of Justice of the expungement request, and that the court has not received an objection from the Department of Justice or the prosecuting attorney.

(c) Upon order of the court, the Department of Justice shall destroy any specimen or sample collected from the person and any criminal identification records pertaining to the person, unless the department determines that the person has otherwise become obligated to submit a blood specimen as a result of a separate conviction, juvenile adjudication, or finding of guilty or not guilty by reason of insanity for an offense described in subdivision (a) of Section 296, or as a condition of a plea.

The Department of Justice is not required to destroy an autoradiograph or other item obtained from a blood specimen if evidence relating to another person subject to the provisions of this chapter would thereby be destroyed.

Any identification, warrant, probable cause to arrest, or arrest based upon a data bank match is not invalidated due to a failure to expunge or a delay in expunging records.

(d) The DNA Laboratory of the Department of Justice shall review its data bank to determine whether it contains DNA profiles from persons who are no longer suspects in a criminal case. Evidence accumulated pursuant to this chapter from any crime scene with respect to a particular person shall be stricken from the data bank when it is determined that the person is no longer a suspect in the case.

SEC. 141. Section 299.6 of the Penal Code is amended to read:

299.6. (a) This chapter does not prohibit the sharing or disseminating of population data base or data bank information with any of the following:

(1) Federal, state, or local law enforcement agencies.

(2) Crime laboratories, whether public or private, that serve federal, state, and local law enforcement agencies that have been approved by the Department of Justice.

(3) The attorney general's office of any state.

(4) Any third party that the Department of Justice deems necessary to assist the department's crime laboratory with statistical analyses of the population data base or to assist in the recovery or identification of human remains for humanitarian purposes, including identification of missing persons.

(b) This chapter does not prohibit the sharing or disseminating of protocol and forensic DNA analysis methods and quality control procedures with any of the following:

(1) Federal, state, or local law enforcement agencies.

(2) Crime laboratories, whether public or private, that serve federal, state, and local law enforcement agencies that have been approved by the Department of Justice.

(3) The attorney general's office of any state.

(4) Any third party that the Department of Justice deems necessary to assist the department's crime laboratory with analyses of forensic protocol, research methods, or quality control procedures.

(c) The population data base and data bank of the DNA Laboratory of the Department of Justice may be made available to and searched by the FBI and any other agency participating in the FBI's CODIS System.

(d) The Department of Justice may provide portions of the blood specimens and saliva samples collected pursuant to this chapter to local public DNA laboratories for identification purposes, provided that the privacy provisions of this section are followed by the local laboratory and that all of the following conditions are met:

(1) The procedures used by the local public DNA laboratory for the handling of specimens and samples and the disclosure of results are the same as those established by the Department of Justice pursuant to Sections 297, 298, and 299.5.

(2) The methodologies and procedures used by the local public DNA laboratory for DNA or forensic identification analysis are compatible with those established by the Department of Justice pursuant to subdivision (i) of Section 299.5, or otherwise are determined by the Department of Justice to be valid and appropriate for identification purposes.

(3) Only tests of value to law enforcement for identification purposes are performed, and a copy of the results of the analysis is sent to the Department of Justice.

(4) All provisions of this section concerning privacy and security are followed.

(5) The local public DNA laboratory assumes all costs of securing the specimens and samples and provides appropriate tubes, labels, and instructions necessary to secure the samples.

(e) Any local public DNA laboratory that collects DNA typing information shall comply with and be subject to all of the rules, regulations, and restrictions of this chapter and shall follow the policies of the DNA Laboratory of the Department of Justice.

SEC. 142. Section 350 of the Penal Code is amended to read:

350. (a) Any person who willfully manufactures, intentionally sells, or knowingly possesses for sale any counterfeit of a mark registered with the Secretary of State or registered on the Principal Register of the United States Patent and Trademark Office, shall, upon conviction, be punishable as follows:

(1) When the offense involves less than 1,000 of the articles described in this subdivision, with a total retail or fair market value less than that required for grand theft as defined in Section 487, and if the person is an individual, he or she shall be punished by a fine of

not more than five thousand dollars ($5,000), or by imprisonment in a county jail for not more than one year, or by both that fine and imprisonment; or, if the person is a corporation, by a fine of not more than one hundred thousand dollars ($100,000).

(2) When the offense involves 1,000 or more of the articles described in this subdivision, or has a total retail or fair market value equal to or greater than that required for grand theft as defined in Section 487, and if the person is an individual, he or she shall be punished by imprisonment in a county jail not to exceed one year, or in the state prison for 16 months, or two or three years, or by a fine not to exceed two hundred fifty thousand dollars ($250,000), or by both that imprisonment and fine; or, if the person is a corporation, by a fine not to exceed five hundred thousand dollars ($500,000).

(b) Any person who has been convicted of a violation of either paragraph (1) or (2) of subdivision (a) shall, upon a subsequent conviction of paragraph (1) of subdivision (a), if the person is an individual, be punished by a fine of not more than fifty thousand dollars ($50,000), or by imprisonment in a county jail for not more than one year, or in the state prison for 16 months, or two or three years, or by both that fine and imprisonment; or, if the person is a corporation, by a fine of not more than two hundred thousand dollars ($200,000).

(c) Any person who has been convicted of a violation of subdivision (a) and who, by virtue of the conduct that was the basis of the conviction, has directly and foreseeably caused death or great bodily injury to another through reliance on the counterfeited item for its intended purpose shall, if the person is an individual, be punished by a fine of not more than fifty thousand dollars ($50,000), or by imprisonment in the state prison for two, three, or four years, or by both that fine and imprisonment; or, if the person is a corporation, by a fine of not more than two hundred thousand dollars ($200,000).

(d) In any action brought under this section resulting in a conviction or a plea of nolo contendere, the court shall order the forfeiture and destruction of all of those marks and of all goods, articles, or other matter bearing the marks, and the forfeiture and destruction or other disposition of all means of making the marks, and any and all electrical, mechanical, or other devices for manufacturing, reproducing, transporting, or assembling these marks, that were used in connection with, or were part of, any violation of this section. However, no vehicle shall be forfeited under this section that may be lawfully driven on the highway with a class 3 or 4 license, as prescribed in Section 12804 of the Vehicle Code, and that is any of the following:

(1) A community property asset of a person other than the defendant.

(2) The sole class 3 or 4 vehicle available to the immediate family of that person or of the defendant.

(3) Reasonably necessary to be retained by the defendant for the purpose of lawfully earning a living, or for any other reasonable and lawful purpose.

(e) For the purposes of this section, the following definitions shall apply:

(1) When counterfeited but unassembled components of computer software packages are recovered, including, but not limited to, counterfeited computer diskettes, instruction manuals, or licensing envelopes, the number of "articles" shall be equivalent to the number of completed computer software packages that could have been made from those components.

(2) "Counterfeit mark" means a spurious mark that is identical with, or confusingly similar to, a registered mark and is used on or in connection with the same type of goods or services for which the genuine mark is registered. It is not necessary for the mark to be displayed on the outside of an article for there to be a violation. For articles containing digitally stored information, it shall be sufficient to constitute a violation if the counterfeit mark appears on a video display when the information is retrieved from the article. The term "spurious mark" includes genuine marks used on or in connection with spurious articles and includes identical articles containing identical marks, where the goods or marks were reproduced without authorization of, or in excess of any authorization granted by, the registrant.

(3) "Knowingly possess" means that the person possessing an article knew or had reason to believe that it was spurious, or that it was used on or in connection with spurious articles, or that it was reproduced without authorization of, or in excess of any authorization granted by, the registrant.

(4) "Registrant" means any person to whom the registration of a mark is issued and that person's legal representatives, successors, or assigns.

(5) "Sale" includes resale.

(6) "Value" has the following meanings:

(A) When counterfeit items of computer software are manufactured or possessed for sale, the "value" of those items shall be equivalent to the retail price or fair market price of the true items that are counterfeited.

(B) When counterfeited but unassembled components of computer software packages are recovered, including, but not limited to, counterfeited digital disks, instruction manuals, or licensing envelopes, the "value" of those components of computer software packages shall be equivalent to the retail price or fair market value of the number of completed computer software packages that could have been made from those components.

(C) "Retail or fair market value" of a counterfeit article means a value equivalent to the retail price or fair market value, as of the last

day of the charged crime, of a completed similar genuine article containing a genuine mark.

(f) This section shall not be enforced against any party who has adopted and lawfully used the same or confusingly similar mark in the rendition of like services or the manufacture or sale of like goods in this state from a date prior to the earliest effective date of registration of the service mark or trademark either with the Secretary of State or on the Principle Register of the United States Patent and Trademark Office.

(g) An owner, officer, employee, or agent who provides, rents, leases, licenses, or sells real property upon which a violation of subdivision (a) occurs shall not be subject to a criminal penalty pursuant to this section, unless he or she sells, or possesses for sale, articles bearing a counterfeit mark in violation of this section. This subdivision shall not be construed to abrogate or limit any civil rights or remedies for a trademark violation.

SEC. 143. Section 550 of the Penal Code is amended to read:

550. (a) It is unlawful to do any of the following, or to aid, abet, solicit, or conspire with any person to do any of the following:

(1) Knowingly present or cause to be presented any false or fraudulent claim for the payment of a loss or injury, including payment of a loss or injury under a contract of insurance.

(2) Knowingly present multiple claims for the same loss or injury, including presentation of multiple claims to more than one insurer, with an intent to defraud.

(3) Knowingly cause or participate in a vehicular collision, or any other vehicular accident, for the purpose of presenting any false or fraudulent claim.

(4) Knowingly present a false or fraudulent claim for the payments of a loss for theft, destruction, damage, or conversion of a motor vehicle, a motor vehicle part, or contents of a motor vehicle.

(5) Knowingly prepare, make, or subscribe any writing, with the intent to present or use it, or to allow it to be presented, in support of any false or fraudulent claim.

(6) Knowingly make or cause to be made any false or fraudulent claim for payment of a health care benefit.

(7) Knowingly submit a claim for a health care benefit that was not used by, or on behalf of, the claimant.

(8) Knowingly present multiple claims for payment of the same health care benefit with an intent to defraud.

(9) Knowingly present for payment any undercharges for health care benefits on behalf of a specific claimant unless any known overcharges for health care benefits for that claimant are presented for reconciliation at that same time.

(10) For purposes of paragraphs (6) to (9), inclusive, a claim or a claim for payment of a health care benefit also means a claim or claim for payment submitted by or on the behalf of a provider of any workers' compensation health benefits under the Labor Code.

(b) It is unlawful to do, or to knowingly assist or conspire with any person to do, any of the following:

(1) Present or cause to be presented any written or oral statement as part of, or in support of or opposition to, a claim for payment or other benefit pursuant to an insurance policy, knowing that the statement contains any false or misleading information concerning any material fact.

(2) Prepare or make any written or oral statement that is intended to be presented to any insurer or any insurance claimant in connection with, or in support of or opposition to, any claim or payment or other benefit pursuant to an insurance policy, knowing that the statement contains any false or misleading information concerning any material fact.

(3) Conceal, or knowingly fail to disclose the occurrence of, an event that affects any person's initial or continued right or entitlement to any insurance benefit or payment, or the amount of any benefit or payment to which the person is entitled.

(4) Prepare or make any written or oral statement, intended to be presented to any insurer or producer for the purpose of obtaining a motor vehicle insurance policy, that the person to be the insured resides or is domiciled in this state when, in fact, that person resides or is domiciled in a state other than this state.

(c) (1) Every person who violates paragraph (1), (2), (3), (4), or (5) of subdivision (a) is guilty of a felony punishable by imprisonment in the state prison for two, three, or five years, and by a fine not exceeding fifty thousand dollars ($50,000), unless the value of the fraud exceeds fifty thousand dollars ($50,000), in which event the fine may not exceed double of the value of the fraud.

(2) Every person who violates paragraph (6), (7), (8), or (9) of subdivision (a) is guilty of a public offense.

(A) Where the claim or amount at issue exceeds four hundred dollars ($400), the offense is punishable by imprisonment in the state prison for two, three, or five years, or by a fine not exceeding fifty thousand dollars ($50,000), or by both that imprisonment and fine, unless the value of the fraud exceeds fifty thousand dollars ($50,000), in which event the fine may not exceed double the value of the fraud, or by imprisonment in a county jail not to exceed one year, by a fine of not more than one thousand dollars ($1,000), or by both that imprisonment and fine.

(B) Where the claim or amount at issue is four hundred dollars ($400) or less, the offense is punishable by imprisonment in a county jail not to exceed six months, or by a fine of not more than one thousand dollars ($1,000), or by both that imprisonment and fine, unless the aggregate amount of the claims or amount at issue exceeds four hundred dollars ($400) in any 12-consecutive-month period, in which case the claims or amounts may be charged as in subparagraph (A).

(3) Every person who violates paragraph (1), (2), (3), or (4) of subdivision (b) shall be punished by imprisonment in the state prison for two, three, or five years, or by a fine not exceeding fifty thousand dollars ($50,000), unless the value of the fraud exceeds fifty thousand dollars ($50,000), in which event the fine may not exceed double the value of the fraud, or by both that imprisonment and fine ; or by imprisonment in a county jail not to exceed one year, or by a fine of not more than one thousand dollars ($1,000), or by both that imprisonment and fine.

(d) Notwithstanding any other provision of law, probation shall not be granted to, nor shall the execution or imposition of a sentence be suspended for, any adult person convicted of felony violations of this section who previously has been convicted of felony violations of this section or Section 548, or of Section 1871.4 of the Insurance Code, or former Section 556 of the Insurance Code, or former Section 1871.1 of the Insurance Code as an adult under charges separately brought and tried two or more times. The existence of any fact that would make a person ineligible for probation under this subdivision shall be alleged in the information or indictment, and either admitted by the defendant in an open court, or found to be true by the jury trying the issue of guilt or by the court where guilt is established by plea of guilty or nolo contendere or by trial by the court sitting without a jury.

Except when the existence of the fact was not admitted or found to be true or the court finds that a prior felony conviction was invalid, the court shall not strike or dismiss any prior felony convictions alleged in the information or indictment.

This subdivision does not prohibit the adjournment of criminal proceedings pursuant to Division 3 (commencing with Section 3000) or Division 6 (commencing with Section 6000) of the Welfare and Institutions Code.

(e) Except as otherwise provided in subdivision (f), any person who violates subdivision (a) or (b) and who has a prior felony conviction of an offense set forth in either subdivision (a) or (b), in Section 548, in Section 1871.4 of the Insurance Code, in former Section 556 of the Insurance Code, or in former Section 1871.1 of the Insurance Code shall receive a two-year enhancement for each prior felony conviction in addition to the sentence provided in subdivision (c). The existence of any fact that would subject a person to a penalty enhancement shall be alleged in the information or indictment and either admitted by the defendant in open court, or found to be true by the jury trying the issue of guilt or by the court where guilt is established by plea of guilty or nolo contendere or by trial by the court sitting without a jury. Any person who violates this section shall be subject to appropriate orders of restitution pursuant to Section 13967 of the Government Code.

(f) Any person who violates paragraph (3) of subdivision (a) and who has two prior felony convictions for a violation of paragraph (3) of subdivision (a) shall receive a five-year enhancement in addition

to the sentence provided in subdivision (c). The existence of any fact that would subject a person to a penalty enhancement shall be alleged in the information or indictment and either admitted by the defendant in open court, or found to be true by the jury trying the issue of guilt or by the court where guilt is established by plea of guilty or nolo contendere or by trial by the court sitting without a jury.

(g) Except as otherwise provided in Section 12022.7, any person who violates paragraph (3) of subdivision (a) shall receive a two-year enhancement for each person other than an accomplice who suffers serious bodily injury resulting from the vehicular collision or accident in a violation of paragraph (3) of subdivision (a).

(h) This section shall not be construed to preclude the applicability of any other provision of criminal law or equitable remedy that applies or may apply to any act committed or alleged to have been committed by a person.

SEC. 144. Section 594 of the Penal Code, as amended by Section 1.5 of Chapter 853 of the Statutes of 1998, is amended to read:

594. (a) Every person who maliciously commits any of the following acts with respect to any real or personal property not his or her own, in cases other than those specified by state law, is guilty of vandalism:

(1) Defaces with graffiti or other inscribed material.

(2) Damages.

(3) Destroys.

Whenever a person violates this subdivision with respect to real property, vehicles, signs, fixtures, or furnishings belonging to any public entity, as defined by Section 811.2 of the Government Code, or the federal government, it shall be a permissive inference that the person neither owned the property nor had the permission of the owner to deface, damage, or destroy the property.

(b) (1) If the amount of defacement, damage, or destruction is fifty thousand dollars ($50,000) or more, vandalism is punishable by imprisonment in the state prison or in a county jail not exceeding one year, or by a fine of not more than fifty thousand dollars ($50,000), or by both that fine and imprisonment.

(2) If the amount of defacement, damage, or destruction is five thousand dollars ($5,000) or more but less than fifty thousand dollars ($50,000), vandalism is punishable by imprisonment in the state prison, or in a county jail not exceeding one year, or by a fine of not more than ten thousand dollars ($10,000), or by both that fine and imprisonment.

(3) If the amount of defacement, damage, or destruction is four hundred dollars ($400) or more but less than five thousand dollars ($5,000), vandalism is punishable by imprisonment in a county jail not exceeding one year, or by a fine of five thousand dollars ($5,000), or by both that fine and imprisonment.

(4) (A) If the amount of defacement, damage, or destruction is less than four hundred dollars ($400), vandalism is punishable by

imprisonment in a county jail for not more than six months, or by a fine of not more than one thousand dollars ($1,000), or by both that fine and imprisonment.

(B) If the amount of defacement, damage, or destruction is less than four hundred dollars ($400), and the defendant has been previously convicted of vandalism or affixing graffiti or other inscribed material under Section 594, 594.3, 594.4, 640.5, 640.6, or 640.7, vandalism is punishable by imprisonment in a county jail for not more than one year, or by a fine of not more than five thousand dollars ($5,000), or by both that fine and imprisonment.

(c) (1) Upon conviction of any person under this section for acts of vandalism consisting of defacing property with graffiti or other inscribed materials, the court may, in addition to any punishment imposed under subdivision (b), order the defendant to clean up, repair, or replace the damaged property himself or herself, or, if the jurisdiction has adopted a graffiti abatement program, order the defendant, and his or her parents or guardians if the defendant is a minor, to keep the damaged property or another specified property in the community free of graffiti for up to one year. Participation of a parent or guardian is not required under this subdivision if the court deems this participation to be detrimental to the defendant, or if the parent or guardian is a single parent who must care for young children.

(2) Any city, county, or city and county may enact an ordinance that provides for all of the following:

(A) That upon conviction of any person pursuant to this section for acts of vandalism, the court may, in addition to any punishment imposed under subdivision (b), provided that the court determines that the defendant has the ability to pay any law enforcement costs not exceeding two hundred fifty dollars ($250), order the defendant to pay all or part of the costs not to exceed two hundred fifty dollars ($250) incurred by a law enforcement agency in identifying and apprehending the defendant. The law enforcement agency shall provide evidence of, and bear the burden of establishing, the reasonable costs that it incurred in identifying and apprehending the defendant.

(B) The law enforcement costs authorized to be paid pursuant to this subdivision are in addition to any other costs incurred or recovered by the law enforcement agency, and payment of these costs does not in any way limit, preclude, or restrict any other right, remedy, or action otherwise available to the law enforcement agency.

(d) If a minor is personally unable to pay a fine levied for acts prohibited by this section, the parent of that minor shall be liable for payment of the fine. A court may waive payment of the fine, or any part thereof, by the parent upon a finding of good cause.

(e) As used in this section, the term "graffiti or other inscribed material" includes any unauthorized inscription, word, figure, mark,

or design that is written, marked, etched, scratched, drawn, or painted on real or personal property.

(f) As used in this section, "graffiti abatement program" means a program adopted by a city, county, or city and county by resolution or ordinance that provides for the administration and financing of graffiti removal, community education on the prevention of graffiti, and enforcement of graffiti laws.

(g) The court may order any person ordered to perform community service or graffiti removal pursuant to paragraph (1) of subdivision (c) to undergo counseling.

(h) No amount paid by a defendant in satisfaction of a criminal matter shall be applied in satisfaction of the law enforcement costs that may be imposed pursuant to this section until all outstanding base fines, state and local penalty assessments, restitution orders, and restitution fines have been paid.

(i) This section shall remain in effect until January 1, 2002, and as of that date is repealed, unless a later enacted statute that is enacted before January 1, 2002, deletes or extends that date.

SEC. 145. Section 594 of the Penal Code, as added by Section 1.6 of Chapter 853 of the Statutes of 1998, is amended to read:

594. (a) Every person who maliciously commits any of the following acts with respect to any real or personal property not his or her own, in cases other than those specified by state law, is guilty of vandalism:

(1) Defaces with graffiti or other inscribed material.

(2) Damages.

(3) Destroys.

Whenever a person violates this subdivision with respect to real property, vehicles, signs, fixtures, or furnishings belonging to any public entity, as defined by Section 811.2 of the Government Code, or the federal government, it shall be a permissive inference that the person neither owned the property nor had the permission of the owner to deface, damage, or destroy the property.

(b) (1) If the amount of defacement, damage, or destruction is fifty thousand dollars ($50,000) or more, vandalism is punishable by imprisonment in the state prison or in a county jail not exceeding one year, or by a fine of not more than fifty thousand dollars ($50,000), or by both that fine and imprisonment.

(2) If the amount of defacement, damage, or destruction is five thousand dollars ($5,000) or more but less than fifty thousand dollars ($50,000), vandalism is punishable by imprisonment in the state prison, or in a county jail not exceeding one year, or by a fine of not more than ten thousand dollars ($10,000), or by both that fine and imprisonment.

(3) If the amount of defacement, damage, or destruction is four hundred dollars ($400) or more but less than five thousand dollars ($5,000), vandalism is punishable by imprisonment in a county jail

not exceeding one year, or by a fine of five thousand dollars ($5,000), or by both that fine and imprisonment.

(4) (A) If the amount of defacement, damage, or destruction is less than four hundred dollars ($400), vandalism is punishable by imprisonment in a county jail for not more than six months, or by a fine of not more than one thousand dollars ($1,000), or by both that fine and imprisonment.

(B) If the amount of defacement, damage, or destruction is less than four hundred dollars ($400), and the defendant has been previously convicted of vandalism or affixing graffiti or other inscribed material under Section 594, 594.3, 594.4, 640.5, 640.6, or 640.7, vandalism is punishable by imprisonment in a county jail for not more than one year, or by a fine of not more than five thousand dollars ($5,000), or by both that fine and imprisonment.

(c) Upon conviction of any person under this section for acts of vandalism consisting of defacing property with graffiti or other inscribed materials, the court may, in addition to any punishment imposed under subdivision (b), order the defendant to clean up, repair, or replace the damaged property himself or herself, or, if the jurisdiction has adopted a graffiti abatement program, order the defendant, and his or her parents or guardians if the defendant is a minor, to keep the damaged property or another specified property in the community free of graffiti for up to one year. Participation of a parent or guardian is not required under this subdivision if the court deems this participation to be detrimental to the defendant, or if the parent or guardian is a single parent who must care for young children.

(d) If a minor is personally unable to pay a fine levied for acts prohibited by this section, the parent of that minor shall be liable for payment of the fine. A court may waive payment of the fine, or any part thereof, by the parent upon a finding of good cause.

(e) As used in this section, the term "graffiti or other inscribed material" includes any unauthorized inscription, word, figure, mark, or design that is written, marked, etched, scratched, drawn, or painted on real or personal property.

(f) As used in this section, "graffiti abatement program" means a program adopted by a city, county, or city and county by resolution or ordinance that provides for the administration and financing of graffiti removal, community education on the prevention of graffiti, and enforcement of graffiti laws.

(g) The court may order any person ordered to perform community service or graffiti removal pursuant to paragraph (1) of subdivision (c) to undergo counseling.

(h) This section shall become operative on January 1, 2002.

SEC. 146. Section 626.9 of the Penal Code is amended to read:

626.9. (a) This section shall be known, and may be cited, as the Gun-Free School Zone Act of 1995.

(b) Any person who possesses a firearm in a place that the person knows, or reasonably should know, is a school zone, as defined in paragraph (1) of subdivision (e), unless it is with the written permission of the school district superintendent, his or her designee, or equivalent school authority, shall be punished as specified in subdivision (f).

(c) Subdivision (b) does not apply to the possession of a firearm under any of the following circumstances:

(1) Within a place of residence or place of business or on private property, if the place of residence, place of business, or private property is not part of the school grounds and the possession of the firearm is otherwise lawful.

(2) When the firearm is an unloaded pistol, revolver, or other firearm capable of being concealed on the person and is in a locked container or within the locked trunk of a motor vehicle.

This section does not prohibit or limit the otherwise lawful transportation of any other firearm, other than a pistol, revolver, or other firearm capable of being concealed on the person, in accordance with state law.

(3) When the person possessing the firearm reasonably believes that he or she is in grave danger because of circumstances forming the basis of a current restraining order issued by a court against another person or persons who has or have been found to pose a threat to his or her life or safety. This subdivision may not apply when the circumstances involve a mutual restraining order issued pursuant to Division 10 (commencing with Section 6200) of the Family Code absent a factual finding of a specific threat to the person's life or safety. Upon a trial for violating subdivision (b), the trier of a fact shall determine whether the defendant was acting out of a reasonable belief that he or she was in grave danger.

(4) When the person is exempt from the prohibition against carrying a concealed firearm pursuant to subdivision (b), (d), (e), or (h) of Section 12027.

(d) Except as provided in subdivision (b), it shall be unlawful for any person, with reckless disregard for the safety of another, to discharge, or attempt to discharge, a firearm in a school zone, as defined in paragraph (1) of subdivision (e).

The prohibition contained in this subdivision does not apply to the discharge of a firearm to the extent that the conditions of paragraph (1) of subdivision (c) are satisfied.

(e) As used in this section, the following definitions shall apply:

(1) "School zone" means an area in, or on the grounds of, a public or private school providing instruction in kindergarten or grades 1 to 12, inclusive, or within a distance of 1,000 feet from the grounds of the public or private school.

(2) "Firearm" has the same meaning as that term is given in Section 12001.

(3) "Locked container" has the same meaning as that term is given in subdivision (c) of Section 12026.1.

(4) "Concealed firearm" has the same meaning as that term is given in Sections 12025 and 12026.1.

(f) (1) Any person who violates subdivision (b) by possessing a firearm in, or on the grounds of, a public or private school providing instruction in kindergarten or grades 1 to 12, inclusive, shall be punished by imprisonment in the state prison for two, three, or five years.

(2) Any person who violates subdivision (b) by possessing a firearm within a distance of 1,000 feet from the grounds of a public or private school providing instruction in kindergarten or grades 1 to 12, inclusive, shall be punished as follows:

(A) By imprisonment in the state prison for two, three, or five years, if any of the following circumstances apply:

(i) If the person previously has been convicted of any felony, or of any crime made punishable by Chapter 1 (commencing with Section 12000) of Title 2 of Part 4.

(ii) If the person is within a class of persons prohibited from possessing or acquiring a firearm pursuant to Section 12021 or 12021.1 of this code or Section 8100 or 8103 of the Welfare and Institutions Code.

(iii) If the firearm is any pistol, revolver, or other firearm capable of being concealed upon the person and the offense is punished as a felony pursuant to Section 12025.

(B) By imprisonment in a county jail for not more than one year or by imprisonment in the state prison for two, three, or five years, in all cases other than those specified in subparagraph (A).

(3) Any person who violates subdivision (d) shall be punished by imprisonment in the state prison for three, five, or seven years.

(g) (1) Every person convicted under this section for a misdemeanor violation of subdivision (b) who has been convicted previously of a misdemeanor offense enumerated in Section 12001.6 shall be punished by imprisonment in a county jail for not less than three months, or if probation is granted or if the execution or imposition of sentence is suspended, it shall be a condition thereof that he or she be imprisoned in a county jail for not less than three months.

(2) Every person convicted under this section of a felony violation of subdivision (b) or (d) who has been convicted previously of a misdemeanor offense enumerated in Section 12001.6, if probation is granted or if the execution of sentence is suspended, it shall be a condition thereof that he or she be imprisoned in a county jail for not less than three months.

(3) Every person convicted under this section for a felony violation of subdivision (b) or (d) who has been convicted previously of any felony, or of any crime made punishable by Chapter 1 (commencing with Section 12000) of Title 2 of Part 4, if probation is

granted or if the execution or imposition of sentence is suspended, it shall be a condition thereof that he or she be imprisoned in a county jail for not less than three months.

(4) The court shall apply the three-month minimum sentence specified in this subdivision, except in unusual cases where the interests of justice would best be served by granting probation or suspending the execution or imposition of sentence without the minimum imprisonment required in this subdivision or by granting probation or suspending the execution or imposition of sentence with conditions other than those set forth in this subdivision, in which case the court shall specify on the record and shall enter on the minutes the circumstances indicating that the interests of justice would best be served by this disposition.

(h) Notwithstanding Section 12026, any person who brings or possesses a loaded firearm upon the grounds of a campus of, or buildings owned or operated for student housing, teaching, research, or administration by, a public or private university or college, that are contiguous or are clearly marked university property, unless it is with the written permission of the university or college president, his or her designee, or equivalent university or college authority, shall be punished by imprisonment in the state prison for two, three, or four years. Notwithstanding subdivision (k), a university or college shall post a prominent notice at primary entrances on noncontiguous property stating that firearms are prohibited on that property pursuant to this subdivision.

(i) Notwithstanding Section 12026, any person who brings or possesses a firearm upon the grounds of a campus of, or buildings owned or operated for student housing, teaching, research, or administration by, a public or private university or college, that are contiguous or are clearly marked university property, unless it is with the written permission of the university or college president, his or her designee, or equivalent university or college authority, shall be punished by imprisonment in the state prison for one, two, or three years. Notwithstanding subdivision (k), a university or college shall post a prominent notice at primary entrances on noncontiguous property stating that firearms are prohibited on that property pursuant to this subdivision.

(j) For purposes of this section, a firearm shall be deemed to be loaded when there is an unexpended cartridge or shell, consisting of a case that holds a charge of powder and a bullet or shot, in, or attached in any manner to, the firearm, including, but not limited to, in the firing chamber, magazine, or clip thereof attached to the firearm. A muzzle-loader firearm shall be deemed to be loaded when it is capped or primed and has a powder charge and ball or shot in the barrel or cylinder.

(k) This section does not require that notice be posted regarding the proscribed conduct.

(*l*) This section does not apply to a duly appointed peace officer as defined in Chapter 4.5 (commencing with Section 830) of Title 3 of Part 2, a full-time paid peace officer of another state or the federal government who is carrying out official duties while in California, any person summoned by any of these officers to assist in making arrests or preserving the peace while he or she is actually engaged in assisting the officer, a member of the military forces of this state or of the United States who is engaged in the performance of his or her duties, a person holding a valid license to carry the firearm pursuant to Article 3 (commencing with Section 12050) of Chapter 1 of Title 2 of Part 4, or an armored vehicle guard, engaged in the performance of his or her duties, as defined in subdivision (e) of Section 7521 of the Business and Professions Code.

(m) This section does not apply to a security guard authorized to carry a loaded firearm pursuant to Section 12031.

(n) This section does not apply to an existing shooting range at a public or private school or university or college campus.

(o) This section does not apply to an honorably retired peace officer authorized to carry a concealed or loaded firearm pursuant to subdivision (a) or (i) of Section 12027 or paragraph (1) or (8) of subdivision (b) of Section 12031.

SEC. 147. Section 653m of the Penal Code is amended to read:

653m. (a) Every person who, with intent to annoy, telephones or makes contact by means of an electronic communication device with another and addresses to or about the other person any obscene language or addresses to the other person any threat to inflict injury to the person or property of the person addressed or any member of his or her family, is guilty of a misdemeanor. Nothing in this subdivision shall apply to telephone calls or electronic contacts made in good faith.

(b) Every person who makes repeated telephone calls or makes repeated contact by means of an electronic communication device with intent to annoy another person at his or her residence, is, whether or not conversation ensues from making the telephone call or electronic contact, guilty of a misdemeanor. Nothing in this subdivision shall apply to telephone calls or electronic contacts made in good faith.

(c) Every person who makes repeated telephone calls or makes repeated contact by means of an electronic communication device with the intent to annoy another person at his or her place of work is guilty of a misdemeanor punishable by a fine of not more than one thousand dollars ($1,000), or by imprisonment in a county jail for not more than one year, or by both that fine and imprisonment. Nothing in this subdivision shall apply to telephone calls or electronic contacts made in good faith. This subdivision applies only if one or both of the following circumstances exist:

(1) There is a temporary restraining order, an injunction, or any other court order, or any combination of these court orders, in effect prohibiting the behavior described in this section.

(2) The person makes repeated telephone calls or makes repeated contact by means of an electronic communication device with the intent to annoy another person at his or her place of work, totaling more than 10 times in a 24-hour period, whether or not conversation ensues from making the telephone call or electronic contact, and the repeated telephone calls or electronic contacts are made to the workplace of an adult or fully emancipated minor who is a spouse, former spouse, cohabitant, former cohabitant, or person with whom the person has a child or has had a dating or engagement relationship or is having a dating or engagement relationship.

(d) Any offense committed by use of a telephone may be deemed to have been committed where the telephone call or calls were made or received. Any offense committed by use of an electronic communication device or medium, including the Internet, may be deemed to have been committed when the electronic communication or communications were originally sent or first viewed by the recipient.

(e) Subdivision (a), (b), or (c) is violated when the person acting with intent to annoy makes a telephone call requesting a return call and performs the acts prohibited under subdivision (a), (b), or (c) upon receiving the return call.

(f) If probation is granted, or the execution or imposition of sentence is suspended, for any person convicted under this section, the court may order as a condition of probation that the person participate in counseling.

(g) For purposes of this section, the term "electronic communication device" includes, but is not limited to, telephones, cellular phones, computers, video recorders, fax machines, or pagers. "Electronic communication" has the same meaning as the term defined in Subsection 12 of Section 2510 of Title 18 of the United States Code.

SEC. 148. Section 790 of the Penal Code is amended to read:

790. (a) The jurisdiction of a criminal action for murder or manslaughter is in the county where the fatal injury was inflicted or in the county in which the injured party died or in the county in which his or her body was found. However, if the defendant is indicted in the county in which the fatal injury was inflicted, at any time before his or her trial in another county, the sheriff of the other county shall, if the defendant is in custody, deliver the defendant upon demand to the sheriff of the county in which the fatal injury was inflicted. When the fatal injury was inflicted and the injured person died or his or her body was found within five hundred yards of the boundary of two or more counties, jurisdiction is in either county.

(b) If a defendant is charged with a special circumstance pursuant to paragraph (3) of subdivision (a) of Section 190.2, the jurisdiction

for any charged murder, and for any crimes properly joinable with that murder, shall be in any county that has jurisdiction pursuant to subdivision (a) for one or more of the murders charged in a single complaint or indictment as long as the charged murders are "connected together in their commission," as that phrase is used in Section 954, and subject to a hearing in the jurisdiction where the prosecution is attempting to consolidate the charged murders. If the charged murders are not joined or consolidated, the murder that was charged outside of the county that has jurisdiction pursuant to subdivision (a) shall be returned to that county.

SEC. 149. Section 831.5 of the Penal Code, as amended by Section 8 of Chapter 606 of the Statutes of 1998, is amended to read:

831.5. (a) As used in this section, a custodial officer is a public officer, not a peace officer, employed by a law enforcement agency of San Diego County, Fresno County, Kern County, Stanislaus County, Riverside County, or a county having a population of 425,000 or less who has the authority and responsibility for maintaining custody of prisoners and performs tasks related to the operation of a local detention facility used for the detention of persons usually pending arraignment or upon court order either for their own safekeeping or for the specific purpose of serving a sentence therein. Custodial officers of a county shall be employees of, and under the authority of, the sheriff, except in counties in which the sheriff, as of July 1, 1993, is not in charge of and the sole and exclusive authority to keep the county jail and the prisoners in it. A custodial officer includes a person designated as a correctional officer, jailer, or other similar title. The duties of a custodial officer may include the serving of warrants, court orders, writs, and subpoenas in the detention facility or under circumstances arising directly out of maintaining custody of prisoners and related tasks. In counties having a population of 100,000 or less, a custodial officer may be assigned by the sheriff as a court bailiff on an interim basis, and, when under the direction of the sheriff, a custodial officer assigned as a court bailiff may carry or possess firearms.

(b) Notwithstanding any other provision of law, during a state of emergency as defined in Section 8558 of the Government Code, a custodial officer may be assigned limited law enforcement responsibilities under the supervision of a peace officer. While on this assignment, the custodial officer may exercise the powers of arrest pursuant to Section 836.5.

(c) A custodial officer has no right to carry or possess firearms in the performance of his or her prescribed duties, except, under the direction of the sheriff or chief of police, while assigned as a court bailiff or engaged in transporting prisoners, guarding hospitalized prisoners, or suppressing jail riots, lynchings, escapes, or rescues in or about a detention facility falling under the care and custody of the sheriff or chief of police.

(d) Each person described in this section as a custodial officer shall, within 90 days following the date of the initial assignment to that position, satisfactorily complete the training course specified in Section 832. In addition, each person designated as a custodial officer shall, within one year following the date of the initial assignment as a custodial officer, have satisfactorily met the minimum selection and training standards prescribed by the Board of Corrections pursuant to Section 6035. Persons designated as custodial officers, before the expiration of the 90-day and one-year periods described in this subdivision, who have not yet completed the required training, shall not carry or possess firearms in the performance of their prescribed duties, but may perform the duties of a custodial officer only while under the direct supervision of a peace officer, as described in Section 830.1, who has completed the training prescribed by the Commission on Peace Officer Standards and Training, or a custodial officer who has completed the training required in this section.

(e) At any time that 20 or more custodial officers are on duty, there shall be at least one peace officer, as described in Section 830.1, on duty at the same time to supervise the performance of the custodial officers.

(f) This section shall not be construed to confer any authority upon any custodial officer except while on duty.

(g) A custodial officer may use reasonable force in establishing and maintaining custody of persons delivered to him or her by a law enforcement officer, may make arrests for misdemeanors and felonies within the local detention facility pursuant to a duly issued warrant, may make warrantless arrests pursuant to Section 836.5 only during the duration of his or her job, may release without further criminal process persons arrested for intoxication, and may release misdemeanants on citation to appear in lieu of or after booking.

(h) This section shall remain in effect only until January 1, 2003, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2003, deletes or extends that date.

SEC. 150. Section 831.5 of the Penal Code, as added by Section 8.5 of Chapter 606 of the Statutes of 1998, is amended to read:

831.5. (a) As used in this section, a custodial officer is a public officer, not a peace officer, employed by a law enforcement agency of San Diego County, Fresno County, Kern County, Stanislaus County, Riverside County, or a county having a population of 425,000 or less who has the authority and responsibility for maintaining custody of prisoners and performs tasks related to the operation of a local detention facility used for the detention of persons usually pending arraignment or upon court order either for their own safekeeping or for the specific purpose of serving a sentence therein. Custodial officers of a county shall be employees of, and under the authority of, the sheriff, except in counties in which the sheriff, as of July 1, 1993, is not in charge of and the sole and exclusive authority to keep the county jail and the prisoners in it. A custodial officer

includes a person designated as a correctional officer, jailer, or other similar title. The duties of a custodial officer may include the serving of warrants, court orders, writs, and subpoenas in the detention facility or under circumstances arising directly out of maintaining custody of prisoners and related tasks.

(b) A custodial officer has no right to carry or possess firearms in the performance of his or her prescribed duties, except, under the direction of the sheriff or chief of police, while engaged in transporting prisoners; guarding hospitalized prisoners; or suppressing jail riots, lynchings, escapes, or rescues in or about a detention facility falling under the care and custody of the sheriff or chief of police.

(c) Each person described in this section as a custodial officer shall, within 90 days following the date of the initial assignment to that position, satisfactorily complete the training course specified in Section 832. In addition, each person designated as a custodial officer shall, within one year following the date of the initial assignment as a custodial officer, have satisfactorily met the minimum selection and training standards prescribed by the Board of Corrections pursuant to Section 6035. Persons designated as custodial officers, before the expiration of the 90-day and one-year periods described in this subdivision, who have not yet completed the required training, shall not carry or possess firearms in the performance of their prescribed duties, but may perform the duties of a custodial officer only while under the direct supervision of a peace officer, as described in Section 830.1, who has completed the training prescribed by the Commission on Peace Officer Standards and Training, or a custodial officer who has completed the training required in this section.

(d) At any time that 20 or more custodial officers are on duty, there shall be at least one peace officer, as described in Section 830.1, on duty at the same time to supervise the performance of the custodial officers.

(e) This section shall not be construed to confer any authority upon any custodial officer except while on duty.

(f) A custodial officer may use reasonable force in establishing and maintaining custody of persons delivered to him or her by a law enforcement officer, may make arrests for misdemeanors and felonies within the local detention facility pursuant to a duly issued warrant, may make warrantless arrests pursuant to Section 836.5 only during the duration of his or her job, may release without further criminal process persons arrested for intoxication, and may release misdemeanants on citation to appear in lieu of or after booking.

(g) This section shall become operative on January 1, 2003.

SEC. 151. Section 1203.097 of the Penal Code is amended to read:

1203.097. (a) If a person is granted probation for a crime in which the victim is a person defined in Section 6211 of the Family Code, the terms of probation shall include all of the following:

(1) A minimum period of probation of 36 months, which may include a period of summary probation as appropriate.

(2) A criminal court protective order protecting the victim from further acts of violence, threats, stalking, sexual abuse, and harassment, and, if appropriate, containing residence exclusion or stay-away conditions.

(3) Notice to the victim of the disposition of the case.

(4) Booking the defendant within one week of sentencing if the defendant has not already been booked.

(5) A minimum payment by the defendant of two hundred dollars ($200) to be disbursed as specified in this paragraph. If, after a hearing in court on the record, the court finds that the defendant does not have the ability to pay, the court may reduce or waive this fee.

One-third of the moneys deposited with the county treasurer pursuant to this section shall be retained by counties and deposited in the domestic violence programs special fund created pursuant to Section 18305 of the Welfare and Institutions Code, to be expended for the purposes of Chapter 5 (commencing with Section 18290) of Part 6 of Division 9 of the Welfare and Institutions Code. The remainder shall be transferred, once a month, to the Controller for deposit in equal amounts in the Domestic Violence Restraining Order Reimbursement Fund and in the Domestic Violence Training and Education Fund, which are hereby created, in an amount equal to two-thirds of funds collected during the preceding month. Moneys deposited into these funds to this section shall be available upon appropriation by the Legislature and shall be distributed each fiscal year as follows:

(A) Funds from the Domestic Violence Restraining Order Reimbursement Fund shall be distributed to local law enforcement or other criminal justice agencies for state-mandated local costs resulting from the notification requirements set forth in subdivision (a) of Section 6385 of the Family Code, based on the annual notification from the Department of Justice of the number of restraining orders issued and registered in the state domestic violence restraining order registry maintained by the Department of Justice, for the development and maintenance of the domestic violence restraining order data bank system.

(B) Funds from the Domestic Violence Training and Education Fund shall support a statewide training and education program to increase public awareness of domestic violence and to improve the scope and quality of services provided to the victims of domestic violence. Grants to support this program shall be awarded on a competitive basis and be administered by the State Department of Health Services, in consultation with the statewide domestic violence coalition, which is eligible to receive funding under this section.

(6) Successful completion of a batterer's program, as defined in subdivision (c), or if none is available, another appropriate

counseling program designated by the court, for a period not less than one year with periodic progress reports by the program to the court every three months or less and weekly sessions of a minimum of two hours class time duration.

(7) (A) (i) The court shall order the defendant to comply with all probation requirements, including the requirements to attend counseling, keep all program appointments, and pay program fees based upon the ability to pay.

(ii) The terms of probation for offenders shall not be lifted until all reasonable fees due to the counseling program have been paid in full, but in no case shall probation be extended beyond the term provided in subdivision (a) of Section 1203.1. If the court finds that the defendant does not have the ability to pay the fees based on the defendant's changed circumstances, the court may reduce or waive the fees.

(B) Upon request by the batterer's program, the court shall provide the defendant's arrest report, prior incidents of violence, and treatment history to the program.

(8) The court also shall order the defendant to perform a specified amount of appropriate community service, as designated by the court. The defendant shall present the court with proof of completion of community service and the court shall determine if the community service has been satisfactorily completed. If sufficient staff and resources are available, the community service shall be performed under the jurisdiction of the local agency overseeing a community service program.

(9) If the program finds that the defendant is unsuitable, the program shall immediately contact the probation department or the court. The probation department or court shall either recalendar the case for hearing or refer the defendant to an appropriate alternative batterer's program.

(10) (A) Upon recommendation of the program, a court shall require a defendant to participate in additional sessions throughout the probationary period, unless it finds that it is not in the interests of justice to do so, states its reasons on the record, and enters them into the minutes. In deciding whether the defendant would benefit from more sessions, the court shall consider whether any of the following conditions exist:

(i) The defendant has been violence free for a minimum of six months.

(ii) The defendant has cooperated and participated in the batterer's program.

(iii) The defendant demonstrates an understanding of and practices positive conflict resolution skills.

(iv) The defendant blames, degrades, or has committed acts that dehumanize the victim or puts at risk the victim's safety, including, but not limited to, molesting, stalking, striking, attacking, threatening, sexually assaulting, or battering the victim.

(v) The defendant demonstrates an understanding that the use of coercion or violent behavior to maintain dominance is unacceptable in an intimate relationship.

(vi) The defendant has made threats to harm anyone in any manner.

(vii) The defendant has complied with applicable requirements under paragraph (6) of subdivision (c) or subparagraph (C) to receive alcohol counseling, drug counseling, or both.

(viii) The defendant demonstrates acceptance of responsibility for the abusive behavior perpetrated against the victim.

(B) The program shall immediately report any violation of the terms of the protective order, including any new acts of violence or failure to comply with the program requirements, to the court, the prosecutor, and, if formal probation has been ordered, to the probation department. The probationer shall file proof of enrollment in a batterer's program with the court within 30 days of conviction.

(C) Concurrent with other requirements under this section, in addition to, and not in lieu of, the batterer's program, and unless prohibited by the referring court, the probation department or the court may make provisions for a defendant to use his or her resources to enroll in a chemical dependency program or to enter voluntarily a licensed chemical dependency recovery hospital or residential treatment program that has a valid license issued by the state to provide alcohol or drug services to receive program participation credit, as determined by the court. The probation department shall document evidence of this hospital or residential treatment participation in the defendant's program file.

(11) The conditions of probation may include, in lieu of a fine, but not in lieu of the fund payment required under paragraph (5), one or more of the following requirements:

(A) That the defendant make payments to a battered women's shelter, up to a maximum of five thousand dollars ($5,000).

(B) That the defendant reimburse the victim for reasonable expenses that the court finds are the direct result of the defendant's offense.

For any order to pay a fine, to make payments to a battered women's shelter, or to pay restitution as a condition of probation under this subdivision, the court shall make a determination of the defendant's ability to pay. Determination of a defendant's ability to pay may include his or her future earning capacity. A defendant shall bear the burden of demonstrating lack of his or her ability to pay. Express findings by the court as to the factors bearing on the amount of the fine shall not be required. In no event shall any order to make payments to a battered women's shelter be made if it would impair the ability of the defendant to pay direct restitution to the victim or court-ordered child support. When the injury to a married person is caused in whole or in part by the criminal acts of his or her spouse in violation of this section, the community property shall not be used to

discharge the liability of the offending spouse for restitution to the injured spouse, as required by Section 1203.04, as operative on or before August 2, 1995, or Section 1202.4, or to a shelter for costs with regard to the injured spouse, until all separate property of the offending spouse is exhausted.

(12) If it appears to the prosecuting attorney, the court, or the probation department that the defendant is performing unsatisfactorily in the assigned program, is not benefiting from counseling, or has engaged in criminal conduct, upon request of the probation officer, the prosecuting attorney, or on its own motion, the court, as a priority calendar item, shall hold a hearing to determine whether further sentencing should proceed. The court may consider factors, including, but not limited to, any violence by the defendant against the former or a new victim while on probation and noncompliance with any other specific condition of probation. If the court finds that the defendant is not performing satisfactorily in the assigned program, is not benefiting from the program, has not complied with a condition of probation, or has engaged in criminal conduct, the court shall terminate the defendant's participation in the program and shall proceed with further sentencing.

(b) If a person is granted formal probation for a crime in which the victim is a person defined in Section 6211 of the Family Code, in addition to the terms specified in subdivision (a), all of the following shall apply:

(1) The probation department shall make an investigation and take into consideration the defendant's age, medical history, employment and service records, educational background, community and family ties, prior incidents of violence, police report, treatment history, if any, demonstrable motivation, and other mitigating factors in determining which batterer's program would be appropriate for the defendant. This information shall be provided to the batterer's program if it is requested. The probation department shall also determine which community programs the defendant would benefit from and which of those programs would accept the defendant. The probation department shall report its findings and recommendations to the court.

(2) The court shall advise the defendant that the failure to report to the probation department for the initial investigation, as directed by the court, or the failure to enroll in a specified program, as directed by the court or the probation department, shall result in possible further incarceration. The court, in the interests of justice, may relieve the defendant from the prohibition set forth in this subdivision based upon the defendant's mistake or excusable neglect. Application for this relief shall be filed within 20 court days of the missed deadline. This time limitation may not be extended. A copy of any application for relief shall be served on the office of the prosecuting attorney.

(3) After the court orders the defendant to a batterer's program, the probation department shall conduct an initial assessment of the defendant, including, but not limited to, all of the following:

(A) Social, economic, and family background.

(B) Education.

(C) Vocational achievements.

(D) Criminal history.

(E) Medical history.

(F) Substance abuse history.

(G) Consultation with the probation officer.

(H) Verbal consultation with the victim, only if the victim desires to participate.

(I) Assessment of the future probability of the defendant committing murder.

(4) The probation department shall attempt to notify the victim regarding the requirements for the defendant's participation in the batterer's program, as well as regarding available victim resources. The victim also shall be informed that attendance in any program does not guarantee that an abuser will not be violent.

(c) The court or the probation department shall refer defendants only to batterer's programs that follow standards outlined in paragraph (1), which may include, but are not limited to, lectures, classes, group discussions, and counseling. The probation department shall design and implement an approval and renewal process for batterer's programs and shall solicit input from criminal justice agencies and domestic violence victim advocacy programs.

(1) The goal of a batterer's program under this section shall be to stop domestic violence. A batterer's program shall consist of the following components:

(A) Strategies to hold the defendant accountable for the violence in a relationship, including, but not limited to, providing the defendant with a written statement that the defendant shall be held accountable for acts or threats of domestic violence.

(B) A requirement that the defendant participate in ongoing same-gender group sessions.

(C) An initial intake that provides written definitions to the defendant of physical, emotional, sexual, economic, and verbal abuse, and the techniques for stopping these types of abuse.

(D) Procedures to inform the victim regarding the requirements for the defendant's participation in the intervention program as well as regarding available victim resources. The victim also shall be informed that attendance in any program does not guarantee that an abuser will not be violent.

(E) A requirement that the defendant attend group sessions free of chemical influence.

(F) Educational programming that examines, at a minimum, gender roles, socialization, the nature of violence, the dynamics of power and control, and the effects of abuse on children and others.

(G) A requirement that excludes any couple counseling or family counseling, or both.

(H) Procedures that give the program the right to assess whether or not the defendant would benefit from the program and to refuse to enroll the defendant if it is determined that the defendant would not benefit from the program, so long as the refusal is not because of the defendant's inability to pay. If possible, the program shall suggest an appropriate alternative program.

(I) Program staff who, to the extent possible, have specific knowledge regarding, but not limited to, spousal abuse, child abuse, sexual abuse, substance abuse, the dynamics of violence and abuse, the law, and procedures of the legal system.

(J) Program staff who are encouraged to utilize the expertise, training, and assistance of local domestic violence centers.

(K) A requirement that the defendant enter into a written agreement with the program, which shall include an outline of the contents of the program, the attendance requirements, the requirement to attend group sessions free of chemical influence, and a statement that the defendant may be removed from the program if it is determined that the defendant is not benefiting from the program or is disruptive to the program.

(L) A requirement that the defendant sign a confidentiality statement prohibiting disclosure of any information obtained through participating in the program or during group sessions regarding other participants in the program.

(M) Program content that provides cultural and ethnic sensitivity.

(N) A requirement of a written referral from the court or probation department prior to permitting the defendant to enroll in the program. The written referral shall state the number of minimum sessions required by the court.

(O) Procedures for submitting to the probation department all of the following uniform written responses:

(i) Proof of enrollment, to be submitted to the court and the probation department and to include the fee determined to be charged to the defendant, based upon the ability to pay, for each session.

(ii) Periodic progress reports that include attendance, fee payment history, and program compliance.

(iii) Final evaluation that includes the program's evaluation of the defendant's progress, using the criteria set forth in paragraph (4) of subdivision (a) and recommendation for either successful or unsuccessful termination or continuation in the program.

(P) A sliding fee schedule based on the defendant's ability to pay. The batterer's program shall develop and utilize a sliding fee scale that recognizes both the defendant's ability to pay and the necessity of programs to meet overhead expenses. An indigent defendant may negotiate a deferred payment schedule, but shall pay a nominal fee, if the defendant has the ability to pay the nominal fee. Upon a hearing

and a finding by the court that the defendant does not have the financial ability to pay the nominal fee, the court shall waive this fee. The payment of the fee shall be made a condition of probation if the court determines the defendant has the present ability to pay the fee. The fee shall be paid during the term of probation unless the program sets other conditions. The acceptance policies shall be in accordance with the scaled fee system.

(2) The court shall refer persons only to batterer's programs that have been approved by the probation department pursuant to paragraph (5). The probation department shall do both of the following:

(A) Provide for the issuance of a provisional approval, provided that the applicant is in substantial compliance with applicable laws and regulations and an urgent need for approval exists. A provisional approval shall be considered an authorization to provide services and shall not be considered a vested right.

(B) If the probation department determines that a program is not in compliance with standards set by the department, the department shall provide written notice of the noncompliant areas to the program. The program shall submit a written plan of corrections within 14 days from the date of the written notice on noncompliance. A plan of correction shall include, but not be limited to, a description of each corrective action and timeframe for implementation. The department shall review and approve all or any part of the plan of correction and notify the program of approval or disapproval in writing. If the program fails to submit a plan of correction or fails to implement the approved plan of correction, the department shall consider whether to revoke or suspend approval and, upon revoking or suspending approval, shall have the option to cease referrals of defendants under this section.

(3) No program, regardless of its source of funding, shall be approved unless it meets all of the following standards:

(A) The establishment of guidelines and criteria for education services, including standards of services that may include lectures, classes, and group discussions.

(B) Supervision of the defendant for the purpose of evaluating the person's progress in the program.

(C) Adequate reporting requirements to ensure that all persons who, after being ordered to attend and complete a program, may be identified for either failure to enroll in, or failure to successfully complete, the program or for the successful completion of the program as ordered. The program shall notify the court and the probation department in writing within the period of time and in the manner specified by the court of any person who fails to complete the program. Notification shall be given if the program determines that the defendant is performing unsatisfactorily or if the defendant is not benefiting from the education, treatment, or counseling.

(D) No victim shall be compelled to participate in a program or counseling, and no program may condition a defendant's enrollment on participation by the victim.

(4) In making referrals of indigent defendants to approved batterer's programs, the probation department shall apportion these referrals evenly among the approved programs.

(5) The probation department shall have the sole authority to approve a batterer's program for probation. The program shall be required to obtain only one approval but shall renew that approval annually.

(A) The procedure for the approval of a new or existing program shall include all of the following:

(i) The completion of a written application containing necessary and pertinent information describing the applicant program.

(ii) The demonstration by the program that it possesses adequate administrative and operational capability to operate a batterer's treatment program. The program shall provide documentation to prove that the program has conducted batterer's programs for at least one year prior to application. This requirement may be waived under subparagraph (A) of paragraph (2) if there is no existing batterer's program in the city, county, or city and county.

(iii) The onsite review of the program, including monitoring of a session to determine that the program adheres to applicable statutes and regulations.

(iv) The payment of the approval fee.

(B) The probation department shall fix a fee for approval not to exceed two hundred fifty dollars ($250) and for approval renewal not to exceed two hundred fifty dollars ($250) every year in an amount sufficient to cover its cost in administering the approval process under this section. No fee shall be charged for the approval of local governmental entities.

(C) The probation department has the sole authority to approve the issuance, denial, suspension, or revocation of approval and to cease new enrollments or referrals to a batterer's program under this section. The probation department shall review information relative to a program's performance or failure to adhere to standards, or both. The probation department may suspend or revoke any approval issued under this subdivision or deny an application to renew an approval or to modify the terms and conditions of approval, based on grounds established by probation, including, but not limited to, either of the following:

(i) Violation of this section by any person holding approval or by a program employee in a program under this section.

(ii) Misrepresentation of any material fact in obtaining the approval.

(6) For defendants who are chronic users or serious abusers of drugs or alcohol, standard components in the program shall include concurrent counseling for substance abuse and violent behavior, and

in appropriate cases, detoxification and abstinence from the abused substance.

(7) The program shall conduct an exit conference that assesses the defendant's progress during his or her participation in the batterer's program.

SEC. 152. Section 1269b of the Penal Code is amended to read:

1269b. (a) The officer in charge of a jail where an arrested person is held in custody, an officer of a sheriff's department or police department of a city who is in charge of a jail or is employed at a fixed police or sheriff's facility and is acting under an agreement with the agency that keeps the jail wherein an arrested person is held in custody, an employee of a sheriff's department or police department of a city who is assigned by the department to collect bail, the clerk of the municipal court of the judicial district in which the offense was alleged to have been committed, and the clerk of the superior court in which the case against the defendant is pending may approve and accept bail in the amount fixed by the warrant of arrest, schedule of bail, or order admitting to bail in cash or surety bond executed by a certified, admitted surety insurer as provided in the Insurance Code, to issue and sign an order for the release of the arrested person, and to set a time and place for the appearance of the arrested person before the appropriate court and give notice thereof.

(b) If a defendant has appeared before a judge of the court on the charge contained in the complaint, indictment, or information, the bail shall be in the amount fixed by the judge at the time of the appearance; if that appearance has not been made, the bail shall be in the amount fixed in the warrant of arrest or, if no warrant of arrest has been issued, the amount of bail shall be pursuant to the uniform countywide schedule of bail for the county in which the defendant is required to appear, previously fixed and approved as provided in subdivisions (c) and (d).

(c) It is the duty of the superior and municipal court judges in each county to prepare, adopt, and annually revise, by a majority vote, at a meeting called by the presiding judge of the superior court of the county, a uniform countywide schedule of bail for all bailable felony offenses.

In adopting a uniform countywide schedule of bail for all bailable offenses the judges shall consider the seriousness of the offense charged. In considering the seriousness of the offense charged the judges shall assign an additional amount of required bail for each aggravating or enhancing factor chargeable in the complaint, including, but not limited to, additional bail for charges alleging facts that would bring a person within any of the following sections: Section 667.5, 667.51, 667.6, 667.8, 667.85, 667.9, 667.10, 12022, 12022.1, 12022.2, 12022.3, 12022.4, 12022.5, 12022.53, 12022.6, 12022.7, 12022.8, or 12022.9, or Section 11356.5, 11370.2, or 11370.4 of the Health and Safety Code.

In considering offenses wherein a violation of Chapter 6 (commencing with Section 11350) of Division 10 of the Health and Safety Code is alleged, the judge shall assign an additional amount of required bail for offenses involving large quantities of controlled substances.

(d) The municipal court judges in each county, at a meeting called by the presiding judge of the municipal court at each county seat, or the superior court judges in each county in which there is no municipal court, at a meeting called by the presiding judge of the superior court, shall prepare, adopt, and annually revise, by a majority vote, a uniform, countywide schedule of bail for all misdemeanor and infraction offenses except Vehicle Code infractions. The penalty schedule for infraction violations of the Vehicle Code shall be established by the Judicial Council in accordance with Section 40310 of the Vehicle Code.

(e) Each countywide bail schedule shall contain a list of the offenses and the amounts of bail applicable thereto as the judges determine to be appropriate. If the schedules do not list all offenses specifically, they shall contain a general clause for designated amounts of bail as the judges of the county determine to be appropriate for all the offenses not specifically listed in the schedules. A copy of the countywide bail schedule shall be sent to the officer in charge of the county jail, to the officer in charge of each city jail within the county, to each superior and municipal court judge and commissioner in the county, and to the Judicial Council.

(f) Upon posting bail, the defendant or arrested person shall be discharged from custody as to the offense on which the bail is posted.

All money and surety bonds so deposited with an officer authorized to receive bail shall be transmitted immediately to the judge or clerk of the court by which the order was made or warrant issued or bail schedule fixed. If, in the case of felonies, an indictment is filed, the judge or clerk of the court shall transmit all of the money and surety bonds to the county clerk.

(g) If a defendant or arrested person so released fails to appear at the time and in the court so ordered upon his or her release from custody, Sections 1305 and 1306 apply.

SEC. 153. Section 1347 of the Penal Code, as amended by Section 1.5 of Chapter 670 of the Statutes of 1998, is amended to read:

1347. (a) It is the intent of the Legislature in enacting this section to provide the court with discretion to employ unusual court procedures to protect the rights of a child witness, the rights of the defendant, and the integrity of the judicial process. In exercising its discretion, the court necessarily will be required to balance the rights of the defendant or defendants against the need to protect a child witness and to preserve the integrity of the court's truthfinding function. This discretion is intended to be used selectively when the facts and circumstances in the individual case present compelling evidence of the need to use these unusual procedures.

(b) Notwithstanding any other law, the court in any criminal proceeding, upon written notice by the prosecutor made at least three days prior to the date of the preliminary hearing or trial date on which the testimony of the minor is scheduled, or during the course of the proceeding on the court's own motion, may order that the testimony of a minor 13 years of age or younger at the time of the motion be taken by contemporaneous examination and cross-examination in another place and out of the presence of the judge, jury, defendant or defendants, and attorneys, and communicated to the courtroom by means of closed-circuit television, if the court makes all of the following findings:

(1) The minor's testimony will involve a recitation of the facts of either of the following:

(A) An alleged sexual offense committed on or with the minor.

(B) The minor is a victim of a violent felony, as defined in subdivision (c) of Section 667.5.

(2) The impact on the minor of one or more of the factors enumerated in subparagraphs (A) to (D), inclusive, is shown by clear and convincing evidence to be so substantial as to make the minor unavailable as a witness unless closed-circuit television is used.

(A) Threats of serious bodily injury to be inflicted on the minor or a family member, of incarceration or deportation of the minor or a family member, or of removal of the minor from the family or dissolution of the family, in order to prevent or dissuade the minor from attending or giving testimony at any trial or court proceeding, or to prevent the minor from reporting the alleged sexual offense or from assisting in criminal prosecution.

(B) Use of a firearm or any other deadly weapon during the commission of the crime.

(C) Infliction of great bodily injury upon the victim during the commission of the crime.

(D) Conduct on the part of the defendant or defense counsel during the hearing or trial that causes the minor to be unable to continue his or her testimony.

In making the determination required by this section, the court shall consider the age of the minor, the relationship between the minor and the defendant or defendants, any handicap or disability of the minor, and the nature of the acts charged. The minor's refusal to testify shall not alone constitute sufficient evidence that the special procedure described in this section is necessary to obtain the minor's testimony.

(3) The equipment available for use of closed-circuit television would accurately communicate the image and demeanor of the minor to the judge, jury, defendant or defendants, and attorneys.

(c) If the court orders the use of closed-circuit television, two-way closed-circuit television shall be used, except that if the impact on the minor of one or more of the factors enumerated in subparagraphs (A) to (D), inclusive, of paragraph (2) of subdivision (b), is shown by

clear and convincing evidence to be so substantial as to make the minor unavailable as a witness even if two-way closed-circuit television is used, one-way closed-circuit television may be used. The prosecution shall give the defendant or defendants at least 30 days written notice of the prosecution's intent to seek the use of one-way closed-circuit television, unless good cause is shown to the court why this 30-day notice requirement should not apply.

(d) (1) The hearing on a motion brought pursuant to this section shall be conducted out of the presence of the jury.

(2) Notwithstanding Section 804 of the Evidence Code or any other law, the court, in determining the merits of the motion, shall not compel the minor to testify at the hearing; nor shall the court deny the motion on the ground that the minor has not testified.

(3) In determining whether the impact on an individual child of one or more of the four factors enumerated in paragraph (2) of subdivision (b) is so substantial that the minor is unavailable as a witness unless two-way or one-way closed-circuit television is used, the court may question the minor in chambers, or at some other comfortable place other than the courtroom, on the record for a reasonable period of time with the support person, the prosecutor, and defense counsel present. The defendant or defendants shall not be present. The court shall conduct the questioning of the minor and shall not permit the prosecutor or defense counsel to examine the minor. The prosecutor and defense counsel shall be permitted to submit proposed questions to the court prior to the session in chambers. Defense counsel shall be afforded a reasonable opportunity to consult with the defendant or defendants prior to the conclusion of the session in chambers.

(e) When the court orders the testimony of a minor to be taken in another place outside of the courtroom, the court shall do all of the following:

(1) Make a brief statement on the record, outside of the presence of the jury, of the reasons in support of its order. While the statement need not include traditional findings of fact, the reasons shall be set forth with sufficient specificity to permit meaningful review and to demonstrate that discretion was exercised in a careful, reasonable, and equitable manner.

(2) Instruct the members of the jury that they are to draw no inferences from the use of closed-circuit television as a means of facilitating the testimony of the minor.

(3) Instruct respective counsel, outside of the presence of the jury, that they are to make no comment during the course of the trial on the use of closed-circuit television procedures.

(4) Instruct the support witness, outside of the presence of the jury, that he or she is not to coach, cue, or in any way influence or attempt to influence the testimony of the minor.

(5) Order that a complete record of the examination of the minor, including the images and voices of all persons who in any way

participate in the examination, be made and preserved on videotape in addition to being stenographically recorded. The videotape shall be transmitted to the clerk of the court in which the action is pending and shall be made available for viewing to the prosecuting attorney, the defendant or defendants, and his or her attorney during ordinary business hours. The videotape shall be destroyed after five years have elapsed from the date of entry of judgment. If an appeal is filed, the tape shall not be destroyed until a final judgment on appeal has been ordered. Any videotape that is taken pursuant to this section is subject to a protective order of the court for the purpose of protecting the privacy of the witness. This subdivision does not affect the provisions of subdivision (b) of Section 868.7.

(f) When the court orders the testimony of a minor to be taken in another place outside the courtroom, only the minor, a support person designated pursuant to Section 868.5, a nonuniformed bailiff, and, after consultation with the prosecution and the defense, a representative appointed by the court, shall be physically present for the testimony. A videotape shall record the image of the minor and his or her testimony, and a separate videotape shall record the image of the support person.

(g) When the court orders the testimony of a minor to be taken in another place outside the courtroom, the minor shall be brought into the judge's chambers prior to the taking of his or her testimony to meet for a reasonable period of time with the judge, the prosecutor, and defense counsel. A support person for the minor shall also be present. This meeting shall be for the purpose of explaining the court process to the child and to allow the attorneys an opportunity to establish rapport with the child to facilitate later questioning by closed-circuit television. No participant shall discuss the defendant or defendants or any of the facts of the case with the minor during this meeting.

(h) When the court orders the testimony of a minor to be taken in another place outside the courtroom, nothing in this section prohibits the court from ordering the minor to be brought into the courtroom for a limited purpose, including the identification of the defendant or defendants as the court deems necessary.

(i) The examination shall be under oath, and the defendant or defendants shall be able to see and hear the minor witness and if two-way closed-circuit television is used, the defendant's image shall be transmitted live to the witness.

(j) Nothing in this section affects the disqualification of witnesses pursuant to Section 701 of the Evidence Code.

(k) The cost of examination by contemporaneous closed-circuit television ordered pursuant to this section shall be borne by the court out of its existing budget.

(*l*) The Judicial Council shall prepare and submit to the Legislature, on or before December 31, 2000, a report on the frequency of use and effectiveness of closed-circuit testimony.

(m) This section shall remain in effect only until January 1, 2001, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2001, deletes or extends that date.

SEC. 154. Section 1347 of the Penal Code, as added by Section 1.6 of Chapter 670 of the Statutes of 1998, is amended to read:

1347. (a) It is the intent of the Legislature in enacting this section to provide the court with discretion to employ unusual court procedures to protect the rights of a child witness, the rights of the defendant, and the integrity of the judicial process. In exercising its discretion, the court necessarily will be required to balance the rights of the defendant or defendants against the need to protect a child witness and to preserve the integrity of the court's truthfinding function. This discretion is intended to be used selectively when the facts and circumstances in the individual case present compelling evidence of the need to use these unusual procedures.

(b) Notwithstanding any other law, the court in any criminal proceeding, upon written notice by the prosecutor made at least three days prior to the date of the preliminary hearing or trial date on which the testimony of the minor is scheduled, or during the course of the proceeding on the court's own motion, may order that the testimony of a minor 13 years of age or younger at the time of the motion be taken by contemporaneous examination and cross-examination in another place and out of the presence of the judge, jury, defendant or defendants, and attorneys, and communicated to the courtroom by means of closed-circuit television, if the court makes all of the following findings:

(1) The minor's testimony will involve a recitation of the facts of an alleged sexual offense committed on or with the minor.

(2) The impact on the minor of one or more of the factors enumerated in subparagraphs (A) to (D), inclusive, is shown by clear and convincing evidence to be so substantial as to make the minor unavailable as a witness unless closed-circuit television is used.

(A) Threats of serious bodily injury to be inflicted on the minor or a family member, of incarceration or deportation of the minor or a family member, or of removal of the minor from the family or dissolution of the family, in order to prevent or dissuade the minor from attending or giving testimony at any trial or court proceeding, or to prevent the minor from reporting the alleged sexual offense or from assisting in criminal prosecution.

(B) Use of a firearm or any other deadly weapon during the commission of the crime.

(C) Infliction of great bodily injury upon the victim during the commission of the crime.

(D) Conduct on the part of the defendant or defense counsel during the hearing or trial that causes the minor to be unable to continue his or her testimony.

In making the determination required by this section, the court shall consider the age of the minor, the relationship between the

minor and the defendant or defendants, any handicap or disability of the minor, and the nature of the acts charged. The minor's refusal to testify shall not alone constitute sufficient evidence that the special procedure described in this section is necessary to obtain the minor's testimony.

(3) The equipment available for use of closed-circuit television would accurately communicate the image and demeanor of the minor to the judge, jury, defendant or defendants, and attorneys.

(c) If the court orders the use of closed-circuit television, two-way closed-circuit television shall be used, except that if the impact on the minor of one or more of the factors enumerated in subparagraphs (A) to (D), inclusive, of paragraph (2) of subdivision (b), is shown by clear and convincing evidence to be so substantial as to make the minor unavailable as a witness even if two-way closed-circuit television is used, one-way closed-circuit television may be used. The prosecution shall give the defendant or defendants at least 30 days' written notice of the prosecution's intent to seek the use of one-way closed-circuit television, unless good cause is shown to the court why this 30-day notice requirement should not apply.

(d) (1) The hearing on a motion brought pursuant to this section shall be conducted out of the presence of the jury.

(2) Notwithstanding Section 804 of the Evidence Code or any other law, the court, in determining the merits of the motion, shall not compel the minor to testify at the hearing; nor shall the court deny the motion on the ground that the minor has not testified.

(3) In determining whether the impact on an individual child of one or more of the four factors enumerated in paragraph (2) of subdivision (b) is so substantial that the minor is unavailable as a witness unless two-way or one-way closed-circuit television is used, the court may question the minor in chambers, or at some other comfortable place other than the courtroom, on the record for a reasonable period of time with the support person, the prosecutor, and defense counsel present. The defendant or defendants shall not be present. The court shall conduct the questioning of the minor and shall not permit the prosecutor or defense counsel to examine the minor. The prosecutor and defense counsel shall be permitted to submit proposed questions to the court prior to the session in chambers. Defense counsel shall be afforded a reasonable opportunity to consult with the defendant or defendants prior to the conclusion of the session in chambers.

(e) When the court orders the testimony of a minor to be taken in another place outside of the courtroom, the court shall do all of the following:

(1) Make a brief statement on the record, outside of the presence of the jury, of the reasons in support of its order. While the statement need not include traditional findings of fact, the reasons shall be set forth with sufficient specificity to permit meaningful review and to

demonstrate that discretion was exercised in a careful, reasonable, and equitable manner.

(2) Instruct the members of the jury that they are to draw no inferences from the use of closed-circuit television as a means of facilitating the testimony of the minor.

(3) Instruct respective counsel, outside of the presence of the jury, that they are to make no comment during the course of the trial on the use of closed-circuit television procedures.

(4) Instruct the support witness, outside of the presence of the jury, that he or she is not to coach, cue, or in any way influence or attempt to influence the testimony of the minor.

(5) Order that a complete record of the examination of the minor, including the images and voices of all persons who in any way participate in the examination, be made and preserved on videotape in addition to being stenographically recorded. The videotape shall be transmitted to the clerk of the court in which the action is pending and shall be made available for viewing to the prosecuting attorney, the defendant or defendants, and his or her attorney during ordinary business hours. The videotape shall be destroyed after five years have elapsed from the date of entry of judgment. If an appeal is filed, the tape shall not be destroyed until a final judgment on appeal has been ordered. Any videotape that is taken pursuant to this section is subject to a protective order of the court for the purpose of protecting the privacy of the witness. This subdivision does not affect subdivision (b) of Section 868.7.

(f) When the court orders the testimony of a minor to be taken in another place outside the courtroom, only the minor, a support person designated pursuant to Section 868.5, a nonuniformed bailiff, and, after consultation with the prosecution and the defense, a representative appointed by the court, shall be physically present for the testimony. A videotape shall record the image of the minor and his or her testimony, and a separate videotape shall record the image of the support person.

(g) When the court orders the testimony of a minor to be taken in another place outside the courtroom, the minor shall be brought into the judge's chambers prior to the taking of his or her testimony to meet for a reasonable period of time with the judge, the prosecutor, and defense counsel. A support person for the minor shall also be present. This meeting shall be for the purpose of explaining the court process to the child and to allow the attorneys an opportunity to establish rapport with the child to facilitate later questioning by closed-circuit television. No participant shall discuss the defendant or defendants or any of the facts of the case with the minor during this meeting.

(h) When the court orders the testimony of a minor to be taken in another place outside the courtroom, nothing in this section prohibits the court from ordering the minor to be brought into the

courtroom for a limited purpose, including the identification of the defendant or defendants as the court deems necessary.

(i) The examination shall be under oath, and the defendant or defendants shall be able to see and hear the minor witness, and if two-way closed-circuit television is used, the defendant's image shall be transmitted live to the witness.

(j) Nothing in this section affects the disqualification of witnesses pursuant to Section 701 of the Evidence Code.

(k) The cost of examination by contemporaneous closed-circuit television ordered pursuant to this section shall be borne by the court out of its existing budget.

(*l*) This section shall become operative on January 1, 2001.

SEC. 155. Section 3003 of the Penal Code is amended to read:

3003. (a) Except as otherwise provided in this section, an inmate who is released on parole shall be returned to the county that was the last legal residence of the inmate prior to his or her incarceration.

For purposes of this subdivision, "last legal residence" shall not be construed to mean the county wherein the inmate committed an offense while confined in a state prison or local jail facility or while confined for treatment in a state hospital.

(b) Notwithstanding subdivision (a), an inmate may be returned to another county if that would be in the best interests of the public. If the Board of Prison Terms setting the conditions of parole for inmates sentenced pursuant to subdivision (b) of Section 1168, or the Department of Corrections setting the conditions of parole for inmates sentenced pursuant to Section 1170, decides on a return to another county, it shall place its reasons in writing in the parolee's permanent record and include these reasons in the notice to the sheriff or chief of police pursuant to Section 3058.6. In making its decision, the paroling authority shall consider, among others, the following factors, giving the greatest weight to the protection of the victim and the safety of the community:

(1) The need to protect the life or safety of a victim, the parolee, a witness, or any other person.

(2) Public concern that would reduce the chance that the inmate's parole would be successfully completed.

(3) The verified existence of a work offer, or an educational or vocational training program.

(4) The existence of family in another county with whom the inmate has maintained strong ties and whose support would increase the chance that the inmate's parole would be successfully completed.

(5) The lack of necessary outpatient treatment programs for parolees receiving treatment pursuant to Section 2960.

(c) The Department of Corrections, in determining an out-of-county commitment, shall give priority to the safety of the community and any witnesses and victims.

(d) In making its decision about an inmate who participated in a joint venture program pursuant to Article 1.5 (commencing with

Section 2717.1) of Chapter 5, the paroling authority shall give serious consideration to releasing him or her to the county where the joint venture program employer is located if that employer states to the paroling authority that he or she intends to employ the inmate upon release.

(e) (1) The following information, if available, shall be released by the Department of Corrections to local law enforcement agencies regarding a paroled inmate who is released in their jurisdictions:

(A) Last, first, and middle name.

(B) Birth date.

(C) Sex, race, height, weight, and hair and eye color.

(D) Date of parole and discharge.

(E) Registration status, if the inmate is required to register as a result of a controlled substance, sex, or arson offense.

(F) California Criminal Information Number, FBI number, social security number, and driver's license number.

(G) County of commitment.

(H) A description of scars, marks, and tattoos on the inmate.

(I) Offense or offenses for which the inmate was convicted that resulted in parole in this instance.

(J) Address, including all of the following information:

(i) Street name and number. Post office box numbers are not acceptable for purposes of this subparagraph.

(ii) City and ZIP Code.

(iii) Date that the address provided pursuant to this subparagraph was proposed to be effective.

(K) Contact officer and unit, including all of the following information:

(i) Name and telephone number of each contact officer.

(ii) Contact unit type of each contact officer, such as units responsible for parole, registration, or county probation.

(L) A digitized image of the photograph and at least a single-digit fingerprint of the parolee.

(M) A geographic coordinate for the parolee's residence location for use with a Geographical Information System (GIS) or comparable computer program.

(2) The information required by this subdivision shall come from the statewide parolee data base. The information obtained from each source shall be based on the same timeframe.

(3) All of the information required by this subdivision shall be provided utilizing a computer-to-computer transfer in a format usable by a desktop computer system. The transfer of this information shall be continually available to local law enforcement agencies upon request.

(4) The unauthorized release or receipt of the information described in this subdivision is a violation of Section 11143.

(f) Notwithstanding any other provision of law, an inmate who is released on parole shall not be returned to a location within 35 miles

of the actual residence of a victim of, or a witness to, a violent felony as defined in paragraphs (1) to (7), inclusive, of subdivision (c) of Section 667.5 or a felony in which the defendant inflicts great bodily injury on any person other than an accomplice that has been charged and proved as provided for in Section 12022.53, 12022.7, or 12022.9, if the victim or witness has requested additional distance in the placement of the inmate on parole, and if the Board of Prison Terms or the Department of Corrections finds that there is a need to protect the life, safety, or well-being of a victim or witness.

(g) Notwithstanding any other law, an inmate who is released on parole for any violation of Section 288 or 288.5 shall not be placed within one-quarter mile of any school that includes any or all of grades kindergarten to 6, inclusive.

(h) The authority shall give consideration to the equitable distribution of parolees and the proportion of out-of-county commitments from a county compared to the number of commitments from that county when making parole decisions.

(i) An inmate may be paroled to another state pursuant to any other law.

(j) (1) Except as provided in paragraph (2), the Department of Corrections shall be the agency primarily responsible for, and shall have control over, the program, resources, and staff implementing the Law Enforcement Automated Data System (LEADS) in conformance with subdivision (e).

(2) Notwithstanding paragraph (1), the Department of Justice shall be the agency primarily responsible for the proper release of information under LEADS that relates to fingerprint cards.

SEC. 156. Section 4536.5 of the Penal Code is amended to read:

4536.5. The medical director or person in charge of a state hospital or other public or private mental health facility to which a person has been committed under the provisions of Article 4 (commencing with Section 6600) of Chapter 2 of Part 2 of the Welfare and Institutions Code, shall promptly notify the Department of Corrections' Sexually Violent Predator Parole Coordinator, the chief of police of the city in which the hospital or facility is located, or the sheriff of the county if the hospital or facility is located in an unincorporated area, of the escape of the person, and shall request the assistance of the chief of police or sheriff in apprehending the person, and shall, within 48 hours of the escape of the person, orally notify the court that made the commitment, the prosecutor in the case, and the Department of Justice of the escape.

SEC. 157. Section 5066 of the Penal Code is amended to read:

5066. The Director of Corrections shall expand the existing prison ombudsman program to ensure the comprehensive deployment of ombudsmen throughout the state prison system with specific focus on the maximum security institutions. The director shall submit a report to the chairs of the appropriate fiscal and policy committees

of the Legislature by February 1, 1999, outlining the plans for implementation of this section.

SEC. 158. Section 6051 of the Penal Code is amended to read:

6051. The Inspector General shall conduct a management review audit of any warden in the Department of Corrections or superintendent in the Department of the Youth Authority who has held his or her position for more than four years. The management review audit shall include, but not be limited to, issues relating to personnel, training, investigations, and financial matters. The audit report shall be submitted to the secretary of the agency and the respective director for evaluation and for any response deemed necessary. Any Member of the Legislature may request and shall be provided with a copy of any audit report. A report that involves potential criminal investigations or prosecution shall be considered confidential.

SEC. 159. Section 6065 of the Penal Code is amended to read:

6065. (a) The Legislature finds and declares that investigations of the Department of Corrections and the Department of the Youth Authority that are conducted by their respective offices of internal affairs, or any successor to these offices, require appropriately trained personnel, who perform their duties with honesty, credibility, and without any conflicts of interest.

(b) To meet the objectives stated in subdivision (a), the following conditions shall be met:

(1) Prior to training any peace officer who is selected to conduct internal affairs investigations, the department shall conduct a complete and thorough background check. This background check shall be in addition to the original background screening that was conducted when the person was hired as a peace officer. Each person shall satisfactorily pass the second background check. Any person who has been the subject of a sustained, serious disciplinary action, including, but not limited to, termination, suspension, or demotion, shall not pass the background check.

(2) All internal affairs allegations or complaints, whether investigated or not, shall be logged and numbered sequentially on an annual basis. The log shall specify, but not be limited to, the following information: the sequential number of the allegation or complaint, the date of receipt of the allegation or complaint, the location or facility to which the allegation or complaint pertains, and the disposition of all actions taken, including any final action taken. The log shall be made available to the Inspector General.

(c) Consistent with the objectives expressed in subdivision (a), investigators shall conduct investigations and inquiries in a manner that provides a complete and thorough presentation of the facts regarding the allegation or complaint. All extenuating and mitigating facts shall be explored and reported. The role of the investigator is that of a factfinder. All reports prepared by an investigator shall

provide the appointing authority with a complete recitation of the facts, and shall refrain from conjecture or opinion.

(1) Uncorroborated or anonymous allegations shall not constitute the sole basis for disciplinary action by the department, other than an investigation.

(2) All reports shall be submitted in a standard format, begin with a statement of the allegation or complaint, provide all relevant facts, and include the investigator's signature, certifying that the investigator has complied with the provisions of this section subject to compliance with Sections 118.1 and 148.6.

SEC. 160. Section 6126 of the Penal Code is amended to read:

6126. (a) The Inspector General shall be responsible for reviewing departmental policy and procedures for conducting investigations and audits of investigatory practices and other audits and investigations of the Department of Corrections, the Department of the Youth Authority, the Board of Prison Terms, the Youthful Offender Parole Board, or the Board of Corrections, as requested by either the Secretary of the Youth and Adult Correctional Agency or a Member of the Legislature, pursuant to the approval of the Inspector General under policies to be developed by the Inspector General.

(b) Upon completion of an investigation or audit, the Inspector General shall provide a response to the requester.

(c) In the accomplishment of investigatory audits, the Inspector General shall also identify areas of full and partial compliance, and noncompliance, with departmental investigatory policies and procedures, specify deficiencies in the completion and documentation of investigatory processes, and recommend corrective actions, including, but not limited to, additional training with respect to investigative policies.

SEC. 161. Section 12071 of the Penal Code is amended to read:

12071. (a) (1) As used in this chapter, the term "licensee," "person licensed pursuant to Section 12071," or "dealer" means a person who has all of the following:

(A) A valid federal firearms license.

(B) Any regulatory or business license, or licenses, required by local government.

(C) A valid seller's permit issued by the State Board of Equalization.

(D) A certificate of eligibility issued by the Department of Justice pursuant to paragraph (4).

(E) A license issued in the format prescribed by paragraph (6).

(F) Is among those recorded in the centralized list specified in subdivision (e).

(2) The duly constituted licensing authority of a city, county, or a city and county shall accept applications for, and may grant licenses permitting, licensees to sell firearms at retail within the city, county, or city and county. The duly constituted licensing authority shall

inform applicants who are denied licenses of the reasons for the denial in writing.

(3) No license shall be granted to any applicant who fails to provide a copy of his or her valid federal firearms license, valid seller's permit issued by the State Board of Equalization, and the certificate of eligibility described in paragraph (4).

(4) A person may request a certificate of eligibility from the Department of Justice, and the Department of Justice shall issue a certificate to an applicant if the department's records indicate that the applicant is not a person who is prohibited from possessing firearms.

(5) The department shall adopt regulations to administer the certificate of eligibility program and shall recover the full costs of administering the program by imposing fees assessed to applicants who apply for those certificates.

(6) A license granted by the duly constituted licensing authority of any city, county, or city and county, shall be valid for not more than one year from the date of issuance and shall be in one of the following forms:

(A) In the form prescribed by the Attorney General.

(B) A regulatory or business license that states on its face "Valid for Retail Sales of Firearms" and is endorsed by the signature of the issuing authority.

(C) A letter from the duly constituted licensing authority having primary jurisdiction for the applicant's intended business location stating that the jurisdiction does not require any form of regulatory or business license or does not otherwise restrict or regulate the sale of firearms.

(7) Local licensing authorities may assess fees to recover their full costs of processing applications for licenses.

(b) A license is subject to forfeiture for a breach of any of the following prohibitions and requirements:

(1) (A) Except as provided in subparagraphs (B) and (C), the business shall be conducted only in the buildings designated in the license.

(B) A person licensed pursuant to subdivision (a) may take possession of firearms and commence preparation of registers for the sale, delivery, or transfer of firearms at gun shows or events, as defined in Section 178.100 of Title 27 of the Code of Federal Regulations, or its successor, if the gun show or event is not conducted from any motorized or towed vehicle. A person conducting business pursuant to this subparagraph shall be entitled to conduct business as authorized herein at any gun show or event in the state without regard to the jurisdiction within this state that issued the license pursuant to subdivision (a), provided that the person complies with (i) all applicable laws, including, but not limited to, the waiting period specified in subparagraph (A) of paragraph (3), and (ii) all applicable local laws, regulations, and fees, if any.

A person conducting business pursuant to this subparagraph shall publicly display his or her license issued pursuant to subdivision (a), or a facsimile thereof, at any gun show or event, as specified in this subparagraph.

(C) A person licensed pursuant to subdivision (a) may engage in the sale and transfer of firearms other than pistols, revolvers, or other firearms capable of being concealed upon the person, at events specified in subdivision (g) of Section 12078, subject to the prohibitions and restrictions contained in that subdivision.

A person licensed pursuant to subdivision (a) also may accept delivery of firearms other than pistols, revolvers, or other firearms capable of being concealed upon the person, outside the building designated in the license, provided that the firearm is being donated for the purpose of sale or transfer at an auction or similar event specified in subdivision (g) of Section 12078.

(D) The firearm may be delivered to the purchaser, transferee, or person being loaned the firearm at one of the following places:

(i) The building designated in the license.

(ii) The places specified in subparagraph (B) or (C).

(iii) The place of residence of, the fixed place of business of, or on private property owned or lawfully possessed by, the purchaser, transferee, or person being loaned the firearm.

(2) The license or a copy thereof, certified by the issuing authority, shall be displayed on the premises where it can easily be seen.

(3) No firearm shall be delivered:

(A) Within 10 days of the application to purchase, or, after notice by the department pursuant to subdivision (d) of Section 12076, within 10 days of the submission to the department of any correction to the application, or within 10 days of the submission to the department of any fee required pursuant to subdivision (e) of Section 12076, whichever is later.

(B) Unless unloaded and securely wrapped or unloaded and in a locked container.

(C) Unless the purchaser, transferee, or person being loaned the firearm presents clear evidence of his or her identity and age to the dealer.

(D) Whenever the dealer is notified by the Department of Justice that the person is in a prohibited class described in Section 12021 or 12021.1 of this code or Section 8100 or 8103 of the Welfare and Institutions Code.

(4) No pistol, revolver, or other firearm or imitation thereof capable of being concealed upon the person, or placard advertising the sale or other transfer thereof, shall be displayed in any part of the premises where it can readily be seen from the outside.

(5) The licensee shall agree to, and shall act properly and promptly in, processing firearms transactions pursuant to Section 12082.

(6) The licensee shall comply with Sections 12073, 12076, and 12077, subdivisions (a) and (b) of Section 12072, and subdivision (a) of Section 12316.

(7) The licensee shall post conspicuously within the licensed premises the following warnings in block letters not less than one inch in height:

(A) "IF YOU LEAVE A LOADED FIREARM WHERE A CHILD OBTAINS AND IMPROPERLY USES IT, YOU MAY BE FINED OR SENT TO PRISON."

(B) "IF YOU KEEP A LOADED FIREARM, OR A PISTOL, REVOLVER, OR OTHER FIREARM CAPABLE OF BEING CONCEALED UPON THE PERSON, WITHIN ANY PREMISES UNDER YOUR CUSTODY OR CONTROL, AND A PERSON UNDER THE AGE OF 16 YEARS GAINS ACCESS TO THE FIREARM, YOU MAY BE GUILTY OF A MISDEMEANOR OR A FELONY, UNLESS YOU STORED THE FIREARM IN A LOCKED CONTAINER, OR LOCKED THE FIREARM WITH A LOCKING DEVICE, TO KEEP IT FROM TEMPORARILY FUNCTIONING."

(C) "DISCHARGING FIREARMS IN POORLY VENTILATED AREAS, CLEANING FIREARMS, OR HANDLING AMMUNITION MAY RESULT IN EXPOSURE TO LEAD, A SUBSTANCE KNOWN TO CAUSE BIRTH DEFECTS, REPRODUCTIVE HARM, AND OTHER SERIOUS PHYSICAL INJURY. HAVE ADEQUATE VENTILATION AT ALL TIMES. WASH HANDS THOROUGHLY AFTER EXPOSURE."

(D) "FEDERAL REGULATIONS PROVIDE THAT IF YOU DO NOT TAKE PHYSICAL POSSESSION OF THE FIREARM THAT YOU ARE ACQUIRING OWNERSHIP OF WITHIN 30 DAYS AFTER YOU COMPLETE THE INITIAL BACKGROUND CHECK PAPERWORK, THEN YOU HAVE TO GO THROUGH THE BACKGROUND CHECK PROCESS A SECOND TIME IN ORDER TO TAKE PHYSICAL POSSESSION OF THAT FIREARM."

(8) No pistol, revolver, or other firearm capable of being concealed upon the person shall be delivered unless the purchaser, transferee, or person being loaned the firearm presents to the dealer a basic firearms safety certificate.

(9) The licensee shall offer to provide the purchaser or transferee of a firearm, or person being loaned a firearm, with a copy of the pamphlet described in Section 12080 and may add the cost of the pamphlet, if any, to the sales price of the firearm.

(10) The licensee shall not commit an act of collusion as defined in Section 12072.

(11) The licensee shall post conspicuously within the licensed premises a detailed list of each of the following:

(A) All charges required by governmental agencies for processing firearm transfers required by Sections 12076, 12082, and 12806.

(B) All fees that the licensee charges pursuant to Sections 12082 and 12806.

(12) The licensee shall not misstate the amount of fees charged by a governmental agency pursuant to Sections 12076, 12082, and 12806.

(13) The licensee shall report the loss or theft of any firearm that is merchandise of the licensee, any firearm that the licensee takes possession of pursuant to Section 12082, or any firearm kept at the licensee's place of business within 48 hours of discovery to the appropriate law enforcement agency in the city, county, or city and county where the licensee's business premises are located.

(14) In a city and county, or in the unincorporated area of a county with a population of 200,000 persons or more according to the most recent federal decennial census or within a city with a population of 50,000 persons or more according to the most recent federal decennial census, anytime the licensee is not open for business, the licensee shall store all firearms kept in his or her licensed place of business, using one of the following methods as to each particular firearm:

(A) Store the firearm in a secure facility that is a part of, or that constitutes, the licensee's business premises.

(B) Secure the firearm with a hardened steel rod or cable of at least one-eighth inch in diameter through the trigger guard of the firearm. The steel rod or cable shall be secured with a hardened steel lock that has a shackle. The lock and shackle shall be protected or shielded from the use of a bolt cutter and the rod or cable shall be anchored in a manner that prevents the removal of the firearm from the premises.

(C) Store the firearm in a locked fireproof safe or vault in the licensee's business premises.

(15) The licensing authority in an unincorporated area of a county with a population of less than 200,000 persons according to the most recent federal decennial census, or within a city with a population of less than 50,000 persons according to the most recent federal decennial census, may impose the requirements specified in paragraph (14).

(16) The licensee shall, upon the issuance or renewal of a license, submit a copy of the license to the Department of Justice.

(17) The licensee shall maintain and make available a firearms transaction record for inspection during business hours to any peace officer, authorized local law enforcement employee, or Department of Justice employee designated by the Attorney General, upon the presentation of proper identification.

(18) (A) On the date of receipt, the licensee shall report to the Department of Justice, in a format prescribed by the department, the acquisition by the licensee of the ownership of a pistol, revolver, or other firearm capable of being concealed upon the person.

(B) This paragraph does not apply to any of the following transactions:

(i) A transaction subject to the provisions of subdivision (n) of Section 12078.

(ii) The dealer acquired the firearm from a wholesaler.

(iii) The dealer is also licensed as a secondhand dealer pursuant to Article 4 (commencing with Section 21625) of Chapter 9 of Division 8 of the Business and Professions Code.

(iv) The dealer acquired the firearm from a person who is licensed as a manufacturer or importer to engage in those activities pursuant to Chapter 44 (commencing with Section 921) of Title 18 of the United States Code and any regulations issued pursuant thereto.

(v) The dealer acquired the firearm from a person who resides outside this state who is licensed pursuant to Chapter 44 (commencing with Section 921) of Title 18 of the United States Code and any regulations issued pursuant thereto.

(19) The licensee shall forward, in a format prescribed by the Department of Justice, information as required by the department on any firearm that is not delivered within the time period set forth in Section 178.102 (c) of Title 27 of the Code of Federal Regulations.

(c) (1) As used in this article, "clear evidence of his or her identity and age" means either of the following:

(A) A valid California driver's license.

(B) A valid California identification card issued by the Department of Motor Vehicles.

(2) As used in this article, a "basic firearms safety certificate" means a basic firearms certificate issued to the purchaser, transferee, or person being loaned the firearm by the Department of Justice pursuant to Article 8 (commencing with Section 12800) of Chapter 6.

(3) As used in this section, a "secure facility" means a building that meets all of the following specifications:

(A) All perimeter doorways are one of the following:

(i) A windowless steel security door equipped with both a dead bolt and a doorknob lock.

(ii) A windowed metal door that is equipped with both a dead bolt and a doorknob lock. If the window has an opening of five inches or more measured in any direction, the window shall be covered with steel bars at least one-half inch in diameter or metal grating of at least nine gauge affixed to the exterior or interior of the door.

(iii) A metal grate that is padlocked and affixed to the licensee's premises independent of the door and doorframe.

(B) All windows are covered with steel bars.

(C) Heating, ventilating, air-conditioning, and service openings are secured with steel bars, metal grating, or an alarm system.

(D) Any metal grates have spaces no larger than six inches wide measured in any direction.

(E) Any metal screens have spaces no larger than three inches wide measured in any direction.

(F) All steel bars are no further than six inches apart.

(4) As used in this section, "licensed premises," "licensed place of business," "licensee's place of business," or "licensee's business premises" means the building designated in the license.

(5) For purposes of paragraph (17) of subdivision (b):

(A) A "firearms transaction record" is a record containing the same information referred to in subdivision (a) of Section 178.124, Section 178.124a, and subdivision (e) of Section 178.125 of Title 27 of the Code of Federal Regulations.

(B) A licensee shall be in compliance with paragraph (17) of subdivision (b) if he or she maintains and makes available for inspection during business hours to any peace officer, authorized local law enforcement employee, or Department of Justice employee designated by the Attorney General, upon the presentation of proper identification, the bound book containing the same information referred to in subdivision (a) of Section 178.124 and subdivision (e) of Section 178.125 of Title 27 of the Code of Federal Regulations and the records referred to in subdivision (a) of Section 178.124 of Title 27 of the Code of Federal Regulations.

(d) Upon written request from a licensee, the licensing authority may grant an exemption from compliance with the requirements of paragraph (14) of subdivision (b) if the licensee is unable to comply with those requirements because of local ordinances, covenants, lease conditions, or similar circumstances not under the control of the licensee.

(e) Except as otherwise provided in this subdivision, the Department of Justice shall keep a centralized list of all persons licensed pursuant to subparagraphs (A) to (E), inclusive, of paragraph (1) of subdivision (a). The department may remove from this list any person who knowingly or with gross negligence violates this article. Upon removal of a dealer from this list, notification shall be provided to local law enforcement and licensing authorities in the jurisdiction where the dealer's business is located. The department shall make information about an individual dealer available, upon request, for one of the following purposes only:

(1) For law enforcement purposes.

(2) When the information is requested by a person licensed pursuant to Chapter 44 (commencing with Section 921) of Title 18 of the United States Code for determining the validity of the license for firearm shipments.

(3) When information is requested by a person promoting, sponsoring, operating, or otherwise organizing a show or event as defined in Section 178.100 of Title 27 of the Code of Federal Regulations, or its successor, who possesses a valid certificate of eligibility issued pursuant to Section 12071.1, if that information is requested by the person to determine the eligibility of a prospective participant in a gun show or event to conduct transactions as a firearms dealer pursuant to subparagraph (B) of paragraph (1) of subdivision (b). Information provided pursuant to this paragraph

shall be limited to information necessary to corroborate an individual's current license status.

(f) The Department of Justice may inspect dealers to ensure compliance with this article. The department may assess an annual fee, not to exceed eighty-five dollars ($85), to cover the reasonable cost of maintaining the list described in subdivision (e), including the cost of inspections. Dealers whose place of business is in a jurisdiction that has adopted an inspection program to ensure compliance with firearms law shall be exempt from that portion of the department's fee that relates to the cost of inspections. The applicant is responsible for providing evidence to the department that the jurisdiction in which the business is located has the inspection program.

(g) The Department of Justice shall maintain and make available upon request information concerning the number of inspections conducted and the amount of fees collected pursuant to subdivision (f), a listing of exempted jurisdictions, as defined in subdivision (f), the number of dealers removed from the centralized list defined in subdivision (e), and the number of dealers found to have violated this article with knowledge or gross negligence.

(h) Paragraph (14) or (15) of subdivision (b) does not apply to a licensee organized as a nonprofit public benefit or mutual benefit corporation organized pursuant to Part 2 (commencing with Section 5110) or Part 3 (commencing with Section 7110) of Division 2 of the Corporations Code, if both of the following conditions are satisfied:

(1) The nonprofit public benefit or mutual benefit corporation obtained the dealer's license solely and exclusively to assist that corporation or local chapters of that corporation in conducting auctions or similar events at which firearms are auctioned off to fund the activities of that corporation or the local chapters of the corporation.

(2) The firearms are not pistols, revolvers, or other firearms capable of being concealed upon the person.

SEC. 162. Section 12085 of the Penal Code is amended to read:

12085. (a) Commencing July 1, 1999, no person, firm, or corporation licensed to manufacture firearms pursuant to Chapter 44 (commencing with Section 921) of Title 18 of the United States Code may manufacture firearms within this state unless licensed pursuant to Section 12086.

(b) Subdivision (a) does not apply to a person licensed to manufacture firearms pursuant to Chapter 44 (commencing with Section 921) of Title 18 of the United States Code who manufactures fewer than 100 firearms in a calendar year within this state.

(c) If a person, firm, or corporation required to be licensed pursuant to Section 12086 ceases operations, then the records required pursuant to paragraphs (6) and (10) of subdivision (c) of Section 12086 shall be forwarded to the federal Bureau of Alcohol, Tobacco, and Firearms within three days of the closure of business.

(d) A violation of this section is a misdemeanor.

(e) (1) As used in this section and Section 12086, the term "firearm" includes the frame or receiver of the weapon.

(2) As used in this section and Section 12086, the term "firearm" includes the unfinished frame or receiver of a weapon that can be readily converted to the functional condition of a finished frame or receiver.

(3) For purposes of this section and Section 12086, the term "firearm" does not include an unloaded firearm that is defined as an "antique firearm" in paragraph (16) of subsection (a) of Section 921 of Title 18 of the United States Code.

SEC. 163. Section 12086 of the Penal Code is amended to read:

12086. (a) (1) As used in this section, "licensee" means a person, firm, or corporation that satisfies both of the following:

(A) Has a license issued pursuant to paragraph (2) of subdivision (b).

(B) Is among those recorded in the centralized list specified in subdivision (f).

(2) As used in this section, "department" means the Department of Justice.

(b) (1) The Department of Justice shall accept applications for, and shall grant licenses permitting, the manufacture of firearms within this state. The department shall inform applicants who are denied licenses of the reasons for the denial in writing.

(2) No license shall be granted by the department unless and until the applicant presents proof that he or she has all of the following:

(A) A valid license to manufacture firearms issued pursuant to Chapter 44 (commencing with Section 921) of Title 18 of the United States Code.

(B) Any regulatory or business license, or licenses, required by local government.

(C) A valid seller's permit or resale certificate issued by the State Board of Equalization, if applicable.

(D) A certificate of eligibility issued by the Department of Justice pursuant to paragraph (4) of subdivision (a) of Section 12071.

(3) The department shall adopt regulations to administer this section and Section 12085 and shall recover the full costs of administering the program by collecting fees from license applicants. Recoverable costs shall include, but not be limited to, the costs of inspections and maintaining a centralized list of licensed firearm manufacturers. The fee for licensed manufacturers who produce fewer than 500 firearms in a calendar year within this state shall not exceed two hundred fifty dollars ($250) per year or the actual costs of inspections and maintaining a centralized list of firearm manufacturers and any other duties of the department required pursuant to this section and Section 12085, whichever is less.

(4) A license granted by the department shall be valid for no more than one year from the date of issuance and shall be in the form prescribed by the Attorney General.

(c) A licensee shall comply with the following prohibitions and requirements:

(1) The business shall be conducted only in the buildings designated in the license.

(2) The license or a copy thereof, certified by the department, shall be displayed on the premises where it can easily be seen.

(3) Whenever a licensee discovers that a firearm has been stolen or is missing from the licensee's premises, the licensee shall report the loss or theft within 48 hours of the discovery to all of the following:

(A) The Department of Justice, in a manner prescribed by the department.

(B) The federal Bureau of Alcohol, Tobacco, and Firearms.

(C) The police department in the city or city and county where the building designated in the license is located.

(D) If there is no police department in the city or city and county where the building designated in the license is located, the sheriff of the county where the building designated in the license is located.

(4) (A) The licensee shall require that each employee obtain a certificate of eligibility pursuant to paragraph (4) of subdivision (a) of Section 12071, which shall be renewed annually, prior to being allowed to come into contact with any firearm.

(B) The licensee shall prohibit any employee who the licensee knows or reasonably should know is within a class of persons prohibited from possessing firearms pursuant to Section 12021 or 12021.1 of this code, or Section 8100 or 8103 of the Welfare and Institutions Code, from coming into contact with any firearm.

(5) (A) Each firearm the licensee manufactures in this state shall be identified with a unique serial number stamped onto the firearm utilizing the method of compression stamping.

(B) Licensed manufacturers who produce fewer than 500 firearms in a calendar year within this state may serialize long guns only by utilizing a method of compression stamping or by engraving the serial number onto the firearm.

(C) The licensee shall stamp the serial number onto the firearm within one business day of the time the receiver or frame is manufactured.

(D) The licensee shall not use the same serial number for more than one firearm.

(6) (A) The licensee shall record the type, model, caliber, or gauge, and serial number of each firearm manufactured or acquired, and the date of the manufacture or acquisition, within one business day of the manufacture or acquisition.

(B) The licensee shall maintain permanently within the building designated in the license the records required pursuant to subparagraph (A).

(C) Backup copies of the records described in subparagraph (A), whether electronic or hard copy, shall be made at least once a month.

These backup records shall be maintained in a facility separate from the one in which the primary records are stored.

(7) (A) The licensee shall allow the department to inspect the building designated in the license to ensure compliance with the requirements of this section.

(B) The licensee shall allow any peace officer, authorized law enforcement employee, or Department of Justice employee designated by the Attorney General, upon the presentation of proper identification, to inspect facilities and records during business hours to ensure compliance with the requirements of this section.

(8) The licensee shall store in a secure facility all firearms manufactured and all barrels for firearms manufactured.

(9) (A) The licensee shall notify the chief of police or other head of the municipal police department in the city or city and county where the building designated in the license is located that the licensee is manufacturing firearms within that city or city and county and the location of the licensed premises.

(B) If there is no police department in the city or city and county where the building designated in the license is located, the licensee shall notify the sheriff of the county where the building designated in the license is located that the licensee is manufacturing firearms within that county and the location of the licensed premises.

(10) For at least 10 years, the licensee shall maintain records of all firearms that are lost or stolen, as prescribed by the department.

(d) Except as otherwise provided in subdivision (e), as used in this section, a "secure facility" means that the facility satisfies all of the following:

(1) The facility is equipped with a burglar alarm with central monitoring.

(2) All perimeter entries to areas in which firearms are stored other than doors, including windows and skylights, are secured with steel window guards or an audible, silent, or sonic alarm to detect entry.

(3) All perimeter doorways are designed in one of the following ways:

(A) A windowless steel security door equipped with both a deadbolt and a doorknob lock.

(B) A windowed metal door equipped with both a deadbolt and a doorknob lock. If the window has an opening of five inches or more measured in any direction, the window is covered with steel bars of at least one-half inch diameter or metal grating of at least nine gauge affixed to the exterior or interior of the door.

(C) A metal grate that is padlocked and affixed to the licensee's premises independent of the door and doorframe.

(D) Hinges and hasps attached to doors by welding, riveting, or bolting with nuts on the inside of the door.

(E) Hinges and hasps installed so that they cannot be removed when the doors are closed and locked.

(4) Heating, ventilating, air-conditioning, and service openings are secured with steel bars, metal grating, or an alarm system.

(5) No perimeter metal grates are capable of being entered by any person.

(6) Steel bars used to satisfy the requirements of this subdivision are not capable of being entered by any person.

(7) Perimeter walls of rooms in which firearms are stored are constructed of concrete or at least 10-gauge expanded steel wire mesh utilized along with typical wood frame and drywall construction. If firearms are not stored in a vault, the facility shall use an exterior security-type door along with a high security, single-key deadbolt, or other door that is more secure. All firearms shall be stored in a separate room away from any general living area or work area. Any door to the storage facility shall be locked while unattended.

(8) Perimeter doorways, including the loading dock area, are locked at all times when not attended by paid employees or contracted employees, including security guards.

(9) Except when a firearm is currently being tested, any ammunition on the premises is removed from all manufactured guns and stored in a separate and locked room, cabinet, or box away from the storage area for the firearms. Ammunition may be stored with a weapon only in a locked safe.

(e) For purposes of this section, any licensed manufacturer who produces fewer than 500 firearms in a calendar year within this state may maintain a "secure facility" by complying with all of the requirements described in subdivision (d), or may design a security plan that is approved by the Department of Justice or the federal Bureau of Alcohol, Tobacco, and Firearms.

(1) If a security plan is approved by the federal Bureau of Alcohol, Tobacco, and Firearms, the approved plan, along with proof of approval, shall be filed with the Department of Justice and the local police department. If there is no police department, the filing shall be with the county sheriff's office.

(2) If a security plan is approved by the Department of Justice, the approved plan, along with proof of approval, shall be filed with the local police department. If there is no police department, the filing shall be with the county sheriff's office.

(f) (1) Except as otherwise provided in this subdivision, the Department of Justice shall maintain a centralized list of all persons licensed pursuant to paragraph (2) of subdivision (b). The centralized list shall be provided annually to each police department and county sheriff within the state.

(2) Except as provided in paragraph (3), the license of any licensee who violates this section may be revoked.

(3) The license of any licensee who knowingly or with gross negligence violates this section or violates this section three times

shall be revoked, and that person, firm, or corporation shall become permanently ineligible to obtain a license pursuant to this section.

(g) (1) Upon the revocation of the license, notification shall be provided to local law enforcement authorities in the jurisdiction where the licensee's business is located and to the federal Bureau of Alcohol, Tobacco, and Firearms.

(2) The department shall make information concerning the location and name of a licensee available, upon request, for the following purposes only:

(A) Law enforcement.

(B) When the information is requested by a person licensed pursuant to Chapter 44 (commencing with Section 921) of Title 18 of the United States Code for determining the validity of the license for firearm shipments.

(3) Notwithstanding paragraph (2), the department shall make the name and business address of a licensee available to any person upon written request.

(h) The Department of Justice shall maintain and make available upon request information concerning the number of inspections conducted and the amount of fees collected pursuant to paragraph (3) of subdivision (b), the number of licensees removed from the centralized list described in subdivision (f), and the number of licensees found to have violated this section.

SEC. 164. Section 12370 of the Penal Code is amended to read:

12370. (a) Any person who has been convicted of a violent felony, as defined in subdivision (c) of Section 667.5, under the laws of the United States, the State of California, or any other state, government, or country, who purchases, owns, or possesses body armor, as defined by Section 942 of Title 11 of the California Code of Regulations, except as authorized under subdivision (b), is guilty of a felony, punishable by imprisonment in a state prison for 16 months, or two or three years.

(b) Any person whose employment, livelihood, or safety is dependent on the ability to legally possess and use body armor, who is subject to the prohibition imposed by subdivision (a) due to a prior violent felony conviction, may file a petition with the chief of police or county sheriff of the jurisdiction in which he or she seeks to possess and use the body armor for an exception to this prohibition. The chief of police or sheriff may reduce or eliminate the prohibition, impose conditions on reduction or elimination of the prohibition, or otherwise grant relief from the prohibition as he or she deems appropriate, based on the following:

(1) A finding that the petitioner is likely to use body armor in a safe and lawful manner.

(2) A finding that the petitioner has a reasonable need for this type of protection under the circumstances.

In making its decision, the chief of police or sheriff shall consider the petitioner's continued employment, the interests of justice, any

relevant evidence, and the totality of the circumstances. It is the intent of the Legislature that law enforcement officials exercise broad discretion in fashioning appropriate relief under this paragraph in cases in which relief is warranted. However, this paragraph may not be construed to require law enforcement officials to grant relief to any particular petitioner. Relief from this prohibition does not relieve any other person or entity from any liability that might otherwise be imposed.

(c) The chief of police or sheriff shall require, as a condition of granting an exception under subdivision (b), that the petitioner agree to maintain on his or her person a certified copy of the law enforcement official's permission to possess and use body armor, including any conditions or limitations.

(d) Law enforcement officials who enforce the prohibition specified in subdivision (a) against a person who has been granted relief pursuant to subdivision (b), shall be immune from any liability for false arrest arising from the enforcement of this subdivision unless the person has in his or her possession a certified copy of the permission granting the person relief from the prohibition, as required by subdivision (c). This immunity from liability does not relieve any person or entity from any other liability that might otherwise be imposed.

(e) For purposes of this section only, "violent felony" refers to the specific crimes listed in subdivision (c) of Section 667.5, and to crimes defined under the applicable laws of the United States or any other state, government, or country that are reasonably equivalent to the crimes listed in subdivision (c) of Section 667.5.

SEC. 165. Section 13515.55 of the Penal Code is amended to read:

13515.55. Every city police officer or deputy sheriff at a supervisory level who is assigned field or investigative duties shall complete a high technology crimes and computer seizure training course certified by the Commission on Peace Officer Standards and Training by January 1, 2000, or within 18 months of assignment to supervisory duties. Completion of the course may be satisfied by telecourse, video training tape, or other instruction. This training shall be offered to all city police officers and deputy sheriffs as part of continuing professional training. The training shall, at a minimum, address relevant laws, recognition of high technology crimes, and computer evidence collection and preservation.

SEC. 166. Section 13602 of the Penal Code is amended to read:

13602. (a) The Department of Corrections shall use the training academy at Galt. This academy shall be known as the Richard A. McGee Academy. The Department of the Youth Authority shall use the training center at Stockton. The training divisions, in using the funds, shall endeavor to minimize costs of administration so that a maximum amount of the funds will be used for providing training and support to correctional peace officers while being trained by the departments.

(b) Each new cadet who attends an academy after July 1, 2000, shall complete the course of training, pursuant to standards approved by CPOST before he or she may be assigned to a post or job as a peace officer. After July 1, 2000, every newly appointed first-line or second-line supervisor shall complete the course of training, pursuant to standards approved by CPOST for that position. Every effort shall be made to provide training prior to commencement of supervisorial duties. If this training is not completed within six months of appointment to that position, any first-line or second-line supervisor shall not perform supervisory duties until the training is completed. CPOST shall report to the Governor and to the appropriate policy and fiscal committees of the Legislature by September 1, 1999, concerning the training standards determined for line correctional peace officers and supervisors of the Department of Corrections and the Department of the Youth Authority. This report shall include, but not be limited to, a description of the standards for the curriculum of the respective academies and the length of time required to satisfactorily train officers for their duties.

It is the intent of this section that the report be included in the basis for a new budget change proposal for the administration to consider in the 2000–01 Budget Act to enhance department training operations.

SEC. 167. Section 10218 of the Public Resources Code is amended to read:

10218. "Husbandry practices" means agricultural activities, such as those specified in subdivision (e) of Section 3482.5 of the Civil Code, conducted or maintained for commercial purposes in a manner consistent with proper and accepted customs and standards, as established and followed by similar agricultural operations in the same locality.

SEC. 168. Section 14575 of the Public Resources Code is amended to read:

14575. (a) If any type of empty beverage container with a refund value established pursuant to Section 14560 has a scrap value less than the sum of paragraphs (1) and (2), the department shall establish a processing fee and a processing payment for the container, by the type of the material of the container, at least equal to the difference between the scrap value offered by a statistically significant sample of container manufacturers, beverage manufacturers, processors, or willing purchasers, for each container sold by the beverage manufacturer, and the sum of both of the following:

(1) The actual cost for certified recycling centers, excluding recycling centers that receive a convenience incentive payment and certified processors that did not receive convenience incentive payments in the year in which the processing fee is calculated or recalculated, of receiving, handling, processing, storing, transporting, and maintaining equipment for each container sold for

recycling or, only if the container is not recyclable, for disposal, calculated pursuant to subdivision (c).

(2) A reasonable financial return for recycling centers and processors, calculated pursuant to subdivision (b).

(b) On January 1, 1999, and annually thereafter, the department shall calculate weighted statewide average values for the amounts specified in paragraphs (1) and (2) of subdivision (a) for each type of container material sold and a new processing fee, which shall be effective on that same date.

(c) A processing fee established pursuant to this section shall be based upon all of the following:

(1) The average scrap values paid by willing purchasers during the 1990 calendar year for the initial calculation and the average scrap values paid by willing purchasers during the calendar year directly preceding the year in which the processing fee is calculated for any subsequent calculation.

(2) The latest available data indicating the volumes of beverage containers collected by certified processors and recycling centers.

(3) The actual recycling costs for certified recycling centers and processors, as determined pursuant to paragraph (1) of subdivision (a) for the 1989 calendar year for the initial calculation, and for the second calendar year preceding the year in which the processing fee is calculated for any subsequent calculation.

(d) Every six months, or more frequently as determined to be necessary by the department, the department may adjust a processing fee established pursuant to this section if both of the following occur:

(1) The department determines that the average statewide scrap values paid by willing purchasers are less than the average scrap values used as the basis for the processing fee calculation.

(2) The department determines that adjusting the processing fee is necessary to further the objectives of this division.

(e) The calculations of the statewide weighted average values and processing fee made pursuant to subdivision (b) shall be based on audited surveys of the costs specified in subdivision (a) at existing certified recycling centers, reverse vending machines, and processors, with standardized modifications for transportation distances and factors specific to a particular region, as determined by the department, and, if the container is not recyclable, local disposal fees. The processing fee shall be calculated in a manner that furthers the purposes of this division and the fee shall be sufficient to establish sufficient recycling locations and processors to achieve the goals established pursuant to subdivision (c) of Section 14501 and Section 14571. Except for the first calculation of a processing fee made pursuant to this section, 60 days prior to the annual calculation of the processing fee, the department shall submit a report to the Chairperson of the Assembly Natural Resources Committee and the Chairperson of the Senate Natural Resources and Wildlife

Committee. The report shall include a summary of the fluctuations of costs and scrap values necessitating the recalculation. The report shall also highlight changes in markets, new technologies, and other business and economic factors. The report shall include a description of the average per container statewide costs of recycling beverage containers, by each material type, for the following recycling systems, including a description of any assumptions used to allocate undifferentiated costs among material types, and a brief statement of the reason for their adoption:

(1) Automated recycling centers.

(2) Staffed recycling centers.

(3) Recycling centers established since September 29, 1988.

(4) Recycling centers established prior to September 29, 1988.

(5) Recyclers receiving convenience incentive payments, as feasible.

(6) Nonprofit dropoff programs.

(7) Curbside recycling programs.

(f) (1) Except as provided in paragraphs (2) and (3), every beverage manufacturer shall pay to the department the applicable processing fee for each container sold or transferred to a distributor or dealer within 40 days of the sale in the form and in the manner which the department may prescribe.

(2) (A) Notwithstanding Section 14506, with respect to the payment of processing fees for beer and other malt beverages manufactured outside of the state, the beverage manufacturer shall be deemed to be the person or entity named on the certificate of compliance issued pursuant to Section 23671 of the Business and Professions Code. If the department is unable to collect the processing fee from the person or entity named on the certificate of compliance, the department shall give written notice by certified mail to that person or entity. The notice shall state that the processing fee shall be remitted in full within 30 days of issuance of the notice or the person or entity shall not be permitted to offer that beverage brand for sale within the state. If the person or entity fails to remit the processing fee within 30 days of issuance of the notice, the department shall notify the Department of Alcoholic Beverage Control that the certificate holder has failed to comply, and the Department of Alcoholic Beverage Control shall prohibit the offering or sale of that beverage brand within the state.

(B) The department shall enter into a contract with the Department of Alcoholic Beverage Control, pursuant to Section 14536.5, concerning the implementation of this paragraph, which shall include a provision reimbursing the Department of Alcoholic Beverage Control for its costs incurred in implementing this paragraph.

(3) (A) Notwithstanding paragraph (1), a beverage manufacturer may, upon the approval of the department, elect to make a single annual payment of processing fees, if the beverage

manufacturer's projected processing fees for a calendar year total less than one thousand dollars ($1,000).

(B) An annual processing fee payment made pursuant to this paragraph is due and payable on or before February 1 for every beverage container sold or transferred by the beverage manufacturer to a distributor or dealer in the previous calendar year.

(C) A beverage manufacturer shall notify the department of its intent to make an annual processing fee payment pursuant to this paragraph on or before January 31 of the calendar year preceding the year in which the payment will be due.

(4) The department shall pay the processing payments on redeemed containers to processors, in the same manner as it pays refund values pursuant to Sections 14573 and 14573.5. The department shall pay the processing fees collected on unredeemed containers into the fund. The department may not use processing fees collected on unredeemed beverage containers to pay all or a portion of the processing costs determined pursuant to subdivision (a). The processor shall pay the recycling center that portion of the processing payment representing the actual cost and financial return incurred by the recycling center, as specified in subdivision (a).

(g) When assessing processing fees pursuant to subdivision (b), the department shall assess the processing fee on each container sold, by the type of material of the container, assuming that every container sold will be redeemed for recycling, whether or not the container is actually recycled. When calculating and assessing processing fees, the department also shall not assume that redemption bonuses will be kept by recycling centers or locations.

(h) The container manufacturer, or a designated agent, shall pay to, or credit, the account of the beverage manufacturer an amount equal to the processing payment.

(i) This section shall become operative January 1, 1999.

SEC. 169. Section 33001 of the Public Resources Code is amended to read:

33001. The Legislature hereby finds and declares that the Santa Monica Mountains Zone, as defined in Section 33105, is a unique and valuable economic, environmental, agricultural, scientific, educational, and recreational resource that should be held in trust for present and future generations; that, as the last large undeveloped area contiguous to the shoreline within the greater Los Angeles metropolitan region, comprised of Los Angeles and Ventura Counties, it provides essential relief from the urban environment; that it exists as a single ecosystem in which changes that affect one part may also affect all other parts; and that the preservation and protection of this resource is in the public interest.

SEC. 170. Section 64 of the Revenue and Taxation Code is amended to read:

64. (a) Except as provided in subdivision (i) of Section 61 and subdivisions (c) and (d) of this section, the purchase or transfer of

ownership interests in legal entities, such as corporate stock or partnership or limited liability company interests, shall not be deemed to constitute a transfer of the real property of the legal entity. This subdivision is applicable to the purchase or transfer of ownership interests in a partnership without regard to whether it is a continuing or a dissolved partnership.

(b) Any corporate reorganization, where all of the corporations involved are members of an affiliated group, and that qualifies as a reorganization under Section 368 of the United States Internal Revenue Code and that is accepted as a nontaxable event by similar California statutes, or any transfer of real property among members of an affiliated group, or any reorganization of farm credit institutions pursuant to the federal Farm Credit Act of 1971 (Public Law 92-181), as amended, shall not be a change of ownership. The taxpayer shall furnish proof, under penalty of perjury, to the assessor that the transfer meets the requirements of this subdivision.

For purposes of this subdivision, "affiliated group" means one or more chains of corporations connected through stock ownership with a common parent corporation if both of the following conditions are met:

(1) One hundred percent of the voting stock, exclusive of any share owned by directors, of each of the corporations, except the parent corporation, is owned by one or more of the other corporations.

(2) The common parent corporation owns, directly, 100 percent of the voting stock, exclusive of any shares owned by directors, of at least one of the other corporations.

(c) (1) When a corporation, partnership, limited liability company, other legal entity, or any other person obtains control through direct or indirect ownership or control of more than 50 percent of the voting stock of any corporation, or obtains a majority ownership interest in any partnership, limited liability company, or other legal entity through the purchase or transfer of corporate stock, partnership, or limited liability company interest, or ownership interests in other legal entities, including any purchase or transfer of 50 percent or less of the ownership interest through which control or a majority ownership interest is obtained, the purchase or transfer of that stock or other interest shall be a change of ownership of the real property owned by the corporation, partnership, limited liability company, or other legal entity in which the controlling interest is obtained.

(2) On or after January 1, 1996, when an owner of a majority ownership interest in any partnership obtains all of the remaining ownership interests in that partnership or otherwise becomes the sole partner, the purchase or transfer of the minority interests, subject to the appropriate application of the step-transaction doctrine, shall not be a change in ownership of the real property owned by the partnership.

(d) If property is transferred on or after March 1, 1975, to a legal entity in a transaction excluded from change in ownership by paragraph (2) of subdivision (a) of Section 62, then the persons holding ownership interests in that legal entity immediately after the transfer shall be considered the "original coowners." Whenever shares or other ownership interests representing cumulatively more than 50 percent of the total interests in the entity are transferred by any of the original coowners in one or more transactions, a change in ownership of that real property owned by the legal entity shall have occurred, and the property that was previously excluded from change in ownership under the provisions of paragraph (2) of subdivision (a) of Section 62 shall be reappraised.

The date of reappraisal shall be the date of the transfer of the ownership interest representing individually or cumulatively more than 50 percent of the interests in the entity.

A transfer of shares or other ownership interests that results in a change in control of a corporation, partnership, limited liability company, or any other legal entity is subject to reappraisal as provided in subdivision (c) rather than this subdivision.

(e) To assist in the determination of whether a change of ownership has occurred under subdivisions (c) and (d), the Franchise Tax Board shall include a question in substantially the following form on returns for partnerships, banks, and corporations (except tax-exempt organizations):

If the corporation (or partnership or limited liability company) owns real property in California, has cumulatively more than 50 percent of the voting stock (or more than 50 percent of total interest in both partnership or limited liability company capital and partnership or limited liability company profits) (1) been transferred by the corporation (or partnership or limited liability company) since March 1, 1975, or (2) been acquired by another legal entity or person during the year? (See instructions.)

If the entity answers "yes" to (1) or (2) in the above question, then the Franchise Tax Board shall furnish the names and addresses of that entity and of the stock or partnership or limited liability company ownership interest transferees to the State Board of Equalization.

SEC. 171. Section 401.15 of the Revenue and Taxation Code is amended to read:

401.15. (a) Notwithstanding any other provision of law, for any county that makes available the credits provided for in Section 5096.3, the full cash values of certificated aircraft for fiscal years to the 1997–98 fiscal year, inclusive, are presumed to be those values enrolled by the county assessor or, in the case of timely escape assessments upon certificated aircraft issued on or after April 1, 1998, pursuant to Sections 531, 531.3, and 531.4, the values enrolled upon

those escape assessments, provided that the escape assessment is made in accordance with the methodology in subdivision (b). For escape assessments for fiscal years to the 1997–98 fiscal year, inclusive, the assessor shall use the methodology and minimum and market values set by the California Assessors' Association for the applicable fiscal year in lieu of the methodology set forth in subparagraph (C) or (D) of paragraph (1) of subdivision (b). The assessor is not required to revise or change existing enrolled assessments that are not subject to escape assessment to reflect the methodology in this section. Nothing in this section precludes audit adjustments and offsets as set forth in Section 469 or the correction of reporting errors raised by an airline. Nothing in this section affects any presumption of correctness concerning allocation of aircraft values.

(b) (1) For the 1998–99 fiscal year to the 2002–03 fiscal year, inclusive, and including escape assessments levied on or after April 1, 1998, for any fiscal year to the 2002–03 fiscal year, inclusive, except as otherwise provided in subdivision (a), certificated aircraft shall be presumed to be valued at full market value if all of the following conditions are met:

(A) Except as provided in subparagraph (D), value is derived using original cost. The original cost shall be the greater of the following:

(i) Taxpayer's cost for that individual aircraft reported in accordance with generally accepted accounting principles, so long as that produces net acquisition cost, and to the extent not included in the taxpayer's cost, transportation costs and capitalized interest and the cost of any capital addition or modification made before a transaction described in clause (ii).

(ii) The cost established in a sale/leaseback or assignment of purchase rights transaction for that individual aircraft that transfers the benefits and burdens of ownership to the lessor for United States federal income tax purposes.

If the original cost for leased aircraft cannot be determined from information reasonably available to the taxpayer, original cost may be determined by reference to the "average new prices" column of the Airliner Price Guide for that model, series, and year of manufacture of aircraft. If information is not available in the "average new prices" column for that model, series, and year, the original cost may be determined using the best indicator of original cost plus all conversion costs incurred for that aircraft. In the event of a merger, bankruptcy, or change in accounting methods by the reporting airline, there shall be a rebuttable presumption that the cost of the individual aircraft and the acquisition date reported by the acquired company, if available, or the cost reported prior to the change in accounting method, are the original cost and the applicable acquisition date.

(B) Original cost, plus the cost of any capital additions or modifications not otherwise included in the original cost, shall be

adjusted from the date of the acquisition of the aircraft to the lien date using the producer price index for aircraft and a 16-year straight-line percent good table starting from the delivery date of the aircraft to the current owner or, in the case of a sale/leaseback or assignment of purchase rights transaction, as described in this section, the current operator with a minimum combined factor of 25 percent, unless this adjustment results in a value less than the minimum value for that aircraft computed pursuant to subparagraph (C), in which case the minimum value may be used. If original cost is determined by reference to the Airliner Price Guide "average new prices" column, the adjustments required by this paragraph shall be made by setting the acquisition date of the aircraft to be the date of the aircraft's manufacture.

(C) For certificated aircraft of a model and series that has been in revenue service for eight or more years, the minimum value shall not exceed the average of the used aircraft prices shown in columns other than the "average new prices" column for used aircraft of the oldest aircraft for that model and series in the Airliner Price Guide most recently published as of the lien date. Minimum values shall not be utilized for certificated aircraft of a model and series that has been in revenue service for less than eight years.

(D) For out-of-production aircraft that were recommended to be valued by a market approach for 1998 by the California Assessors' Association, assessments will be based at the lower of the following:

(i) The values established by the association for the 1998 lien date.

(ii) The average of the used aircraft prices shown in the columns other than the "average new prices" column for used aircraft of the five oldest years for the aircraft model and series or that lesser time for which data is available in the Airliner Price Guide.

(2) Notwithstanding paragraph (1), in computing assessed value, the assessor may allow for extraordinary obsolescence if supported by market evidence and the taxpayer may challenge the assessment for failure to do so. To constitute market evidence of extraordinary obsolescence and to permit an assessment appeal, the evidence must show that the functional and/or economic obsolescence is in excess of 10 percent of the value for the aircraft model and series otherwise established pursuant to subparagraph (B), (C), or (D) of paragraph (1).

(3) For purposes of paragraph (1), if the Airliner Price Guide ceases to be published or the format significantly changes, a guide or adjustment agreed to by the airlines and the taxing counties shall be substituted.

(c) (1) For the 2003–04 fiscal year, certificated aircraft shall be presumed to be valued at full market value if all of the following conditions are met:

(A) Except as provided in subparagraph (D), value is derived using original cost. The original cost shall be the greater of the following:

(i) Taxpayer's cost for that individual aircraft reported in accordance with generally accepted accounting principles, so long as that produces net acquisition cost, and to the extent not included in the taxpayer's cost, transportation costs and capitalized interest and the cost of any capital addition or modification made before a transaction described in clause (ii).

(ii) Taxpayer's cost as established pursuant to this subdivision plus one-half of the incremental difference between taxpayer's cost and the cost established in a sale/leaseback or assignment of purchase rights transaction for individual aircraft that transfers the benefits and burdens of ownership to the lessor for United States federal income tax purposes.

If the original cost for leased aircraft cannot be determined from information reasonably available to the taxpayer, original cost may be determined by reference to the "average new prices" column of the Airliner Price Guide for that model, series, and year of manufacture of aircraft. If information is not available in the "average new prices" column for that model, series, and year, the original cost may be determined using the best indicator of original cost plus all conversion costs incurred for that aircraft. In the event of a merger, bankruptcy, or change in accounting methods by the reporting airline, there shall be a rebuttable presumption that the cost of the individual aircraft and the acquisition date reported by the acquired company, if available, or the cost reported prior to the change in accounting method, are the original cost and the applicable acquisition date.

(B) Original cost, plus the cost of any capital additions or modifications not otherwise included in original cost, shall be adjusted from the date of the acquisition of the aircraft to the lien date using the producer price index for aircraft and a 16-year straight-line percent good table starting from the delivery date of the aircraft to the current owner or, in the case of a sale/leaseback or assignment of purchase rights transaction, as described in this section, the current operator with a minimum combined factor of 25 percent, unless this adjustment results in a value less than the minimum value for that aircraft computed pursuant to subparagraph (C), in which case the minimum value may be used. If original cost is determined by reference to the Airliner Price Guide "average new prices" column, the adjustments required by this paragraph shall be made by setting the acquisition date of the aircraft to be the date of the aircraft's manufacture.

(C) For certificated aircraft of a model and series that has been in revenue service for eight or more years, the minimum value shall not exceed the average of the used aircraft prices shown in columns other than the "average new prices" column for used aircraft of the oldest aircraft for that model and series in the Airliner Price Guide most recently published as of the lien date. Minimum values shall not be

utilized for certificated aircraft of a model and series that has been in revenue service for less than eight years.

(D) For out-of-production aircraft that were recommended to be valued by a market approach for 1998 by the California Assessors' Association, their assessments shall be based at the lower of the following:

(i) The values established by the association for the 1998 lien date.

(ii) The average of the used aircraft prices shown in the columns other than the "average new prices" column for used aircraft of the five oldest years for the aircraft model and series or that lesser time for which data is available in the Airliner Price Guide.

(2) Notwithstanding paragraph (1), in computing assessed value, the assessor may allow for extraordinary obsolescence if supported by market evidence and the taxpayer may challenge the assessment for failure to do so. To constitute market evidence of extraordinary obsolescence and to permit an assessment appeal, the evidence must show that the functional and or economic obsolescence is in excess of 10 percent of the value for the aircraft model and series otherwise established pursuant to subparagraph (B), (C), or (D) of paragraph (1).

(3) For purposes of paragraph (1), if the Airliner Price Guide ceases to be published or the format significantly changes, a guide or adjustment agreed to by the airlines and the taxing counties shall be substituted.

(d) To calculate the values prescribed in subdivisions (b) and (c), the taxpayer shall, to the extent that information is reasonably available to the taxpayer, furnish the county assessor with an annual property statement that includes the aircraft original costs as defined in subparagraph (A) of paragraph (1) of subdivision (b) or (c). If an air carrier that has this information reasonably available to it fails to report original cost and additions, as required by Sections 441 and 442, an assessor may make an appropriate assessment pursuant to Section 501.

SEC. 172. Section 995.2 of the Revenue and Taxation Code is amended to read:

995.2. The term "basic operational program," as used in Section 995, means a computer program that is fundamental and necessary to the functioning of a computer. A basic operational program is that part of an operating system including supervisors, monitors, executives, and control or master programs that consist of the control program elements of that system.

For purposes of this section, the terms "control program" and "basic operational program" are interchangeable. A control program, as opposed to a processing program, controls the operation of a computer by managing the allocation of all system resources, including the central processing unit, main storage, input/output devices and processing programs. A processing program is used to develop and implement the specific applications that the computer

is to perform. Its operation is possible only through the facilities provided by the control program. It is not in itself fundamental and necessary to the functioning of a computer.

Excluded from the term "basic operational program" are processing programs, which consist of language translators, including, but not limited to, assemblers and compilers; service programs, including, but not limited to, data set utilities, sort/merge utilities, and emulators; data management systems, also known as generalized file-processing software; and application programs, including, but not limited to, payroll, inventory control, and production control. Also excluded from the term "basic operational program" are programs or parts of programs developed for or by a user if they were developed solely for the solution of an individual operational problem of the user.

A control program, as used in this section, includes the following functions: selection, assignment, and control of input and output devices; loading of programs, including selection of programs from a system resident library; handling the steps necessary to accomplish job-to-job transition; controlling the allocation of memory; controlling concurrent operation of multiple programs or computers; and protecting data from being inadvertently destroyed as a result of operator program error.

SEC. 173. Section 3772.5 of the Revenue and Taxation Code is amended to read:

3772.5. For purposes of this chapter:

(a) "Low-income persons" means persons and families of low or moderate income, as defined by Section 50093 of the Health and Safety Code.

(b) "Nonprofit organization" means a nonprofit organization incorporated pursuant to Part 2 (commencing with Section 5110) of Division 2 of Title 1 of the Corporations Code for the purpose of acquisition of either of the following:

(1) Single-family or multifamily dwellings for rehabilitation and sale or rent to low-income persons, or for other use to serve low-income persons.

(2) Vacant land for construction of residential dwellings and subsequent sale or rent to low-income persons, for other use to serve low-income persons, or for dedication of that vacant land to public use.

(c) "Rehabilitation" means repairs and improvements to a substandard building, as defined in Section 17920.3 of the Health and Safety Code, necessary to make it a building that is not a substandard building.

SEC. 174. Section 17275.6 of the Revenue and Taxation Code is amended to read:

17275.6. For taxable years beginning on or after January 1, 1998, Section 170(e)(1) of the Internal Revenue Code, relating to certain contributions of ordinary income and capital gain property, is

modified to provide that for purposes of applying Section 170(e)(1) of the Internal Revenue Code in the case of a charitable contribution of stock in an "S corporation," rules similar to the rules of Section 751 of the Internal Revenue Code, relating to unrealized receivables and inventory items, shall apply in determining whether gain on the stock would have been long-term capital gain if the stock were sold by the taxpayer.

SEC. 175. Section 19057 of the Revenue and Taxation Code is amended to read:

19057. (a) Except in the case of a false or fraudulent return and except as otherwise expressly provided in this part, every notice of a proposed deficiency assessment shall be mailed to the taxpayer within four years after the return was filed. No deficiency shall be assessed or collected with respect to the year for which the return was filed unless the notice is mailed within the four-year period or the period otherwise provided. For purposes of this chapter, the term "return" means the return required to be filed by the taxpayer and does not include a return of any person from whom the taxpayer has received an item of income, gain, loss, deduction, or credit.

(b) The running of the period of limitations provided in subdivision (a) on mailing a notice of proposed deficiency assessment shall, in a case under Title 11 of the United States Code, be suspended for any period during which the Franchise Tax Board is prohibited by reason of that case from mailing the notice of proposed deficiency assessment and for 60 days thereafter.

(c) Where, within the 60-day period ending on the day on which the time prescribed in this section for the assessment of any tax imposed under Part 10 (commencing with Section 17001) or Part 11 (commencing with Section 23001) for any taxable year would otherwise expire, the Franchise Tax Board receives a written document, other than an amended return or a report required by Section 18622, signed by the taxpayer showing that the taxpayer owes an additional amount of that tax for that taxable year, the period for the assessment of an additional amount in excess of the amount shown on either an original or amended return shall not expire before the day 60 days after the day on which the Franchise Tax Board receives that document.

(d) If a taxpayer determines in good faith that it is an exempt organization and files a return as an exempt organization under Section 23772, and if the taxpayer is thereafter held to be a taxable organization for the taxable year for which the return is filed, that return shall be deemed the return of the organization for the purposes of this section.

SEC. 176. Section 19141.6 of the Revenue and Taxation Code is amended to read:

19141.6. (a) Each taxpayer determining its income subject to tax pursuant to Section 25101 or electing to file pursuant to Section 25110 shall, for income years beginning on or after January 1, 1994, maintain

(in the location, in the manner, and to the extent prescribed in regulations promulgated by the Franchise Tax Board on or before December 31, 1995) and make available upon request all of the following:

(1) Any records as may be appropriate to determine the correct treatment of the components that are a part of one or more unitary businesses for purposes of determining the income derived from or attributable to this state pursuant to Section 25101 or 25110.

(2) Any records as may be appropriate to determine the correct treatment of amounts that are attributable to the classification of an item as business or nonbusiness income for purposes of Article 2 (commencing with Section 25120) of Chapter 17 of Part 11.

(3) Any records as may be appropriate to determine the correct treatment of the apportionment factors for purposes of Article 2 (commencing with Section 25120) of Chapter 17 of Part 11.

(4) Documents and information, including any questionnaires completed and submitted to the Internal Revenue Service, that are necessary to audit issues involving attribution of income to the United States or foreign jurisdictions under Section 882 of, or Subpart F of Part III of Subchapter N of, or similar provisions of, the Internal Revenue Code.

(b) For purposes of this section:

(1) Information for any year shall be retained for that period of time in which the taxpayers' income or franchise tax liability to this state may be subject to adjustment, including all periods in which additional income or franchise taxes may be assessed, not to exceed eight years from the due date or extended due date of the return, or during which a protest is pending before the Franchise Tax Board, or an appeal is pending before the State Board of Equalization, or a lawsuit is pending in the courts of this state or the United States with respect to California franchise or income tax.

(2) "Related party" means corporations that are related because one owns or controls, directly or indirectly, more than 50 percent of the stock of the other or because more than 50 percent of the voting stock of each is owned or controlled, directly or indirectly, by the same interests.

(3) "Records" includes any books, papers, or other data.

(c) (1) If a corporation subject to this section fails to maintain or fails to cause another to maintain records as required by subdivision (a), that corporation shall pay a penalty of ten thousand dollars ($10,000) for each income year with respect to which the failure occurs.

(2) If any failure described in paragraph (1) continues for more than 90 days after the day on which the Franchise Tax Board mails notice of the failure to the corporation, that corporation shall pay a penalty (in addition to the amount required under paragraph (1)) of ten thousand dollars ($10,000) for each 30-day period (or fraction thereof) during which the failure continues after the expiration of

the 90-day period. The additional penalty imposed by this subdivision shall not exceed a maximum of fifty thousand dollars ($50,000) if the failure to maintain or the failure to cause another to maintain is not willful. This maximum shall apply with respect to income years beginning on or after January 1, 1994, and before the earlier of the first day of the month following the month in which regulations are adopted pursuant to this section or December 31, 1995.

(3) For purposes of this section, the time prescribed by regulations to maintain records (and the beginning of the 90-day period after notice by the Franchise Tax Board) shall be treated as not earlier than the last day on which (as shown to the satisfaction of the Franchise Tax Board) reasonable cause existed for failure to maintain the records.

(d) (1) The Franchise Tax Board may apply the rules of paragraph (2) whether or not the board begins a proceeding to enforce a subpoena, or subpoena duces tecum, if subparagraphs (A), (B), and (C) apply:

(A) For purposes of determining the correct treatment under Part 11 (commencing with Section 23001) of the items described in subdivision (a), the Franchise Tax Board issues a subpoena or subpoena duces tecum to a corporation to produce (either directly or as agent for the related party) any records or testimony.

(B) The subpoena or subpoena duces tecum is not quashed in a proceeding begun under paragraph (3) and is not determined to be invalid in a proceeding begun under Section 19504 to enforce the subpoena or subpoena duces tecum.

(C) The corporation does not substantially comply in a timely manner with the subpoena or subpoena duces tecum and the Franchise Tax Board has sent by certified or registered mail a notice to that corporation that it has not substantially complied.

(D) If the corporation fails to maintain or fails to cause another to maintain records as required by subdivision (a), and by reason of that failure, the subpoena, or subpoena duces tecum, is quashed in a proceeding described in subparagraph (B) or the corporation is not able to provide the records requested in the subpoena or subpoena duces tecum, the Franchise Tax Board may apply the rules of paragraph (2) to any of the items described in subdivision (a) to which the records relate.

(2) (A) All of the following shall be determined by the Franchise Tax Board in the Franchise Tax Board's sole discretion from the Franchise Tax Board's own knowledge or from information the Franchise Tax Board may obtain through testimony or otherwise:

(i) The components that are a part of one or more unitary businesses for purposes of determining the income derived from or attributable to this state pursuant to Section 25101 or 25110.

(ii) Amounts that are attributable to the classification of an item as business or nonbusiness income for purposes of Article 2 (commencing with Section 25120) of Chapter 17 of Part 11.

(iii) The apportionment factors for purposes of Article 2 (commencing with Section 25120) of Chapter 17 of Part 11.

(iv) The correct amount of income under Section 882 of, or Subpart F of Part III of Subchapter N of, or similar provisions of, the Internal Revenue Code.

(B) This paragraph shall apply to determine the correct treatment of the items described in subdivision (a) unless the corporation is authorized by its related parties (in the manner and at the time as the Franchise Tax Board shall prescribe) to act as the related parties' limited agent solely for purposes of applying Section 19504 with respect to any request by the Franchise Tax Board to examine records or produce testimony related to any item described in subdivision (a) or with respect to any subpoena or subpoena duces tecum for the records or testimony. The appearance of persons or the production of records by reason of the corporation being an agent shall not subject those persons or records to legal process for any purpose other than determining the correct treatment under Part 11 of the items described in subdivision (a).

(C) Determinations made in the sole discretion of the Franchise Tax Board pursuant to this paragraph may be appealed to the State Board of Equalization, in the manner and at the time prescribed by Section 19045 or 19324, or may be the subject of an action to recover tax, in the manner and at a time prescribed by Section 19382. The review of determinations by the board or the court shall be limited to whether the determinations were arbitrary or capricious, or are not supported by substantial evidence.

(3) (A) Notwithstanding any other law or rule of law, any reporting corporation to which the Franchise Tax Board issues a subpoena or subpoena duces tecum referred to in subparagraph (A) of paragraph (1) shall have the right to begin a proceeding to quash the subpoena or subpoena duces tecum not later than the 90th day after the subpoena or subpoena duces tecum was issued. In that proceeding, the Franchise Tax Board may seek to compel compliance with the subpoena or subpoena duces tecum.

(B) Notwithstanding any other law or rule of law, any reporting corporation that has been notified by the Franchise Tax Board that it has determined that the corporation has not substantially complied with a subpoena or subpoena duces tecum referred to in paragraph (1) shall have the right to begin a proceeding to review the determination not later than the 90th day after the day on which the notice referred to in subparagraph (C) of paragraph (1) was mailed. If the proceeding is not begun on or before the 90th day, the determination by the Franchise Tax Board shall be binding and shall not be reviewed by any court.

(C) The superior courts of the State of California for the Counties of Los Angeles, Sacramento, and San Diego, and for the City and County of San Francisco, shall have jurisdiction to hear any proceeding brought under subparagraphs (A) and (B). Any order or

other determination in the proceeding shall be treated as a final order that may be appealed.

(D) If any corporation takes any action as provided in subparagraphs (A) and (B), the running of any period of limitations under Sections 19057 to 19064, inclusive (relating to the assessment and collection of tax), or under Section 19704 (relating to criminal prosecutions) with respect to that corporation shall be suspended for the period during which the proceedings, and appeals therein, are pending. In no event shall any period expire before the 90th day after the day on which there is a final determination in the proceeding.

SEC. 177. Section 19271 of the Revenue and Taxation Code is amended to read:

19271. (a) (1) For purposes of this article:

(A) "Child support" means support of a child, spouse, or family as provided in Section 150 of the Family Code.

(B) "Child support delinquency" means a child support obligation that may include or be limited to interest, fees, or penalties, on which payment then due has not been received following the expiration of 90 days from the date payment is due.

(C) "Earnings" may include the items described in Section 5206 of the Family Code.

(2) A county district attorney enforcing child support obligations pursuant to Section 11475.1 of the Welfare and Institutions Code shall refer child support delinquencies to the Franchise Tax Board for collection. If there is a child support delinquency at the time the case is opened by the district attorney, the case shall be referred to the Franchise Tax Board no later than 90 days after receipt of the case by the district attorney. A county district attorney may also refer to the Franchise Tax Board a child support obligation that is 30 days or more past due, and any of these obligations shall be collected as if they were delinquencies otherwise described in this subdivision.

(3) Referrals shall be transmitted in the form and manner prescribed by the Franchise Tax Board.

(4) To manage the growth in the number of referrals that it may receive, the Franchise Tax Board may phase in the referrals as administratively necessary.

(5) At least 20 days prior to the date that the Franchise Tax Board commences a collection action under this article, the Franchise Tax Board shall mail notice of the amount due to the obligated parent at the last known address for payment and advise that person that failure to pay will result in collection action. If the obligated parent disagrees with the amount due, the obligated parent shall be instructed to contact the county district attorney.

(b) (1) (A) Except as otherwise provided in subparagraph (B), when a delinquency is referred to the Franchise Tax Board pursuant to subdivision (a), the amount of the child support delinquency shall be collected from any obligated parent by the Franchise Tax Board in any manner authorized under the law for collection of a

delinquent personal income tax liability, including, but not limited to, issuance of an order and levy under Article 4 (commencing with Section 706.070) of Chapter 5 of Division 2 of Title 9 of Part 2 of the Code of Civil Procedure in the manner provided for earnings withholding orders for taxes. Any law providing for the collection of a delinquent personal income tax liability shall apply to any delinquency referred under this article in the same manner and with the same force and effect and to the full extent as if the language of those laws had been incorporated in full into this article, except to the extent that any provision is either inconsistent with a provision of this article or is not relevant to this article.

(B) When a delinquency is referred to the Franchise Tax Board pursuant to subdivision (a), or at any time thereafter if the obligated parent owes a delinquent personal income tax liability, the Franchise Tax Board shall not engage in, or shall cease, any involuntary collection action to collect the delinquency referred under this article until the delinquent personal income tax liability is paid in full. If the obligated parent owes a delinquent personal income tax liability when a delinquency is referred, the Franchise Tax Board shall mail the notice specified in paragraph (5) of subdivision (a). At any time thereafter, the Franchise Tax Board may mail any other notice to the obligated parent for voluntary payment as the Franchise Tax Board deems necessary. However, the Franchise Tax Board may engage in the collection of a delinquency referred pursuant to subdivision (a) under either of the following circumstances:

(i) The delinquent personal income tax liability is discharged from accountability pursuant to Section 13940 of the Government Code.

(ii) The obligor has entered into an installment payment agreement for the delinquent personal income tax liability and is in compliance with that agreement, and the Franchise Tax Board determines that collection of the delinquency referred pursuant to subdivision (a) would not jeopardize payments under the installment agreement.

(C) For purposes of subparagraph (B):

(i) "Involuntary collection action" means those actions authorized by Section 18670, 18670.5, 18671, or 19264, by Article 3 (commencing with Section 19231), or by Chapter 5 (commencing with Section 706.010) of Division 2 of Title 9 of Part 2 of the Code of Civil Procedure.

(ii) "Delinquent personal income tax liability" means any taxes, additions to tax, penalties, interest, fees, or other related amounts due and payable under Part 10 (commencing with Section 17001) or this part.

(iii) "Voluntary payment" means any payment made by obligated parents in response to the notice specified in paragraph (5) of subdivision (a) or any other notice for voluntary payment mailed by the Franchise Tax Board.

(2) Any compensation, fee, commission, expense, or other fee for service incurred by the Franchise Tax Board in the collection of a child support delinquency authorized under this article shall not be an obligation of, or collected from, the obligated parent. A referred child support delinquency shall be final and due and payable to the State of California upon written notice to the obligated parent by the Franchise Tax Board.

(3) For purposes of administering this article:

(A) This chapter and Chapter 7 (commencing with Section 19501) shall apply, except as otherwise provided by this article.

(B) Any services, information, or enforcement remedies available to a district attorney or the Title IV-D agency in collecting support delinquencies or locating absent or noncustodial parents shall be available to the Franchise Tax Board for purposes of collecting child support delinquencies under this article, including, but not limited to, any information that may be disclosed by the Franchise Tax Board to the California Parent Locator Service under Section 19548.

(C) A request by the Franchise Tax Board for information from a financial institution shall be treated in the same manner and to the same extent as a request for information from a district attorney referring to a support order pursuant to Section 11475.1 of the Welfare and Institutions Code for purposes of Chapter 20 (commencing with Section 7460) of Division 7 of Title 1 of the Government Code (relating to governmental access to financial records), notwithstanding any other provision of law which is inconsistent or contrary to this paragraph.

(D) The amount to be withheld in an order and levy to collect child support delinquencies under Article 4 (commencing with Section 706.070) of Chapter 5 of Division 2 of Title 9 of Part 2 of the Code of Civil Procedure is the amount required to be withheld pursuant to an earnings withholding order for support under Section 706.052 of the Code of Civil Procedure.

(E) Nothing in this article shall be construed to modify the tax intercept provisions of Article 8 (commencing with Section 708.710) of Chapter 6 of Division 2 of Title 9 of Part 2 of the Code of Civil Procedure.

(c) Interest on the delinquency shall be computed pursuant to Section 685.010 of the Code of Civil Procedure.

(d) If the collection action would cause undue financial hardship to the obligated parent, would threaten the health or welfare of the obligated parent or his or her family, or would cause undue irreparable loss to the obligated parent, the obligated parent may notify the Franchise Tax Board, which shall, upon being notified, refer the obligated parent to the referring county district attorney, unless the Franchise Tax Board is directed otherwise by the county district attorney for purposes of more effectively administering this article.

(e) (1) In no event shall a collection under this article be construed to be a payment of income taxes imposed under this part.

(2) If an obligated parent overpays a liability imposed under this part, the overpayment shall not be credited against any delinquency collected pursuant to this article. If an overpayment of a liability imposed under this part is offset and distributed to a referring county district attorney pursuant to Sections 12419.3 and 12419.5 of the Government Code or Section 708.740 of the Code of Civil Procedure, and thereby reduces the amount of the referred delinquency, the referring county district attorney shall immediately notify the Franchise Tax Board of that reduction, unless otherwise directed for purposes of more effectively administering this article.

(3) In no event shall the district attorney refer, or the Franchise Tax Board collect, under this article any delinquency if both of the following circumstances exist:

(A) A court has ordered an obligated parent to make scheduled payments on a child support arrearages obligation.

(B) The obligated parent is in compliance with the order.

(4) A child support delinquency need not be referred to the Franchise Tax Board pursuant to this article if an earnings assignment order or a notice of assignment has been served on the obligated parent's employer and court-ordered support is being paid pursuant to the earnings assignment order or the notice of assignment or at least 50 percent of the obligated parent's earnings are being withheld for support.

(5) A child support delinquency need not be referred to the Franchise Tax Board for collection if a jurisdiction outside this state is enforcing the support order.

(f) Except as otherwise provided in this article, any child support delinquency referred to the Franchise Tax Board pursuant to this article shall be treated as a child support delinquency for all other purposes, and any collection action by the county district attorney or the Franchise Tax Board with respect to any delinquency referred pursuant to this article shall have the same priority against attachment, execution, assignment, or other collection action as is provided by any other provision of state law.

(g) Except as otherwise specifically provided in subparagraph (B) of paragraph (1) of subdivision (b), the child support collection activities authorized by this article shall not interfere with the primary mission of the Franchise Tax Board to fairly and efficiently administer the provisions of this code for which it is responsible.

(h) Information disclosed to the Franchise Tax Board shall be considered information that may be disclosed by the Franchise Tax Board under the authority of Section 19548 and may be disseminated by the Franchise Tax Board accordingly for the purposes specified in Sections 11478 and 11478.5 of the Welfare and Institutions Code (in accordance with, and to the extent permitted by, Section 11478.1 of the Welfare and Institutions Code and any other state or federal law).

(i) A county may apply to the State Department of Social Services for an exemption from subdivision (a). The State Department of Social Services shall grant an exemption only if the county has a program for collecting delinquent child support, including hardware and software, that is similar or identical to the technology used by the Franchise Tax Board in implementing its child support collections program and the county program was in operation as of April 1, 1997.

SEC. 178. Section 23038.5 of the Revenue and Taxation Code is amended to read:

23038.5. (a) Section 7704 of the Internal Revenue Code, relating to certain publicly traded partnerships treated as corporations, shall apply, except as otherwise provided.

(b) (1) Section 7704(a) of the Internal Revenue Code shall not apply to an electing 1987 partnership.

(2) For purposes of this subdivision, the term "electing 1987 partnership" means any publicly traded partnership if all of the following apply:

(A) The partnership is an existing partnership (as defined in Section 10211(c)(2) of the Revenue Reconciliation Act of 1987).

(B) Section 7704(a) of the Internal Revenue Code has not applied (and without regard to Section 7704(c)(1) of the Internal Revenue Code would not have applied) to that partnership for all prior taxable years beginning after December 31, 1987, and before January 1, 1998.

(C) (i) The partnership has made the election under Section 7704(g)(1)(C) of the Internal Revenue Code (as added by Public Law 105-34) for federal tax purposes.

(ii) The election for federal tax purposes described in clause (i) shall be treated as a binding election and a separate election for state tax purposes shall not be allowed under paragraph (3) of subdivision (e) of Section 23051.5.

(iii) The election for federal tax purposes described in clause (i) shall be treated as a binding consent to the application of the tax imposed under paragraph (3) and a separate election for state tax purposes shall not be allowed under paragraph (3) of subdivision (e) of Section 23051.5.

(D) A partnership which, but for this subparagraph, would be treated as an electing 1987 partnership shall cease to be so treated (and the election under subparagraph (C) shall cease to be in effect) as of the first day after December 31, 1997, that the partnership is no longer treated as an electing 1987 partnership for federal tax purposes (and the election under Section 7704(g)(1)(C) of the Internal Revenue Code (as added by Public Law 105-34) ceases to be in effect for federal tax purposes).

(3) (A) There is hereby imposed for each taxable year beginning on or after January 1, 1998, on the gross income of each electing 1987 partnership a tax equal to 1 percent of that partnership's gross income from all sources reportable to this state, taking into account

Section 25101 and any election under Section 25110, attributable to the active conduct of trades and businesses by the partnership.

(B) The tax shall be due and payable on the date the return of the partnership is required to be filed under Section 18633, shall be collected and refunded in the same manner as other taxes imposed by this part, and shall be subject to interest and applicable penalties.

(C) For purposes of this paragraph, if a partnership is a partner in another partnership, the gross income referred to in subparagraph (A) shall include the partnership's distributive share of the gross income of the other partnership from all sources reportable to this state, taking into account Section 25101 and any election under Section 25110, attributable to the active conduct of trades and businesses of that other partnership. A similar rule shall apply in the case of lower-tiered partnerships.

(D) The tax imposed by this paragraph shall be treated as imposed by this part other than for purposes of determining the amount of any credit allowable under this part.

(4) The provisions of this subdivision shall apply to the taxable year for which the election described in clause (i) of subparagraph (C) of paragraph (2) is made for federal purposes and all subsequent taxable years unless revoked by the partnership for federal purposes. Any revocation made for federal purposes shall be treated as a binding revocation under this part, but, once so revoked, may not be reinstated and a separate revocation for state purposes shall not be allowed under paragraph (3) of subdivision (e) of Section 23051.5.

(c) The amendment made to this section by the act adding this subdivision shall apply to taxable years beginning on or after January 1, 1998.

SEC. 179. Section 23610.5 of the Revenue and Taxation Code is amended to read:

23610.5. (a) (1) There shall be allowed as a credit against the "tax" (as defined by Section 23036) a state low-income housing tax credit in an amount equal to the amount determined in subdivision (c), computed in accordance with Section 42 of the Internal Revenue Code of 1986, except as otherwise provided in this section.

(2) "Taxpayer," for purposes of this section, means the sole owner in the case of a C corporation, the partners in the case of a partnership, and the shareholders in the case of an S corporation.

(3) "Housing sponsor," for purposes of this section, means the sole owner in the case of a C corporation, the partnership in the case of a partnership, and the S corporation in the case of an S corporation.

(b) (1) The amount of the credit allocated to any housing sponsor shall be authorized by the California Tax Credit Allocation Committee, or any successor thereof, based on a project's need for the credit for economic feasibility in accordance with the requirements of this section.

(A) The low-income housing project shall be located in California and shall meet either of the following requirements:

(i) The project's housing sponsor has been allocated by the California Tax Credit Allocation Committee a credit for federal income tax purposes under Section 42 of the Internal Revenue Code.

(ii) It qualifies for a credit under Section 42(h)(4)(B) of the Internal Revenue Code.

(B) The California Tax Credit Allocation Committee shall not require fees for the credit under this section in addition to those fees required for applications for the tax credit pursuant to Section 42 of the Internal Revenue Code. The committee may require a fee if the application for the credit under this section is submitted in a calendar year after the year the application is submitted for the federal tax credit.

(2) (A) The California Tax Credit Allocation Committee shall certify to the housing sponsor the amount of tax credit under this section allocated to the housing sponsor for each credit period.

(B) In the case of a partnership or an S corporation, the housing sponsor shall provide a copy of the California Tax Credit Allocation Committee certification to the taxpayer.

(C) The taxpayer shall, upon request, provide a copy of the certification to the Franchise Tax Board.

(D) All elections made by the taxpayer pursuant to Section 42 of the Internal Revenue Code shall apply to this section.

(E) For buildings located in designated difficult development areas or qualified census tracts as defined in Section 42(d)(5)(C) of the Internal Revenue Code, credits may be allocated under this section in the amounts prescribed in subdivision (c), provided that the amount of credit allocated under Section 42 of the Internal Revenue Code is computed on 100 percent of the qualified basis of the building.

(c) Section 42(b) of the Internal Revenue Code shall be modified as follows:

(1) In the case of any qualified low-income building placed in service by the housing sponsor during 1987, the term "applicable percentage" means 9 percent for each of the first three years and 3 percent for the fourth year for new buildings (whether or not the building is federally subsidized) and for existing buildings.

(2) In the case of any qualified low-income building that receives an allocation after 1989 and is a new building not federally subsidized, the term "applicable percentage" means the following:

(A) For each of the first three years, the percentage prescribed by the Secretary of the Treasury for new buildings that are not federally subsidized for the taxable year, determined in accordance with the requirements of Section 42(b)(2) of the Internal Revenue Code, in lieu of the percentage prescribed in Section 42(b)(1)(A).

(B) For the fourth year, the difference between 30 percent and the sum of the applicable percentages for the first three years.

(3) In the case of any qualified low-income building that receives an allocation after 1989 and that is a new building that is federally

subsidized or that is an existing building that is "at risk of conversion," the term "applicable percentage" means the following:

(A) For each of the first three years, the percentage prescribed by the Secretary of the Treasury for new buildings that are federally subsidized for the taxable year.

(B) For the fourth year, the difference between 13 percent and the sum of the applicable percentages for the first three years.

(4) For purposes of this section, the term "at risk of conversion," with respect to an existing building means a building that satisfies all of the following criteria:

(A) The building is presently owned by a housing sponsor other than a qualified nonprofit organization.

(B) The building is a federally assisted building for which the low-income use restrictions will terminate or the building is eligible for prepayment under Subtitle 13 of the Emergency Low Income Housing Assistance Act of 1987 or under Section 502(c) of the Housing Act of 1949, anytime in the two calendar years after the year of application to the California Tax Credit Allocation Committee, and the purchaser has received preliminary approval from the applicable federal agency for a maximum level of incentives through a plan of action.

(C) The person acquiring the building enters into a regulatory agreement that requires the building to be operated in accordance with the requirements of this section for a period equal to the greater of 55 years or the life of the building.

(D) The building satisfies the requirements of Section 42(e) of the Internal Revenue Code regarding rehabilitation expenditures, except that the provisions of Section 42(e)(3)(A)(ii)(I) shall not apply.

(d) The term "qualified low-income housing project" as defined in Section 42(c)(2) of the Internal Revenue Code is modified by adding the following requirements:

(1) The taxpayer shall be entitled to receive a cash distribution from the operations of the project, after funding required reserves, which, at the election of the taxpayer, shall be equal to:

(A) An amount not to exceed 8 percent of the lesser of:

(i) The owner equity, which shall include the amount of the capital contributions actually paid to the housing sponsor and shall not include any amounts until they are paid on an investor note, or

(ii) Twenty percent of the adjusted basis of the building as of the close of the first income year of the credit period; or

(B) The amount of the cash-flow from those units in the building that are not low-income units. For purposes of computing cash-flow under this subparagraph, operating costs shall be allocated to the low-income units using the "floor space fraction," as defined in Section 42 of the Internal Revenue Code.

(C) Any amount allowed to be distributed under subparagraph (A) that is not available for distribution during the first five years of

the compliance period may accumulate and be distributed at any time during the first 15 years of the compliance period but not thereafter.

(2) The limitation on return shall apply in the aggregate to the partners if the housing sponsor is a partnership and in the aggregate to the shareholders if the housing sponsor is an S corporation.

(3) The housing sponsor shall apply any cash available for distribution in excess of the amount eligible to be distributed under paragraph (1) to reduce the rent on rent-restricted units or to increase the number of rent-restricted units subject to the tests of Section 42(g)(1) of the Internal Revenue Code.

(e) The provisions of Section 42(f) of the Internal Revenue Code shall be modified as follows:

(1) The term "credit period" as defined in Section 42(f)(1) of the Internal Revenue Code is modified by substituting "four income years" for "10 taxable years."

(2) The special rule for the first taxable year of the credit period under Section 42(f)(2) of the Internal Revenue Code shall not apply to the tax credit under this section.

(3) Section 42(f)(3) of the Internal Revenue Code is modified to read:

If, as of the close of any income year in the compliance period, after the first year of the credit period, the qualified basis of any building exceeds the qualified basis of that building as of the close of the first year of the credit period, the housing sponsor, to the extent of its tax credit allocation, shall be eligible for a credit on the excess in an amount equal to the applicable percentage determined pursuant to subdivision (c) for the four-year period beginning with the later of the income years in which the increase in qualified basis occurs.

(f) The provisions of Section 42(h) of the Internal Revenue Code shall be modified as follows:

(1) Section 42(h)(2) of the Internal Revenue Code shall not be applicable and instead the following provisions shall be applicable:

The total amount for the four-year credit period of the housing credit dollars allocated in a calendar year to any building shall reduce the aggregate housing credit dollar amount of the California Tax Credit Allocation Committee for the calendar year in which the allocation is made.

(2) Paragraphs (3), (4), (5), (6)(E)(i)(II), (6)(F), (6)(G), (6)(I), (7), and (8) of Section 42(h) of the Internal Revenue Code shall not be applicable.

(g) The aggregate housing credit dollar amount that may be allocated annually by the California Tax Credit Allocation Committee pursuant to this section, Section 12206, and Section 17058 shall be an amount equal to the sum of the following:

(1) (A) Except as provided in subparagraph (B), thirty-five million dollars ($35,000,000) for the 1997 calendar year, and each calendar year thereafter, or

(B) Fifty million dollars ($50,000,000) for each of the calendar years 1998 and 1999 ; and

(2) The unused housing credit ceiling, if any, for the preceding calendar years; and

(3) The amount of housing credit ceiling returned in the calendar year. For purposes of this paragraph, the amount of housing credit dollar amount returned in the calendar year equals the housing credit dollar amount previously allocated to any project that does not become a qualified low-income housing project within the period required by this section or to any project with respect to which an allocation is canceled by mutual consent of the California Tax Credit Allocation Committee and the allocation recipient.

(h) The term "compliance period" as defined in Section 42(i)(1) of the Internal Revenue Code is modified to mean, with respect to any building, the period of 30 consecutive income years beginning with the first income year of the credit period with respect thereto.

(i) Section 42(j) of the Internal Revenue Code shall not be applicable and the following shall be substituted in its place:

The requirements of this section shall be set forth in a regulatory agreement between the California Tax Credit Allocation Committee and the housing sponsor, and this agreement shall be subordinated, when required, to any lien or encumbrance of any banks or other institutional lenders to the project. The regulatory agreement entered into pursuant to subdivision (f) of Section 50199.14 of the Health and Safety Code shall apply, provided that the agreement includes all of the following provisions:

(1) A term not less than the compliance period.

(2) A requirement that the agreement be filed in the official records of the county in which the qualified low-income housing project is located.

(3) A provision stating which state and local agencies can enforce the regulatory agreement in the event the housing sponsor fails to satisfy any of the requirements of this section.

(4) A provision that the regulatory agreement shall be deemed a contract enforceable by tenants as third-party beneficiaries thereto, and that allows individuals, whether prospective, present, or former occupants of the building, who meet the income limitation applicable to the building the right to enforce the regulatory agreement in any state court.

(5) A provision incorporating the requirements of Section 42 of the Internal Revenue Code as modified by this section.

(6) A requirement that the housing sponsor notify the California Tax Credit Allocation Committee or its designee if there is a determination by the Internal Revenue Service that the project is not in compliance with Section 42(g) of the Internal Revenue Code.

(7) A requirement that the housing sponsor, as security for the performance of the housing sponsor's obligations under the regulatory agreement, assign the housing sponsor's interest in rents

that it receives from the project, provided that until there is a default under the regulatory agreement, the housing sponsor is entitled to collect and retain the rents.

(8) A provision that the remedies available in the event of a default under the regulatory agreement that is not cured within a reasonable cure period include, but are not limited to, allowing any of the parties designated to enforce the regulatory agreement to collect all rents with respect to the project; taking possession of the project and operating the project in accordance with the regulatory agreement until the enforcer determines the housing sponsor is in a position to operate the project in accordance with the regulatory agreement; applying to any court for specific performance; securing the appointment of a receiver to operate the project; or any other relief as may be appropriate.

(j) (1) The committee shall allocate the housing credit on a regular basis consisting of two or more periods in each calendar year during which applications may be filed and considered. The committee shall establish application filing deadlines, the maximum percentage of federal and state low-income housing tax credit ceiling that may be allocated by the committee in that period, and the approximate date on which allocations shall be made. If the enactment of federal or state law, the adoption of rules or regulations, or other similar events prevent the use of two allocation periods, the committee may reduce the number of periods and adjust the filing deadlines, maximum percentage of credit allocated, and allocation dates.

(2) The committee shall adopt a qualified allocation plan, as provided in Section 42(m)(1) of the Internal Revenue Code. In adopting this plan, the committee shall comply with the provisions of Sections 42(m)(1)(B) and 42(m)(1)(C) of the Internal Revenue Code.

(3) Notwithstanding Section 42(m) of the Internal Revenue Code, the California Tax Credit Allocation Committee shall allocate housing credits in accordance with the qualified allocation plan and regulations, which shall include the following provisions:

(A) All housing sponsors, as defined by paragraph (3) of subdivision (a), shall demonstrate at the time the application is filed with the committee that the project meets the following threshold requirements:

(i) The housing sponsor shall demonstrate that there is a need for low-income housing in the community or region for which it is proposed.

(ii) The project's proposed financing, including tax credit proceeds, shall be sufficient to complete the project and shall be adequate to operate the project for the extended use period.

(iii) The project shall have enforceable financing commitments, either construction or permanent financing, for at least 50 percent of the total estimated financing of the project.

(iv) The housing sponsor shall have and maintain control of the site for the project.

(v) The housing sponsor shall demonstrate that the project complies with all applicable local land use and zoning ordinances.

(vi) The housing sponsor shall demonstrate that the project development team has the experience and the financial capacity to ensure project completion and operation for the extended use period.

(vii) The housing sponsor shall demonstrate the amount of tax credit that is necessary for the financial feasibility of the project and its viability as a qualified low-income housing project throughout the extended use period, taking into account operating expenses, a supportable debt service, reserves, funds set aside for rental subsidies, and required equity, and a development fee that does not exceed a specified percentage of the eligible basis of the project prior to inclusion of the development fee in the eligible basis, as determined by the committee.

(B) The committee shall give a preference to those projects satisfying all of the threshold requirements of subparagraph (A) if:

(i) The project serves the lowest income tenants at rents affordable to those tenants; and

(ii) The project is obligated to serve qualified tenants for the longest period.

(C) In addition to the provisions of subparagraphs (A) and (B), the committee shall use the following criteria in allocating housing credits:

(i) Projects serving large families in which a substantial number, as defined by the committee, of all residential units are low-income units with three and more bedrooms.

(ii) Projects providing single-room occupancy units serving very low income tenants.

(iii) Existing projects that are "at risk of conversion," as defined by paragraph (4) of subdivision (c).

(iv) Projects for which a public agency provides direct or indirect long-term financial support for at least 15 percent of the total project development costs or projects for which the owner's equity constitutes at least 30 percent of the total project development costs.

(v) Projects that provide tenant amenities not generally available to residents of low-income housing projects.

(4) For purposes of allocating credits pursuant to this section, the committee shall not give preference to any project by virtue of the date of submission of its application except to break a tie when two or more of the projects have an equal rating.

(5) Not less than 20 percent of the low-income housing tax credits available annually under this section, Section 12206, and Section 17058 shall be set aside for allocation to rural areas as defined in Section 50199.21 of the Health and Safety Code. Any amount of credit set aside for rural areas remaining on or after October 31 of any

calendar year shall be available for allocation to any eligible project. No amount of credit set aside for rural areas shall be considered available for any eligible project so long as there are eligible rural applications pending on October 31.

(k) Section 42(*l*) of the Internal Revenue Code shall be modified as follows:

The term "secretary" shall be replaced by the term "California Franchise Tax Board."

(*l*) In the case where the state credit allowed under this section exceeds the "tax," the excess may be carried over to reduce the "tax" in the following year, and succeeding years if necessary, until the credit has been exhausted.

(m) A project that received an allocation of a 1989 federal housing credit dollar amount shall be eligible to receive an allocation of a 1990 state housing credit dollar amount, subject to all of the following conditions:

(1) The project was not placed in service prior to 1990.

(2) To the extent the amendments made to this section by the Statutes of 1990 conflict with any provisions existing in this section prior to those amendments, the prior provisions of law shall prevail.

(3) Notwithstanding paragraph (2), a project applying for an allocation under this subdivision shall be subject to the requirements of paragraph (3) of subdivision (j).

(n) The credit period with respect to an allocation of credit in 1989 by the California Tax Credit Allocation Committee of which any amount is attributable to unallocated credit from 1987 or 1988 shall not begin until after December 31, 1989.

(o) The provisions of Section 11407(a) of Public Law 101-508, relating to the effective date of the extension of the low-income housing credit, shall apply to calendar years after 1989.

(p) The provisions of Section 11407(c) of Public Law 101-508, relating to election to accelerate credit, shall not apply.

(q) (1) A corporation may elect to assign any portion of any credit allowed under this section to one or more affiliated corporations for each income year in which the credit is allowed. For purposes of this subdivision, "affiliated corporation" has the meaning provided in subdivision (b) of Section 25110, as that section was amended by Chapter 881 of the Statutes of 1993, as of the last day of the income year in which the credit is allowed, except that "100 percent" is substituted for "more than 50 percent" wherever it appears in the section, as that section was amended by Chapter 881 of the Statutes of 1993, and "voting common stock" is substituted for "voting stock" wherever it appears in the section, as that section was amended by Chapter 881 of the Statutes of 1993.

(2) The election provided in paragraph (1):

(A) May be based on any method selected by the corporation that originally receives the credit.

(B) Shall be irrevocable for the income year the credit is allowed, once made.

(C) May be changed for any subsequent income year if the election to make the assignment is expressly shown on each of the returns of the affiliated corporations that assign and receive the credits.

(r) Any unused credit may continue to be carried forward, as provided in subdivision (k), until the credit has been exhausted.

This section shall remain in effect on or after December 1, 1990, for as long as Section 42 of the Internal Revenue Code, pertaining to low-income housing credits, remains in effect.

(s) The amendments to this section made by the act adding this subdivision shall apply only to income years beginning on or after January 1, 1994, except that paragraph (1) of subdivision (q), as amended, shall apply to income years beginning on or after January 1, 1993.

SEC. 180. Section 23701t of the Revenue and Taxation Code is amended to read:

23701t. (a) A homeowners' association organized and operated to provide for the acquisition, construction, management, maintenance, and care of residential association property if all of the following apply:

(1) Sixty percent or more of the gross income of the organization for the taxable year consists solely of amounts received as membership dues, fees, and assessments from either of the following:

(A) Tenant-stockholders or owners of residential units, residences, or lots.

(B) Owners of timeshare rights to use, or timeshare ownership interests in, association property in the case of a timeshare association.

(2) Ninety percent or more of the expenditures of the organization for the taxable year are expenditures for the acquisition, construction, management, maintenance, and care of association property and, in the case of a timeshare association, for activities provided to or on behalf of members of the association.

(3) No part of the net earnings inures (other than by providing management, maintenance, and care of association property or by a rebate of excess membership dues, fees, or assessments) to the benefit of any private shareholder or individual.

(4) Amounts received as membership dues, fees, and assessments not expended for association purposes during the taxable year are transferred to and held in trust to provide for the management, maintenance, and care of association property and common areas.

(b) The term "association property" means:

(1) Property held by the organization.

(2) Property held in common by the members of the organization.

(3) Property within the organization privately held by the members of the organization.

In the case of a timeshare association, "association property" includes property in which the timeshare association, or members of the association, have rights arising out of recorded easements, covenants, or other recorded instruments to use property related to the timeshare project.

(c) A homeowners' association shall be subject to tax under this part with respect to its "homeowners' association taxable income," and that income shall be subject to tax as provided by Chapter 3 (commencing with Section 23501) of this part.

(1) For purposes of this section, the term "homeowners' association taxable income" of any organization for any taxable year means an amount equal to the excess over one hundred dollars ($100) (if any) of—

(A) The gross income for the taxable year (excluding any exempt function income), over

(B) The deductions allowed by this part which are directly connected with the production of the gross income (excluding exempt function income).

(2) For purposes of this section, the term "exempt function income" means any amount received as membership fees, dues, and assessments from tenant-shareholders or owners of residential units, residences, or lots, or owners of timeshare rights to use, or timeshare ownership interests in, association property in the case of a timeshare association.

(d) The term "homeowners' association" includes a condominium management association, a residential real estate management association, a timeshare association, and a cooperative housing corporation.

(e) "Cooperative housing corporation" includes, but is not limited to, a limited-equity housing cooperative, as defined in Section 33007.5 of the Health and Safety Code, organized either as a nonprofit public benefit corporation pursuant to Part 2 (commencing with Section 5110) of Division 2 of Title 1 of the Corporations Code, or a nonprofit mutual benefit corporation pursuant to Part 3 (commencing with Section 7110) of Division 2 of Title 1 of the Corporations Code.

(f) The term "timeshare association" means any organization (other than a condominium management association) organized and operated to provide for the acquisition, construction, management, maintenance, and care of association property if any member thereof holds a timeshare right to use, or a timeshare ownership interest in, real property constituting association property.

(g) The amendments made to this section by the act adding this subdivision shall apply to taxable years beginning on or after January 1, 1998.

SEC. 181. Section 23704 of the Revenue and Taxation Code is amended to read:

23704. For purposes of this part, an organization shall be treated as an organization organized and operated exclusively for charitable purposes, if:

(a) The organization is organized and operated solely:

(1) To perform, on a centralized basis, one or more of the following services which, if performed on its own behalf by a hospital that is an organization described in Section 23701d and exempt from taxation under Section 23701, would constitute activities in exercising or performing the purpose or function constituting the basis for its exemption: data processing, purchasing (including the purchasing of insurance on a group basis), warehousing, billing and collection (including the purchase of patron accounts receivable on a recourse basis), food, clinical, industrial engineering, laboratory, laundry, printing, communications, record center, and personnel (including selection, testing, training, and education of personnel) services; and

(2) To perform those services solely for two or more hospitals, and for no other individuals or organizations, each of which is:

(A) An organization described in Section 23701d that is exempt from taxation under Section 23701, or

(B) A constituent part of an organization described in Section 23701d that is exempt from taxation under Section 23701 and that, if organized and operated as a separate entity, would constitute an organization described in Section 23701d, or

(C) Owned and operated by the United States, the state, a county, or political subdivision, or an agency or instrumentality of any of the foregoing.

(b) The organization is organized and operated on a cooperative basis and allocates or pays, within $8^1/_2$ months after the close of its income year, all net earnings to members on the basis of services performed for them.

(c) If the organization has capital stock, all of that stock outstanding is owned by its members.

For purposes of this part, any organization that, by reason of the preceding sentence, is an organization described in Section 23701d and exempt from taxation under Section 23701, shall be treated as a hospital and as an organization referred to in Section 23736(e).

SEC. 182. Section 24416.2 of the Revenue and Taxation Code is amended to read:

24416.2. (a) The term "qualified taxpayer" as used in Section 24416.1 includes a corporation engaged in the conduct of a trade or business within an enterprise zone designated pursuant to Chapter 12.8 (commencing with Section 7070) of Division 7 of Title 1 of the Government Code. For purposes of this subdivision, all of the following shall apply:

(1) A net operating loss shall not be a net operating loss carryback for any income year and a net operating loss for any income year beginning on or after the date that the area in which the taxpayer conducts a trade or business is designated as an enterprise zone shall

be a net operating loss carryover to each of the 15 income years following the income year of loss.

(2) For purposes of this subdivision:

(A) "Net operating loss" means the loss determined under Section 172 of the Internal Revenue Code, as modified by Section 24416.1, attributable to the taxpayer's business activities within the enterprise zone (as defined in Chapter 12.8 (commencing with Section 7070) of Division 7 of Title 1 of the Government Code) prior to the enterprise zone expiration date. That attributable loss shall be determined in accordance with Chapter 17 (commencing with Section 25101), modified for purposes of this subdivision as follows:

(i) Loss shall be apportioned to the enterprise zone by multiplying total loss from the business by a fraction, the numerator of which is the property factor plus the payroll factor, and the denominator of which is 2.

(ii) "The enterprise zone" shall be substituted for "this state."

(B) A net operating loss carryover shall be a deduction only with respect to the taxpayer's business income attributable to the enterprise zone as defined in Chapter 12.8 (commencing with Section 7070) of Division 7 of Title 1 of the Government Code.

(C) Attributable income is that portion of the taxpayer's California source business income that is apportioned to the enterprise zone. For that purpose, the taxpayer's business income attributable to sources in this state first shall be determined in accordance with Chapter 17 (commencing with Section 25101). That business income shall be further apportioned to the enterprise zone in accordance with Article 2 (commencing with Section 25120) of Chapter 17, modified for purposes of this subdivision as follows:

(i) Business income shall be apportioned to the enterprise zone by multiplying the total California business income of the taxpayer by a fraction, the numerator of which is the property factor plus the payroll factor, and the denominator of which is 2. For purposes of this clause:

(I) The property factor is a fraction, the numerator of which is the average value of the taxpayer's real and tangible personal property owned or rented and used in the enterprise zone during the income year, and the denominator of which is the average value of all the taxpayer's real and tangible personal property owned or rented and used in this state during the income year.

(II) The payroll factor is a fraction, the numerator of which is the total amount paid by the taxpayer in the enterprise zone during the income year for compensation, and the denominator of which is the total compensation paid by the taxpayer in this state during the income year.

(ii) If a loss carryover is allowable pursuant to this section for any income year after the enterprise zone designation has expired, the enterprise zone shall be deemed to remain in existence for purposes

of computing the limitation set forth in subparagraph (B) and allowing a net operating loss deduction.

(D) "Enterprise zone expiration date" means the date the enterprise zone designation expires, is no longer binding, or becomes inoperative.

(3) The changes made to this subdivision by the act adding this paragraph shall apply to income years beginning on or after January 1, 1998.

(b) A taxpayer who qualifies as a "qualified taxpayer" under one or more sections shall, for the income year of the net operating loss and any income year to which that net operating loss may be carried, designate on the original return filed for each year the section that applies to that taxpayer with respect to that net operating loss. If the taxpayer is eligible to qualify under more than one section, the designation is to be made after taking into account subdivision (c).

(c) If a taxpayer is eligible to qualify under this section and either Section 24416.4, 24416.5, or 24416.6 as a "qualified taxpayer," with respect to a net operating loss in an income year, the taxpayer shall designate which section is to apply to the taxpayer.

(d) Notwithstanding Section 24416, the amount of the loss determined under this section shall be the only net operating loss allowed to be carried over from that income year, and the designation under subdivision (b) shall be included in the election under Section 24416.1.

SEC. 183. Section 41136 of the Revenue and Taxation Code is amended to read:

41136. Funds in the State Emergency Telephone Number Account shall, when appropriated by the Legislature, be spent solely for the following purposes:

(a) To pay refunds authorized by this part.

(b) To pay the State Board of Equalization for the cost of the administration of this part.

(c) To pay the Department of General Services for its costs in administration of the "911" emergency telephone number system.

(d) To pay bills submitted to the Department of General Services by service suppliers or communications equipment companies for the installation of, and ongoing expenses for, the following communications services supplied to local agencies in connection with the "911" emergency phone number system:

(1) A basic system.

(2) A basic system with telephone central office identification.

(3) A system employing automatic call routing.

(4) Approved incremental costs.

(e) To pay claims of local agencies for approved incremental costs, not previously compensated for by another governmental agency.

(f) To pay claims of local agencies for incremental costs and amounts, not previously compensated for by another governmental agency, incurred prior to the effective date of this part, for the

installation and ongoing expenses for the following communication services supplied in connection with the "911" emergency phone number system:

(1) A basic system.

(2) A basic system with telephone central office identification.

(3) A system employing automatic call routing.

(4) Approved incremental costs. Incremental costs shall not be allowed unless the costs are concurred in by the Division of Telecommunications of the Department of General Services.

(g) To pay the Division of Telecommunications of the Department of General Services for the costs associated with the pilot program authorized by Article 6.5 (commencing with Section 53125) of Chapter 1 of Part 1 of Division 2 of Title 5 of the Government Code.

SEC. 184. Section 65004 of the Revenue and Taxation Code is amended to read:

65004. (a) Except as provided in subdivision (b), no city, county, or city and county may impose, assess, or attempt to collect any of the following:

(1) A tax on Internet access, Online Computer Services, or the use of Internet access or any Online Computer Services.

(2) A bit tax or bandwidth tax.

(3) Any discriminatory tax on Online Computer Services or Internet access.

(b) The prohibition in subdivision (a) against the imposition of taxes shall not apply to any new or existing tax of general application, including, but not limited to, any sales and use tax, business license tax, or utility user tax that is imposed or assessed in a uniform and nondiscriminatory manner without regard to whether the activities or transactions taxed are conducted through the use of the Internet, Internet access, or Online Computer Services.

(c) A cable television franchise fee may not be imposed on Online Computer Services or Internet access delivered over a cable television system if the Federal Communications Commission, by issuing final order, or a court of competent jurisdiction, by rendering a judgment enforceable in California, finds that those are not cable services as defined in Section 522(6) of Title 47 of the United States Code and are, therefore, not subject to a franchise fee. However, if that final order or judgment is overturned or modified by further administrative, legislative, or judicial action, that action shall control. The operation of this subdivision may be suspended by contract between a cable television franchising authority and a cable television operator.

(d) This part shall become inoperative three years from the effective date of the act adding this part.

SEC. 185. Section 1095 of the Unemployment Insurance Code is amended to read:

1095. The director shall permit the use of any information in his or her possession to the extent necessary for any of the following purposes and may require reimbursement for all direct costs incurred in providing any and all information specified in this section, except information specified in subdivisions (a) to (e), inclusive:

(a) To enable the director or his or her representative to carry out his or her responsibilities under this code.

(b) To properly present a claim for benefits.

(c) To acquaint a worker or his or her authorized agent with his or her existing or prospective right to benefits.

(d) To furnish an employer or his or her authorized agent with information to enable him or her to fully discharge his or her obligations or safeguard his or her rights under this division or Division 3 (commencing with Section 9000).

(e) To enable an employer to receive a reduction in contribution rate.

(f) To enable federal, state, or local government departments or agencies, subject to federal law, to verify or determine the eligibility or entitlement of an applicant for, or a recipient of, public social services provided pursuant to Division 9 (commencing with Section 10000) of the Welfare and Institutions Code, or Part A of Title IV of the Social Security Act, where the verification or determination is directly connected with, and limited to, the administration of public social services.

(g) To enable county administrators of general relief or assistance, or their representatives, to determine entitlement to locally provided general relief or assistance, where the determination is directly connected with, and limited to, the administration of general relief or assistance.

(h) To enable state or local governmental departments or agencies to seek criminal, civil, or administrative remedies in connection with the unlawful application for, or receipt of, relief provided under Division 9 (commencing with Section 10000) of the Welfare and Institutions Code or to enable the collection of expenditures for medical assistance services pursuant to Part 5 (commencing with Section 17000) of Division 9 of the Welfare and Institutions Code.

(i) To provide any law enforcement agency with the name, address, telephone number, birth date, social security number, physical description, and names and addresses of present and past employers, of any victim, suspect, missing person, potential witness, or person for whom a felony arrest warrant has been issued, when a request for this information is made by any investigator or peace officer as defined by Sections 830.1 and 830.2 of the Penal Code, or by any federal law enforcement officer to whom the Attorney General has delegated authority to enforce federal search warrants, as defined under Sections 60.2 and 60.3 of Title 28 of the Code of

Federal Regulations, as amended, and when the requesting officer has been designated by the head of the law enforcement agency and requests this information in the course of and as a part of an investigation into the commission of a crime when there is a reasonable suspicion that the crime is a felony and that the information would lead to relevant evidence. The information provided pursuant to this subdivision shall be provided to the extent permitted by federal law and regulations, and to the extent the information is available and accessible within the constraints and configurations of existing department records. Any person who receives any information under this subdivision shall make a written report of the information to the law enforcement agency that employs him or her, for filing under the normal procedures of that agency.

(1) This subdivision shall not be construed to authorize the release to any law enforcement agency of a general list identifying individuals applying for or receiving benefits.

(2) The department shall maintain records pursuant to this subdivision only for periods required under regulations or statutes enacted for the administration of its programs.

(3) This subdivision shall not be construed as limiting the information provided to law enforcement agencies to that pertaining only to applicants for, or recipients of, benefits.

(4) The department shall notify all applicants for benefits that release of confidential information from their records will not be protected should there be a felony arrest warrant issued against the applicant or in the event of an investigation by a law enforcement agency into the commission of a felony.

(j) To provide public employee retirement systems in California with information relating to the earnings of any person who has applied for or is receiving a disability income, disability allowance, or disability retirement allowance, from a public employee retirement system. The earnings information shall be released only upon written request from the governing board specifying that the person has applied for or is receiving a disability allowance or disability retirement allowance from its retirement system. The request may be made by the chief executive officer of the system or by an employee of the system so authorized and identified by name and title by the chief executive officer in writing.

(k) To enable the Division of Labor Standards Enforcement in the Department of Industrial Relations to seek criminal, civil, or administrative remedies in connection with the failure to pay, or the unlawful payment of, wages pursuant to Chapter 1 (commencing with Section 200) of Part 1 of Division 2 of, and Chapter 1 (commencing with Section 1720) of Part 7 of Division 2 of, the Labor Code.

(*l*) To enable federal, state, or local governmental departments or agencies to administer child support enforcement programs under Title IV of the Social Security Act (42 U.S.C. Sec. 651 et seq.).

(m) To provide federal, state, or local governmental departments or agencies with wage and claim information in its possession that will assist those departments and agencies in the administration of the victims of crime program or in the location of victims of crime who, by state mandate or court order, are entitled to restitution that has been or can be recovered.

(n) To provide federal, state, or local governmental departments or agencies with information concerning any individuals who are or have been:

(1) Directed by state mandate or court order to pay restitution, fines, penalties, assessments, or fees as a result of a violation of law.

(2) Delinquent or in default on guaranteed student loans or who owe repayment of funds received through other financial assistance programs administered by those agencies. The information released by the director for the purposes of this paragraph shall not include unemployment insurance benefit information.

(o) To provide an authorized governmental agency with any or all relevant information that relates to any specific workers' compensation insurance fraud investigation. The information shall be provided to the extent permitted by federal law and regulations. For the purposes of this subdivision, "authorized governmental agency" means the district attorney of any county, the office of the Attorney General, the Department of Industrial Relations, and the Department of Insurance. An authorized governmental agency may disclose this information to the State Bar, the Medical Board of California, or any other licensing board or department whose licensee is the subject of a workers' compensation insurance fraud investigation. This subdivision shall not prevent any authorized governmental agency from reporting to any board or department the suspected misconduct of any licensee of that body.

(p) To enable the Director of the Bureau for Private Postsecondary and Vocational Education, or his or her representatives, to access unemployment insurance quarterly wage data on a case-by-case basis to verify information on school administrators, school staff, and students provided by those schools who are being investigated for possible violations of Chapter 7 (commencing with Section 94700) of Part 59 of the Education Code.

(q) To provide employment tax information to the tax officials of Mexico, if a reciprocal agreement exists. For purposes of this subdivision, "reciprocal agreement" means a formal agreement to exchange information between national taxing officials of Mexico and taxing authorities of the State Board of Equalization, the Franchise Tax Board, and the Employment Development Department. Furthermore, the reciprocal agreement shall be limited to the exchange of information that is essential for tax administration

purposes only. Taxing authorities of the State of California shall be granted tax information only on California residents. Taxing authorities of Mexico shall be granted tax information only on Mexican nationals.

(r) To enable city and county planning agencies to develop economic forecasts for planning purposes. The information shall be limited to businesses within the jurisdiction of the city or county whose planning agency is requesting the information, and shall not include information regarding individual employees.

(s) To provide the State Department of Developmental Services with wage and employer information that will assist in the collection of moneys owed by the recipient, parent, or any other legally liable individual for services and supports provided pursuant to Chapter 9 (commencing with Section 4775) of Division 4.5 of, and Chapter 2 (commencing with Section 7200) and Chapter 3 (commencing with Section 7500) of Division 7 of, the Welfare and Institutions Code.

(t) Nothing in this section shall be construed to authorize or permit the use of information obtained in the administration of this code by any private collection agency.

(u) The disclosure of the name and address of an individual or business entity that was issued an assessment that included penalties under Section 1128 or 1128.1 shall not be in violation of Section 1094 if the assessment is final. The disclosure may also include any of the following:

(1) The total amount of the assessment.

(2) The amount of the penalty imposed under Section 1128 or 1128.1 that is included in the assessment.

(3) The facts that resulted in the charging of the penalty under Section 1128 or 1128.1.

SEC. 186. Section 2478 of the Vehicle Code is amended to read:

2478. (a) Any person who is found guilty of violating Section 2470, 2472, 2474, or 2476, or the rules and regulations promulgated under those provisions, is subject to imprisonment in the county jail for not more than one year, or a fine of not more than one thousand dollars ($1,000), or both that imprisonment and fine.

(b) If the conviction is a second or subsequent conviction of a violation described in subdivision (a), or the violation is committed with intent to defraud or mislead, the person is subject to imprisonment in the state prison, or a fine of not more than ten thousand dollars ($10,000), or both that imprisonment and fine.

SEC. 187. Section 2810 of the Vehicle Code is amended to read:

2810. (a) A member of the California Highway Patrol may stop any vehicle transporting any timber products, livestock, poultry, farm produce, crude oil, petroleum products, or inedible kitchen grease, and inspect the bills of lading, shipping or delivery papers, or other evidence to determine whether the driver is in legal possession of the load, and, upon reasonable belief that the driver of the vehicle is not in legal possession, shall take custody of the vehicle and load and

turn them over to the custody of the sheriff of the county in which the timber products, livestock, poultry, farm produce, crude oil, petroleum products, or inedible kitchen grease, or any part thereof, is apprehended.

(b) The sheriff shall receive and provide for the care and safekeeping of the apprehended timber products, livestock, poultry, farm produce, crude oil, petroleum products, or inedible kitchen grease, or any part thereof, and immediately, in cooperation with the department, proceed with an investigation and its legal disposition.

(c) Any expense incurred by the sheriff in the performance of his or her duties under this section shall be a legal charge against the county.

SEC. 188. Section 4466 of the Vehicle Code is amended to read:

4466. (a) The department shall not issue a copy, duplication, or substitution of a certificate of ownership or license plate if, after a search of the records of the department, the registered owner's address, as submitted with the application for that document, is different from that which appears in the records of the department, unless the registered owner applies for that document in person and presents all of the following:

(1) Proof of ownership of the vehicle that is acceptable to the department.

(2) A driver's license or identification card containing a picture of the licensee or cardholder issued to the registered owner by the department pursuant to Chapter 1 (commencing with Section 12500) of Division 6. The department shall conduct a search of its records to verify the authenticity of any document submitted under this paragraph.

(3) If the application is for the purpose of replacing a certificate or license plate that was stolen, a copy of a police report identifying the document as stolen.

(4) If the application is for the purpose of replacing a certificate or license plate that was mutilated or destroyed, the remnants of the mutilated or destroyed document.

(5) If the department has a record of a prior issuance of a copy, duplication, or substitution of a certificate or license plate for the vehicle, a copy of a report from the Department of the California Highway Patrol verifying the vehicle identification number of the vehicle.

(b) Subdivision (a) does not apply if the registered owner's name and driver's license or identification card number submitted on the application match the name and driver's license or identification card number contained in the department's registration record for that vehicle, or if an application is submitted by or through a dealer, a dismantler, an insurer, an agent of the insurer, or a salvage pool.

SEC. 189. Section 11614 of the Vehicle Code is amended to read:

11614. No lessor-retailer licensed under this chapter shall do any of the following in connection with any activity for which this license is required:

(a) Make or disseminate, or cause to be made or disseminated, before the public in this state, in any newspaper or other publication, or any advertising device, or by oral representation, or in any other manner or means whatever, any statement that is untrue or misleading and that is known, or which by the exercise of reasonable care should be known, to be untrue or misleading; or make or disseminate, or cause to be made or disseminated, any statement as part of a plan or scheme with the intent not to sell any vehicle, or service so advertised, at the price stated therein, or as so advertised.

(b) Advertise, or offer for sale in any manner, any vehicle not actually for sale at the premises of the lessor-retailer or available within a reasonable time to the lessor-retailer at the time of the advertisement or offer.

(c) Fail within 48 hours to give, in writing, notification to withdraw any advertisement of a vehicle that has been sold or withdrawn from sale.

(d) Advertise any specific vehicle for sale without identifying the vehicle by either its vehicle identification number or license number.

(e) Advertise the total price of a vehicle without including all costs to the purchaser at the time of delivery at the lessor-retailer's premises, except sales tax, vehicle registration fees, finance charges, certificate of compliance or noncompliance fees not exceeding thirty-five dollars ($35) pursuant to any statute, and any dealer documentary preparation charge. The dealer documentary charge shall not exceed thirty-five dollars ($35).

(f) Fail to disclose, in the newspaper display advertisement of a vehicle for sale, that there will be added to the advertised total price, at the time of sale, charges for sales tax, vehicle registration fees, the fee charged by the state for the issuance of any certificate of compliance or noncompliance pursuant to any statute, finance charges, or any dealer documentary preparation charge.

For purposes of this subdivision, "newspaper display advertisement" means any advertisement in a newspaper that is two or more newspaper columns in width or one newspaper column in width and more than seven inches in length.

(g) Advertise or otherwise represent, or knowingly allow to be advertised or represented on the lessor-retailer's behalf or at the lessor-retailer's place of business, that no downpayment is required in connection with the sale of a vehicle when a downpayment is in fact required and the buyer is advised or induced to finance the downpayment by a loan in addition to any other loan financing the remainder of the purchase price of the vehicle.

(h) Refuse to sell a vehicle to any person at the advertised total price, exclusive of sales tax, vehicle registration fees, finance charges, certificate of compliance or noncompliance pursuant to any statute,

and any dealer documentary preparation charge, which charges shall not exceed thirty-five dollars ($35) for the documentary preparation charge and thirty-five dollars ($35) for the certificate of compliance or noncompliance pursuant to any statute, while the vehicle remains unsold or unleased, unless the advertisement states the advertised total price is good only for a specified time and the time has elapsed.

(i) Engage in the business for which the licensee is licensed without having in force and effect a bond required by Section 11612.

(j) Engage in the business for which the lessor-retailer is licensed without at all times maintaining a principal place of business and any branch office location required by this chapter.

(k) Permit the use of the lessor-retailer license, supplies, or books by any other person for the purpose of permitting that person to engage in the sale of vehicles required to be registered under this code, or to permit the use of the lessor-retailer license, supplies, or books to operate a branch office location to be used by any other person, if, in either situation, the licensee has no financial or equitable interest or investment in the vehicles sold by, or the business of, or branch office location used by, the person, or has no interest or investment other than commissions, compensations, fees, or any other thing of value received for the use of the lessor-retailer license, supplies, or books to engage in the sale of vehicles.

(*l*) Violate any provision of Article 10 (commencing with Section 28050) of Chapter 5 of Division 12.

(m) Represent the dealer documentary preparation charge, or certificate of compliance or noncompliance fee, as a governmental fee.

(n) Advertise free merchandise, gifts, or services provided by a lessor-retailer contingent on the purchase of a vehicle. "Free" includes merchandise or services offered for sale at a price less than the lessor-retailer's cost of the merchandise or services.

(o) Advertise vehicles and related goods or services with the intent not to supply reasonably expectable demand, unless the advertisement discloses a limitation of quantity.

(p) Use the term "rebate" or similar words such as "cash back" in advertising the sale of a vehicle.

(q) Require a person to pay a higher price for a vehicle and related goods or services for receiving advertised credit terms than the cash price the same person would have to pay to purchase the same vehicle and related goods or services. For the purpose of this subdivision, "cash price" has the meaning as defined in subdivision (e) of Section 2981 of the Civil Code.

(r) Misrepresent the authority of a representative or agent to negotiate the final terms of a transaction.

(s) Violate any law prohibiting bait and switch advertising, including, but not limited to, the guides against bait advertising set forth in Part 238 of Title 16 of the Code of Federal Regulations, as those regulations read on January 1, 1988.

(t) Make any untrue or misleading statement indicating that a vehicle is equipped with all the factory installed optional equipment the manufacturer offers, including, but not limited to, a false statement that a vehicle is "fully factory equipped."

(u) Advertise any underselling claim, such as "we have the lowest prices" or "we will beat any dealer's price," unless the lessor-retailer has conducted a recent survey showing that the lessor-retailer sells its vehicles at lower prices than any other licensee in its trade area and maintains records to adequately substantiate the claim. The substantiating records shall be made available to the department upon request.

(v) To display or offer for sale any used vehicle unless there is affixed to the vehicle the Federal Trade Commission's Buyer's Guide as required by Part 455 of Title 16 of the Code of Federal Regulations.

SEC. 190. Section 40000.15 of the Vehicle Code is amended to read:

40000.15. A violation of any of the following provisions shall constitute a misdemeanor, and not an infraction:

Sections 23103 and 23104, relating to reckless driving.

Section 23109, relating to speed contests or exhibitions.

Subdivision (a) of Section 23110, relating to throwing at vehicles.

Section 23152, relating to driving under the influence.

Subdivision (b) of Section 23222, relating to possession of marijuana.

Subdivision (a) or (b) of Section 23224, relating to persons under 21 years of age knowingly driving, or being a passenger in, a motor vehicle carrying any alcoholic beverage.

Section 23253, relating to officers on vehicular crossings.

Section 23332, relating to trespassing.

Section 24011.3, relating to vehicle bumper strength notices.

Section 27150.1, relating to sale of exhaust systems.

Section 27362, relating to child passenger seat restraints.

Section 28050, relating to true mileage driven.

Section 28050.5, relating to nonfunctional odometers.

Section 28051, relating to resetting odometers.

Section 28051.5, relating to devices to reset odometers.

Subdivision (d) of Section 28150, relating to possessing four or more jamming devices.

SEC. 191. Section 1062 of the Water Code is amended to read:

1062. (a) The Legislature finds and declares as follows:

(1) The watershed of the San Francisco Bay/Sacramento-San Joaquin Delta Estuary supplies a large percentage of water used in California.

(2) The State Water Resources Control Board and the California regional water quality control boards are responsible for protecting all beneficial uses of those waters. Beneficial uses include those defined in subdivision (f) of Section 13050.

(3) The board is engaged in a hearing process to consider revisions to the water quality standards contained in the existing water quality control plan for the Sacramento-San Joaquin Delta and Suisun Marsh and to consider new standards for San Francisco Bay.

(4) There is a broad diversity of viewpoints regarding appropriate water quality standards and priorities with respect to the various beneficial uses.

(5) Any new or revised standards and plans that derive from the hearing process will have a substantial impact on the people of California, and there is significant public interest in these deliberations.

(b) It is the intent of the Legislature that the hearing process shall provide for the involvement of all those who wish to participate in these deliberations. It is further the intent of the Legislature that members of the general public shall have full access to the proceedings and to all official records of the hearings.

(c) The board shall lodge one copy of the transcripts of the hearings referred to in subdivision (a) for inspection and use by the general public at the following locations: the headquarters of the State Water Resources Control Board in Sacramento; the headquarters of the regional water quality control boards in Los Angeles, Fresno, and San Diego; and the headquarters of the Environmental Protection Agency in San Francisco. The transcripts shall be updated on a timely basis throughout the course of the board's bay-delta hearing process. At the conclusion of the hearing process, one transcript shall be maintained at the headquarters of the board in Sacramento.

(d) The board shall provide for staff services at the headquarters of the board in Sacramento and at the headquarters at each of the regional water quality control boards listed in subdivision (c) to assist the public in utilizing the transcripts and other documents and to facilitate participation by interested parties in the hearing process.

(e) During the course of the board's bay-delta hearing process, the board shall provide for public access to an electronic data retrieval system capable of displaying the text of the hearing transcript at the following locations: the headquarters of the board in Sacramento; the headquarters of the regional water quality control boards in Oakland, Los Angeles, Fresno, Redding, Riverside, and San Diego; and the headquarters of the Environmental Protection Agency in San Francisco.

SEC. 192. Section 319 of the Welfare and Institutions Code is amended to read:

319. At the initial petition hearing, the court shall examine the child's parents, guardians, or other persons having relevant knowledge and hear the relevant evidence as the child, the child's parents or guardians, the petitioner, or their counsel desires to present. The court may examine the child, as provided in Section 350.

The social worker shall report to the court on the reasons why the child has been removed from the parent's custody; the need, if any, for continued detention; the available services and the referral methods to those services that could facilitate the return of the child to the custody of the child's parents or guardians; and whether there are any relatives who are able and willing to take temporary custody of the child. The court shall order the release of the child from custody unless a prima facie showing has been made that the child comes within Section 300 and any of the following circumstances exist:

(a) There is a substantial danger to the physical health of the child or the child is suffering severe emotional damage, and there are no reasonable means by which the child's physical or emotional health may be protected without removing the child from the parents' or guardians' physical custody.

(b) There is substantial evidence that a parent, guardian, or custodian of the child is likely to flee the jurisdiction of the court.

(c) The child has left a placement in which he or she was placed by the juvenile court.

(d) The child indicates an unwillingness to return home, if the child has been physically or sexually abused by a person residing in the home.

The court shall also make a determination on the record as to whether reasonable efforts were made to prevent or eliminate the need for removal of the child from his or her home, pursuant to subdivision (b) of Section 306, and whether there are available services that would prevent the need for further detention. Services to be considered for purposes of making this determination are case management, counseling, emergency shelter care, emergency in-home caretakers, out-of-home respite care, teaching and demonstrating homemakers, parenting training, transportation, and any other child welfare services authorized by the State Department of Social Services pursuant to Chapter 5 (commencing with Section 16500) of Part 4 of Division 9. The court shall also review whether the social worker has considered whether a referral to public assistance services pursuant to Chapter 2 (commencing with Section 11200) and Chapter 7 (commencing with Section 14000) of Part 3, Chapter 1 (commencing with Section 17000) of Part 5, and Chapter 10 (commencing with Section 18900) of Part 6 of Division 9 would have eliminated the need to take temporary custody of the child or would prevent the need for further detention. If the child can be returned to the custody of his or her parent or guardian through the provision of those services, the court shall place the child with his or her parent or guardian and order that the services shall be provided. If the child cannot be returned to the custody of his or her parent or guardian, the court shall determine if there is a relative who is able and willing to care for the child. Where the first contact with the family has occurred during an emergency situation in which the child could not

safely remain at home, even with reasonable services being provided, the court shall make a finding that the lack of preplacement preventive efforts was reasonable. Whenever a court orders a child detained, the court shall state the facts on which the decision is based, shall specify why the initial removal was necessary, and shall order services to be provided as soon as possible to reunify the child and his or her family if appropriate.

When the child is not released from custody, the court may order that the child shall be placed in the suitable home of a relative, in an emergency shelter or other suitable licensed place, in a place exempt from licensure designated by the juvenile court, or in an appropriate certified family home for which the license is pending and all the prelicense requirements for that placement have been met as set forth in subdivision (e) of Section 361.2 for a period not to exceed 15 judicial days.

As used in this section, "relative" means an adult who is related to the child by blood, adoption, or affinity within the fifth degree of kinship, including stepparents, stepsiblings, and all relatives whose status is preceded by the words "great," "great-great," or "grand," or the spouse of any of these persons, even if the marriage was terminated by death or dissolution. However, only the following relatives shall be given preferential consideration for placement of the child: an adult who is a grandparent, aunt, uncle, or sibling of the child.

The court shall consider the recommendations of the social worker based on the emergency assessment of the relative's suitability, including the results of a criminal records check and prior child abuse allegations, if any, prior to ordering that the child be placed with a relative. The social worker shall initiate the assessment pursuant to Section 361.3 of any relative to be considered for continuing placement.

SEC. 193. Section 366.26 of the Welfare and Institutions Code is amended to read:

366.26. (a) This section applies to children who are adjudged dependent children of the juvenile court pursuant to subdivision (c) of Section 360. The procedures specified herein are the exclusive procedures for conducting these hearings; Part 2 (commencing with Section 3020) of Division 8 of the Family Code is not applicable to these proceedings. Section 8714.7 of the Family Code is applicable and available to all dependent children meeting the requirements of that section. For children who are adjudged dependent children of the juvenile court pursuant to subdivision (c) of Section 360, this section and Sections 8604, 8605, 8606, and 8700 of the Family Code and Chapter 5 (commencing with Section 7660) of Part 3 of Division 12 of the Family Code specify the exclusive procedures for permanently terminating parental rights with regard to, or establishing legal guardianship of, the child while the child is a dependent child of the juvenile court.

(b) At the hearing, which shall be held in juvenile court for all children who are dependents of the juvenile court, the court, in order to provide stable, permanent homes for these children, shall review the report as specified in Section 361.5, 366.21, or 366.22, shall indicate that the court has read and considered it, shall receive other evidence that the parties may present, and then shall make findings and orders in the following order of preference:

(1) Terminate the rights of the parent or parents and order that the child be placed for adoption and, upon the filing of a petition for adoption in the juvenile court, order that a hearing be set. The court shall proceed with the adoption after the appellate rights of the natural parents have been exhausted.

(2) On making a finding under paragraph (3) of subdivision (c), identify adoption as the permanent placement goal and order that efforts be made to locate an appropriate adoptive family for the child within a period not to exceed 180 days.

(3) Appoint a legal guardian for the child and order that letters of guardianship issue.

(4) Order that the child be placed in long-term foster care, subject to the periodic review of the juvenile court under Section 366.3.

In choosing among the above alternatives, the court shall proceed pursuant to subdivision (c).

(c) (1) If the court determines, based on the assessment provided as ordered under subdivision (i) of Section 366.21 or subdivision (b) of Section 366.22, and any other relevant evidence, by a clear and convincing standard, that it is likely the child will be adopted, the court shall terminate parental rights and order the child placed for adoption. The fact that the child is not yet placed in a pre-adoptive home nor with a relative or foster family who is prepared to adopt the child, shall not constitute a basis for the court to conclude that it is not likely the child will be adopted. A finding under subdivision (b) or paragraph (1) of subdivision (e) of Section 361.5 that reunification services shall not be offered, or a finding under subdivision (e) of Section 366.21 that the whereabouts of a parent have been unknown for six months or that the parent has failed to visit or contact the child for six months or that the parent has been convicted of a felony indicating parental unfitness, or a finding under Section 366.21 or 366.22 that the court has continued to remove the child from the custody of the parent or guardian and has terminated reunification services, shall constitute a sufficient basis for termination of parental rights unless the court finds a compelling reason for determining that termination would be detrimental to the child due to one or more of the following circumstances:

(A) The parents or guardians have maintained regular visitation and contact with the child and the child would benefit from continuing the relationship.

(B) A child 12 years of age or older objects to termination of parental rights.

(C) The child is placed in a residential treatment facility, adoption is unlikely or undesirable, and continuation of parental rights will not prevent finding the child a permanent family placement if the parents cannot resume custody when residential care is no longer needed.

(D) The child is living with a relative or foster parent who is unable or unwilling to adopt the child because of exceptional circumstances that do not include an unwillingness to accept legal or financial responsibility for the child, but who is willing and able to provide the child with a stable and permanent environment, and the removal of the child from the physical custody of his or her relative or foster parent would be detrimental to the emotional well-being of the child. This subparagraph does not apply to any child who is living with a nonrelative and who is either (i) under six years of age or (ii) a member of a sibling group where at least one child is under six years of age and the siblings are, or should be, permanently placed together.

If the court finds that termination of parental rights would be detrimental to the child pursuant to subparagraph (A), (B), (C), or (D), it shall state its reasons in writing or on the record.

(2) The court shall not terminate parental rights if at each and every hearing at which the court was required to consider reasonable efforts or services, the court has found that reasonable efforts were not made or that reasonable services were not offered or provided.

(3) If the court finds that termination of parental rights would not be detrimental to the child pursuant to paragraph (1) and that the child has a probability for adoption but is difficult to place for adoption and there is no identified or available prospective adoptive parent, the court may identify adoption as the permanent placement goal and, without terminating parental rights, order that efforts be made to locate an appropriate adoptive family for the child within a period not to exceed 180 days. During this 180-day period, the public agency responsible for seeking adoptive parents for each child shall, to the extent possible, contact other private and public adoption agencies regarding the availability of the child for adoption. During the 180-day period, the public agency shall conduct the search for adoptive parents in the same manner as prescribed for children in Sections 8708 and 8709 of the Family Code. At the expiration of this period, another hearing shall be held and the court shall proceed pursuant to paragraph (1), (3), or (4) of subdivision (b). For purposes of this section, a child may only be found to be difficult to place for adoption if there is no identified or available prospective adoptive parent for the child because of the child's membership in a sibling group, or the presence of a diagnosed medical, physical, or mental handicap, or the child's age is seven years or more.

(4) If the court finds that adoption of the child or termination of parental rights is not in the best interest of the child, because one of the conditions in subparagraph (A), (B), (C), or (D) of paragraph

(1) or in paragraph (2) applies, the court shall either order that the present caretakers or other appropriate persons shall become legal guardians of the child or order that the child remain in long-term foster care. Legal guardianship shall be considered before long-term foster care, if it is in the best interests of the child and if a suitable guardian can be found. When the child is living with a relative or a foster parent who is willing and able to provide a stable and permanent environment, but not willing to become a legal guardian, the child shall not be removed from the home if the court finds the removal would be seriously detrimental to the emotional well-being of the child because the child has substantial psychological ties to the relative caretaker or foster parents. The court shall also make an order for visitation with the parents or guardians unless the court finds by a preponderance of the evidence that the visitation would be detrimental to the physical or emotional well-being of the child.

(5) If the court finds that the child should not be placed for adoption, that legal guardianship shall not be established, and that there are no suitable foster parents except exclusive-use homes available to provide the child with a stable and permanent environment, the court may order the care, custody, and control of the child transferred from the county welfare department to a licensed foster family agency. The court shall consider the written recommendation of the county welfare director regarding the suitability of the transfer. The transfer shall be subject to further court orders.

The licensed foster family agency shall place the child in a suitable licensed or exclusive-use home that has been certified by the agency as meeting licensing standards. The licensed foster family agency shall be responsible for supporting the child and for providing appropriate services to the child, including those services ordered by the court. Responsibility for the support of the child shall not, in and of itself, create liability on the part of the foster family agency to third persons injured by the child. Those children whose care, custody, and control are transferred to a foster family agency shall not be eligible for foster care maintenance payments or child welfare services, except for emergency response services pursuant to Section 16504.

(d) The proceeding for the appointment of a guardian for a child who is a dependent of the juvenile court shall be in the juvenile court. If the court finds pursuant to this section that legal guardianship is the appropriate permanent plan, it shall appoint the legal guardian and issue letters of guardianship. The assessment prepared pursuant to subdivision (g) of Section 361.5, subdivision (i) of Section 366.21, and subdivision (b) of Section 366.22 shall be read and considered by the court prior to the appointment, and this shall be reflected in the minutes of the court. The person preparing the assessment may be called and examined by any party to the proceeding.

(e) The proceeding for the adoption of a child who is a dependent of the juvenile court shall be in the juvenile court if the court finds

pursuant to this section that adoption is the appropriate permanent plan and the petition for adoption is filed in the juvenile court. Upon the filing of a petition for adoption, the juvenile court shall order that an adoption hearing be set. The court shall proceed with the adoption after the appellate rights of the natural parents have been exhausted. The full report required by Section 8715 of the Family Code shall be read and considered by the court prior to the adoption and this shall be reflected in the minutes of the court. The person preparing the report may be called and examined by any party to the proceeding. It is the intent of the Legislature, pursuant to this subdivision, to give potential adoptive parents the option of filing in the juvenile court the petition for the adoption of a child who is a dependent of the juvenile court. Nothing in this section is intended to prevent the filing of a petition for adoption in any other court as permitted by law, instead of in the juvenile court.

(f) At the beginning of any proceeding pursuant to this section, if the child or the parents are not being represented by previously retained or appointed counsel, the court shall proceed as follows:

(1) The court shall consider whether the interests of the child require the appointment of counsel. If the court finds that the interests of the child do require this protection, the court shall appoint counsel to represent the child. If the court finds that the interests of the child require the representation of counsel, counsel shall be appointed whether or not the child is able to afford counsel. The child shall not be present in court unless the child or the child's counsel so requests or the court so orders.

(2) If a parent appears without counsel and is unable to afford counsel, the court shall appoint counsel for the parent, unless this representation is knowingly and intelligently waived. The same counsel shall not be appointed to represent both the child and his or her parent. The public defender or private counsel may be appointed as counsel for the parent.

(3) Private counsel appointed under this section shall receive a reasonable sum for compensation and expenses, the amount of which shall be determined by the court. The amount shall be paid by the real parties in interest, other than the child, in any proportions the court deems just. However, if the court finds that any of the real parties in interest are unable to afford counsel, the amount shall be paid out of the general fund of the county.

(g) The court may continue the proceeding for not to exceed 30 days as necessary to appoint counsel, and to enable counsel to become acquainted with the case.

(h) At all proceedings under this section, the court shall consider the wishes of the child and shall act in the best interests of the child.

The testimony of the child may be taken in chambers and outside the presence of the child's parent or parents if the child's parent or parents are represented by counsel, the counsel is present, and any of the following circumstances exist:

(1) The court determines that testimony in chambers is necessary to ensure truthful testimony.

(2) The child is likely to be intimidated by a formal courtroom setting.

(3) The child is afraid to testify in front of his or her parent or parents.

After testimony in chambers, the parent or parents of the child may elect to have the court reporter read back the testimony or have the testimony summarized by counsel for the parent or parents.

The testimony of a child also may be taken in chambers and outside the presence of the guardian or guardians of a child under the circumstances specified in this subdivision.

(i) Any order of the court permanently terminating parental rights under this section shall be conclusive and binding upon the child, upon the parent or parents, and upon all other persons who have been served with a citation by publication or otherwise as provided in this chapter. After making the order, the court shall have no power to set aside, change, or modify it, but nothing in this section shall be construed to limit the right to appeal the order.

(j) If the court, by order or judgment, declares the child free from the custody and control of both parents, or one parent if the other does not have custody and control, the court shall at the same time order the child referred to the State Department of Social Services or a licensed adoption agency for adoptive placement by the agency. However, no petition for adoption may be granted until the appellate rights of the natural parents have been exhausted. The State Department of Social Services or licensed adoption agency shall be responsible for the custody and supervision of the child and shall be entitled to the exclusive care and control of the child at all times until a petition for adoption is granted. With the consent of the agency, the court may appoint a guardian of the child, who shall serve until the child is adopted.

(k) Notwithstanding any other provision of law, the application of any person who, as a relative caretaker or foster parent, has cared for a dependent child for whom the court has approved a permanent plan for adoption, or who has been freed for adoption, shall be given preference with respect to that child over all other applications for adoptive placement if the agency making the placement determines that the child has substantial emotional ties to the relative caretaker or foster parent and removal from the relative caretaker or foster parent would be seriously detrimental to the child's emotional well-being.

As used in this subdivision, "preference" means that the application shall be processed and, if satisfactory, the family study shall be completed before the processing of the application of any other person for the adoptive placement of the child.

(*l*) (1) An order by the court that a hearing pursuant to this section be held is not appealable at any time unless all of the following apply:

(A) A petition for extraordinary writ review was filed in a timely manner.

(B) The petition substantively addressed the specific issues to be challenged and supported that challenge by an adequate record.

(C) The petition for extraordinary writ review was summarily denied or otherwise not decided on the merits.

(2) Failure to file a petition for extraordinary writ review within the period specified by rule, to substantively address the specific issues challenged, or to support that challenge by an adequate record shall preclude subsequent review by appeal of the findings and orders made pursuant to this section.

(3) The Judicial Council shall adopt rules of court, effective January 1, 1995, to ensure all of the following:

(A) A trial court, after issuance of an order directing a hearing pursuant to this section be held, shall advise all parties of the requirement of filing a petition for extraordinary writ review as set forth in this subdivision in order to preserve any right to appeal in these issues. This notice shall be made orally to a party if they are present at the time of the making of the order or by first-class mail by the clerk of the court to the last known address of a party not present at the time of the making of the order.

(B) The prompt transmittal of the records from the trial court to the appellate court.

(C) That adequate time requirements for counsel and court personnel exist to implement the objective of this subdivision.

(D) That the parent or guardian, or their trial counsel or other counsel, is charged with the responsibility of filing a petition for extraordinary writ relief pursuant to this subdivision.

(4) The intent of this subdivision is to do both of the following:

(A) Make every reasonable attempt to achieve a substantive and meritorious review by the appellate court within the time specified in Sections 366.21 and 366.22 for holding a hearing pursuant to this section.

(B) Encourage the appellate court to determine all writ petitions filed pursuant to this subdivision on their merits.

(5) This subdivision shall only apply to cases in which an order to set a hearing pursuant to this section is issued on or after January 1, 1995.

SEC. 194. Section 781 of the Welfare and Institutions Code is amended to read:

781. (a) When a petition has been filed with a juvenile court to commence proceedings to adjudge a person a ward of the court, a person is cited to appear before a probation officer or is taken before a probation officer pursuant to Section 626, or a minor is taken before any officer of a law enforcement agency, the person or the county

probation officer may petition the court for sealing of the records. The petition to seal the records may be filed five years or more after the jurisdiction of the juvenile court has terminated over the person or, if no juvenile court petition was filed, five years or more after the person was cited to appear before a probation officer or was taken before a probation officer pursuant to Section 626 or was taken before any officer of a law enforcement agency, or at any time after the person has reached the age of 18 years. The petition to seal the records shall include a statement disclosing whether there is any pending civil litigation relating to the criminal act that caused the records to be created. As used in this section, "records" include records of arrest, records relating to the person's case, and records in the custody of the juvenile court, probation officer and any other agencies, including law enforcement agencies, and public officials that the petitioner alleges, in his or her petition, to have custody of the records. The court shall notify the district attorney of the county and the county probation officer, if he or she is not the petitioner, and the district attorney or probation officer or any of their deputies or any other person having relevant evidence may testify at the hearing on the petition. If, after a hearing, the court finds that since the termination of jurisdiction or action pursuant to Section 626, as the case may be, he or she has not been convicted of a felony or of any misdemeanor involving moral turpitude, that rehabilitation has been attained to the satisfaction of the court, and that the petition indicates that there is no currently pending civil litigation directly relating to, or arising from, the criminal act that caused the records to be created, it shall order all records, papers, and exhibits in the person's case in the custody of the juvenile court sealed, including the juvenile court record, minute book entries, and entries on dockets, and other records relating to the case in the custody of the other agencies and officials as are named in the order. If a ward of the juvenile court is subject to the registration requirements set forth in Section 290 of the Penal Code, a court, in ordering the sealing of the juvenile records of the person, also shall provide in the order that the person is relieved from the registration requirement and for the destruction of all registration information in the custody of the Department of Justice and other agencies and officials. Notwithstanding any other provision of law, the court shall not order the person's records sealed in any case in which the person has been found by the juvenile court to have committed an offense listed in subdivision (b) of, paragraph (2) of subdivision (d) of, or subdivision (e) of, Section 707 until at least six years have elapsed since commission of the offense listed in those provisions. The court shall not order the records sealed in any case unless the petition indicates that there is no pending civil litigation directly relating to, or arising from, the criminal act that caused the records to be created. However, once the civil case is closed, the records may be sealed. Once the court has ordered the person's records sealed, the proceedings in the case shall be deemed

never to have occurred, and the person may properly reply accordingly to any inquiry about the events, the records of which are ordered sealed. The court shall send a copy of the order to each agency and official named therein, directing the agency to seal its records and stating the date thereafter to destroy the sealed records. Each agency and official shall seal the records in its custody as directed by the order, shall advise the court of its compliance, and thereupon shall seal the copy of the court's order for sealing of records that it, he, or she received. The person who is the subject of records sealed pursuant to this section may petition the superior court to permit inspection of the records by persons named in the petition, and the superior court may so order. Otherwise, except as provided in subdivision (b), the records shall not be open to inspection.

(b) In any action or proceeding based upon defamation, a court, upon a showing of good cause, may order any records sealed under this section to be opened and admitted into evidence. The records shall be confidential and shall be available for inspection only by the court, jury, parties, counsel for the parties, and any other person who is authorized by the court to inspect them. Upon the judgment in the action or proceeding becoming final, the court shall order the records sealed.

(c) (1) Subdivision (a) does not apply to Department of Motor Vehicles records of any convictions for offenses under the Vehicle Code or any local ordinance relating to the operation, stopping and standing, or parking of a vehicle where the record of that conviction would be a public record under Section 1808 of the Vehicle Code. However, if a court orders a case record containing that conviction to be sealed under this section, and if the Department of Motor Vehicles maintains a public record of the conviction, the court shall notify the Department of Motor Vehicles of the sealing and the department shall advise the court of its receipt of the notice.

Notwithstanding any other provision of law, subsequent to the notification, the Department of Motor Vehicles shall allow access to its record of convictions only to the subject of the record and to insurers that have been granted requester code numbers by the department. Any insurer to which a record of conviction is disclosed, when that conviction record has otherwise been sealed under this section, shall be given notice of the sealing when the record is disclosed to the insurer. The insurer may use the information contained in the record for purposes of determining eligibility for insurance and insurance rates for the subject of the record, and the information shall not be used for any other purpose nor shall it be disclosed by an insurer to any person or party not having access to the record.

(2) This subdivision shall not be construed as preventing the sealing of any record that is maintained by any agency or party other than the Department of Motor Vehicles.

(3) This subdivision shall not be construed as affecting the procedures or authority of the Department of Motor Vehicles for purging department records.

(d) Unless for good cause the court determines that the juvenile court record shall be retained, the court shall order the destruction of a person's juvenile court records that are sealed pursuant to this section as follows: five years after the record was ordered sealed, if the person who is the subject of the record was alleged or adjudged to be a person described by Section 601; or when the person who is the subject of the record reaches the age of 38 if the person was alleged or adjudged to be a person described by Section 602. Any other agency in possession of sealed records may destroy its records five years after the record was ordered sealed.

(e) This section shall not permit the sealing of a person's juvenile court records for an offense where the person is convicted of that offense in a criminal court pursuant to the provisions of Section 707.1. This subdivision is declaratory of existing law.

(f) Notwithstanding any other provision of law, the records of a juvenile who was 16 years of age or older at the time he or she committed any criminal offense listed in subdivision (b) of Section 707 shall not be destroyed.

(g) Notwithstanding any other provision of law, in any criminal prosecution in which an enhancement is alleged pursuant to Section 667 or 1170.12 of the Penal Code, the parties shall be entitled to inspect, copy, and introduce into evidence for the purpose of proving the alleged enhancement, any juvenile records of the person named in the criminal complaint or information, whether or not those records have been sealed, where the person was found to have committed, when he or she was 16 years of age or older, an offense set forth in subdivision (b) of Section 707. Except as provided herein, these records shall be confidential and available for inspection and copying only by the court, the jury, as authorized by the court, parties, counsel for the parties, and any other person authorized by the court. In the case of an acquittal or if the enhancement allegations under Section 667 or 1170.12 of the Penal Code are stricken, the court shall order the records resealed.

SEC. 195. Section 1790 of the Welfare and Institutions Code is amended and renumbered to read:

1787. The Legislature finds and declares all of the following:

(a) A tremendous percentage of juveniles who commit status offenses including, but not limited to, running away, school truancy and incorrigibility, ultimately enter the juvenile justice system for subsequently engaging in delinquent, otherwise criminal behavior.

(b) In 1990, it was estimated that 48,629 youths ran away from their homes in California.

(c) In 1989, 776 runaway youths served by 33 nonprofit youth-runaway shelters in California, surveyed during a one-month period, identified one or more of the following as a problem:

(1) Family crisis	73%
(2) School problems	63%
(3) Victims of crime/abuse	57%
(4) Homeless/runaway	55%
(5) Substance abuse	43%
(6) Delinquent behavior	26%
(7) Other	9%

(d) It is estimated that 43 emergency shelters presently serve runaway youths as well as homeless youths and adults in California.

(e) It is estimated that 10 transitional living facilities are operated presently in California to provide youths with independent living skills, employment skills, and home responsibilities.

(f) It is conservatively projected that by the year 2000 there will be a deficit of 1,222 emergency shelter beds and 930 long-term beds statewide.

(g) Resources for runaway, homeless, and at-risk youth and their families are severely inadequate to meet their needs.

(h) The Counties of Fresno, Sacramento, San Bernardino, and Solano either (1) do not provide temporary or long-term shelter services or family crises services to runaway, homeless, and nonrunaway youth, or (2) do provide such services but at levels which substantially fail to meet the need.

The purpose of this chapter, therefore, is to establish three-year pilot projects in San Joaquin Central Valley, in the northern region of California, and in the southern region of California, whereby each project will provide temporary shelter services, transitional living shelter services, and low-cost family crisis resolution services based on a sliding fee scale to runaway youth, nonrunaway youth, and their working families. It is the intent of this chapter that services will be provided to prevent at-risk youth from engaging in delinquent and criminal behavior and to reduce the numbers of at-risk families from engaging in neglectful, abusive, and criminal behavior.

SEC. 196. Section 1791 of the Welfare and Institutions Code is amended and renumbered to read:

1788. Each Runaway Youth and Families in Crisis Project established under this chapter shall provide services which shall include, but not be limited to, all of the following:

(a) Temporary shelter and related services to runaway youth. The services shall include:

(1) Food and access to overnight shelter for no more than 14 days.

(2) Counseling and referrals to services which address immediate emotional needs or problems.

(3) Screening for basic health needs and referral to public and private health providers for health care. Shelters that are not equipped to house a youth with substance abuse problems shall refer that youth to an appropriate clinic or facility. The shelter shall

monitor the youth's progress and assist the youth with services upon his or her release from the substance abuse facility.

(4) Long-term planning so that the youth may be returned to the home of the parent or guardian under conditions which favor long-term reunification with the family, or so the youth can be suitably placed in a situation outside of the parental or guardian home when such reunification is not possible.

(5) Outreach services and activities to locate runaway youth and to link them with project services.

(b) Family crisis resolution services to runaway and nonrunaway youth and their families which shall include:

(1) Parent training.

(2) Family counseling.

(3) Services designed to reunify youth and their families.

(4) Referral to other services offered in the community by public and private agencies.

(5) Long-term planning so that the youth may be returned to the home of the parent or guardian under conditions which favor long-term reunification with the family, or so the youth can be suitably placed in a situation outside of the parental or guardian home when such reunification is not possible.

(6) Followup services to ensure that the return to the parent or guardian or the placement outside of the parental or guardian home is stable.

(7) Outreach services and activities to locate runaway and nonrunaway youth and to link them with project services.

(c) Transitional living services shall include:

(1) Long-term shelter.

(2) Independent living skill services.

(3) Preemployment and employment skills training.

(4) Home responsibilities training.

(d) Where appropriate and necessary, some of the services identified under this section must also be provided in the local community and in the home of project clients. Projects shall notify parents that their children are staying at a project site consistent with state and federal parent notification requirements.

SEC. 197. Section 1792 of the Welfare and Institutions Code is amended and renumbered to read:

1789. (a) A Runaway Youth and Families in Crisis Project shall be established in one or more counties in the San Joaquin Central Valley, in one or more counties in the northern region of California, and in one or more counties in the southern region of California. Each project may have one central location, or more than one site, in order to effectively serve the target population.

(b) The Office of Criminal Justice Planning shall prepare and disseminate a request for proposals to prospective grantees under this chapter within four months after this chapter has been approved and enacted by the Legislature. The Office of Criminal Justice

Planning shall enter into grant award agreements for a period of no less than three years, and the operation of projects shall begin no later than four months after grant award agreements are entered into between the Office of Criminal Justice Planning and the grantee. Grants shall be awarded based on the quality of the proposal, the documented need for services in regard to runaway youth, and to organizations, as specified in subdivision (d) of this section, in localities that receive a disproportionately low share of existing federal and state support for youth shelter programs.

(c) The Office of Criminal Justice Planning shall require applicants to identify, in their applications, measurable outcomes by which the Office of Criminal Justice Planning will measure the success of the applicant's project. These measurable outcomes shall include, but not be limited to, the number of clients served and the percentage of clients who are successfully returned to the home of a parent or guardian or to an alternate living condition when reunification is not possible.

(d) Only private, nonprofit organizations shall be eligible to apply for funds under this chapter to operate a Runaway Youth and Families in Crisis Project, and these organizations shall be required to annually contribute a local match of at least 15 percent in cash or in-kind contribution to the project during the term of the grant award agreement. Preference shall be given to organizations that demonstrate a record of providing effective services to runaway youth or families in crisis for at least three years, successfully operating a youth shelter for runaway and homeless youth, or successfully operating a transitional living facility for runaway and homeless youth who do not receive transitional living services through the juvenile justice system. Additional weight shall also be given to those organizations that demonstrate a history of collaborating with other agencies and individuals in providing such services. Priority shall be given to organizations with existing facilities. Preference shall also be given to organizations that demonstrate the ability to progressively decrease their reliance on resources provided under this chapter and to operate this project beyond the period that the organization receives funds under this chapter.

SEC. 198. Section 1793 of the Welfare and Institutions Code is amended and renumbered to read:

1789.5 The Office of Criminal Justice Planning shall monitor and evaluate the projects established under this chapter, and shall report to the Legislature after the first and third year of the program's operation the results of its evaluation. In addition, each project shall be responsible for evaluating the effectiveness of its programs and services.

SEC. 199. Section 1801 of the Welfare and Institutions Code is amended to read:

1801. (a) If a petition is filed with the court for an order as provided in Section 1800 and, upon review, the court determines that the petition, on its face, supports a finding of probable cause, the court shall order that a hearing be held pursuant to subdivision (b). The court shall notify the person whose liberty is involved and, if the person is a minor, his or her parent or guardian (if that person can be reached, and, if not, the court shall appoint a person to act in the place of the parent or guardian) of the hearing, and shall afford the person an opportunity to appear at the hearing with the aid of counsel and the right to cross-examine experts or other witnesses upon whose information, opinion, or testimony the petition is based. The court shall inform the person named in the petition of his or her right of process to compel attendance of relevant witnesses and the production of relevant evidence. When the person is unable to provide his or her own counsel, the court shall appoint counsel to represent him or her.

The probable cause hearing shall be held within 10 calendar days after the date the order is issued pursuant to this subdivision unless the person named in the petition waives this time.

(b) At the probable cause hearing, the court shall receive evidence and determine whether there is probable cause to believe that discharge of the person would be physically dangerous to the public because of his or her mental or physical deficiency, disorder, or abnormality. If the court determines there is not probable cause, the court shall dismiss the petition and the person shall be discharged from the control of the authority at the time required by Section 1766, 1769, 1770, 1770.1, or 1771, as applicable. If the court determines there is probable cause, the court shall order that a trial be conducted to determine whether the person is physically dangerous to the public because of his or her mental or physical deficiency, disorder, or abnormality.

SEC. 200. Section 5768.5 of the Welfare and Institutions Code is amended to read:

5768.5. (a) When a mental health patient is being discharged from any facility authorized under Section 5675 or 5768, the patient and the patient's conservator, guardian, or other legally authorized representative shall be given a written aftercare plan prior to the patient's discharge from the facility. The written aftercare plan shall include, to the extent known, the following components:

(1) The nature of the illness and followup required.

(2) Medications, including side effects and dosage schedules. If the patient was given an informed consent form with his or her medications, the form shall satisfy the requirement for information on side effects of the medications.

(3) Expected course of recovery.

(4) Recommendations regarding treatment that are relevant to the patient's care.

(5) Referrals to providers of medical and mental health services.

(6) Other relevant information.

(b) The patient shall be advised by facility personnel that he or she may designate another person to receive a copy of the aftercare plan. A copy of the aftercare plan shall be given to any person designated by the patient.

(c) For purposes of this section, "mental health patient" means a person who is admitted to the facility primarily for the diagnosis or treatment of a mental disorder.

SEC. 201. Section 6609.1 of the Welfare and Institutions Code is amended to read:

6609.1. (a) When the State Department of Mental Health makes a recommendation to the court for community outpatient treatment for any person committed as a sexually violent predator, it shall notify the sheriff or chief of police, or both, the district attorney, or the county's designated counsel, that have jurisdiction over the following locations:

(1) The community in which the person may be released for community outpatient treatment.

(2) The community in which the person maintained his or her last legal residence as defined by Section 3003 of the Penal Code.

(3) The county that filed for the person's civil commitment pursuant to this article.

The department shall also notify the Sexually Violent Predator Parole Coordinator of the Department of Corrections, if the person is otherwise subject to parole pursuant to Article 1 (commencing with Section 3000) of Chapter 8 of Title 1 of Part 3 of the Penal Code.

The notice shall be given at least 15 days prior to the department's submission of its recommendation to the court.

(b) When the State Department of Mental Health makes a recommendation to pursue recommitment, makes a recommendation not to pursue recommitment, or seeks a judicial review of commitment status pursuant to subdivision (f) of Section 6605, of any person committed as a sexually violent predator, it shall provide written notice of that action to the sheriff or chief of police, or both, and to the district attorney, that have jurisdiction over the following locations:

(1) The community in which the person maintained his or her last legal residence as defined by Section 3003 of the Penal Code.

(2) The probable community in which the person will be released, if recommending not to pursue recommitment.

(3) The county that filed for the person's civil commitment pursuant to this article.

The State Department of Mental Health shall also notify the Sexually Violent Predator Parole Coordinator of the Department of Corrections, if the person is otherwise subject to parole pursuant to Article 1 (commencing with Section 3000) of Chapter 8 of Title 1 of Part 3 of the Penal Code. The notice shall be made at least 15 days

prior to the department's submission of its recommendation to the court.

Those agencies receiving the notice referred to in this subdivision shall have 15 days from receipt of the notice to provide written comment to the department regarding the impending release. Those comments shall be considered by the department, which may modify its decision regarding the community in which the person is scheduled to be released, based on those comments.

(c) If the court orders the release of a sexually violent predator, the court shall notify the Sexually Violent Predator Parole Coordinator of the Department of Corrections. The Department of Corrections shall notify the State Department of Mental Health, the sheriff or chief of police, or both, and the district attorney, that have jurisdiction over the following locations:

(1) The community in which the person is to be released.

(2) The community in which the person maintained his or her last legal residence as defined in Section 3003 of the Penal Code.

The Department of Corrections shall make the above notifications regardless of whether the person released will be serving a term of parole after release by the court.

(d) If the person is otherwise subject to parole pursuant to Article 1 (commencing with Section 300) of Chapter 8 of Title 1 of Part 3 of the Penal Code, to allow adequate time for the Department of Corrections to make appropriate parole arrangements upon release of the person, the person shall remain in physical custody for a period not to exceed 72 hours or until parole arrangements are made by the Sexually Violent Predator Parole Coordinator of the Department of Corrections, whichever is sooner. To facilitate timely parole arrangements, notification to the Sexually Violent Predator Parole Coordinator of the Department of Corrections of the pending release shall be made by telephone or facsimile and, to the extent possible, notice of the possible release shall be made in advance of the proceeding or decision determining whether to release the person.

(e) The notice required by this section shall be made whether or not a request has been made pursuant to Section 6609.

(f) The time limits imposed by this section are not applicable when the release date of a sexually violent predator has been advanced by a judicial or administrative process or procedure that could not have reasonably been anticipated by the State Department of Mental Health and where, as the result of the time adjustments, there is less than 30 days remaining on the commitment before the inmate's release, but notice shall be given as soon as practicable. In no case shall notice required by this section to the appropriate agency be later than the day of release.

(g) The provisions of this section are severable. If any provision of this section or its application is held invalid, that invalidity shall not affect other provisions or applications that can be given effect without the invalid provision or application.

SEC. 202. Section 10980 of the Welfare and Institutions Code is amended to read:

10980. (a) Any person who, willfully and knowingly, with the intent to deceive, makes a false statement or representation or knowingly fails to disclose a material fact in order to obtain aid under the provisions of this division or who, knowing he or she is not entitled thereto, attempts to obtain aid or to continue to receive aid to which he or she is not entitled, or to receive a larger amount than that to which he or she is legally entitled, is guilty of a misdemeanor, punishable by imprisonment in the county jail for a period of not more than six months, by a fine of not more than five hundred dollars ($500), or by both imprisonment and fine.

(b) Any person who knowingly makes more than one application for aid under the provisions of this division with the intent of establishing multiple entitlements for any person for the same period or who makes an application for that aid for a fictitious or nonexistent person or by claiming a false identity for any person is guilty of a felony, punishable by imprisonment in the state prison for a period of 16 months, two years, or three years, by a fine of not more than five thousand dollars ($5,000), or by both imprisonment and fine ; or by imprisonment in the county jail for a period of not more than one year, or by a fine of not more than one thousand dollars ($1,000), or by both imprisonment and fine.

(c) Whenever any person has, by means of false statement or representation or by impersonation or other fraudulent device, obtained or retained aid under the provisions of this division for himself or herself or for a child not in fact entitled thereto, the person obtaining this aid shall be punished as follows:

(1) If the total amount of the aid obtained or retained is four hundred dollars ($400) or less, by imprisonment in the county jail for a period of not more than six months, by a fine of not more than five hundred dollars ($500), or by both imprisonment and fine.

(2) If the total amount of the aid obtained or retained is more than four hundred dollars ($400), by imprisonment in the state prison for a period of 16 months, two years, or three years, by a fine of not more than five thousand dollars ($5,000), or by both imprisonment and fine; or by imprisonment in the county jail for a period of not more than one year, by a fine of not more than one thousand dollars ($1,000), or by both imprisonment and fine.

(d) Any person who knowingly uses, transfers, acquires, or possesses blank authorizations to participate in the federal Food Stamp Program in any manner not authorized by Chapter 10 (commencing with Section 18900) of Part 6 with the intent to defraud is guilty of a felony, punishable by imprisonment in the state prison for a period of 16 months, two years, or three years, by a fine of not more than five thousand dollars ($5,000), or by both imprisonment and fine.

(e) Any person who counterfeits or alters or knowingly uses, transfers, acquires, or possesses counterfeited or altered authorizations to participate in the federal Food Stamp Program or to receive food stamps or electronically transferred benefits in any manner not authorized by the Food Stamp Act of 1964 (Public Law 88-525 and all amendments thereto) or the federal regulations pursuant to the act is guilty of forgery.

(f) Any person who fraudulently appropriates food stamps, electronically transferred benefits, or authorizations to participate in the federal Food Stamp Program with which he or she has been entrusted pursuant to his or her duties as a public employee is guilty of embezzlement of public funds.

(g) Any person who knowingly uses, transfers, sells, purchases, or possesses food stamps, electronically transferred benefits, or authorizations to participate in the federal Food Stamp Program in any manner not authorized by Chapter 10 (commencing with Section 18900), of Part 6, or by the federal Food Stamp Act of 1977 (Public Law 95-113 and all amendments thereto) (1) is guilty of a misdemeanor if the face value of the food stamp benefits or the authorizations to participate is four hundred dollars ($400) or less, and shall be punished by imprisonment in the county jail for a period of not more than six months, by a fine of not more than five hundred dollars ($500), or by both imprisonment and fine, or (2) is guilty of a felony if the face value of the food stamps or the authorizations to participate exceeds four hundred dollars ($400), and shall be punished by imprisonment in the state prison for a period of 16 months, two years, or three years, by a fine of not more than five thousand dollars ($5,000), or by both imprisonment and fine, or by imprisonment in the county jail for a period of not more than one year, or by a fine of not more than one thousand dollars ($1,000), or by both imprisonment and fine.

(h) (1) If the violation of subdivision (f) or (g) is committed by means of an electronic transfer of benefits, in addition and consecutive to the penalties for the violation, or attempted violation, of those subdivisions, the court shall impose the following punishment:

(A) If the electronic transfer of benefits exceeds fifty thousand dollars ($50,000), an additional term of one year in state prison.

(B) If the electronic transfer of benefits exceeds one hundred fifty thousand dollars ($150,000), an additional term of two years in state prison.

(C) If the electronic transfer of benefits exceeds one million dollars ($1,000,000), an additional term of three years in state prison.

(D) If the electronic transfer of benefits exceeds two million five hundred thousand dollars ($2,500,000), an additional term of four years.

(2) In any accusatory pleading involving multiple charges of violations of subdivision (f) or (g), or both, committed by means of

an electronic transfer of benefits, the additional terms provided in paragraph (1) may be imposed if the aggregate losses to the victims from all violations exceed the amounts specified in this paragraph and arise from a common scheme or plan.

(i) A person who is punished by an additional term of imprisonment under another provision of law for a violation of subdivision (f) or (g) shall not receive an additional term of imprisonment under subdivision (h).

SEC. 203. Section 11008.19 of the Welfare and Institutions Code, as added by Section 2 of Chapter 962 of the Statutes of 1998, is amended and renumbered to read:

11008.20. (a) Notwithstanding any other provision of law, any amount, including any interest or property, received by a holocaust victim, as defined in subparagraph (A) of paragraph (2) of subdivision (b) of Section 17155 of the Revenue and Taxation Code either as compensation pursuant to the German Act Regulating Unresolved Property Claims, as amended (Gesetz zur Regelung offener Vermogensfragen), or as a result of a settlement of claims against any entity or individual for any recovered asset, shall not be considered as income or resources for purposes of determining eligibility to receive Medi-Cal benefits or public assistance benefits or the amounts of those benefits.

(b) This section shall not be construed to permit any retroactive services or payments to be provided to recipients of Medi-Cal or public assistance benefits.

SEC. 204. Section 11369 of the Welfare and Institutions Code is amended to read:

11369. The department shall adopt regulations, as otherwise necessary, to implement this article. Emergency regulations to implement this article may be adopted by the department in accordance with Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code. The adoption of these regulations shall be deemed an emergency and necessary for the immediate preservation of the public peace, health and safety, or general welfare.

SEC. 205. Section 11401 of the Welfare and Institutions Code is amended to read:

11401. Aid in the form of AFDC-FC shall be provided under this chapter on behalf of any child under the age of 18 years, except as provided in Section 11403, who meets the conditions of subdivision (a), (b), (c), (d), (e), or (f):

(a) The child has been relinquished, for purposes of adoption, to a licensed adoption agency, or the department, or the parental rights of either or both of his or her parents have been terminated after an action under the Family Code has been brought by a licensed adoption agency or the department, provided that the licensed adoption agency or the department, if responsible for placement and

care, provides to such children all services as required by the department to children in foster care.

(b) The child has been removed from the physical custody of his or her parent, relative, or guardian as a result of a voluntary placement agreement or a judicial determination that continuance in the home would be contrary to the child's welfare and that, if the child was placed in foster care, reasonable efforts were made, consistent with Chapter 5 (commencing with Section 16500) of Part 4, to prevent or eliminate the need for removal of the child from his or her home and to make it possible for the child to return to his or her home, or, in cases where the first contact with the family occurs during an emergency situation in which the child could not safely remain at home even with reasonable efforts being provided, the child has been removed as a result of a judicial determination that lack of preplacement preventive efforts, as defined in Section 16501.1, was reasonable, and any of the following apply:

(1) The child has been adjudged a dependent child of the court on the grounds that he or she is a person described by Section 300.

(2) The child has been adjudged a ward of the court on the grounds that he or she is a person described by Sections 601 and 602.

(3) The child has been detained under a court order, pursuant to Section 319 or 636, that remains in effect.

(c) The child has been voluntarily placed by his or her parent or guardian pursuant to Section 11401.1.

(d) The child is living in the home of a nonrelated legal guardian.

(e) The child has been placed in foster care under the federal Indian Child Welfare Act. Sections 11402, 11404, and 11405 shall not be construed as limiting payments to Indian children, as defined in the federal Indian Child Welfare Act, placed in accordance with that act.

(f) To be eligible for federal financial participation, all of the following conditions shall exist:

(1) The child meets the conditions of subdivision (b).

(2) The child has been deprived of parental support or care for any of the reasons set forth in Section 11250.

(3) The child has been removed from the home of a relative as defined in Section 233.90(c)(1) of Title 45 of the Code of Federal Regulations, as amended.

(4) The requirements of Sections 671 and 672 of Title 42 of the United States Code, as amended, have been met.

SEC. 206. Section 12302.3 of the Welfare and Institutions Code is amended to read:

12302.3. (a) Notwithstanding any other provision of this article, and in a manner consistent with the powers available to public authorities created under this article, the City and County of San Francisco may do any of the following:

(1) Increase the wages of all in-home supportive services providers.

(2) Subject to the requirements of federal law, use county-only funds to fund county and state shares to meet federal financial participation requirements necessary to obtain any available personal care services reimbursement under Title XIX of the federal Social Security Act (42 U.S.C. Sec. 1396 et seq.) (Medicaid).

(3) Provide in-home supportive services workers with any wage increase the city and county may appropriate, as long as this amount is in accordance with the provisions of the Medi-Cal State Plan Amendment 94-006, as approved by the federal Health Care Financing Administration. The county-only funds shall be used exclusively to increase workers' wages and to pay any proportionate share of employer taxes and current benefits, and to pay for the cost of state and county administration of these activities as provided for in paragraph (5). Notwithstanding Section 12302.1, any wage increase for those workers employed under contract shall be passed through by the contractor to the workers, subject to the limitations specified in this paragraph. The state shall continue to provide payroll functions for all workers who are currently individual providers unless and until the in-home supportive services public authority is operational.

(4) Claim the administrative costs of the wage passthrough in accordance with the department's claiming requirements.

(5) If that federal financial participation is available for county-only payroll moneys, the following shall apply:

(A) If additional payroll costs will be incurred by the state due to the receipt and payment of federal funds, the department shall provide the city and county with a detailed estimate of the additional costs of the provision of payroll functions associated with the processing of federal funds. If the city and county elects to pay the additional costs, the department will provide these payroll functions. If the city and county does not elect to pay the additional costs, the department and the city and county may seek another, mutually satisfactory arrangement.

(B) If that federal financial participation is not available, the department shall continue to perform the existing payroll functions provided on July 28, 1995, at no additional cost to the city and county.

(b) (1) This section shall not be implemented with respect to any particular wage increase pursuant to subdivision (a) unless the department has obtained the approval of the State Department of Health Services for that wage increase prior to its execution to determine that it is consistent with federal law and to ensure federal financial participation for the services under Title XIX of the federal Social Security Act (42 U.S.C. Sec. 1396 et seq.).

(2) The Director of Health Services shall seek any federal waivers or approvals necessary for implementation of this section under Title XIX of the federal Social Security Act (42 U.S.C. Sec. 1396 et seq.).

SEC. 207. Section 16118 of the Welfare and Institutions Code is amended to read:

16118. (a) The department shall establish and administer the program to be carried out by the department or the county pursuant to this chapter. The department shall adopt any regulations necessary to carry out the provisions of this chapter.

(b) The department shall keep any records necessary to evaluate the program's effectiveness in encouraging and promoting the adoption of children eligible for the Adoption Assistance Program.

(c) The department or the county responsible for providing financial aid in the amount determined in Section 16120 shall have responsibility for certifying that the child meets the eligibility criteria and for determining the amount of financial assistance needed by the child and the adopting family.

(d) The department shall actively seek and make maximum use of federal funds that may be available for the purposes of this chapter. All gifts or grants received from private sources for the purpose of this chapter shall be used to offset public costs incurred under the program established by this chapter.

(e) For purposes of this chapter, the county responsible for determining the child's Adoption Assistance Program eligibility status and for providing financial aid in the amount determined in Sections 16120 and 16120.1 shall be the county that at the time of the adoptive placement would otherwise be responsible for making a payment pursuant to Section 11450 under the Aid to Families with Dependent Children program or Section 11461 under the Aid to Families with Dependent Children-Foster Care program if the child had not been adopted. The responsible county for all other eligible children shall be the county where the child is physically residing prior to placement with the adoptive family. The responsible county shall certify eligibility on a form prescribed by the department.

SEC. 208. Section 16501.1 of the Welfare and Institutions Code is amended to read:

16501.1. (a) The Legislature finds and declares that the foundation and central unifying tool in child welfare services is the case plan.

(b) The Legislature further finds and declares that a case plan ensures that the child receives protection and safe and proper care and case management, and that services are provided to the child and parents or other caretakers as appropriate in order to improve conditions in the parent's home, to facilitate the safe return of the child to a safe home or the permanent placement of the child, and to address the needs of the child while in foster care. A case plan shall be based upon the principles of this section and shall document that a preplacement assessment of the service needs of the child and family, and preplacement preventive services, have been provided, and that reasonable efforts to prevent out-of-home placement have been made. In determining the reasonable services to be offered or provided, the child's health and safety shall be the paramount concerns. Reasonable services shall be offered or provided to make

it possible for a child to return to a safe home environment, unless, pursuant to subdivisions (b) and (e) of Section 361.5, the court determines that reunification services shall not be provided. If reasonable services are not ordered, or are terminated, reasonable efforts shall be made to place the child in a timely manner in accordance with the permanent plan and to complete all steps necessary to finalize the permanent placement of the child.

(c) When out-of-home placement is used to attain case plan goals, the decision regarding choice of placement shall be based upon selection of a safe setting that is the least restrictive or most familylike, and the most appropriate setting that is available and in close proximity to the parent's home, consistent with the selection of the environment best suited to meet the child's special needs and best interest, or both. The selection shall consider, in order of priority, placement with relatives, tribal members, and foster family, group care, and residential treatment pursuant to Section 7950 of the Family Code.

(d) A written case plan shall be completed within 30 days of the initial removal of the child or of the in-person response required under subdivision (f) of Section 16501 if the child has not been removed from his or her home, or by the date of the dispositional hearing pursuant to Section 358, whichever occurs first. The case plan shall be updated as the service needs of the child and family dictate. At a minimum, the case plan shall be updated in conjunction with each status review hearing conducted pursuant to Section 366.21, and the hearing conducted pursuant to Section 366.26, but no less frequently than once every six months. Each updated case plan shall include a description of the services that have been provided to the child under the plan and an evaluation of the appropriateness and effectiveness of those services.

(e) The child welfare services case plan shall be comprehensive enough to meet the juvenile court dependency proceedings requirements pursuant to Article 6 (commencing with Section 300) of Chapter 2 of Part 1 of Division 2.

(f) The case plan shall be developed as follows:

(1) The case plan shall be based upon an assessment of the circumstances that required child welfare services intervention.

(2) The case plan shall identify specific goals and the appropriateness of the planned services in meeting those goals.

(3) The case plan shall identify the original allegations of abuse or neglect, as defined in Article 2.5 (commencing with Section 11164) of Chapter 2 of Title 1 of Part 4 of the Penal Code, or the conditions cited as the basis for declaring the child a dependent of the court pursuant to Section 300, or all of these, and the other precipitating incidents that led to child welfare services intervention.

(4) The case plan shall include a description of the schedule of the social worker contacts with the child and the family or other caretakers. The frequency of these contacts shall be in accordance

with regulations adopted by the State Department of Social Services. If the child has been placed in foster care out of state, the county social worker or a social worker on the staff of the social service agency in the state in which the child has been placed shall visit the child in a foster family home or the home of a relative at least every 12 months and submit a report to the court on each visit. For children in out-of-state group home facilities, visits shall be conducted at least monthly, pursuant to Section 16516.5.

(5) When out-of-home services are used, the frequency of contact between the natural parents or legal guardians and the child shall be specified in the case plan. The frequency of those contacts shall reflect overall case goals, and consider other principles outlined in this section.

(6) When out-of-home placement is made, the case plan shall include documentation of the provisions specified in subdivisions (b), (c), and (d) of Section 16002.

(7) When out-of-home placement is made in a foster family home, group home, or other child care institution that is either a substantial distance from the home of the child's parent or out of state, the case plan shall specify the reasons why that placement is in the best interest of the child. When an out-of-state group home placement is recommended or made, the case plan shall, in addition, specify compliance with Section 7911.1 of the Family Code.

(8) When out-of-home services are used, or when parental rights have been terminated and the case plan is placement for adoption, the case plan shall include a recommendation regarding the appropriateness of unsupervised visitation between the child and any of the child's siblings. This recommendation shall include a statement regarding the child's and the siblings' willingness to participate in unsupervised visitation. If the case plan includes a recommendation for unsupervised sibling visitation, the plan shall also note that information necessary to accomplish this visitation has been provided to the child or to the child's siblings.

(9) When out-of-home services are used and the goal is reunification, the case plan shall describe the services to be provided to assist in reunification and the services to be provided concurrently to achieve legal permanency if efforts to reunify fail.

(10) When out-of-home services are used, the child's case plan is subject to review at the first 12-month permanency hearing and, if the case plan is not adoptive placement, the case plan shall include documentation of the compelling reason or reasons why termination of parental rights is not in the child's best interest. A determination by the department, when it is acting as an adoption agency, or by a licensed adoption agency that adoption of the child is unlikely, or that one of the conditions described in paragraph (1) of subdivision (c) of Section 366.26 applies, shall be deemed a compelling reason.

(11) (A) Parents and legal guardians shall have an opportunity to review the case plan and sign it whenever possible, after which they

shall receive a copy of the plan. In any voluntary service or placement agreement, the parents or legal guardians shall be required to review and sign the case plan. Whenever possible, parents and legal guardians shall participate in the development of the case plan.

(B) Parents and legal guardians shall be advised that, pursuant to Section 1228.1 of the Evidence Code, neither their signature on the child welfare services case plan nor their acceptance of any services prescribed in the child welfare services case plan shall constitute an admission of guilt or be used as evidence against the parent or legal guardian in a court of law. However, they shall also be advised that the parent's or guardian's failure to cooperate, except for good cause, in the provision of services specified in the child welfare services case plan may be used as evidence in any hearing held pursuant to Section 366.21 or 366.22.

(12) The case plan shall be included in the court report and shall be considered by the court at the initial hearing and each review hearing. Modifications to the case plan made during the period between review hearings need not be approved by the court if the casework supervisor for that case determines that the modifications further the goals of the plan.

(13) When the case plan has as its goal for the child a permanent plan of adoption or placement in another permanent home, it shall include documentation of the steps the agency is taking to find an adoptive family or other permanent living arrangements for the child; to place the child with an adoptive family, an appropriate and willing relative, a legal guardian, or in another planned permanent living arrangement; and to finalize the adoption or legal guardianship. At a minimum, the documentation shall include child-specific recruitment efforts, such as the use of state, regional, and national adoption exchanges, including electronic exchange systems, when the child has been freed for adoption.

(g) If the court finds, after considering the case plan, that unsupervised sibling visitation is appropriate and has been consented to, the court shall order that the child or the child's siblings, and the child's prospective adoptive parents, if applicable, be provided with information necessary to accomplish this visitation. Nothing in this section shall be construed to require or prohibit the social worker's facilitation, transportation, or supervision of visits between the child and his or her siblings.

(h) The case plan documentation on sibling placements required under this section shall not require modification of existing case plan forms until the Child Welfare Services Case Management System is implemented on a statewide basis.

(i) The department, in consultation with the County Welfare Directors Association and other advocates, shall develop standards and guidelines for a model relative placement search and assessment process based on the criteria established in Section 361.3. These guidelines shall be incorporated in the training described in Section

16206. These model standards and guidelines shall be developed by March 1, 1999.

SEC. 209. Section 17012.5 of the Welfare and Institutions Code, as added by Section 2 of Chapter 283 of the Statutes of 1997, is repealed.

SEC. 210. Section 17012.5 of the Welfare and Institutions Code, as added by Section 2 of Chapter 284 of the Statutes of 1997, is amended to read:

17012.5. An individual ineligible for aid under Chapter 2 (commencing with Section 11200) of Part 3 pursuant to Section 11251.3, who is a member of an assistance unit receiving aid under that chapter, shall also be ineligible for non-health-care benefits under this part.

SEC. 211. Section 8.2 of the County Water Authority Act (Chapter 545 of the Statutes of 1943), as last amended by Chapter 812 of the Statutes of 1998, is amended to read:

Sec. 8.2. (a) Any authority may, pursuant to this section, borrow money and incur indebtedness for any of the purposes for which it is authorized by law to spend money. The indebtedness shall be evidenced by short-term revenue certificates issued in the manner and subject to the limitations set forth in this section. Any authority may also borrow money and incur indebtedness to pay the principal or interest on certificates issued pursuant to this section.

(b) Certificates issued by any authority pursuant to this section may be negotiable or nonnegotiable, and all certificates shall be, and shall recite upon their face that they are, payable both as to principal and interest out of any revenues of the authority that are made security for the certificates pursuant to an indenture or resolution duly adopted by the board of directors. The word "revenues," as used in this section, refers to any revenues derived from the sale of water and power, annexation charges (whether collected through tax levies or otherwise), grants, available tax revenues, or any other legally available funds. In no event shall any resolution or indenture preclude payment from the proceeds of sale of other certificates issued pursuant to this section or from amounts drawn on a bank, or other financial institution, line or letter of credit pursuant to subdivision (e), or any other lawfully available source of funds.

(c) To exercise the power to borrow money pursuant to this section, the board shall adopt a resolution, or approve an indenture, authorizing the sale and issuance of certificates for that purpose, which resolution or indenture shall specify all of the following:

(1) The purpose or purposes for which the proposed certificates are to be issued.

(2) The maximum principal amount of the certificates that may be outstanding at any one time.

(3) The maximum interest cost, to be determined in the manner specified in the resolution, to be incurred through the issuance of the certificates.

(4) The maximum maturities of the certificates, which shall not exceed 270 days from the date of issue.

(5) The obligations to certificate holders while the certificates are outstanding.

(d) The board may also provide, in its discretion, for any of the following:

(1) The times of sale and issuance of the certificates, the manner of sale and issuance (either through public or private sale), the amounts of the certificates, the maturities of the certificates, the rate of interest, the rate or discount from par, and any other terms and conditions deemed appropriate by the board or by the general manager of the authority or any other officer designated by the board.

(2) The appointment of one or more banks or trust companies, either inside or outside the state, as depository for safekeeping and as agent for the delivery, and the payment, of the certificates.

(3) The employment of one or more persons or firms to assist the authority in the sale of the certificates, whether as sales agents, as dealer managers, or in some other comparable capacity.

(4) The refunding of the certificates without further action by the board, unless and until the board specifically revokes that authority to refund.

(5) Other terms and conditions the board determines to be appropriate.

(e) The board may arrange for a bank, or other financial institution, a line or letter of credit (1) for the purpose of providing an additional source of repayment for indebtedness incurred under this section and any interest thereon or, (2) for the purpose of borrowing for any purpose for which short-term revenue certificates could be issued under this section. Amounts drawn on a line or letter of credit may be evidenced by negotiable or nonnegotiable promissory notes or other evidences of indebtedness. The board is authorized to use any of the provisions of this section in connection with the entering into of the line or letter of credit, borrowing thereunder, or repaying of the borrowings.

SEC. 212. Section 2 of Chapter 21 of the Statutes of 1998 is amended to read:

Sec. 2. The provisions of the memorandum of understanding prepared pursuant to Section 3517.5 of the Government Code and entered into by the state employer and State Bargaining Unit 6, California Correctional Peace Officers Association, that require the expenditure of funds, are hereby approved for the purposes of Section 3517.6 of the Government Code.

SEC. 213. Section 111 of Chapter 310 of the Statutes of 1998 is amended to read:

Sec. 111. (a) The sum of two million six hundred thousand dollars ($2,600,000) is hereby appropriated from the Proposition 98 Reversion Account to a consortium of county offices of education, on

a one-time basis, for three-year grants, beginning with the 1998–99 fiscal year, for the purpose of supporting technical assistance and focused group training to teach school district personnel how to maximize reimbursements of federal funds for Medi-Cal services and case management.

(b) (1) There is hereby created, for purposes of this section, a technical advisory committee, which shall be composed of one representative from each of the 11 school superintendent regions, representatives from appropriate state departments and agencies, representatives from various school health and social services organizations, four members representing large school districts, four members representing medium school districts, four members representing small school districts, and representatives from various parent and community services organizations.

(2) Expenses for the technical advisory committee created pursuant to paragraph (1) shall not exceed forty-five thousand dollars ($45,000) per year of the funds appropriated by this section.

(c) For the purposes of making the computations required by Section 8 of Article XVI of the California Constitution, the appropriation made by subdivision (a) of Section 41202 of the Education Code, for the 1997–98 fiscal year, and included within the "total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XVIII B," as defined in subdivision (e) of Section 41202 of the Education Code, for the 1997–98 fiscal year.

SEC. 214. Section 3 of Chapter 652 of the Statutes of 1998 is amended to read:

Sec. 3. It is the intent of the Legislature in enacting Section 4 of this act that the protections under the Newborns' and Mothers' Health Act of 1997 (Chapter 389 of the Statutes of 1997), which added Section 1367.62 to the Health and Safety Code and Section 10123.87 to the Insurance Code, shall apply equally to all pregnant women eligible for benefits under Medi-Cal.

SEC. 215. Section 1 of Chapter 722 of the Statutes of 1998 is amended to read:

Section 1. (a) The Superintendent of Public Instruction shall take steps necessary to increase the capacity of the child care system, including, but not limited to, the following:

(1) Encouraging contracting agencies to develop and maintain child care spaces during nontraditional times, including at night and on weekends.

(2) Encouraging contracting agencies to expand the capacity for infant care.

(3) Encouraging contracting agencies to expand capacity, particularly in geographic areas with high need and limited resources.

(b) The State Department of Education shall coordinate with the State Department of Social Services to prepare and present an

interim report by March 31, 1999, and a final report by December 31, 1999, to the Joint Legislative Budget Committee and Department of Finance that defines the strategies, results, and effectiveness of recent expenditures and allocations for building capacity for the state's child care needs, including, but not limited to, the amounts and kinds of capacity increased by those efforts, barriers found that prevent increased capacity, and recommendations for overcoming those barriers. The report shall include recommended best practices for future capacity building activities specific to the types of care in shortest supply, such as infant and toddler care, schoolage care, care in underserved areas, and nontraditional hours care. This report shall also include the results of current pilot studies involving training CalWORKs recipients as licensed family child care providers or license-exempt providers, and recommendations on the magnitude and role of both CalWORKs recipient training and license-exempt care in meeting future needs.

(c) It is the intent of the Legislature that any research activities undertaken by the State Department of Education pursuant to this section be funded by any federal funds appropriated to the State Department of Education for child care capacity-building efforts pursuant to Item 6110-196-0001 of the Budget Act of 1998.

SEC. 216. Section 11 of Chapter 760 of the Statutes of 1998 is amended to read:

Sec. 11. (a) Section 5 of this act shall become operative only if Section 190 of the Penal Code, as amended by Section 1 of Chapter 413 of the Statutes of 1997, is rejected by the voters at the statewide election held on June 2, 1998, in which case Section 6 of this act shall not become operative and shall not be submitted to the voters.

(b) Section 6 of this act shall become operative if Section 190 of the Penal Code, as amended by Section 1 of Chapter 413 of the Statutes of 1997, is approved by the voters at the statewide election held on June 2, 1998, in which case Section 5 of this act shall not become operative and shall not be submitted to the voters.

SEC. 217. Section 12 of Chapter 760 of the Statutes of 1998 is amended to read:

Sec. 12. Sections 5 and 6 of this act affect an initiative statute and shall become effective only when submitted to, and approved by, the voters pursuant to subdivision (c) of Section 10 of Article II of the California Constitution and in accordance with the provisions of Section 11 of this act.

SEC. 218. Section 10 of Chapter 969 of the Statutes of 1998 is amended to read:

Sec. 10. All funds appropriated and positions created for support of the office of the Inspector General in Item 0550-001-0001 of the Budget Act of 1998 shall be transferred upon approval of the Department of Finance to the office of the Inspector General as established pursuant to Section 2 of this act.

SEC. 219. Any section of any act enacted by the Legislature during the 1999 calendar year that takes effect on or before January 1, 2000, and that amends, amends and renumbers, adds, repeals and adds, or repeals a section that is amended, amended and renumbered, repealed and added, or repealed by this act, shall prevail over this act, whether that act is enacted prior to, or subsequent to, the enactment of this act. The repeal, or repeal and addition, of any article, chapter, part, title, or division of any code by this act shall not become operative if any section of any other act that is enacted by the Legislature during the 1999 calendar year and takes effect on or before January 1, 2000, amends, amends and renumbers, adds, repeals and adds, or repeals any section contained in that article, chapter, part, title, or division.

CHAPTER 84

An act to amend Section 41204.1 of the Education Code, to amend Section 63041 of, and to add Sections 63025.2, 63035.5, and 63041.5 to, the Government Code, and to add Section 97.43 to the Revenue and Taxation Code, relating to local government relief, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 12, 1999. Filed with Secretary of State July 12, 1999.]

The people of the State of California do enact as follows:

SECTION 1. Section 41204.1 of the Education Code is amended to read:

41204.1. (a) (1) Pursuant to paragraph (2) of subdivision (b) of Section 41204, the Director of Finance shall annually adjust "the percentage of General Fund revenues appropriated for school districts and community college districts, respectively, in the 1986–87 fiscal year" for purposes of applying paragraph (1) of subdivision (b) of Section 8 of Article XVI of the California Constitution, to reflect those property tax revenue allocation modifications, required by the amendments made to Chapter 6 (commencing with Section 95) of Part 0.5 of Division 1 of the Revenue and Taxation Code by the qualifying provisions, in a manner that ensures that those modifications will have no net fiscal impact upon the amounts that are otherwise required to be applied by the state for the support of school districts and community college districts pursuant to Section 8 of Article XVI of the California Constitution.

(2) For purposes of this section, "qualifying provisions" means all of the following:

(A) The amendments made to Chapter 6 (commencing with Section 95) of Part 0.5 of Division 1 of the Revenue and Taxation Code during the 1991–92 Regular Session and the 1993–94 Regular Session.

(B) The amendments made to Sections 97.2 and 97.3 of the Revenue and Taxation Code by Chapter 1111 of the Statutes of 1996.

(C) Section 97.43 of the Revenue and Taxation Code.

(b) Notwithstanding any other provision of law, for the 2000–01 fiscal year and each fiscal year thereafter, the percentage of "General Fund revenues appropriated for school districts and community college districts, respectively, in fiscal year 1986–87," for purposes of paragraph (1) of subdivision (b) of Section 8 of Article XVI of the California Constitution, shall be deemed to be the percentage of General Fund revenues that would have been appropriated for those entities if the amendments made to Chapter 6 (commencing with Section 95) of Part 0.5 of Division 1 of the Revenue and Taxation Code during the 1991–92 Regular Session, the amendments made to that same chapter during the 1993–94 Regular Session, and Section 97.43 of the Revenue and Taxation Code, had been operative for the 1986–87 fiscal year.

(c) In no event shall the recalculations pursuant to subdivisions (a) and (b) result in a percentage that exceeds the "percentage of General Fund revenues appropriated for school districts and community college districts, respectively, in fiscal year 1986–87," for purposes of paragraph (1) of subdivision (b) of Section 8 of Article XVI of the California Constitution prior to the amendments made to Chapter 6 (commencing with Section 95) of Part 0.5 of Division 1 of the Revenue and Taxation Code during the 1991–92 Regular Session.

(d) It is the intent of the Legislature to ensure both of the following:

(1) That the changes required by the qualifying provisions in the allocations of ad valorem property tax revenues do not have a net fiscal impact upon school districts, as defined in accordance with Section 41302.5, or community college districts.

(2) That the changes required by the qualifying provisions in the allocations of ad valorem property tax revenues do not have a net fiscal impact upon the amounts of revenue otherwise required to be applied by the state for the support of school districts and community college districts pursuant to Section 8 of Article XVI of the California Constitution.

SEC. 2. Section 63025.2 is added to the Government Code, to read:

63025.2. Nothing in Section 63025.1 shall be construed to extend or limit the authority of the bank that is otherwise provided in Section 19130.

SEC. 3. Section 63035.5 is added to the Government Code, to read:

63035.5. The report required by Section 63035 shall be submitted to the Governor and the Joint Legislative Budget Committee on a

quarterly basis during the 1999–2000 fiscal year and the 2000–01 fiscal year.

SEC. 4. Section 63041 of the Government Code is amended to read:

63041. (a) Prior to submitting a project to the bank for consideration, the legislative body or bodies of the sponsor or sponsors of the project shall find, by resolution, each of the following:

(1) The project is consistent with the general plan of both the city and county, or city and county in the case of San Francisco, or only the county for projects in unincorporated areas in which the project is located.

(2) The proposed financing is appropriate for the specific project.

(3) The project facilitates effective and efficient use of existing and future public resources so as to promote both economic development and conservation of natural resources. The project develops and enhances public infrastructure in a manner that will attract, create, and sustain long-term employment opportunities.

(4) The project is consistent with the criteria, priorities, and guidelines for the selection of projects adopted pursuant to Section 63040.

(b) Upon the adoption of the resolution in subdivision (a) by the legislative body, the legislative body shall transmit the resolution to the executive director of the infrastructure bank.

SEC. 5. Section 63041.5 is added to the Government Code, to read:

63041.5. (a) It is the intent of the Legislature to provide a one-time appropriation for financial assistance to local government to meet capital outlay and infrastructure needs.

(b) From the funds appropriated in Item 2920-111-0001 of the Budget Act of 1999, the sum of four hundred twenty-five million dollars ($425,000,000) shall be available for financial assistance, including, but not limited to, leveraged revolving fund loans, to local government sponsors for public development facilities, as specified in subdivision (q) of Section 63010 of the Government Code.

(c) From the funds appropriated in Item 2920-111-0001 of the Budget Act of 1999 and in Item 2920-111-0001 of the Budget Act of 1998 (Chapter 324 of the Statutes of 1998), the California Infrastructure and Economic Development Bank shall make no single loan in excess of 10 percent of the combined amount of these appropriations to the bank unless approved by unanimous consent of the membership of the Board of Directors of the California Infrastructure and Economic Development Bank and the Director of Finance provides a 30-day written notice to the Chairperson and Vice-Chairperson of the Joint Legislative Budget Committee.

SEC. 6. Section 97.43 is added to the Revenue and Taxation Code, to read:

97.43. (a) Notwithstanding any other provision of this article, for purposes of ad valorem property tax revenue allocations for the

2000–01 fiscal year and each fiscal year thereafter, the total amount of ad valorem property tax revenue allocated to the county's Educational Revenue Augmentation Fund shall not exceed the total amount of revenues allocated to that fund for the 1999–2000 fiscal year.

(b) In the 2000–01 fiscal year and each fiscal year thereafter, any amount of ad valorem property tax revenue that is not allocated to a county's Educational Revenue Augmentation Fund as a result of the limit established by subdivision (a) shall instead be allocated among the local agencies in the county in accordance with each local agency's proportionate share of the total amount of ad valorem property tax revenues that would be required to be allocated to the county's Educational Revenue Augmentation Fund in the absence of this section.

SEC. 7. For purposes of allocating one-half of the moneys appropriated by Item 9210-118-0001 of the Budget Act of 1999, all of the following apply:

(a) A county is prohibited from receiving any portion of the moneys unless the county complies with all of the following:

(1) No later than October 1, 1999, the county auditor reports to the Controller and the Director of Finance the total amount of ad valorem property tax revenue allocated from the county's Educational Revenue Augmentation Fund to school districts, community college districts, and county superintendents of schools for the 1998–99 fiscal year.

(2) The county board of supervisors adopts an ordinance or resolution that specifies each amount of ad valorem property tax revenue shifted from a local agency within the county to the county's Educational Revenue Augmentation Fund for the 1998–99 fiscal year, and the chairperson of the county board of supervisors reports those revenue shift amounts to the Controller and the Director of Finance in a manner that identifies the revenue shift amount for each local agency in the county.

(3) The county board of supervisors adopts an ordinance or resolution pursuant to which the county agrees to both of the following:

(A) The county will allocate its share of the appropriated moneys subject to this section in accordance with subdivision (d).

(B) The county will not, in connection with either paragraphs (1) or (2) of this subdivision or subdivision (d), make any claim for reimbursement of state-mandated local costs.

No later than December 1, 1999, the county board of supervisors shall transmit the ordinance or resolution adopted pursuant to this paragraph to the Director of Finance. The Controller shall promulgate guidelines for the making of reports as required by this subdivision.

(b) For each county that complies with all of the conditions set forth in subdivision (a), the Controller shall do both of the following:

(1) Perform the following calculations:

(A) Divide the amount reported by the county auditor in accordance with paragraph (1) of subdivision (a) by the total of all of the amounts reported by counties in accordance with paragraph (1) of subdivision (a).

(B) Divide the amount appropriated by Item 9210-118-0001 of the Budget Act of 1999 by two.

(C) Multiply the amount determined in accordance with subparagraph (A) by the amount determined in accordance with subparagraph (B).

For purposes of performing these calculations, the Controller shall review the information submitted by the county. If, consistent with information available from any other reliable source, the Controller determines that the information may be inaccurate, the Controller may request the Director of Finance to review the amount reported by the county in accordance with paragraph (1) of subdivision (a). The Director of Finance may direct the Controller to adjust the amount reported to the Controller by the county in accordance with paragraph (1) of subdivision (a). The Controller shall inform the county of any adjustment that is so made.

(2) No later than February 1, 2000, the Controller shall, from the appropriated revenues subject to this section, allocate to the county the amount determined for that county pursuant to paragraph (1).

(c) In each county that receives revenue in accordance with subdivision (b), the county auditor shall allocate that revenue to those local agencies among the county, and cities and special districts in the county, that contributed a positive amount to the county's Educational Revenue Augmentation Fund for the 1998–99 fiscal year. The allocation share for each recipient local agency shall be determined pursuant to the following calculations:

(1) Divide the amount of revenue shifted for the 1998–99 fiscal year from the local agency to the county's Educational Revenue Augmentation Fund by the total amount of revenue shifted for the 1998–99 fiscal year to the county's Educational Revenue Augmentation Fund by all local agencies in the county contributing a positive amount to that fund.

(2) Multiply the ratio determined pursuant to paragraph (1) by the amount of revenues allocated to the county pursuant to paragraph (2) of subdivision (b).

SEC. 8. For purposes of allocating one-half of the moneys appropriated by Item 9210-118-0001 of the 1999 Budget Act, all of the following apply:

(a) The Department of Finance shall, no later than August 1, 1999, provide to the Controller its estimate, as of January 1, 1999, of the population of each city in the state and the unincorporated area of each county in the state.

(b) The Controller shall, no later than October 1, 1999, allocate the appropriated moneys subject to this section among the cities and

counties in the state in accordance with each city and each county's proportionate share of the combined total of the population estimates provided by the Department of Finance in accordance with subdivision (a).

(c) The City and County of San Francisco is deemed to be a city.

SEC. 9. For the 2000–01 fiscal year and each fiscal year thereafter, the Legislature shall provide an annual subvention consistent with both of the following:

(a) For each fiscal year, a county is not eligible to receive a subvention allocation unless the auditor of that county, no later than October 1 in that fiscal year, reports to the Department of Finance the property tax administrative cost shares, determined for the immediately preceding fiscal year in accordance with Section 95.3 of the Revenue and Taxation Code, for school entities as defined in subdivision (f) of Section 95 of the Revenue and Taxation Code. The Department of Finance may, consistent with information available from the Controller or any other reliable source, including information with respect to county fiscal relief pursuant to Section 95.31 of the Revenue and Taxation Code, adjust the amount of any administrative cost share that is so reported by a county auditor. The department shall notify the relevant auditor of any adjustment that is so made. The department shall, no later than January 1 in the fiscal year, notify the Controller of the total amount for each county of the administrative cost shares reported and, if applicable, adjusted in accordance with this subdivision.

(b) No later than February 1 in the fiscal year, the Controller shall, from the General Fund, allocate to each county an amount equal to the total amount determined for that county in accordance with subdivision (a).

SEC. 10. The Legislature hereby finds and declares both of the following:

(a) None of the fiscal relief provided by this act should be construed to determine or otherwise affect any legal issue raised by an action in which a county, city, or special district, or any representative thereof, alleges that a state-mandated local program includes any state law requirement to shift ad valorem property tax revenues from local agencies in a county to an Educational Revenue Augmentation Fund.

(b) The Legislature does not intend that this act exemplify or limit the nature of any future act that affects state or local government finance.

SEC. 11. (a) Sections 1, 6, and 9 of this act shall not become operative unless an amendment to the California Constitution is placed on the ballot by the Legislature and is approved by the statewide electorate during the 2000 calendar year, to do both of the following:

(1) Specifically reference Sections 1, 6, and 9 of this act and state that those provisions shall not become operative unless the

amendment is approved by the statewide electorate during the 2000 calendar year.

(2) Make a substantive legal change with respect to any, or any combination, of the following:

(A) The taxing powers of one or more classes of local governments.

(B) The manner in which state government revenues are subvened or otherwise allocated to local governments.

(C) The allocation in each county of ad valorem property tax revenues, local sales tax revenues, or any other local tax revenues.

SEC. 12. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because this act provides for offsetting savings to local agencies or school districts that result in no net costs to the local agencies or school districts, within the meaning of Section 17556 of the Government Code.

SEC. 13. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to provide in a timely manner that measure of fiscal relief that will allow local governments to begin to address longstanding needs with respect to essential public services and public facilities, it is necessary that this act take effect immediately.

CHAPTER 85

An act to amend Section 12967 of the Insurance Code, and to amend Section 42205 of, and to add and repeal Section 42271.5 of, the Vehicle Code, relating to state government.

[Approved by Governor July 12, 1999. Filed with Secretary of State July 12, 1999.]

The people of the State of California do enact as follows:

SECTION 1. Section 12967 of the Insurance Code is amended to read:

12967. (a) (1) The department shall develop and implement a coordinated approach to gather, review, and analyze the archives of insurers and other archives and records, using onsite teams and the oversight committee, to provide for research and investigation into insurance policies, unpaid insurance claims, and related matters of victims of the Holocaust or of the Nazi-controlled German government or its allies, and the beneficiaries and heirs of those victims, and for losses arising from the activities of the Nazi-controlled German government or its allies for insurance policies issued before and during World War II by insurers who have

affiliates or subsidiaries authorized to do business in California. Information compiled shall be placed in a centralized data base for the retention of policy and claimant data, and the data shall be used to implement this section and Section 790.15.

(2) The department has an affirmative duty to play an independent role in representing the interests of Holocaust survivors where necessary, including the duty to carry out research, investigations, and advocacy. The department shall cooperate with, participate in, promote coordination with, and to the extent feasible and consistent with the purposes of this section, work jointly with the National Association of Insurance Commissioners and the international commission on Holocaust survivor claims or any other entity involved in the documentation, resolution, settlement, or distribution of insurance claims, including the documentation of unpaid claims and the distribution of proceeds, and the establishment and maintenance of a data base to contain information relevant to claimants and documents and historical information. The department shall work to recover information and records that will strengthen the claims of California residents.

(3) The department shall employ insurance archaeologists, economists, attorneys, accountants, and other specialists, in this country and in Europe, to implement this section. The department shall work jointly with the National Association of Insurance Commissioners and other organizations for this purpose. The department's cooperation with other states shall be for the purpose of advancing survivors' claims while avoiding duplication of efforts, and shall be dependent upon contributions by other states.

(4) In order to assure that Holocaust survivors receive the most aggressive and independent representation possible in pursuit of their historic claims, in contracting with accounting firms, law firms, economists, or others to implement this section, the department shall, to the maximum extent possible, avoid any potential or actual conflict of interest by doing the following:

(A) Seek and give preference to firms that are entirely free of any associations with firms representing insurers and nations from which Holocaust survivors are seeking just treatment of their claims.

(B) If the department finds that is necessary to contract with a firm or firms that have conflicts or potential conflicts of interest, those conflicts or potential conflicts of interest shall be disclosed to the commissioner, and the following requirements shall apply:

(i) The contract shall contain a provision that expresses a formal commitment on the part of the firm to aggressively pursue a maximum just settlement for Holocaust survivors and their families without regard to any adverse impacts on insurers, affiliates of insurers, nations, or others that may have employed the firm or affiliates of the firm that is contracting with the commissioner to assist in carrying out the commissioner's responsibilities under this section.

(ii) If any conflict or potential conflict exists between the firm, or an affiliate of the firm, and an insurer, an affiliate of an insurer, a nation or others directly or indirectly involving Holocaust claims, the firm shall disclose both the fact of the conflict or potential conflict, and all relevant information describing the nature of the conflict or potential conflict.

(iii) If a conflict or potential conflict exists between the firm, or an affiliate of the firm, and an insurer, an affiliate of an insurer, a nation, or others that does not directly or indirectly involve Holocaust claims, the firm shall disclose the fact of the conflict or potential conflict and identify the source of the conflict or potential conflict, but need not describe the particular circumstances or facts that create the conflict or potential conflict.

(C) The department may take whatever special measures it deems necessary to avoid either the appearance or the reality of conflicts that may undermine public confidence in the integrity of the effort to secure justice for Holocaust survivors.

(b) The funding of the activities provided for by this section for the 1998–99 fiscal year shall be from funds transferred pursuant to subdivision (b) of Section 1523 of the Code of Civil Procedure, which funds are hereby appropriated to the commissioner for that purpose. The commissioner shall seek reimbursement of those funds as provided in subdivision (c).

Funding for subsequent fiscal years shall be subject to the Budget Act and based on a plan submitted by the commissioner to the Legislature outlining the plan for reimbursement of expenses of the department by affected insurers.

Funds made available to implement this section shall be used to develop and implement a coordinated approach to gather, review, and analyze the archives of affected insurance groups, and other archives and records, using onsite teams and the oversight committee. These funds shall also be used to fund the necessary expenses of the Holocaust Era Insurance Claims Oversight Committee established in subdivision (d). The information compiled shall be placed in a centralized data base for the retention of policy and claimant data, and that data shall be used by the department to implement this section.

(c) (1) Any funds recovered by the department for the purpose of reimbursing the state for costs associated with investigation and enforcement actions under this section shall not be deposited in the Insurance Fund, but instead shall be delivered to the Controller for deposit into the General Fund.

(2) To the maximum extent possible, the department shall seek reimbursement for its costs incurred in implementing this section, including funds transferred pursuant to subdivision (b) of Section 1523 of the Code of Civil Procedure, from any settlements reached with affected insurers.

(d) (1) There is established a seven-member Holocaust Era Insurance Claims Oversight Committee, that shall be known as the oversight committee, and whose members shall be appointed as follows:

(A) Four members shall be appointed by the Governor.

(B) One member shall be appointed by the President pro Tempore of the Senate.

(C) One member shall be appointed by the Speaker of the Assembly.

(D) One member shall be appointed by the Commissioner of Insurance.

(2) The Governor shall designate one of his or her appointees as the chairperson of the committee.

(3) Each member of the committee shall serve at the pleasure of the authority that appointed him or her to serve on the committee.

(4) The oversight committee shall be composed of qualified individuals with experience in Holocaust claims cases, similar investigations, archival research, and international law. The oversight committee shall also include Holocaust survivors. No member of the oversight committee shall have a potential or actual conflict of interest, or shall be employed by a person who has a potential or actual conflict of interest.

(5) The appointments shall be expedited because of the urgency due to survivors' needs.

(6) The oversight committee shall have the following authority and shall do all of the following:

(A) Review and make recommendations concerning any insurance settlement negotiation or offer relating to a Holocaust era insurance claim in which the department is involved.

(B) Review and make recommendations to the commissioner on the priorities for expenditure of funds and use of resources by the department for Holocaust era insurance claims related activities.

(C) Recommend whether a proposed settlement of a Holocaust era insurance claim submitted to the committee pursuant to paragraph (7) is equitable before the department finalizes the settlement agreement.

(7) The commissioner, in the event of a proposed settlement of any policy or group of policies relating to Holocaust era insurance claims, shall confer with the committee prior to the department finalizing the settlement agreement. The department may not finalize a proposed settlement of a Holocaust era insurance claim unless the committee, pursuant to subparagraph (C) of paragraph (6), recommends that the proposed settlement is equitable.

(e) The department shall report its progress in implementing this section and its participation in the identification and resolution of insurance claims of Holocaust survivors and their beneficiaries and heirs. The report shall also include an overview of current and anticipated expenditures in implementing this section. The

department shall make this report biannually to the insurance and budget committees of the Legislature.

SEC. 2. Section 42205 of the Vehicle Code is amended to read:

42205. (a) Notwithstanding Chapter 3 (commencing with Section 42270), the department shall file, at least monthly with the Controller, a report of money received by the department pursuant to Section 9400 for the previous month and shall, at the same time, remit all money so reported to the Treasurer. On order of the Controller, the Treasurer shall deposit all money so remitted into the State Highway Account in the State Transportation Fund.

(b) The Legislature shall appropriate from the State Highway Account in the State Transportation Fund to the department and the Franchise Tax Board amounts equal to the costs incurred by each in performing their duties pursuant to Article 3 (commencing with Section 9400) of Chapter 6 of Division 3. The applicable amounts shall be determined so that the appropriate costs for registration and weight fee collection activities are appropriated between the recipients of revenues in proportion to the revenues received individually by those recipients. The remainder of the funds collected under Section 9400 and deposited in the account may be appropriated to the Department of Transportation, the Department of the California Highway Patrol, and the Department of Motor Vehicles for the purposes authorized under Section 2 of Article XIX of the California Constitution.

SEC. 3. Section 42271.5 is added to the Vehicle Code, to read:

42271.5. Notwithstanding Section 42271, the funds deposited in the Motor Vehicle Account in the State Transportation Fund that are derived from the sale of identification cards, documents, and other information may be used for any general governmental purpose, upon appropriation by the Legislature.

SEC. 4. (a) The Legislature hereby finds and declares that the sum of thirty million six hundred eighty-two thousand dollars ($30,682,000) is equal to the amount that was collected by the Department of Transportation from property rentals during the 1993–94 fiscal year.

(b) Notwithstanding Sections 182 and 183 of the Streets and Highways Code, upon determining that a court has rendered a final decision on the merits which holds that the transfer made under Item 2660-011-942 of Section 2.00 of the Budget Act of 1993 is invalid and orders that those funds be transferred from the General Fund to the State Highway Account in the State Transportation Fund, and upon determining that there has been compliance with that court order, the Controller shall transfer from the State Highway Account in the State Transportation Fund to the General Fund the sum of thirty million six hundred eighty-two thousand dollars ($30,682,000), plus any interest awarded by the court and the interest that accrued to that sum from the date of compliance with the court's order to the effective date of the transfer required under this section. The sum

transferred under this subdivision shall be from funds in the State Highway Account that are not subject to Article XIX of the California Constitution.

SEC. 5. (a) Upon determining that a court has rendered a final decision on the merits which holds that the transfer made under Item 2660-013-042 of Section 2.00 of the Budget Act of 1993 is invalid and orders that those funds be transferred from the Motor Vehicle Account in the State Transportation Fund to the State Highway Account in that fund, and upon determining that there has been compliance with that court order, the Controller shall transfer from the State Highway Account in the State Transportation Fund to the Motor Vehicle Account in that fund the sum of one hundred thirty million dollars ($130,000,000), plus any interest awarded by the court and the interest that accrued to that sum from the date of compliance with the court's order to the effective date of the transfer required under this section.

(b) The funds transferred by the Controller pursuant to subdivision (a) shall be available, upon appropriation, for support of the Department of the California Highway Patrol.

SEC. 6. (a) The Legislature hereby finds and declares that the sum of one hundred thirty-one million one hundred ninety-five thousand dollars ($131,195,000) is equal to the amount that was collected by the Department of Motor Vehicles from fees imposed for the sale of identity cards and information during the 1993–94, 1994–95, and 1995–96 fiscal years.

(b) Upon determining that a court has rendered a final decision on the merits which holds that the transfers made under Item 2740-021-044 of Section 2.00 of the Budget Acts of 1993, 1994, and 1995 are invalid and orders that those funds be transferred from the General Fund to the Motor Vehicle Account in the State Transportation Fund, and upon determining that there has been compliance with that court order, the Controller shall transfer from the Motor Vehicle Account in the State Transportation Fund to the General Fund the sum of one hundred thirty-one million one hundred ninety-five thousand dollars ($131,195,000), plus any interest awarded by the court and the interest that accrued to the amounts transferred under Item 2740-021-044 of Section 2.00 of the Budget Acts of 1993, 1994, and 1995 from the date of compliance with the court's order to the effective date of the transfer required under this section. The sum transferred under this subdivision shall be from funds in the Motor Vehicle Account that are not subject to Article XIX of the California Constitution.

SEC. 7. Sections 3 to 6, inclusive, of this act shall be repealed on June 30, 2000, or on the day following the execution of the transfers required under Sections 4, 5, and 6 of this act, whichever date is first.

SEC. 8. (a) The Legislature finds and declares that more than 843,000 Californians were missed by the 1990 federal decennial census of population and that undercount resulted in the loss of $2.2

billion in federal funds that would have been received by the state on the basis of population.

(b) It is the intent of the Legislature that the state take aggressive steps to increase participation in the 2000 federal decennial census of population. It is further the intent of the Legislature to increase participation in the federal census through an intensive, short-term outreach program to those groups that have been undercounted in the past.

SEC. 9. (a) The California Complete Count Committee is hereby established for the purpose of developing and implementing a plan to maximize the number of persons of this state that participate in the 2000 federal decennial census of population required by Section 141 of Title 13 of the United States Code through an intensive, short-term outreach program to those groups that have been undercounted in the past.

(b) The committee shall have nine members, to be appointed as follows:

(1) Two members appointed by the Governor who are from community-based organizations that serve groups that were undercounted in the 1990 federal decennial census of population.

(2) One member appointed by the Governor who is an official of the county that sustained the largest undercount in the 1990 federal decennial census of population.

(3) One member appointed by the Governor who is a representative of the school district with the most pupils who qualify for free and reduced price meals pursuant to the National School Lunch Act, as amended (42 U.S.C. Sec. 1751 and following).

(4) One member appointed by the Governor who is a representative of a state agency that has clients who are members of the groups that were undercounted in the 1990 federal decennial census of population.

(5) One member appointed by the President pro Tempore of the Senate.

(6) One member appointed by the Speaker of the Assembly.

(7) One member appointed by the Lieutenant Governor. The Lieutenant Governor shall also be a member of the committee and shall serve as the chairperson of the committee.

(c) The committee may enter into contracts with individuals or entities as necessary for the implementation or development of the plan.

(d) Motions considered by the committee shall be approved upon a vote of a majority of those members who are present and voting.

(e) The committee shall implement the plan no later than February 15, 2000, and shall continue to implement the plan through September 1, 2000. The committee shall cease to exist on December 31, 2000.

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